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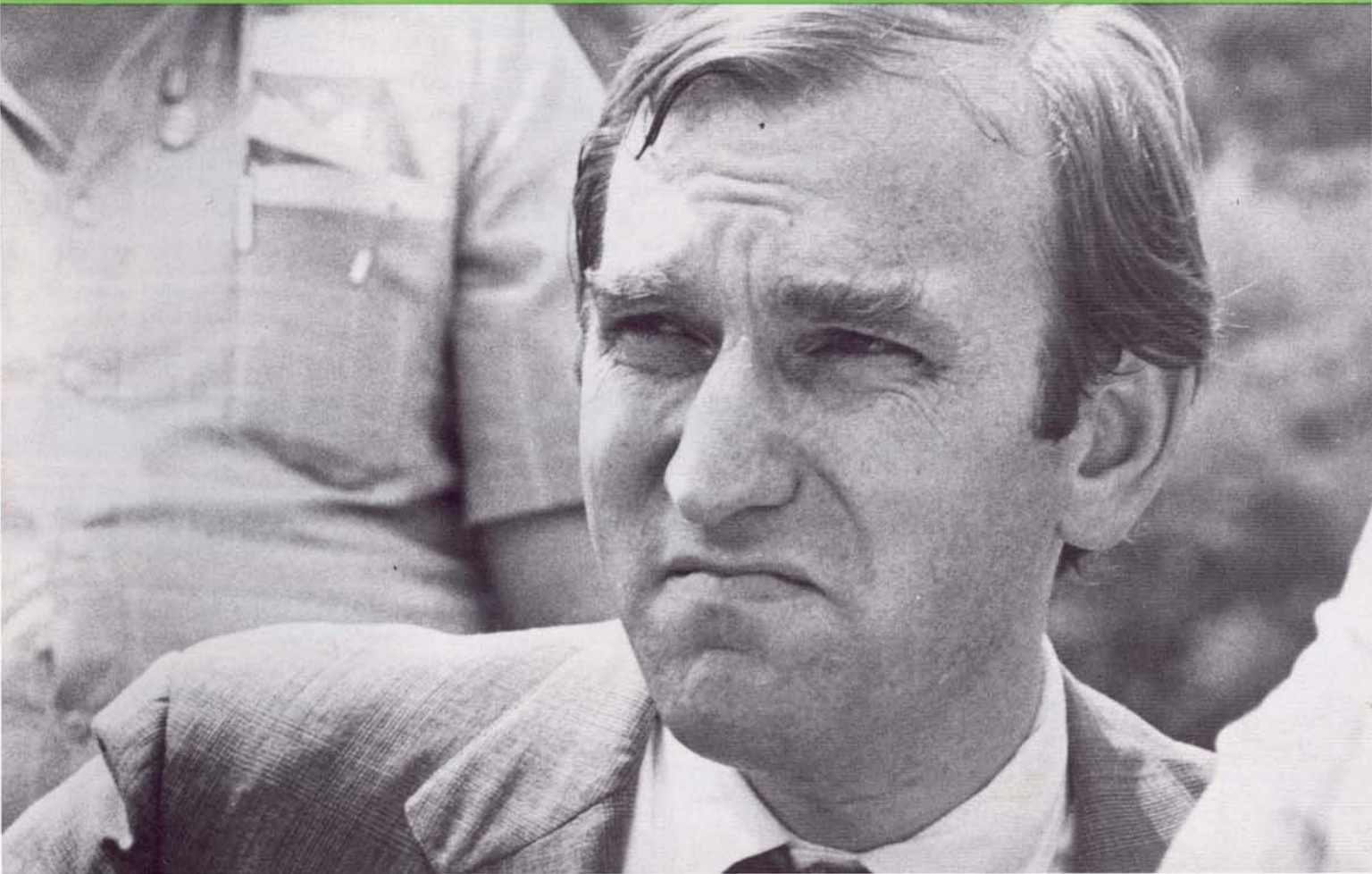
Executive Intelligence Review

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How George Bush botched the war on drugs  
Hungarian 'economic miracle' bubble bursts

**Elliott Abrams backs  
Nazis in Panama**



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## From the Editor

Since this is the April First issue of *Executive Intelligence Review*, we feature on the cover one of those fellows Lenin liked to call “useful fools.” Elliott Abrams, a minor, though very active, player in the catastrophic farce unfolding in our American foreign policy, provides the jumping-off point for Lyndon LaRouche’s in-depth analysis of the current policy-morass, in the cover *Feature*.

The ideology of the enemy of our civilization is *Gnosticism*, a heresy with very ancient roots which was deployed against early Christianity. By maintaining that Evil and Good coexist equally in the universe as eternally competing forces, the Gnostics for whom Elliott Abrams works, are actively promoting the triumph of Evil.

On the contrary, we believe that the laws of the physical universe are coherent with the Good—but that man must fight to make the Good prevail. The week in which this edition of *EIR* was prepared for the press furnished some happy examples of the progress that can be made when that fight is persistent and determined. As you can read on page 60, Lyndon LaRouche’s presidential campaign was finally accorded federal matching funds after the Federal Elections Commission was forced to acknowledge the broad support which the campaign has among American citizens. Simultaneously, in the ongoing *United States v. The LaRouche Campaign, et al.* trial in Boston, a federal judge ruled that the prosecution has violated a government rule of disclosure and set a hearing to consider the extent of the violation, the accountability for it, and the sanction to be applied (article, page 67). This development brings onto center stage the evidence that the government was involved in political intelligence operations against LaRouche and his associates.

Finally, on page 49 is our exclusive report on a hopeful development in the Philippines, where a movement of the entire opposition has pulled together, calling itself The Nation Movers, to prevent the disintegration of that country. Even though the new political grouping includes such prominent figures as the current Vice President, Salvador Laurel, and former Defense Minister Juan Ponce Enrile, it has been blacked out of the U.S. press, with the exception of *EIR News Service* publications. Maybe the Establishment media would prefer *not* to see a pro-Western solution there?

Nora Hamerman

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Shuart Lewis

Assistant Secretary of State of Inter-American Affairs Elliott Abrams: not a shaper of policy, but a highly expendable and relatively low-ranking instrument of a policy that moves him even contrary to his own will.

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By Lyndon H. LaRouche, Jr. The hard-core anti-Noriega faction in Panama is riddled with members of a covert continuation of the old, never-disbanded Nazi organization in that country—and the implications of their receiving backing from the United States are global, and very deep-going.

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## Second quarter shocks surface

by Chris White

A series of shock waves now building threatens to set off, at any point in the weeks ahead, the feared second phase of the Great Financial Meltdown which began in the run-up to the Oct. 19 stock market crash.

Leading elements in this picture include:

- Renewed instabilities in international bond and stock markets;
- Renewed tremors in currency markets;
- A new consensus among OPEC oil producers, to let the price fall to whatever level will sustain their output at 18 million barrels per day;
- The insolvency of the U.S. thrift system;
- The threat to the U.S. government-backed market in mortgage securities, building as a direct consequence of the insolvency of the thrifts, and the U.S. banking system as a whole.

There are those who still want to delude themselves, as they have with the erupting banking crises in Texas and California, that each such situation is isolated from all the rest, and susceptible to separate "macro" or "micro" management. In reality, these symptoms are the shock waves spreading from the collapse of the financial system as a whole. Shock waves, which, over the period ahead, will converge on some center, such as the New York-based money center banks, led by Manufacturers' Hanover, or the West Coast-based Bank of America, to devastate the tottering system as a whole.

Already European insiders are talking about the eruption, perhaps during the course of April and May, of "systemic," or "system-wide" crises.

Against the eruption of the Texas banking time-bomb, and the establishment of emergency federal credit lines to keep insolvent banks afloat, widely seen internationally as

George Bush's friends in the government repaying favors to political cronies, like Texas GOP Chairman George Straike, board member of shattered First RepublicBank of Dallas, markets began to nosedive.

### The first signal

The signal was the auction of Treasury bonds on Thursday, March 24. An increase in the yield on those bonds, the result of fears of federal bank support pump-priming of just one half of a percentage point, was sufficient to send the Dow-Jones index down to the new "circuit breaker" activation level, where losing 50 points in a day's trading, would shut the market for a "cooling off" period. Desperate efforts were made to keep the index above that trigger point. For if the "circuit-breaker" were activated, the reasonable surmise is that panic would catch hold, and the market would not reopen.

The decline in the bond market was the signal which we have been warning of. U.S. foreign creditors are not going to fund U.S. balance of payments requirements forever. From London financial circles, the report is that European financial circles have made up their minds which way to jump. The move out of the dollar is on. European big money is moving into cash holdings, what they call "core-bonds," German mark and Swiss franc bonds, and gold. The same thinking is reported from Switzerland on the basis of the assumption, as in 1929-30, so now in 1987-88. The Swiss point out that the 1930 second-phase financial crash happened six months after the first part. Such silly parallels aside, some Swiss have clearly decided to do what they have to do, to bring on that second phase in the period immediately ahead.

Behind these developments lies a set of question marks, over what Japan and Taiwan, holders of \$82 and \$77 billion

of foreign exchange reserves, will do in the next weeks. Japan's new fiscal year begins April 1 and many see that as providing the opportunity for policy shifts from Japan.

The European-vectored move out of the dollar is being fed by two related matters: What in Europe they call "trepidation" about the U.S. banking system; and then, the fact that the expenses to be incurred in bank-bailout or foreclosure operations, have not been included in any public U.S. calculations of the size of the budget deficit. The reverse is actually the case; funding appropriations for the Federal Deposit Insurance Corporation were cut in this year's budget.

Their worries about these matters are more realistic than the bubbleheaded obsessions of the U.S. crowd, even if their solutions, reiterated demands for further budget cuts, and belt-tightening austerity are the same insane thinking which prevails inside the United States.

What's now under way in the United States is what will bring the budget deficit up to the \$300-400 billion level warned of by presidential candidate and economist Lyndon LaRouche in the aftermath of the Oct. 19 stock market crash. And that's only for starters. "Trepidation" is actually a pretty mild characterization of the state of mind appropriate to what's now afoot within the United States.

The core of the financial bubble built by the two successive Reagan administrations, has been in the area of financial flows tied to real estate speculation. The bubble was made possible by Donald Regan's 1981 tax reform, when, in his capacity as treasury secretary, real estate speculation was freed of the tax man's bite. The growth in the paper assets tied to real estate transactions was later fed into the "securitization" stream, which from 1982 to 1987 took banks' so-called off-balance-sheet liabilities from zero to over \$7 billion. The growth of the financial bubble was pyramided on the growth in speculative valuations of real estate, which provided the underlying collateral.

### **The case of Texas**

The case of Texas is exemplary. First Republic Bank of Dallas, and First City Bankshares of Houston, moved lock, stock, and barrel into real estate after the collapse of oil prices in mid-1982-83. By last year, both banks had over 30% of what they called their "assets" in real estate loans. The preponderance of the book value of the loans was negative, because of the collapse of local real estate prices. All but one of the top seven Texas banks have been put through the bankruptcy reorganization wringer in the last year. Of the state's 250 or so thrifts, more than 100 are insolvent. A rescue package of some \$25 billion or so would be necessary to put a floor under Texas banking alone. But then there comes a further problem; the liquidation of the insolvent institutions would involve demolishing what remains of the market for real estate.

But the real estate market is a national, and international market. Local transactions are packaged, for example, into

mortgage pools, and sold, by government agencies like Freddie Mac and Ginnie Mae, as mortgage securities, to raise money on international markets to finance regional and local lending.

Texas threatens to bring this arrangement to an abrupt halt. So too does the case of the savings and loans unit of the Financial Corporation of America, American Savings and Loan Association, in Irvine, California. There it is actually worse. The thrift has been kept afloat since September 1987 by a monthly credit line of \$12 billion, of which \$5 billion has been provided, contrary to its federal charter, by Freddie Mac. That agency is supposed to raise money to finance mortgages, not lend money to bail out delinquents. However, American Savings and Loan holds 15% of the mortgages that have gone into the \$80 billion or so funding packages put out by Freddie Mac. The collapse of the Irvine thrift would bring down the federal mortgage financing operation.

It is of course true that accounting incompetence, and political cronyism, by the regulators and their friends, have helped bring this situation about. They covered up for bankruptcy, they arranged reorganization plans which made things worse. They have acted throughout, not to defend the banking or thrift systems as such, but to defend the fiction of continually rising real estate and related valuations, on which the book value assets of the banks and thrifts depend.

Now they find that not only do they have no money to fund insolvent or bankrupt banks and thrifts, but that if they do, the pyramid of real estate values comes crashing down, with catastrophic effects on the banking system and federal government. Assets with book values into the trillions of dollars will come crashing down.

This dilemma is highlighted by the annual profit and loss statement of the savings and loans. That sector lost \$6.8 billion net for the year 1987. The 1,000 thrifts, out the 3,000 total which lost money, lost more than \$13 billion. It is now estimated, as we warned a year ago, that closing down insolvent thrifts, will cost the federal government something like \$40-60 billion, funds which are not available. Some propose to use the \$16 billion available to the FDIC for the task. What then is to be done with the commercial banks? The next storm on international markets may carry away Manufacturers' Hanover, Bank of America, or Continental Illinois, for the third time. What then? And if the money is provided, by resorting to the printing presses, what then happens to the book value of the assets?

Out of such a combination it is not difficult to see how the federal deficit will surge into the range of \$300-400 billion in the months ahead. However, that would be achieved on the basis of the wreckage of the financial system as a whole, and the bankruptcy of the U.S. government. Neither outcome is an acceptable one.

Yet exactly that is what's now threatened, as other pre-shocks of the seismic disturbances that will most likely make themselves felt during the second quarter come to the surface.

# Discontent grows in looted Hungary

by Konstantin George

On March 15, the anniversary of the 1848 revolution against Hapsburg rule, more than 10,000 Hungarians marched through the streets of Budapest, demanding freedom of speech, press, and assembly. It was the largest protest staged since the Hungarian Revolution of 1956. The bitter lessons learned then may preclude a repeat of 1956, but discontent will grow in the coming months.

The angry mood has arisen in response to a government austerity policy, which has ended the myth of a "Hungarian economic miracle," which was supposed to have made the country the "consumer showcase" of the East bloc—based on accumulating the highest per capita debt in Eastern Europe.

Hungary has been trapped between the International Monetary Fund's and Western creditors' "conditionalities" for further credits, and ever-increasing demands by Moscow for Hungarian industrial exports. The Russians have compelled Hungary to halt or drastically curtail both price subsidies for consumer essentials, and subsidies for older, inefficient industries. Investments have been prioritized to sectors of the economy that produce to meet Russian demands and export to the West to meet debt payments. The cost is being borne by the population, whose living standard is rapidly sinking.

## The government austerity policy

The first phase of the austerity policy was launched at the July 2, 1987 Central Committee Plenum, which authorized the first of several staggering price increases. Bread and bakery products rose by 19%; gasoline and diesel prices by 10%; tobacco by 20%; and household energy prices by 20%. This was followed in the autumn of 1987 by further increases in the cost of living by nearly 5%.

All this was but the prelude to what was instituted following the December 1987 Plenum. The Central Committee declared that its policy was to cut consumption and living standards. A Central Committee resolution was adopted Dec. 10, saying, "Sacrifices will be needed in the years ahead," years which will be "very difficult, but not without hope." The "harmful practice" of state subsidies "must be ended," to eliminate "unprofitable enterprises . . . a painful and nec-

essary task that cannot be delayed any longer." There would be no wage compensation for the price hikes. The Central Committee adopted what it called "temporary wage controls."

The Hungarian government estimates that its policy of eliminating subsidies to industry will produce some 200,000 unemployed by the end of 1990. In 1988, for the first time, the state budget will include a public works program to handle 3-4,000 unemployed—never before seen in the East bloc.

Newly appointed Deputy Prime Minister Peter Medgyesy, quoted in the Hungarian press Dec. 18, minced no words on the new policy. "We have to guarantee that the deterioration of living standards should be no more than planned." Earlier, on Dec. 9, the government reported the chilling truth: "1988 will be one of the most difficult years *since the war*." The government has "planned" a 2.5% drop in the living standard for 1988. Experts contacted by *EIR* estimate that the actual fall will be at least 5%.

The same plenum revealed that for 1988, 75% of Hungary's hard-currency export earnings will be earmarked for debt repayment.

The plenum also drafted the enormous Jan. 1, 1988 price increases, centered around the introduction of a 15% "value added" or sales tax on 80% of all consumer items. This marked the first time an East bloc country has introduced this form of tax. Overnight, the revenue base of Hungary was retrogressively shifted against the working population.

Besides the sales tax, the following price increases were enacted on Jan. 1: Chicken rose by 10-16%; most milk products by 27%; cheese by 40%; sugar by 4.4%; detergents by 18%; baby food by 44%, and baby furniture by 44%. The last two cases are beyond any comprehension, when one considers that Hungary has one of the world's lowest birth rates and has experienced a net decrease in population every year.

Despite a severe housing shortage, the price for construction materials was increased by 31%.

Those who suffer the most from this austerity are the pensioners. Hungary has an aging demographic profile, where 2.6 million retired people comprise 25% of the population. Thus, the government austerity measures are nothing short of "soft" euthanasia. Even before the Jan. 1 price increases, the purchasing power of the average pensioner had fallen by 30% since 1975.

This has an explosive impact on Hungarians, who can "look forward" after 30 years on the job to a beggar's existence. The angry mood is illustrated by what happened after the official trade unions, also on Jan. 1, introduced a new system for calculating the 1% monthly dues checkoff. It is now based on total income earned, rather than merely on base pay. Thus, overnight the "1%" checkoff became almost 2% of wages. In January and February alone, 300,000 of Hungary's 4 million trade unionists tore up their membership cards and left the unions. In March, the trend continued.



# New sanctions against South Africa proposed

by Leo F. Scanlon

In startling testimony delivered to a joint congressional hearing, a group of liberal Democrats announced their intention to wage economic warfare against the black population of South Africa. They didn't mince words: A radical sanctions policy designed to "punish the poor population" of South Africa is being proposed by the legislators, who cited the current administration policies directed at the people of Panama, as the model and spirit of their legislation.

The hearings were called to examine a family of bills designed to wipe out U.S. presence and influence in Africa. They have been proposed to replace the 1986 legislation which governs the current economic sanctions policy.

As a package, the legislation will not only impose severe penalties on the black population of South Africa, but will forbid the United States from having any presence, economic, military, or humanitarian, in South Africa, Namibia, and parts of Angola. It will also force the United States to impose third-party sanctions on any of its allies who do so.

The legislation is a prescription for Soviet political hegemony in Africa.

H.R. 1580 (Ron Dellums) is the lead bill, and summarizes the purposes of the specific pieces of legislation which comprise the package.

H.R. 1051 (Mervyn Dymally), will amend the Comprehensive Anti-Apartheid Act of 1986 to prohibit the importation of South African diamonds into the United States—meaning *any* diamond originating from a South African mine, no matter where it is finished, a specific violation of international trade and customs regulations. (Although presented to the hearings as part of the family of bills, this piece of legislation has already passed the House.)

H.R. 2443 (William H. Gray) will prohibit U.S. military and intelligence contact with South Africa, either directly or through a third country—i.e., it will be *illegal* for the United States government to know what is occurring in Namibia or South Africa. The legislation specifically orders the closing of the attaché office in Pretoria and prohibits intelligence gathering/sharing on developments in Namibia. The bill fur-

ther prohibits all military transit flights using airfields in South Africa or Namibia.

H.R. 3328 (Mickey Leland) will prohibit investment in United States capital markets by certain South African mining interests.

H.R. 3317 (Robert E. Wise) will require divestiture from the oil industry in South Africa and would mandate U.S. actions against any non-U.S.-based oil company which trades with South Africa.

During testimony to a joint hearing sponsored by the House subcommittees on Africa and Foreign Affairs, Congressman Wise admitted that this action would only marginally affect the internal economy of South Africa, and would require cumbersome and onerous enforcement efforts against allies who "violate" the provision. He cited the example of U.S. policy toward Libya—where Armand Hammer is allowed to operate with impunity—as a model for his piece of legislation!

Administration spokesmen opposing the legislation included James Kelley from the Treasury, and Mr. Robert Cornell from the Department of Commerce, both of whom testified to the futility of economic sanctions against the increasingly insulated "Lager" of the South Africa economy. Charles Freeman, representing the State Department, indicated that the current sanctions policy has had the effect of making the United States "irrelevant to the region," and indicated that the proposed bills would accelerate that process dramatically, and at the same time have a terrible impact on the black South African population. Freeman gave as only one example of this, the fact that "60% of the white Afrikaners are employed by the government, which has been able to keep its trade balance in surplus and thus deflect the effect of sanctions from the white population."

## Target: the population

It was Mickey Leland (D-Texas), in a purported rebuttal to this argument, who instead provided a blood-curdling confirmation. Leland told the committee, "The administration is currently applying sanctions to the nation of Panama. It is contradictory to say that sanctions work in one capacity and not in another. In fact, sanctions will affect the population, that is the only thing they can do. . . . Today, there are people in Panama who are hungry because of sanctions we have imposed; there are people who are starving because of these actions. We are bringing *the people* of Panama to their knees. *We are punishing the people of Panama. That is what sanctions are for. That is why we use them.*"

Although Mr. Leland's speech was a horrifying expression of the intent of the authors of the legislation, the attitude of all of the bills' supporters was the same. They left no doubt that the most important factor in favor of this legislation, is the vicious and petty attitude displayed by the White House and State Department in the conduct of foreign policy. Both Mr. Wolpe and Mr. Solarz indulged in displays of insolence

and contempt for the representatives of the administration, who were allowed a mere five minutes each to respond to two hours of testimony presented by the sponsors of the legislation!

## Selling out UNITA

The import of the legislation for the military and strategic affairs of the region was identified when Ron Dellums (D-Cal.) stated that one hidden purpose of his was to bring an end to U.S. support for Jonas Savimbi and his UNITA resistance fighters, and to force the United States out of any negotiations to end the conflict in Angola, bringing any monitoring of any eventual solution under the control of an "international body" of observers. In practice, this ensures that the conflict will continue, under the control of the Soviet-run liberation movements.

Angola's ruling MPLA has demanded that the United States represent UNITA and the South Africans at the bargaining table, refusing to deal directly with either of the principal combatants. Similar to the arrangements being proposed in Afghanistan, this demand is particularly fraudulent in the Angola case, as UNITA has always primarily depended on European sources for military support. The effect of the proposed legislation is to signal to all parties that substantive negotiations will occur directly and indirectly with the Soviets, only.

The Defense Department spokesman, Mr. James Woods, indicated that the bills would make it impossible to monitor developments in Angola and Namibia. He went on to point out that other provisions of the Dellums legislation would prohibit long-range telemetry flights which are used to assess rocket burn data and confirm trajectory accuracy during satellite launches.

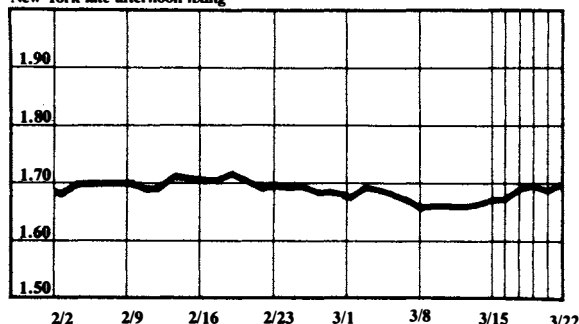
The closing of the attaché's office in Pretoria is a most severe action, he stressed, more serious than any we have taken against the Warsaw Pact, and there are also provisions of the bill which are guaranteed to wreck relations with our European and Asian allies. He referred to Section 7 of H.R. 1580, which includes an unprecedented provision for third-party sanctions. "This wording could generate serious frictions with some of our Asian and European friends, for starters," Woods reported, "Waiver of penalties for some states but not for others would compound the problems generated by this proposed legislation. We are concerned at the sweeping impact this kind of provision might have on our worldwide politico-military relations."

He pointed out that there are provisions of the legislation which eliminate the authority of the President to grant exceptions to embargoes of strategic raw materials, limiting the exceptions to items of "military use." The Defense Department spokesman pointed out that in the case of such items, the distinction between military and civilian activities does not exist, and the legislation could have severe effects on the U.S. economy.

# Currency Rates

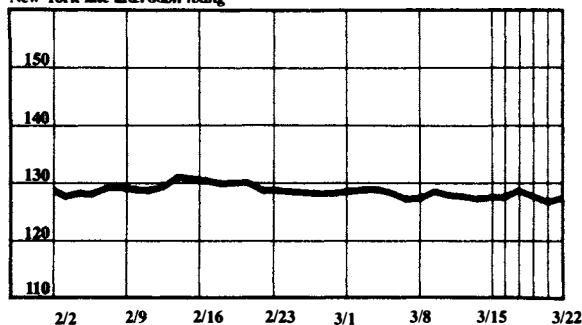
## The dollar in deutschemarks

New York late afternoon fixing



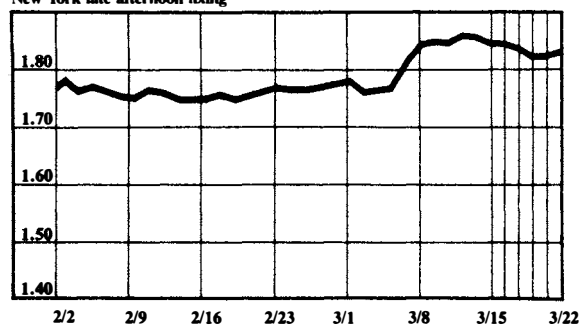
## The dollar in yen

New York late afternoon fixing



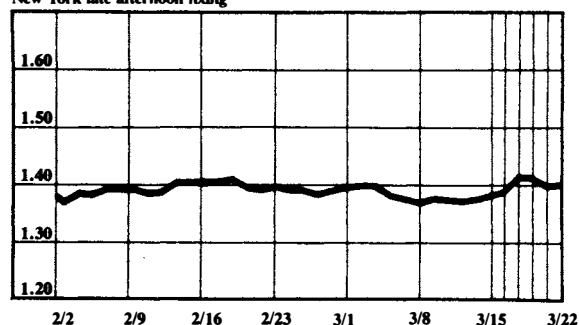
## The British pound in dollars

New York late afternoon fixing



## The dollar in Swiss francs

New York late afternoon fixing



# Insecurity in Canadian securities

by Joyce Fredman

The December collapse of the small Canadian investment firm Osler, Inc. is the source of ongoing headaches for members of this country's investment community. The 100-year-old Toronto-based company's insolvency came suddenly to light last December. There had been no previous indication given, either to the public or to regulatory authorities, that the company was experiencing any sort of financial difficulty.

Subsequent investigations, though, revealed that the company had clearly been bankrupt since April 1987, in which month it had suffered an \$8 million (Canadian) loss on trades in U.S. Treasury bonds.

The company's "capital deficiency" of \$6 million (Canadian) at that time had not been reported, as required, to Toronto Stock Exchange regulatory officials. Instead, the Osler Inc. principals had initiated a long series of fraudulent trades in Government of Canada Treasury bills and bonds, which supplied the company with the funds to keep doing business, at least for awhile.

These trades, of which there were reportedly thousands between April and December, were made with the money market manager of the Canadian Co-Operative Credit Society (CCCS), described as the "clearing bank and financial intermediary for most of Canada's credit unions and co-operatives" (*Financial Times of Canada*, Feb. 15).

Further bond trading losses were augmented, in October, by losses resulting from the stock market crash, so that by the time Osler's Treasury bill and bond trading scheme fell apart one December morning, the firm's capital shortfall, which the company owed the CCCS on a bond repurchase agreement, was admitted to \$25 million (Canadian), an astonishing amount considering the size of the firm's capital (prior to its losses), reported variously as only \$2-4 million (Canadian).

At this point, the Canadian investment industry's National Contingency Fund became involved. This Fund, a private entity established by the brokerage industry to cover investors' losses arising from the failure of any brokerage firm, was immediately asked to advance \$10 million (Canadian) to keep Osler, Inc. functioning under the direct control of the

Toronto Stock Exchange.

This requirement being made of the Fund sharply reinforced the notion which had been frequently put forward in the Canadian financial press during the previous couple of years—namely, that the size of the Fund, at \$15 million (Canadian) plus a \$30 million line of credit, was decidedly inadequate in light of the number and size of the country's investment dealers.

This recent growth in capital and liabilities was directly related to the federal government's policy of financial deregulation, to which the country's investment firms reacted by increasing their capital in order to compete with foreign investment firms, and also against other types of Canadian financial companies.

The turmoil resulting from the deregulation-related takeovers of four of the largest (and previously independent) Canadian investment dealers by four of the "Big Five" Canadian banks, had just begun to subside when the Osler Inc. fiasco broke into the open.

In early January of this year, the Ontario Securities Commission had the accounting firm of Clarkson Gordon appointed as receiver of Osler, Inc., which was, of course, hopelessly bankrupt. Results of further investigations into the company's financial status were less than comforting to the investment community:

Osler's total capital deficiency after the sale of all assets of value, is likely to be close to \$60 million (Canadian), according to a senior Toronto brokerage industry source. The charge to the National Contingency Fund is likely to eventually be anywhere from a minimum of \$16 million up to as high as \$35 million, according to the same source.

The members of the Investment Dealers Association and of the major Canadian stock exchanges have already been assessed a total of \$15 million to replenish the severely depleted Fund, with further assessments likely.

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## Brazil for sale

*Under the government's new IMF-dictated shock plans, the state will face total insolvency in short order.*

**T**he policy of Brazilian Finance Minister Mailson da Nóbrega, until now, has been to fulfill all the demands of the creditor banks and international financial institutions to the letter, without demanding a single guarantee in return. Under this policy, Brazil has paid more than \$1 billion in back interest payments on its foreign debt since December of 1987, and in exchange has received nothing but new conditionalities for extending its repayments over a longer and longer period of time.

In truth, the creditor banks are gaining time for the application of a program of brutal austerity designed to yield gigantic surpluses in the trade balance, which would in turn guarantee punctual payment of interest on the Brazilian debt. During the first two months of 1988, Brazil had already achieved a trade balance of \$1.895 billion, an historic record for those months, which demonstrates the level of economic looting to which the country's productive plant is being subjected. With these levels, President Sarney's economic team is already projecting a year-end surplus surpassing \$12 billion.

Of course, these trade surpluses are the opposite of real economic growth. The gross national product last year fell to just 2.9%, well below the 8% achieved in 1986. The fall of the GNP during 1987 would have been worse yet, had it not been for the record agricultural growth of 14%. The growth of the GNP in 1986, and the record agricultural output of 1987, were both the result of the economic policies of former Finance Minister

Dilson Funaro.

But the collapse doesn't end with the fall in the GNP. Industrial activity in 1987 grew by a mere 0.9%, compared to 12.1% in 1986. This collapse worsened during the final months of 1987 and the first months of this year. São Paulo industry—in the region with the greatest industrial density in Ibero-America—registered a 5.5% decline compared to the same period one year earlier.

During February, national consumption of petroleum derivatives fell 7.2%, while consumption of fuel oil fell 17.2%. Electrical energy consumption in São Paulo fell 2.8%. The same occurred with cement, whose consumption fell 11.2% during January-February 1988.

The crisis also worsened among state sector companies, who are the primary purchasers of domestic capital goods and other products. The state petroleum company, Petrobras, reduced its purchases by more than 4%.

Not satisfied with the current levels of collapse, the International Monetary Fund and creditor banks—with the connivance of the Sarney government—are putting the final touches on a new shock plan that seeks to reduce the public deficit from the 7.4% in 1987 to 4% in 1988. This plan to "Bolivianize" Brazil will impose credit strangulation of major state enterprises, eliminate infrastructural investments, and reduce public sector wages by 30%. It will trigger mass layoffs.

Finance Minister da Nóbrega has already announced the elimination of the National Investment Fund (FND), created by Funaro to direct investment

into economic infrastructure. This will create major problems for the electricity and steel sectors, already in bad shape.

The limiting of credit to the state sector is intended to force Electrobras and Siderbras, among others, to undergo forced privatization in search of credit. For this, the government has approved a massive debt-for-equity program, and is working to force state companies onto the stock market. Other sectors targeted for denationalization are shipbuilding and capital-goods.

Some economists of the PMDB party linked to former Minister Funaro have denounced the debt-for-equity swindle as a move to convert foreign to internal debt, aggravating the insolvency of the state and increasing the very inflation rate which has served as the pretext for the government's denationalization program. The internal debt is primarily concentrated in short-term titles upon which the highly-speculative financial markets depend. There is currently in circulation, in internal debt paper alone, the equivalent of \$50 billion (5.5 trillion cruzados), which must be periodically renewed.

The incompetence of Sarney's economic team has triggered, with these and other measures, soaring levels of financial speculation, which are making any productive investment impossible. On the so-called open market alone there exists the equivalent of \$60 billion belonging to Brazilian companies, which under other conditions could be reinvested in real growth.

In sum, if the plans of Minister da Nóbrega are carried out with the blessings of monetarist apostles Delfim Netto and Roberto Campos, the Brazilian state will be driven into total insolvency.

## 'No Manhattan Project'

*Admiral Watkins's motto betrays the weakest part of the report to the Presidential Commission on AIDS.*

In the third part of his recommendations to the Presidential Commission on the Human Immunodeficiency Virus Epidemic, commission chairman Admiral James D. Watkins (ret.) addressed the area of basic research and drug development. Of the three sections of the report, this is the longest and most detailed—and the weakest. Its weakness does not derive from a lack of useful recommendations, of which there are many, which taken together could form the nucleus of “an integrated national strategy” to deal with the AIDS epidemic.

The weakness is spelled out in the press release accompanying the report, which summarizes “The Chairman’s recommendations for enhancing basic biomedical research.” The first recommendation is “Expansion of investigator-initiated grants. (No ‘Manhattan Project’).” Following this is a laundry list of recommendations in the areas of scientific manpower recruitment and training, increasing administrative and research personnel, expediting drug and vaccine trials, community outreach programs, construction of research facilities, and standardization of protocols and computer software.

The coexistence of the concept of “an ‘integrated national strategy’ to deal with the AIDS epidemic,” with the specific formulation “(No ‘Manhattan Project’)” in the press release indicates a certain fragmentation of thought process, one might say an administrative schizophrenia. The genesis of this schizophrenia is the attempt to reconcile a collection of con-

tradictory illusions into a consensus to “crisis-manage” a reality which all of these illusions, in one way or another, seek to deny.

Looking at the actual recommendations, one gets the impression that what is being proposed is, in fact, a “Manhattan Project” without a coherent mission orientation. For instance, the report recognizes that “HIV research is expected to have high yield benefits to Americans who suffer from cancer, viral, and immune-related diseases, which collectively kill an estimated 650,000 individuals each year. Research areas that require additional long-range funding include, but are not limited to: Virology and molecular biology; Immunology; Cellular biology, pathogenesis, and host genetics.” In addition, there is even acknowledgment of the need for research on co-factors, although we are then informed that these are psychoimmunologic co-factors.

The best way to understand the problem is by an analogy with the Strategic Defense Initiative program. The SDI was proposed as a response to a problem as potentially devastating, in its own way, as the AIDS epidemic. In terms of implementation there were two basic positions. One position was that of economist and presidential candidate Lyndon H. LaRouche, Jr., who called for a crash “Manhattan Project” approach, utilizing “new physical principles” from the frontiers of research, which would function as a “science-driver” to spin off advanced technologies into the general economy. The other approach

was the “High Frontier” of former Air Force Lt. General, Danny Graham, which called for utilizing “off the shelf” technology to create kinetic-kill weapons, or so-called “smart rocks,” to throw at incoming Soviet missiles.

General Graham was also well known for his interest in “psychic” studies, and it may not be entirely accidental that this is the one “new” area of research which is specifically mentioned in Watkins’s report, whereas no mention is made of such areas as optical biophysics, which have the potential to shed new light on the fundamental biology of the life process. On the other hand, it may simply be the case that none of the “more than 350 witnesses in virtually all the AIDS-related disciplines—including many persons with AIDS,” mentioned this aspect of research.

After five years, in spite of impressive achievements in the face of inadequate funding, the new physical principles have lost out to General Graham’s rock throwers. The cause for this failure to exploit technological breakthroughs immediately within our grasp was the ideological fixation on short-term cost effectiveness which pervades the current administration and a substantial portion of the U.S. military establishment since Robert S. McNamara’s tenure as Secretary of Defense.

The research recommendations of Admiral Watkins are in many ways coherent with a “High Frontier” approach to the problem of AIDS. The proposed areas of research may or may not actually produce a vaccine or cure for HIV infection, but they will not offend the majority of opinion in the scientific establishment. Also, by specifically disavowing the “Manhattan Project” approach to the problem, they do not offend the “free market” ideology of the Reagan administration.

# Business Briefs

## Labor

### Thai trade union leader dies

Paisal Thawatchainan, one of Thailand's most respected labor leaders, recently passed away at the age of 50, of cancer.

Almost single-handedly, the late labor leader formed the Thai Trade Union Congress (TTUC) in 1983, when he led some 30 unions in a split from the Labor Congress of Thailand (LCT), after a bitter faction fight over economic policies.

Paisal distinguished himself from other labor leaders by persistently pointing to the International Monetary Fund and the World Bank as being responsible for Thailand's economic ills.

Paisal appointed Pakdee Tanapura, an associate of Lyndon LaRouche, as economic adviser to the TTUC executive committee, a position much desired by economists and technocrats in Thailand. Tanapura has devoted himself to giving economics classes to union members and others over the past three years.

The policy approach of the late labor chief appears certain to be maintained by the TTUC. Recent confederation elections saw victories by communications, textile, and telephone workers' union heads, all of whom were close associates and co-thinkers of the late Thawatchainan.

## Technology Transfer

### Pentagon refutes Jap-bashers

In a statement dated March 11, the Department of Defense officially refuted the slander campaign that has been waged against the Toshiba Corp. and the Japanese government, over the issue of alleged violations of technology transfer laws. The statement read in part:

"The Department of Defense believes that recently published reports concerning illegal diversions attributed to the Toshiba Corporation (so-called Toshiba 2, 3, and 4) are not supported by the evidence.

"In cooperation with the Japanese Government, DOD has conducted two investigations over the past year surrounding Toshiba Machine and Toshiba Corporation. One resulted in halting further servicing and equipment to the Soviet Baltic Shipyard in Leningrad which was making propellers for submarine quieting. While the Soviets had initiated R&D of advanced marine propeller designs between 1979-1982, the Toshiba Machine diversion provided the U.S.S.R. with substantial production capability. The other investigation concerned a negotiation of a possible sale of a printed circuit board manufacturing plant to East Germany from which the Toshiba Corporation voluntarily withdrew.

"At this point, allegations that there were violations by the Toshiba Corporation in addition to violations by Toshiba Machine are not supported sufficiently by the evidence. Indeed, we have discussed these other allegations with the Government of Japan and are satisfied with their replies. The evidence is simply not compelling."

## East Bloc

### Soviets exploiting child labor

The Soviets have a labor shortage, recent U.S. congressional hearings heard testimony, "not because the economy is surging, but because individual workers are producing so little that more of them are needed just to keep things from declining further."

In January, the Soviet news agency TASS revealed one horrific consequence of this state of affairs: the massive exploitation and injury of children in the U.S.S.R.

TASS said that a report from the Soviet state prosecutor's office had shown, that hundreds of children were killed and thousands crippled every year, by "criminal exploitation" of them while performing "volunteer" labor on state farms. In 1986, it said, the U.S.S.R. had 35,000 serious accidents to working children under the age of 14. These ranged from the fourth-grade boy in the Soviet Far East who fell asleep in a grain bin and was buried alive, to the 135 students who were infected with brucellosis at a cat-

tle farm in Soviet Central Asia.

TASS said that a senior Komsomol official, A. Rybakov, had opposed publication of this information from the prosecutor's report, because "We are pushing through a resolution on expansion of the use of children in labor, and such publications only interfere with that effort."

## Precious Metals

### West facing nickel shortage

"The LME's [London Metal Exchange] current situation implies that there is virtually no nickel left in the free world's stocks. At the end of last week its stocks had dropped below 2,000 tonnes," according to the *Financial Times*.

More than 55% of all nickel produced in the West is used by the stainless steel industry.

Since 1980 nickel producers had been selling nickel close to its cost of production. As a result, they were unwilling to invest and closed many plants—selling their inventories. Now there is next to no nickel to be found. What went for \$1.87 a pound in the last quarter of 1987, on March 22 sold for \$8.57 a pound.

While the *Financial Times* asserts that the acute nickel shortage is something of an exaggeration, since supply figures exclude such items as ferro-nickel and uncut full plate cathodes which are used by large stainless steel manufacturers, in point of fact, the loss of the nickel to prod these items is bound to be felt there, too. It is expected that the effects will be felt within one of the next two three-month supply cycles on which the nickel and stainless steel industry work.

## Science

### Japanese want to speed biology project

Tateo Arimoto, spokesman for Japan's Human Frontier Science Program, recommended March 6 that the worldwide biolog-

ical research program proposed by former Prime Minister Yasuhiro Nakasone at the 1987 Venice summit, be launched soon, even if initially on a small scale.

After the final meeting of the international feasibility study group, the spokesman announced that Japan will launch a domestic version of the program this year, possibly opening an international office in 1989.

The project, to study the workings of the human brain and other molecular-biological functions, was originally proposed as a 20-year, \$6 billion project.

A final report by 27 scientists from the summit nations and the European Community nations, will be completed by April, and Japanese officials will then visit the seven industrial nations to seek support.

Japan will probably make "a significant contribution" toward the financing, Arimoto said. The full program, he said, would consist of an international board of scientists, making 30-50 grants per year of \$400,000-\$500,000 for research, and offering 100-200 fellowships to young scientists.

## Markets

### Brady, others warn of new crash

Testifying before the Senate Agriculture Committee, which oversees the Commodity Futures Trading Commission, Nicholas Brady called for giving one agency the authority of a super regulator, since all markets are closely tied together.

In February, Brady, who headed the presidential commission that studied why the stock markets crashed in October, and earlier this year delivered recommendations on how to prevent another crash, told the Senate Banking Committee, "We are looking down the barrel, and the gun is still loaded."

In his testimony March 18, he added, "If action is not taken, the structural factors that contributed to the October decline will come together again in the form of a different mousetrap. Next time, it could be the currency markets, the clearing and settlement system, or any one of a number of other factors."

## AIDS

### Contaminated blood shipped to Washington

Twenty-four units of blood contaminated with AIDS and hepatitis B were accidentally sent from Red Cross centers to hospitals in Washington, D.C. and Nashville, Tennessee, the *Washington Post* reported March 19. Federal officials denied that any of the infected blood had been transfused and said they were "virtually certain" it had been destroyed or quarantined.

Two senior Red Cross officials have been suspended for 30 days because of the incident, pending an investigation. The error involved blood that had tested positive for the diseases and should have been discarded. "An ongoing investigation by FDA at the two blood centers has revealed that standard operating procedures were not following in handling these blood products," the Public Health Service said March 18.

## Labor

### Supreme Court: no food stamps for strikers

The U.S. Supreme Court has ruled that labor strikers have no right to food stamps—although all other persons whose incomes fall to specified levels to qualify.

By a vote of 5 to 3, Justices Rehnquist, O'Connor, Scalia, White, and Stevens delivered their opinion: "Exercising the right to strike inevitably risks economic hardship, but we are not inclined to hold that the right to association requires the government to minimize that result by qualifying the striker for food stamps."

Justices Marshall, Brennan, and Blackmun, in their dissenting opinion, wrote that the Supreme Court was intentionally giving employers a weapon to use against trade unions. "No other purpose can adequately explain the especially harsh treatment reserved for strikers and their families," wrote Marshall.

● **THE FEDERAL** Home Loan Bank Board announced March 19 that it will guarantee all the depositors and general creditors of the California-based American Savings and Loan Association, the nation's second largest savings bank. American Savings had filed with the Securities and Exchange Commission at the end of 1987, saying that its net worth was a negative \$106 million. One day earlier, the FDIC had announced an emergency \$1 billion bailout for Dallas's First Republic Bank.

● **THE RHINEHAUSEN** steel plant in West Germany's Ruhr industrial heartland may be sold to China at 20-30% of its value, the daily *Die Welt* reported March 19. It is one of the most modern steel plants in the world, making steel coils and specialty products. Chinese representatives are touring Rhinehausen and other bankrupt Ruhr plants, with the intention of buying them and transporting them back to China. At the end of 1987, the Chinese bought an entire motor-bike factory in Bavaria, took it back to China, and reassembled it.

● **MAGNETBAHN** Transrapid of West Germany has set a new world record for passenger train speed, 412.6 km/hour. A decision is expected in June on the location and construction of Transrapid's pilot application stretch.

● **JAPAN** now has the lowest infant mortality rate in the world, the *Japan Times* reported March 15. The rate of 4.9 per 1,000 is far lower than even Sweden and Finland, with 6 deaths per 1,000. Japan also, however, has one of the highest rates of abortion in the world, which eliminates many high-risk infants. Its Eugenic Protection Law allows abortions as late as the second trimester to "prevent the increase of inferior descendants and to protect the life of the mother."

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## Nunn proposal spells death of the SDI

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*Charles B. Stevens and Carol White cover a top-level policy conference and technology review, called to defend SDI against Senator Nunn's proposed ALPS alternative.*

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In the midst of mounting evidence that in the next year there will be a Soviet breakout from the 1972 Anti-Ballistic Missile (ABM) treaty, several hundred Western defense scientists and policymakers gathered in Washington, D.C., from March 13-16, to review the status of President Reagan's Strategic Defense Initiative missile defense research program, which was first announced in a March 23, 1983 speech. "SDI: The First Five Years," sponsored by the Institute for Foreign Policy Analysis and the U.S. Department of Defense Strategic Defense Initiative Organization (SDIO), reviewed both the significant technical progress of the Western SDI effort and the future policy options.

Coming as it did, on the fifth anniversary of President Reagan's ground-breaking speech, the conference was certainly well timed; however, the conference was intended to accomplish more than merely a review of the accomplishments of the program over the five-year period. There is presently a debate going on within the Reagan administration, as to whether or not to accept the proffer made by Sen. Sam Nunn (D-Ga.) for a bipartisan coalition on the SDI.

Nunn proposes immediate deployment of a very limited point defense—100 exoatmospheric reentry vehicle interceptor system (ERIS) missiles—whose principal purpose would be to guard against accidental launch of a ballistic missile. The system would be deployed in the near future. At the same time, existing plans for a phased SDI deployment would be further delayed.

Supporters of ALPS—Accidental Launch Protection System—argue that such a deployment, which relies chiefly upon existing technology, would "get the show on the road" at a low cost. Another sweetener, not discussed, is that such an agreement would lay the basis for a broader deal between anti-SDI Democrats and the administration, so that the Pres-

ident would get a smooth passage of the Intermediate-range Nuclear Forces (INF) treaty in return for his agreement to further limitations on the SDI program. The Nunn proposal was roundly attacked by a succession of conference speakers, as in no way comparable to the presently planned missile defense system.

The esteemed elder statesman of science, Dr. Edward Teller, gave the first speech of the conference. In this he endorsed the shift of the program away from directed energy weapons—in particular rapid development of x-ray laser technology, which he had championed in the past. He reported that advances in the technology of kinetic energy weapons are far greater than he had anticipated five years earlier, when he urged that priority be given to a laser defense. He pointed to the fact that these new weapons will be cheap and survivable; and he pointed to the success of the far less sophisticated Stinger missiles, which are used to good effect by the Afghan guerrillas, as substantiation of the case for smart, heat-seeking missiles.

While Lyndon H. LaRouche, Jr. was the first to actively campaign publicly for what subsequently became the SDI, Dr. Teller had taken an active role in mobilizing the nation to understand both the potentialities of the new directed energy weapons and the potential threat posed for Soviet deployment of them. Over the years, he has repeatedly warned that the Soviets have been in advance of the United States in researching x-ray lasers.

Although there have been significant advances in kinetic energy weapons defensive technology since the days when Gen. Danny Graham created the High Frontier—which proposed that off-the-shelf technologies used in surface-to-air missiles be adapted to a space-based missile defense—the fallacies of depending upon these, and postponing development of laser and electron beam technologies, remain the



same as they were when LaRouche and Teller both disagreed with Graham's perspective.

At that time, it appeared that deployment of such rockets as ABM weapons would prove neither feasible from the point of view of battle management, nor reasonably cost-effective, nor survivable. But the most important objection to High Frontier was the fact that it was misnamed. Essentially, the High Frontier proposal called for a retreat from the real technology frontier. It was clear five years ago, that the future (for industrial as well as military technology) lay in deployment of the whole array of the energy spectrum—from low-frequency microwaves to the high range of the spectrum, gamma-rays.

As LaRouche polemicized and General Keegan warned as early as 1976, the Soviets have concentrated on developing a whole array of weapons which rely upon entirely new physical principles. The deployment of lasers and electron beams, and of microwaves to blind satellites, is only the front-end of a technology which includes a whole new generation of sophisticated anti-personnel, portable radiowave devices, and potentially includes the deliberate manipulation of whole weather systems to create electromagnetic pulse effects.

### **President Reagan keynotes conference**

In his keynote address to the conference, President Reagan held the door open to the Nunn proposal for such a bipartisan coalition, but the theme of his speech was a reassertion of his commitment to SDI. He noted, "Congress should realize that it is no longer a question of whether there will be an SDI program or not; the only question will be whether the Soviets are the only ones who have strategic defenses while the U.S. remains entirely defenseless." He cited Soviet General Secretary Gorbachov's startling admission in an NBC-News interview with Tom Brokaw, shortly before the last summit, when Gorbachov stated that the U.S.S.R. is matching anything that the United States is doing in the area of SDI. As he said, it is the Soviets today who have the only functioning ABM defense and an ongoing anti-satellite (ASAT) weapons program, while Congress has cancelled funding for its U.S. equivalent.

Reagan pointed out that while the Soviets have deployed over \$200 billion on their program, which he called Red Shield, this is 15 times as much as we have spent in this country. Reagan charged the Congress with responsibility for undermining and dangerously retarding the U.S. SDI program through budget cuts, imposition of unwarranted restrictions, and the cancellation of essential program elements, such as the space rocket heavy lift vehicle.

Congress has cut the SDI budget every year since 1983. The 1988 request was slashed from \$5.6 billion to \$3.9 billion. Only \$4.6 billion is being sought for 1989. Reagan noted that the Soviets have spent 15 times as much as the United States on defensive systems, including both the deployment of a limited defense permitted under the 1972 ABM

treaty and the deployment of the elements of a nationwide defense in open violation of that same treaty. Reagan reported that the Soviets have more than 10,000 scientists and engineers working on laser weapons alone.

"Some in Congress would bind us to an artificially restrictive interpretation of the Anti-Ballistic Missile treaty that would effectively block development of our SDI program and perpetuate the Soviet advantage in advanced strategic defenses," Reagan noted. "This effort makes even less sense when the Soviets aren't even abiding by the ABM treaty, while we are." And Reagan warned that the Soviets appear to be making all of the preparations to break out of the ABM treaty.

### **The Soviet threat**

The Soviet Union currently has in place a conventional type of ABM defense for Moscow. U.S. Air Force Intelligence reports indicate that the Soviets are mass-producing the elements of this technology in order to be ready to deploy them once their large ABM radars, such as the one being built at Krasnoyarsk which is an open violation of the 1972 ABM treaty, have been completed, in order to provide a nationwide missile defense within a few years. Perhaps even more important, it was reported at the conference that the Soviets now have the capability of small, mobile radars in one comprehensive national system, a capability previously thought to be beyond them, because such a system demands advanced computers. Most recently, it is reported that the Soviets are preparing to deploy the SAM 12B "Giant" ABM missile interceptor. This system would be a mobile ABM in violation of the 1972 treaty, and would fill in the nationwide defense. The SAM 12B would negate the United States's submarine-launched missiles force.

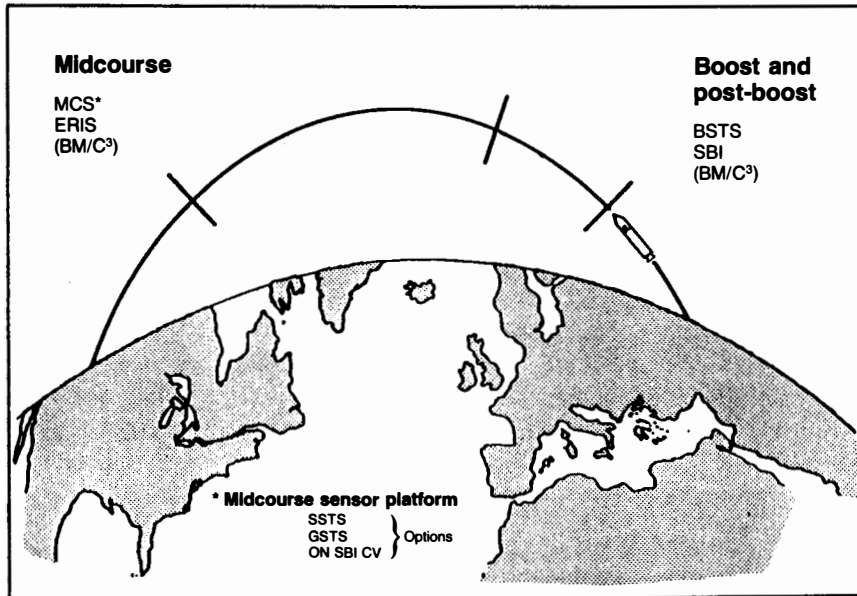
Gen. Edward L. Rowny (ret.), the special adviser and representative to the President for arms control, noted that, at present, the United States only has a research program. "We can only deploy viewgraphs," while the Soviets are deploying an actual ABM defense, Rowny told the participants.

### **The U.S. response**

Dr. William R. Graham, Jr., science adviser to the President, was the most up-front of all the speakers about the desirability of accepting the Nunn compromise. Playing a spoiler role all too familiar to critics of his disastrous misleadership of NASA, Graham openly expressed his willingness to sacrifice portions of the existing SDI program in order to do this, admitting that Nunn's ALPS proposal "could very well divert funds from the [SDI] Phase One program and research." He attempted to justify this by referencing Soviet breakout potential and asserting that it would be better for the United States to have an inadequate system in place than nothing at all.

Other defenders, such as Sen. Dan Quayle (R-Ind.), praised Nunn's proposal for offering a defense of missile

FIGURE 1  
**SDS phase I core concept**



*The six elements of Strategic Defense System (SDS) Phase I Core Concept are: ● Boost Surveillance and Tracking System (BSTS) ● Space-based Interceptor (SBI) ● Space-based Surveillance and Tracking System (SSTS) ● Ground-based Surveillance and Tracking System (GSTS) ● Exoatmospheric Reentry Vehicle Interceptor Subsystem (ERIS) and High Endoatmospheric Defense Interceptor (HEDI) ● Battle Management/Command and Control, and Communications (BM/C<sup>3</sup>)*

fields and national command facilities which, since the proposal limited the deployment to only 100 ERIS missiles, ALPS would be in accord with the narrow interpretation of the ABM treaty; he was in a minority at the conference. This minority attempted to sell ALPS by making the false claim that the first phase of SDI will be neither survivable nor cost-effective.

As many speakers pointed out in rebuttal, SDI had been handicapped by having to meet ridiculous criteria of survivability posed by groups such as the Union of Concerned Scientists, whose real aim is to sabotage SDI rather than assure its survivability. Dr. Robert Jastrow, a leading SDI proponent, detailed how the Nunn ALPS could not even accomplish its purported purpose. A single-site ABM would be incapable of even defending against a single depressed-trajectory submarine-launched ballistic missile. Dr. Albert Carnesale of Harvard University emphasized that we need ABM production lines, not political compromises, to meet the Soviet threat.

But one senior strategic consultant, who is also a leading defense scientist, likened the conference policy debate to the actions of circling goldfish who suddenly find themselves thrown from their accustomed bowl into the shark-filled waters of the ocean. He emphasized that the Soviets can deploy space-based missile defenses before we can. As SDIO Director Lt. Gen. James A. Abrahamson detailed in his address to the conference, Congress has emasculated the U.S. program to develop a heavy-lift rocket needed for placing large satel-

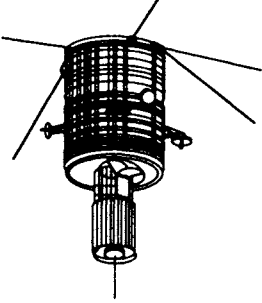
lites in space orbit. General Abrahamson noted that this was done supposedly to prevent and retard U.S. deployment of a space-based SDI, but it has critically undermined existing U.S. space surveillance and general defense capabilities.

General Abrahamson referred to the recently published Pentagon study on the Soviet space challenge. This report details that the U.S.S.R. is very close to achieving complete superiority in this essential theater. By 1990, the Soviets will have an order-of-magnitude greater capability than the United States to lift systems into Earth orbit.

In this context, one senior strategic consultant asked what the West can do, if the Soviets deploy elements of a space-based ABM over the next several years. The Soviet Union could simply announce that it would shoot down any "weapons over the Soviet Union" the United States attempted to deploy. A Soviet space-based missile defense would most easily achieve the capability to make good on this threat, even at the earliest stages of deployment. This threat of a Soviet SDI monopoly is further enhanced by the advanced stage of their ground-based laser program. Speakers at the conference detailed how existing Soviet ground-based lasers have the ability to destroy or jam many components of existing U.S. satellites.

This senior consultant concluded that the West is being led down the primrose path of arms control with the INF treaty, while the Soviets are rapidly reaching the point where they can achieve unquestioned military superiority within a few short years.

FIGURE 2  
Phase I—BSTS element

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

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

*Once the BSTS senses a launch and tracks the attacking missiles, the information would be relayed to the Battle Management/Command, Control and Communications (BM/C3) system and other elements of the Strategic Defense System. The BM/C3 would then communicate target assignments to weapon elements such as the Space-Based Interceptor to destroy the incoming missiles.*

### Technical overview

The failure of the U.S. SDI program to meet the specifications originally called for by Lyndon H. LaRouche in 1981, when he initiated the effort to get the United States to adopt an SDI program, has critically undermined the U.S. capability to realize advanced, directed energy anti-missile weapons, such as lasers and relativistic particle beams. Dr. Edward Teller of Lawrence Livermore National Laboratory pretty well reflected the current state of affairs, when he claimed that the recently signed Intermediate-range Nuclear Forces treaty with the Soviet Union was a "victory" for the SDI! Teller went on to endorse the kinetic energy weapon (KEW) type of anti-missile defense system, stating that the development of the more advanced directed energy systems could be put off into the future.

Dr. Gerold Yonas, currently president of Titan Technologies and former chief scientist and assistant director at the SDIO, pointed out the dangers that would arise from putting too much emphasis on KEW systems. First, Dr. Yonas, who was a member of the Fletcher panel that was set up to study President Reagan's SDI proposal in 1983, noted that the Fletcher panel had called for a \$25 billion investment in SDI research and development over a five-year period starting in 1984; because of congressional budget cuts, less than \$16 billion will have been spent by the end of 1989. Thus, according to Dr. Yonas, it is no surprise that the SDI is two years behind schedule.

Furthermore, Dr. Yonas emphasized, the fact that kinetic

energy weapons have been made to work quite effectively against the present and near-term generations of Soviet missiles, is no surprise either. "We had a large technical base developed over 15 years previous to the SDI to work from," noted Dr. Yonas.

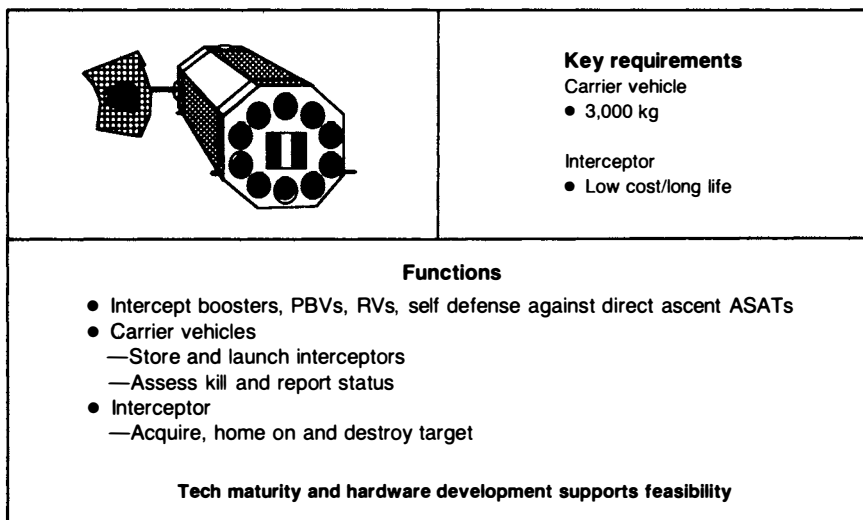
The question is not whether KEWs are effective—they are—but that, given the imposition of small budgets by the Congress, the SDIO has not made and will not make the investments needed to ensure the United States the technical base to realize the next generation of strategic weapons—directed energy weapons—according to Dr. Yonas. As the deployment of resources now stand we will be giving the future to the Soviets by default.

### 'Brilliant pebbles' and 'smart rocks'

Throughout the three-day conference, many presentations were given detailing the progress that has been made in developing the required technology for KEW anti-missile systems as a Phase One missile defense. Development of a six-element Phase One missile defense system proposal has now been approved by the Defense Acquisition Board (DAB). This Milestone One demonstration and validation review is prescribed by Pentagon policy for acquisition of all major programs. The DAB approval means that the SDI proposed Phase One defense system will now be assessed through a demonstration and validation phase which will evaluate the feasibility of elements of a potential strategic defense system through analysis, experimentation, and simulation. (See Fig-

FIGURE 3

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



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

*Prior to intercept, boost surveillance systems would detect and track the ballistic missiles. This information would be relayed to the Battle Management/Command, Control and Communications (BM/C3) system, which would process it and communicate target assignments to interceptors such as the SBI. Once the SBI platform received the command to intercept the incoming missiles, it would launch interceptors to destroy the attacking missiles.*

**ures 1-5.)**

Dr. Lowell Wood of Lawrence Livermore National Laboratory detailed how near-term developments in microcomputers and sensors, combined with the Western advantage in mass-production of advanced technologies, can be harnessed to achieve miniature space-based KEWs that are so small, so cheap, and so smart, that they could be proliferated in near-Earth orbit by the hundreds of thousands as totally independent systems and provide a robust defense against ballistic missiles.

Dr. Wood began by documenting how fragile and easy ballistic missiles are to detect in their boost phase. In fact, a well-thrown rock would be capable of critically disabling a ballistic missile in its boost phase, and several U.S. ICBMs have indeed been mortally damaged when workmen inadvertently dropped hammers and wrenches on them. The rocket engine plumes from missiles in boost phase make them brighter than all but the largest cities and, therefore, easy to detect.

Major advances in development of microcomputers was then reported by Dr. Wood. In fact, one program Dr. Wood initiated at Lawrence Livermore National Laboratory, the S-1 Project, has been developing the means for automated and simultaneous design of supercomputer hardware and software. Dr. Wood stated that we can now develop microchip computers, weighing less than 100 grams, which have a computing power equal to the largest supercomputers, such as the Cray, currently existing today. (One version of the Cray computer today has a computing power equal to all of the world's computers circa 1970.)

The same technology can also be harnessed for realizing

advanced microchip-based sensor systems, also weighing less than 100 grams, according to Dr. Wood. At a collision velocity of 10 kilometers per second (more than 20,000 miles per hour), this mass alone has many times the wallop needed to kill missile boosters.

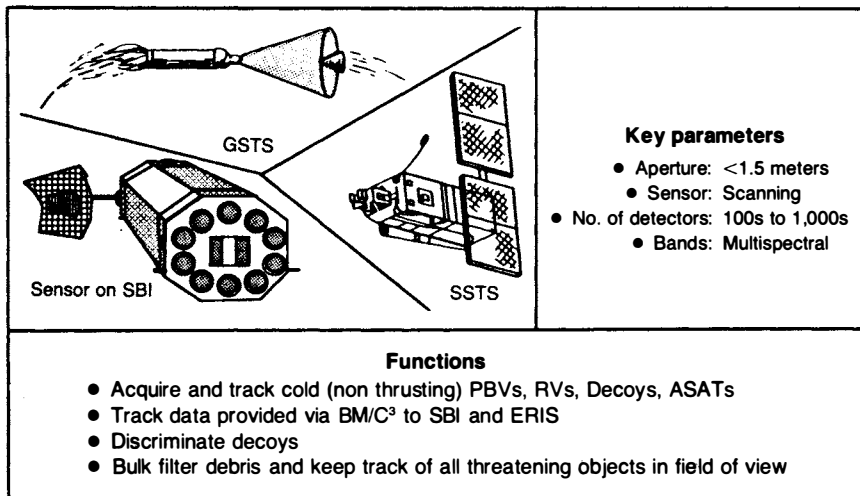
Dr. Wood then pointed out that the mass-production of advanced technologies gives the West a major advantage over the Soviets. Our “pubescent pre-adolescents” have minicomputers much more powerful than those available to most scientists in the Third and even Second World. Many of these Second and Third World scientists would be quite happy to join with one of our pre-adolescents and use their computers as the central tool for various research projects.

In an ironic swipe at the heavy deployment of U.S. high-technology into consumer toys, he remarked that many teenagers have video camera set-ups which produce higher-quality, higher-resolution pictures than most of the sensors utilized by our military.

Dr. Wood went on to point out that this Western advantage of mass-production of advanced technologies has turned the tables on Soviet aggression in Afghanistan and Angola. In 1986, the Stinger hand-held anti-aircraft missiles were given by the United States to the rebels in Afghanistan. According to Wood, this has totally transformed the military situation there—cleared the skies of Soviet aircraft and helicopters—to the point that the Soviets are clammering to leave as quickly as possible. In Angola, he asserted, the Cuban mercenaries are similarly trying to get out as soon as possible.

Given the near-term progress in microchip technology, the existing industrial base for manufacturing advanced technologies, and the fact that mass-manufacturing of such tech-

FIGURE 4  
Phase I—Midcourse surveillance element



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

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

The Ground-Based Surveillance and Tracking System (GSTS), also referred to as

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

nologies makes them extremely cheap, Dr. Wood forecast that the United States could, within a few years, develop a mini space-based interceptor, weighing less than five pounds and costing less than \$50,000 each. These mini SBIs, which Dr. Wood termed brilliant pebbles, could be placed in near-Earth orbit. Since each of them would have a 100-gram supercomputer aboard, they would be able to function totally independently; that is, each "brilliant pebble" would be able to make the decision when to strike and what to strike most efficiently as part of the overall missile defense.

Placing 100,000 of these in orbit, according to Dr. Wood, makes a very robust missile defense. The proliferation of 100,000 independent defense systems would ensure that a sufficient number of them could survive any currently projected countermeasures to kill all ballistic missiles launched anywhere on Earth.

Dr. Wood projected that the total cost for deploying this near-term defense would be less than \$30 billion. Furthermore, since the technology would be based on commercially available systems—which would continuously be upgraded—the U.S. would be able to make available the same technology to the Soviet Union.

When asked by *EIR* whether he thought that these brilliant pebbles precluded the necessity for developing directed energy lasers and particle beams, Dr. Wood replied that they didn't, and that the effort to develop directed energy is essential to the future national security of the United States.

The exhibits at the conference gave stark testimony to

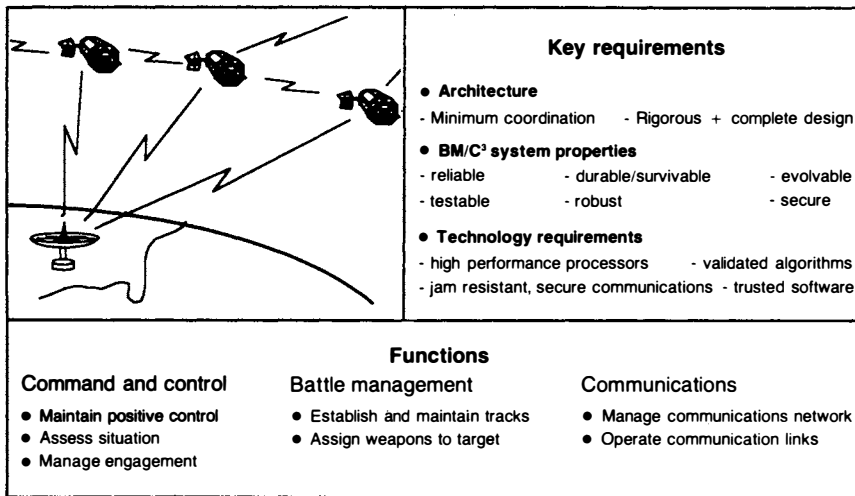
Dr. Wood's projection for the near-term development of small, integrated systems. As recently as 1984, ABM interceptors weighed hundreds of pounds. Existing mock-ups have been scaled down to scores of pounds and are shorter than the height of an average person. The models for the five-pound SBI can be easily held in one's hand. And some of this technology is already being deployed. As Dr. Teller described in his presentation, the Israelis have developed a ground-based interceptor capable of interdicting short- and intermediate-range missiles, such as the Soviet SS-21.

The conference's industrial displays also demonstrated the superiority of Western production capabilities. For example, the Soviets had developed the designs for the radio frequency quadrupole particle accelerators currently utilized in a neutral particle beam SDI project. But the Soviets were unable to perform the high-tolerance machining needed to make the metal accelerator quadrupoles. Similar advantages were shown in the case of large-scale optics, as seen in LAMP mirror program.

Many of the advanced technologies already realized by the SDI could revolutionize Western economies, if they are proliferated throughout industry. The cheap minicomputer control and sensing systems described by Dr. Lowell Wood could be readily and economically applied to virtually every production process.

But these potential applications are not limited to the intensive variety; they are also of the extensive variety. Very advanced control and location systems have been developed

FIGURE 5  
**BM/C<sup>3</sup> systems description**



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

for the relaying of laser beams to and from space-based mirrors. This same technology can be immediately applied to deploying laser radars and laser communication systems. Space-based laser radars (Lidars) will be capable of detecting single molecules and locate those molecules with a precision measured in microseconds and micrometers. This capability alone will revolutionize geology and man's ability to locate resources.

With regard to communication and high-volume information transfer, the possibilities are astounding. Today, communication is carried out via material wires, including optical fibers, and via radio waves broadcast through the air. Material media limit the volume and location of communication. Radio and microwave transmitters are volume-limited, because their signals are broadcast in every direction. It therefore follows that the number of channels that can be utilized simultaneously is quite limited. (They interfere with each other.) But in the case of directed laser beams, only the receiver that it is pointed at, can hear the broadcast. Also, because of the higher frequency and greater coherence of laser light waves, a laser pulse can contain a far greater amount of information than a radio pulse. For example, it is theoretically possible to contain the entire contents of the Library of Congress within a short laser pulse communication that would otherwise take years to transmit via radio waves.

### Directed energy

Many reports were made to conference participants on major progress in development of directed energy systems, such as lasers and particle beams. Studies were also presented

which showed that even the most primitive directed energy systems would dramatically improve the overall capabilities and robustness of any SDI missile defense system, even at the earliest stages of deployment. At the same time, congressionally mandated budget cuts are threatening to virtually gut this entire element of the SDIO effort.

The neutral particle beam Integrated Space Experiment (ISE) has been indefinitely postponed, literally putting this program in the deep freeze at the same time that the actual technology and science for neutral particle beams has been leaping forward at rates far beyond even the most optimistic projections of just a few years ago. In fact recent lethality tests have demonstrated that just a few dozen neutral particle beam accelerators deployed into space orbit could provide an extremely robust missile defense.

Dr. Gregory H. Canavan, assistant leader for the physics division of Los Alamos National Laboratory, presented the results of recent detailed studies of the capabilities of various directed energy systems. As was noted in other conference presentations, actual field tests of possible countermeasures to missile defense, and target acquisition, discrimination, and tracking, have shown that these areas have been previously, greatly overrated as difficulties facing SDI. In this context, relativistic directed energy weapons—that is, weapons that deliver their punch at the speed of light over great distances—have firepower and other potential capabilities much greater than previously thought.

Much to his own surprise, Dr. Canavan found that even the most primitive types of lasers, long-wavelength, space-based chemical lasers, would have a dramatic impact on

missile defense at even the lowest levels of deployed firepower. In particular, directed energy weapons (DEW) can be utilized in multiple roles in a missile defense system. Operating at low powers, DEWs can be utilized for active target acquisition, discrimination, and "painting" of targets for interception by other defense systems. DEWs could be utilized within all phases of the offensive missiles' trajectories and therefore enhance the performance of every layer of the missile defense.

But it is in terms of the scaling that directed energy shows its true superiority. Detailed studies have shown that while KEW systems must scale linearly with the increase of the number of offensive missiles and can be overwhelmed by increasing the density, in time and space, of the missile launch, directed energy systems are relatively insensitive. That is, the number of space-based lasers needed to defend against an increased number of missiles would be roughly proportional to the square root of the number of new missiles deployed and insensitive to whether they are all deployed at the same location for a high-density launch.

### **The Los Alamos neutral particle beam**

A second surprise derived from these studies was the actual status of the neutral particle beam accelerator.

To attack a rocket in its boost phase or a warhead in its midcourse flight through space requires the ability to deliver lethal energies over long distances. Most missile defense systems rely on delivering these lethal energies to the surface of the target, whether that energy be in the form of a collision, such as is the case with KEW, or with a laser pulse. High-energy, relativistic beams of particles, on the other hand, deliver their energy punch to the interior of the target. That is, a beam of neutral hydrogen atoms moving at near the speed of light can penetrate many inches through the toughest metals and deliver most of their energy to the interior of a target.

Actual lethality tests have shown that such particle beam interactions destroy the electronics—even hardened electronics—of nuclear weapons and their re-entry vehicle subsystems with very low levels of delivered energy. In fact, particle beam kills can be achieved at energy levels many orders of magnitude less than that required for weapons acting on the surface of the target.

### **In summary**

It is obvious that the predominantly optimistic tone of the conference about the technological success of the program in easily solving what appeared to be serious problems five years ago, is well justified. Despite the inherent superiority of directed energy weapons, the "brilliant pebbles" described by Dr. Wood, are a capability that certainly should be deployed as rapidly as possible. Here, as elsewhere in the program, the five-year timetable for development is budget-

rather than technology-constrained, and could no doubt be compressed with any serious commitment to the program by Congress.

But we are also left with ironic confirmation that the same scientific and technological capabilities which were directed to perfecting this new generation of kinetic energy weapons would have been put to better use, had the directed energy program been prioritized instead.

Throughout the conference, speakers referenced the ability—or claimed inability—to meet the "Nitze criterion," set by defense specialist Paul Nitze, for "cost-effectiveness in the margin." That such a criterion could be taken seriously, underscores the same flawed mentality which allowed the shift of SDI away from rapid development of the most advanced capabilities, in favor of the apparently easier and more cost-effective solution. "Cost-effectiveness in the margin" refers to whether it is more expensive for the enemy to increase his offensive capability than it is for us to increase our defenses. Thus, the decision to deploy an ABM system is determined by whether each additional intercontinental or submarine-launched ballistic missile is more expensive to deploy than its counterpart ABM component. This is the approach of systems analysts, rather than that of a general staff intent on developing the capabilities needed to win any foreseeable war.

In war, the aim is to win. War is an expensive business, but the stakes are very high as the loser soon finds out. He may have amassed systems which were extremely cost-efficient, only to find that his "spendthrift" opponent was not involved in a competition over who had the cheapest and biggest weapon in his arsenal, but in deciding what configuration might be needed for delivering a knockout blow, or waging a devastating flanking operation.

In one sense, however, we agree with Lowell Wood. As LaRouche pointed out when he designed the policy which was to become the Strategic Defense Initiative, the United States has a capacity to rapidly absorb new technologies into its civilian economy, thereby achieving a surge in productivity. Soviet culture precludes this flexibility, so that the development of advanced technologies for military use becomes a tax on the economy. This problem is presently becoming manifest in the current unrest throughout the East bloc.

The present pace of military build-up is a severe burden to the Soviet economy. This may make them more, rather than less, likely to look for decisive military advantage in the near term. Any perceived weaknesses in the West should make the Soviets extremely dangerous. But in the medium term, it means that we can sustain a far more rapid pace of military build-up than they. This means that despite their presently commanding lead in many areas of SDI and space research, we are in an excellent position to leap ahead, providing that the will to do so exists.

## Letters reveal thoughts of Siamese ally of Lincoln

by Sophie Tanapura

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### **A King of Siam Speaks**

by M.R. Seni Pramoj and M.R. Kukrit Pramoj  
Slam Society, Bangkok, 1987  
180 bhat, 97 pages hardbound.

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*A King of Siam Speaks* is a selection of letters and laws written by Thailand's fourth king, Rama IV, of the still-serving Chakri Dynasty. King Mongkut, as he is also known, reigned from 1851 to 1868. The American envoy, Townsend Harris, while delivering a letter from the President of the United States to the King, described him as "the wisest and most enlightened monarch of the East." The documents, which were either originally written in English by the King, or translated by the authors, beautifully convey the quality of leadership provided by Mongkut who, as the authors said, "managed to safeguard the independence of this country through the most critical period of her history." Since the Revolution of 1932, Thailand has been a constitutional monarchy, so that the powers which had rested in the king, today are in the hands of the Thai prime minister and parliament. Both authors are former prime ministers, and Kukrit Pramoj today is regarded as the country's elder statesman.

In introductory remarks provided by the authors, the threat to Siam, as it was then called, is briefly described: In 1824, the British and Dutch empires signed an agreement dividing southern Asia between them. During the reign of Rama III, the British subjugated both China (in the Opium Wars) and

Burma. France was increasingly dominating Southeast Asia, and in 1863 forced the King of Cambodia, a vassal of Siam, to sign a treaty placing Cambodia under the "protection" of France. Siam was surrounded in all directions.

### **Rule of law**

The tradition exemplified by Rama IV in Thailand is the tradition that has made Thailand one of the closest and most loyal allies of the United States in Asia. King Mongkut was himself a close ally of President Abraham Lincoln, beginning an alliance with America that has weathered many years.

Mongkut's outstanding quality was his belief in rule by law. This was fashioned in him in part by his 1833 discovery, during his 26 years as a Buddhist monk, before becoming king, of both the throne and stone inscriptions of one of the nation's earliest leaders, Prince Ramkamhaeng of Sukhotai. Sukhotai was the first Siamese kingdom, thriving in the second half of the 13th and early 14th century, known as Thailand's classic or golden age. Mongkut's research was truly the beginning of the nation's identification with its own heritage in the most profound sense. The name, "Wajiraneano," given King Mongkut by his religious colleagues, reveals the manner in which his co-thinkers revered him at the time. In the King's own explanation, sent to friends of his in America, he translated the name as meaning, "he has lightness of skill like a diamond."

The throne Mongkut discovered was used by Sukhotai's Ramkamhaeng to pass judgment on the law. The inscription, dated 1292, both described the Kingdom of the period and laid down the law. It was engraved in a script invented by



Ramkamhaeng and thus, he has become known as the Father of Thai writing. What marvelous discoveries for the future King! The authors chose a quality of English like that in King James' version of the Bible to translate extracts from this inscribed stone legal document: "Conspire not with thieves. Consort not with receivers. Seeing thy neighbors harvest, be thou not covetous. Seeing thy neighbors property, be thou not jealous."

Ramkamhaeng goes on to establish that all citizens have access to him personally, in order to insure that justice is done: "Should any citizen suffer the pain and anxiety running up and down between his heart and stomach arising out of any litigation whatsoever, the Prince saith unto him. 'There is no trouble at all. Let him hence to the palace gate and ring the bell which is hung up there. When the signal is heard, Prince Ramkamhaeng will come forth to try the case for him rightly.' "

It is worthwhile to note here, although the authors do not, that the first competent English translation that captured precisely the sense of law based on morality was made by Cornelius Beach Bradley in 1909. Cornelius Bradley was the son of Dr. Dan Beach Bradley, a Protestant missionary who, through his medical practice from 1835 to his death in 1873, helped establish the authority of Western science in the Kingdom. The doctor also taught the King English and introduced Siam's first printing press.

When Wajiraneano became King, he revived Ramkamhaeng's practice of making himself accessible to any resident of the country, to pass judgment on their petitions, as in a Supreme Court. Mongkut stipulated in a special notification issued on the subject: "In drawing up such a petition truth only shall be presented, as falsehood will unnecessarily prolong the trial. The language used in the petition is required to be concise, and care shall be taken to avoid subtlety, prevarication, and circumlocution."

In another related notification, he warned against the trustworthiness of the newspapers of the time. The document read in part: "Newspapers usually believe the stories of people who have reached the end of their wits. Particularly speaking, in regard to dead cases thrown out of Court for the lack of merit, such carcasses of law are picked up and put into the newspapers in efforts spent by hook or by crook to gain revival, the futility whereof is all too apparent. It is better for a man to have a clean heart than a clean body; for in a clean heart lies the man, whereas a man with a dirty mind is no man, and our association with him is no better than our association with monkeys. Out of kindness and condescension, we throw bananas and sugar cane to the monkeys, but we love them not as our brothers."

In an "Act on Abduction" he confirmed the rule of free will of a woman, giving her the right to choose her husband as opposed to being sold into marriage by her parents. Likewise, King Mongkut denounced the selling of children into bondage: "A decision shall be given laying down the rule that

no parents own their children as if they were cattle, which can be disposed of by sale at a price. Nor are children slaves belonging to the parents, who can be disposed of in the like manner as slaves are sold for the price of their bondage."

In a proclamation entitled "Concerning Religious Freedom and Superstition," Mongkut establishes suicide, and all forms of flagellation, as an act both inconsistent with the Buddhist faith and "deplored by all religions." Significant in particular in this law is his insight into the fraudulent use of the argument that it is "religious freedom" which permits one to take his own life. The King points out that "such acts may appear to be praiseworthy in the eyes of those who are about to lose their mind, having been led to believe in the merit of such acts by reports and hearsay or by scattered brain and aberrant sermon of some priest unlearned the the Holy Tri-pitaka, whose mind is about to go as well." Therefore, not only was suicide not permitted, but failure to prevent a suicide by either not intervening forcefully enough, or out of sympathy for the victim, was punishable under the law.

### Protecting the nation

Rama III, Mongkut's predecessor, on his deathbed had said: "Beware of the Farangs [foreigners]. Learn from them as much as possible, but do not worship them blindly. Don't let them take the country away from you." Indeed, it was Mongkut's skill in adopting the best from the West and at the same time insisting on his own nation's sovereignty under the law that successfully steered Siam through that dangerous era. As an example of this commitment, in a proclamation concerning foreign investment, just then beginning, he stipulated that French, British, and American subjects being "good and skillful artisans, may set up industries to manufacture a variety of goods and articles of use surpassing in novelty and quality those which have been previously manufactured in the City [Bangkok], which newly manufactured goods and articles, when disposed of by sale and otherwise among the people, will not only bring down the price of imported goods and articles of the same nature, but also become samples for the City artisans to study and imitate, thus promoting the growth of local art and crafts. Moreover, the French, British, and Americans are well versed in agriculture, having studied the subject from various books and treatises. Wherefore, should they, by dint of patience and industry, develop rice fields and gardens out of our forests, our plains, and our wastelands, a considerable increase in the revenue of the Realm may be expected as a result of new taxes and duties collected therefrom."

However, the King also recognized the threat of especially England and France at the time. In an 1864 letter to his ambassador to the French court, Mongkut concluded that possibly France and Britain had "contrived beforehand to divide our country among themselves!" Thus he accepted that vassal states such as those on the Malaya peninsula or Cambodia would have to be sacrificed to the imperial powers,

and they were. Also, the Kingdom's economic and military weakness left Mongkut no choice but to negotiate trade agreements which were advantageous to the adversary powers.

Thus, fully recognizing his weaknesses, Mongkut advised his ambassador upon what power to draw. "It is sufficient for us to keep ourselves within our house and home: It may be necessary for us to forgo some of our former power and influence. Being, as we are now, surrounded on two or three sides by powerful nations, what can a small nation like us do? Supposing we were to discover a gold mine in our country, from which we could obtain many million catis weight of gold, enough to pay for the cost of a hundred warships: Even with this we would still be unable to fight against them, because we would have to buy those very warships and all the armaments from their countries. We are yet unable to manufacture these things, and even if we have enough money to buy them, they can always stop the sale of

them, whenever they feel that we are arming ourselves beyond our station. The only weapons that will be of real use to us in the future will be our mouths and our hearts, constituted so as to be full of sense and wisdom for the better protection of ourselves."

The brutal military pressure exerted on Thailand today by Soviet surrogates Vietnam and Laos, as well as the insane U.S. policy to gradually hand Asia to the Soviets, raises the question of how Thailand's leadership will deal with this most serious crisis since the Mongkut era. The challenge to the nation is to rise above the Byzantine no-issue debates which characterize the government and opposition parties to the level of "wisdom" achieved more than 100 years ago.

The book may be ordered for \$7 plus postage from Khun Anothai Nantitai, The Siam Society, GPO 65, Bangkok 10501, Thailand; or EIR Co. Ltd., Silom-Surawongse Condominium, 6th Floor, 43/53-54 Soi Anuman Rajdhon, Surawongse Road, Bangkok 10500 Thailand.

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## Precursors to Project Democracy

by John D. Morris

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### **The Landing at Vera Cruz 1914**

by Jack Sweetman

Naval Institute Press, Annapolis, Md., 1987  
222 pages, hardbound

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The historian can draw many striking parallels between the Reagan administration's current intervention in Central America, and the actions of President Woodrow Wilson in 1914. President Wilson applied his own misinterpretation of the Monroe Doctrine in his relations with the countries of the southern hemisphere, with effects as deleterious as the Reagan administration's actions today.

*The Landing at Vera Cruz 1914* is an anecdotal narrative of the events surrounding the invasion and occupation of a coastal port in Mexico by U.S. naval forces in the period immediately preceding World War I.

The author, Jack Sweetman, a professor of history at the U.S. Naval Academy, provides an adequate survey of the individuals involved in debating the crisis in Mexican-American relations, but fails to provide any coherent understanding of the historical process which created and determined the Vera Cruz action.

The interventions carried out during Woodrow Wilson's presidency can be seen as a precursor to those of Lt. Col. Oliver North's "Project Democracy" secret government grouping today. Sweetman includes Wilson's reply to a query from William Tyrell, the private secretary to British Foreign Secretary Edward Gray, concerning Vera Cruz. Wilson states, "I am going to teach the South American Republics to elect good men." Respecting Mexican Provisional President Victoriano Huerta, the heir to Mexico's decaying governmental structure, Wilson's policy was "to isolate General Huerta entirely; to cut him off from foreign sympathy and aid, and from domestic credit whether moral or material, and so to force him out."

Another clue to the deeper influences on Mexican-American policy at that time, is the description of one Robert J. Kerr, an American lawyer and translator of the Mexican legal codes, who was asked by the Navy to head the civilian government of Vera Cruz while it remained under military occupation. Kerr was rejected by the Wilson administration because of his opposition to Wilson's Mexico policy, which Kerr claimed to favor "the government or the set of individuals, or the political party, or the mob of bandits, pledged, if they get into power, to do things which will be favorable to the Standard Oil interests."

Sweetman avoids any overt attempts at political analysis. An unfortunate omission is the absence of any discussion of the Monroe Doctrine, developed by John Quincy Adams to ensure a community of interests between the United States and other sovereign nations of the hemisphere. Without considering how this doctrine was perverted, there can be no understanding of how treasonous elements behind the Woodrow Wilsons and the Standard Oils have not halted their efforts to obscure crucial issues of natural law in all the 212 years of the United States' nationhood.

# Michael Deaver tells only half of the Nancy Reagan story

by Scott Thompson

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## Behind the Scenes

by Michael K. Deaver

William Morrow and Co., New York, N.Y., 1987  
272 pages, hardbound, \$17.95

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Since his "Evil Empire" speech and trip to Bitburg, President Ronald Reagan has made an about-face to the left to adopt a "New Yalta" policy of appeasing the Soviet Union, highlighted by the "Neville Chamberlain" INF treaty signed with Mikhail Gorbachov on Dec. 8, 1987. But, the transformation of President Reagan began earlier. This transformation has been shocking to those who are unfamiliar with his earlier political background until approximately 1947, when in his own words, "I was a near hopeless, hemophiliac liberal." The available record shows that Reagan has flipped and flopped for at least four decades, according to which way the political winds were blowing at the time—and the winds of career opportunity.

According to well-informed Washington sources, one of the leading influences upon Reagan's return to his liberal political roots has been his wife, Nancy Davis Reagan. Now this story is confirmed by Michael Deaver in his recent book, *Behind the Scenes*, whose publication led the *New York Times* in its Feb. 3, 1988 "Washington Talk" column to question, "Is Nancy Reagan a closet liberal?" *Behind the Scenes* is an otherwise shallow book, written by the leading pragmatist of the "Palace Guard" during the first Reagan administration. It is a significant addition to the history of the administration only because it confirms Nancy Reagan's role as the "Red Queen" of that "Palace Guard."

Deaver is a well-qualified source to report on Nancy's role. He had been assigned as special liaison to Mrs. Reagan (a post known as "the Mommy Watch"), since he joined Reagan's staff during Reagan's first term as California governor. Deaver says of Nancy Reagan's real influence, "For as long as I have known them, she has used her persuasion with care, knowing when and how hard to apply pressure. If he resists, she will back off and return to that issue at another moment.

"She has not gotten involved at all, it should be noted, unless there is a controversy around him, or he needs to be convinced that an action is unavoidable. . . . She will wage a quiet campaign, planting a thought, recruiting others of us to push it along, making a case: Foreign policy will be hurt . . . our allies will be let down.

"She lobbied the President to soften his line on the Soviet Union; to reduce military spending and not to push Star Wars at the expense of the poor and dispossessed. She favored a diplomatic solution in Nicaragua and opposed his trip to Bitburg. Nancy wins most of the time. When she does, it is not by wearing him down but by usually being on the right side of an issue."

Of the President's May 1985 visit with Chancellor Helmut Kohl to the cemetery at Bitburg, West Germany, to honor American war dead buried there, Deaver says that Mrs. Reagan "was convinced that I had ruined her husband's presidency, and perhaps the rest of his life. . . . Almost to the last minute, she insisted that the trip should be canceled. She said so to me. She said so to her husband. . . . She may push to a point where he slams a table with his hand, or throws down a fountain pen. . . . In this case, it ended when the President said: 'Nancy, I simply don't believe you're right and I'm not going to change my mind.' She pressed him no further. On the early part of the trip, she was almost physically ill."

If Nancy Reagan lost on the question of Bitburg, she has since won on the question of softening the President's line on the Soviet Union and on backpedaling on the Strategic Defense Initiative.

"When some of his staff wanted him to get tough with the Soviets, she argued that he should soften his language. What she saw was a man she knew wanted peace, who had been painted as strident and unyielding to the point of being a warmonger. . . .

"For all the speculation about her White House role, Nancy took care to pick her spots. But once into an issue, she was like a dog with a bone. She just didn't give up. It was Nancy who pushed everybody on the Geneva summit. She felt strongly that it was not only in the interest of world peace but a correct move politically. She would buttonhole George Shultz, Bud McFarlane, and others, to be sure that they were

moving toward that goal.

"[William] Clark's obsession was the Soviet Union. He saw no hope in any policy that relied on trusting the Russians, argued against any attempt to improve that relationship, and did what he could to slow it down.

"He felt betrayed—by Mike Deaver—when Nancy and I were able to persuade the President to tone down the 'Evil Empire' language Clark had favored. When Bill went to Nancy, and was told point-blank that I stood with her, he decided it was time to go home."

## Davis and the Communists

There is a myth, perpetuated by the *New York Times* during the 1980 presidential campaign, that Nancy Reagan had influenced the President's change from an FDR liberal to the right wing on issues, because of the influence of her stepfather, Dr. Loyal Davis, a well-known Chicago neurosurgeon.

While Michael Deaver's book dispels this myth, he does not cover the true story about Nancy Davis Reagan. During the Cold War period in Hollywood, Nancy Davis was receiving Communist Party literature. At the time, the House Un-American Activities Committee (HUAC) had begun its 1947 hearings into the "Hollywood Ten" and "Communist Influence in the Motion Picture Industry."

Numerous investigators of the "Hollywood Ten" period have told *EIR* that they believe the President's wife had had a fling with the "progressives" in Hollywood at that time. The jury is still out, and the question may never be answered as to whether Nancy Davis Reagan had ties to the Communist Party in Hollywood. All that is clear is that another actress, also named Nancy Davis, was scapegoated by Ronald Reagan to save the career of his future wife.

In her autobiography, *Nancy*, Mrs. Reagan tells how she reacted to receiving Communist Party literature. "I told Mervyn" LeRoy, her producer at Metro-Goldwyn-Mayer, "how upset I was. . . . Mervyn made my problem his. He is that kind of man. He told me he knew the man who could fix this thing, the president of the Screen Actors Guild, and would speak to him about my problem. . . . Mervyn assured me that Ronnie was a nice young man and I was a nice young woman, and it might be nice if we met."

Mervyn LeRoy, in his autobiography, *Take One*, recalls the incident as follows:

"I didn't know what to tell her to do about it, but suggested she talk to Ronald Reagan, who was then president of the Screen Actors Guild.

"I called Ronnie and explained the problem. I said he ought to talk to the girl, because the whole thing had her so upset.

" 'Besides,' I said, 'You're single and she's kind of cute and you should meet her.'"

"So Ronnie said, okay, send her down. Nancy went to the SAG office and met Ronnie."

## 'Informant T-10'

At the time of this meeting between Nancy Davis and Ronald Reagan, the president of the Screen Actors Guild was undergoing a transformation from "hemophiliac liberal" to anti-Communist Cold Warrior. HUAC had turned Hollywood, whose actors and work crews had been a hotbed of Popular Front organizing, led by such people as Christopher Isherwood, upside down. Every one of the "Hollywood Ten" members subpoenaed to the 1947 HUAC hearings was a member of the Communist Party.

Ronald Reagan had himself been a member of several Popular Front institutions, but, unlike the "Hollywood Ten," he went along with the swing to the right in Hollywood, at a time when any actor who refused to "name names" before HUAC was blacklisted by Hollywood producers fearing box office backlash.

By late 1947, Reagan, whose first encounter with the FBI was in 1943 when he informed on an "anti-Semite," emerged as "Confidential Informant T-10" on questions of "Communist Infiltration of the Motion Picture Industry." He testified before HUAC during the 1947 hearings as a "friendly witness," along with Louis B. Mayer and others.

During the period when he was discharged in 1945 from the Hal Roach Studios in Culver City, California, where he had served as a captain in the Army Air Corps producing training films, until his 1947 Cold War transformation, Ronald Reagan was a member of: The United World Federalists, Americans for Democratic Action, American Veterans Committee, Hollywood Independent Citizens Committee of Arts, Sciences and Professions, and the Institute for Pacific Relations' Committee for a Democratic Far Eastern Policy front. Truly, he was a "near hopeless, hemophiliac liberal." Some of these activities got him reported to the FBI, despite his own brief role as an informant to the bureau during World War II. In fact, the Los Angeles FBI had Ronald Reagan down as a suspected "Communist," because of his affiliations, according to *Reagan's America*, by Gary Wills.

A report dated April 11, 1946 from the Los Angeles office of the FBI, mentions Ronald Reagan's activities with the Committee for a Democratic Far Eastern Policy (CDFEP), as well it might: Reagan was listed on its letterhead as a "sponsor." At the time, the committee was carrying out a propaganda campaign on behalf of Mme. Sun Yat-Sen, Agnes Smedley, Gunther Stein, and others in the Institute for Pacific Relations network. Smedley, the most infamous of the group, was shown to be a member of the "Sorge network," which originated in the Frankfurt School in West Germany, before Sorge joined the Comintern espionage apparatus and then the GRU. Gunther Stein was another member of the Sorge network, while Mme. Sun Yat-Sen has been named by KGB defector Anatoli Golitsyn in his book *New Lies for Old* as having served as a high-level Soviet mole inside China.

Asked in 1947 by Robert Stripling, the chief investigator for HUAC, whether he had "ever been solicited to join any

of those organizations or any organization which you considered to be a Communist front organization,” Reagan responded, “Well, Sir, I have received literature from an organization called the Committee for a Far Eastern Democratic Policy [sic]. I don’t know whether it is Communist or not. I only know that I didn’t like their views and as a result I didn’t want to have anything to do with them.”

A similar report was made to the Los Angeles FBI office concerning Reagan’s participation as a national fundraiser for the American Veterans Committee, which the Communist Party had been busy infiltrating. But, the most influential of Reagan’s associations was with the Hollywood Independent Citizens Committee of the Arts, Sciences and Professions (HICCASP), where there was a major faction fight in 1946 between the Roosevelt liberals and the Communists of the Popular Front. Hollywood Independent Citizens emerged in 1945 through the merger of the Hollywood Democratic Committee, which supported President Franklin Delano Roosevelt, with the HICCASP. In 1946, the year that Ronald Reagan was an emerging leader on the board of HICCASP, it elected James Roosevelt, son of the late President, to be national director of political organization. HICCASP was seen as a stepping stone for a bid by James Roosevelt to unseat Harry S. Truman.

A 1947 *Time* cover story on HICCASP said it had a “leftist tinge” and was controlled by Communists. James Roosevelt responded, “I feel strongly that to adopt a principle barring from membership so-called Communists is a very dangerous and un-Democratic procedure.” Yet, four months later, James Roosevelt resigned, along with Ronald Reagan and Olivia De Havilland, after a resolution condemning both Communism and Fascism equally failed to pass. HICCASP then went through several transformations to emerge as a full-blown Popular Front institution backing Henry Wallace for President, in a campaign run by Michael Straight from the offices of the *New Republic*, with Communist Party support.

Ronald Reagan’s older brother, Neil, was an informant for the FBI, and he warned Ronald that, because of his membership in HICCASP, he was under FBI surveillance. Concerned about his future in movies, Reagan decided to talk to the FBI, when they approached him for information about HICCASP and other organizations. On April 18, 1947, Reagan and his wife of that time, Jane Wyman, told the FBI that HICCASP was strongly influenced by Communists. In the same year Ronald Reagan reported several more times, “naming the names” of those he suspected were the Communists in the Screen Actors Guild, which he had recently become president of. Reagan’s transformation was dutifully reported to the FBI by an actress, “Informant T-9,” who was cited in a Dec. 19, 1947 report. Shortly thereafter, the FBI listed Ronald Reagan as informant “T-10.”

An FBI report on Dec. 19 notes, “T-10 advised Special Agent [deleted] that he has been made a member of a com-

mittee headed by L.B. Mayer, the purpose of which allegedly is to ‘purge’ the Motion Picture Industry of Communist Party members, which committee was an outgrowth of the Thomas Committee [HUAC] hearings in Washington and the subsequent meeting of motion picture producers in New York City.” Still, Reagan informed the FBI that, with respect to the HUAC hearings, he “regretted the whole affair,” and he thought it would be next to impossible to clean out the Communists, unless there were clear guidelines provided by Congress, which would include outlawing the Communist Party as “a foreign-inspired conspiracy.”

A March 3, 1949 interoffice memo from D.M. Ladd to J. Edgar Hoover on the subject of “Communist Infiltration of the Motion Picture Industry,” notes that “The Hollywood Reporter, in its issue of Nov. 11, 1948, reported on the formation of the Labor League of Hollywood Voters for the purpose of blocking Communist penetration of motion pictures. Ronald Reagan was the chairman and Roy Brewer was vice chairman of the group.”

## Books Received

**The Secret War in Central America: Sandinista Assault on World Order**, by John Norton Moore. University Publications of America, Inc., Frederick, Md., 1987. \$17.95, 195 pages.

**The Shadow War: German Espionage and United States Counterespionage in Latin America during World War II**, by Leslie B. Rout, Jr. and John F. Bratzel. University Publications of America, Inc., Frederick Md., 1986. \$29.50.

**History of the Military Intelligence Division, Department of the Army General Staff: 1775-1941**, by Bruce W. Bidwell, Col. U.S. Army (ret.). University Publications of America, Inc., Frederick, Md., 1986. \$29.50.

**Empire: William S. Paley and the Making of CBS**, by Lewis J. Paper. St. Martins Press, New York, N.Y., 1987. \$19.95, hardbound, 384 pages.

**Good Families of Barcelona: A Social History of Power in the Industrial Era**, by Gary Wray McDonogh. Princeton University Press, Princeton, N.J., 1986. \$30.00, hardbound, 262 pages.

**Partners in Conflict: The United States and Latin America**, by Abraham F. Lowenthal. Johns Hopkins University Press, Baltimore, Md., 1987. \$19.95, hardbound, 240 pages.

## Elliott Abrams backs Nazis in Panama

by Lyndon H. LaRouche, Jr.

*EIR's Founding Editor issued this statement under the title, "Elliott Abrams backs Nazis in Panama: 'Whom the gods would destroy, they first make mad'" on March 19.*

Is the State Department's social democrat, and putative Jew, also a backer of surviving elements of Adolf Hitler's organization? As a matter of documented fact, he is; but the implications go much further than such odious peccadilloes of one badly soiled Reagan administration official.

The implications are global, and very deep-going. Abrams's support for old Nazi circles within the Panamanian "opposition," symptomizes a Reagan-Bush leadership pushing the United States itself to the verge of destruction over the course of the years immediately ahead. The Reagan-Bush Panama policy is sheer insanity; but it is said, that "whom the gods would destroy, they first make mad."

In politics, as in strategy and history generally, and as in the physical sciences, there are some facts which are merely ordinary facts, and other facts which are crucial. In science, we mean by "crucial fact," experimental evidence which shows that one entire body of scientific thought is wrong, from top to bottom, and an opposing body of scientific thought the more correct one. The United States' use of old Nazis as the core of the Panama "opposition," is not an isolated dirty fact; it is a crucial fact, as we shall explain and demonstrate.

The London *Daily Telegraph* of Wednesday, March 16 featured 87-year-old former Panamanian President Arnulfo Arias Madrid as the charismatic leading spirit for those Panamanian figures now being deployed for Elliott Abrams's planned coup against the elected government of Panama. This is the same Arias whom the United States toppled in a 1941 coup, because Arias was at the time a faithful follower of Nazi dictator Adolf Hitler; the U.S. State Department has been freshly reminded of those facts, and of the mass executions of a number of Jews, which occurred during the period of Arias's wartime Nazi presidency of Panama.

As *EIR* has documented in its Panama Special Report and other coverage of this matter, young Arnulfo Arias was recruited to the German section of the Thule



*Left to right: Roberto Eisenmann, former Reagan adviser Norman Bailey, and Aurelio Barria, head of the U.S.-based Panamanian opposition, "Civic Crusade," at a 1987 Washington forum to plot Noriega's overthrow. The hard-core anti-Noriega faction in Panama, including elements in the editorship of Roberto Eisenmann's *La Prensa*, is riddled with members of a covert continuation of the old, never-disbanded Nazi organization in that country.*

Society, the Gnostic cult which created the Bavarian Nazi Party and selected Adolf Hitler to lead it. The documentation available indicates that Arias was recruited to the Nazi Party by Hitler personally. In the period of his wartime presidency, Arias openly avowed himself a Hitler admirer, and advanced policies emulating those of Hitler.

While U.S. Attorney General Edwin Meese is diligently supporting frame-ups based on Soviet KGB-forged evidence against alleged Nazi accomplices of the past, the State Department's Elliott Abrams is supporting the political faction of a real, live Nazi in a Panama coup plot. Something stinks.

It would be disgusting enough if old Nazi Arias were just one rotten fish in the new coalition assembled around former President Eric Arturo Delvalle. The fact is, the hard-core anti-Noriega faction in Panama, including elements in the editorship of Roberto Eisenmann's *La Prensa*, is riddled with members of a covert continuation of the old, never-disbanded Nazi organization in that country.

The U.S. military intelligence files from the period of the 1920s through 1945 tell the kernel of the story. Throughout the Caribbean region, from northern Mexico down to Peru, and also spread more widely, there existed a Gnostic cult with the same general anti-Christian religious ideology as the German Thule Society, which U.S. intelligence files classified as "SYNARCHIST: NAZI/COMMUNIST." They were so designated, because their ranks were interchangeably Nazi and Soviet agents. This included the Mexican PAN—currently backed by the Reagan administration, Arias circles in Panama, and confederates of the French and Spanish Synarchists generally.

Today, since its legalization by former Colombian President Alfonso López Michelsen, this Gnostic cult has come into the open again in places such as Colombia, Venezuela, and elsewhere, with prominent political links to AFL-CIO President Lane Kirkland's AIFLD organization, Robert Vesco's Cuba-based operations, and the region's narco-terrorist organizations generally. An overlay of the roster of key Synarchists from the 1920s through 1945, with the visible elements of the current Gnostic operations in the region, is one of the pieces of evidence showing that what aging Arnulfo Arias intersects today is the continued form of organization of the old Synarchists of the wartime period.

This Gnostic/Synarchist network is assessed by the governments of the Caribbean region as the most dangerous and sophisticated private intelligence organization in the area. Unfortunately, elements of U.S. foreign intelligence are often allied closely with these Gnostic networks in the region, as they are in Panama and Mexico today. However, these networks are also working closely with Soviet foreign intelligence, partly through Syria and old Nazi networks in Switzerland, as well as through East Germany, Czechoslovakia, and Bulgaria. The Soviet links are identical with the channels through which Moscow coordinates Syria-based international narco-terrorism; the channels used by Moscow are the international Nazi organization, headquartered in Lausanne, Switzerland, which has maintained and rebuilt itself as the unbroken continuity of Nazi leadership from Adolf Hitler himself.

The Panamanian connections came to the surface in the wildly Gnostic ravings of former Panamanian Col. Roberto

Díaz Herrera, on the occasion of his June 1, 1987 discharge. The connections were prominently exposed, more recently, in a *La Prensa* attack on U.S. Democratic presidential pre-candidate Lyndon LaRouche. On Feb. 24, 1988, *La Prensa* attacked LaRouche as “a detractor of Basilides.”

Basilides is the name of a key follower of the Simon Magus who founded Gnosticism, and Basilides himself was a key leader of the international Gnostic cult during the second century A.D. The U.S.-backed opposition to Panama’s government is dominated by Gnostic/Synarchist figures who have the closest banking and related financial ties to the Medellín, Colombia narco-cartel.

Elliott Abrams’s staff knows of Arnulfo Arias’s Nazi past and of the Synarchist/Gnostic character of Arias’s Panamanian collaborators today. Abrams’s staff is also fully conscious of the fact that it is the forces which Abrams is backing, which are the allies of the Medellín cocaine cartel, and that the Justice Department’s indictment of Gen. Manuel Noriega is a complete hoax, and part of an attempted cover-up of the truth about the drug-running operations of the Contras noted and tolerated by the Bush-headed Special Situations Group to which Oliver North reported.

It is also relevant that Elliott Abrams is part of a social-democratic faction within the U.S. intelligence establishment, which has been in collusion with these Gnostic circles throughout Central and South America. It is relevant, that the leadership of the Socialist International is not only a leading appeaser of Moscow today, but is a principal organizer for the establishment of an international, one-worldist-tending fascist order in Europe and the Americas by a target date advertised currently as 1992. This is called “democratic fascism,” under which society will be reorganized along fascist corporatist lines, and harsh austerity “democratically” imposed by these corporations. That is the policy to which Project Democracy is committed, with the encouragement of some of the greatest financial powers in the world today.

The relevant point to be made, is that the ideology of the leadership of the Socialist International is purely Gnostic. This has not been the case with much of the membership and local leadership of mass-based socialist parties in Europe. However, at the top, the Socialist International leadership is ruled by Gnostic ideologues.

Of course, those ideologues do not often employ the religious paraphernalia of Simon Magus’s modern followers in their statements as Socialist International leaders. Some of them are active members of overtly Gnostic factions penetrating Christian churches and Jewish freemasonic circles—either the Feuerbach-Barth tradition among Protestant churches, or such effluvia as Karl Rahner-like “liberation theologians” among Catholic dissidents.

What the Socialist International’s advocates of “democratic fascism” do, is to use a secular disguise for Gnostic

mystical dogmas. Such secularized Gnosticism is the characteristic feature of the “socialist ideology” of that organization today. In other words, the characteristic features of such socialist ideology are conceptions of the human individuality and of society which are in perfect agreement with the virulently anti-Christian notions of the individual and society characteristic of Gnostic influences.

We shall show here the importance of that Gnostic characteristic of such social-democratic ideology. These and related facts do bear on Elliott Abrams’s state of mind. However, it were probable that Abrams does not think much about these things from day to day; they are so instinctive with him, that he takes them for granted, and acts in such directions without need to think about the curious way in which his mind works.

Day to day, a bureaucrat such as Elliott Abrams operates on a much simpler set of totally unprincipled assumptions. Washington today operates on the basis of what is called the “power curve.” Once Washington bureaucrats have committed themselves to carrying out a policy-action, they tend to push through any measure they imagine the traffic will bear, simply to adorn themselves with success in conducting the policy-action.

It were likely, therefore, that Abrams’s day-to-day mindset is simply that of such an utterly unprincipled bureaucratic fanatic, who acts from moment to moment on the basis of the perception that his career, his prestige, and the “credibility” of the Reagan-Bush transition depends upon the success of this Panama caper.

Nonetheless, historical processes tend to absorb such purely private motivations of bureaucrats like a sponge. It is the interaction between reality and large-scale philosophical movements which characterizes the outcome of any period of history. In that sense, whether Abrams thinks of this fact, or not, it is the logic of Gnostic cult-influences which is using him as if he were a mere chess pawn in the unfolding of current events.

It is easy to damn Abrams as an all-around, immoral scalawag. The fact remains, he is not a shaper of policy, but merely a highly expendable and relatively low-ranking instrument of the policy which moves him even contrary to his own will. The important thing, on which our attention is focused here, is to understand the real forces at play in the situation, and how the interaction between these forces and reality is shaping the outcome of current history.

The world has come into a time—a *punctum saliens*—when the past four decades’ policy-shaping has reached an outer limit. What has seemed to succeed as policy-shaping during the past decades, especially during the past two decades, is now doomed to be crushed by the emerging onrush of crisis events. Now, it is variously neglected or discounted “factors” in history which will come to the fore as the leading determinants of current and future history. We are entering



## Arnulfo Arias: Nazi



According to the book *Holocaust in Panama* by Aristides Iván Hassan R., Arnulfo Arias was responsible for directing the mass executions of 13 German Jewish families in Panama, where Arias now owns what is said to be a coffee plantation. The death squad that carried out the executions during Arias's short, violent wartime presidency in 1940-41, was trained by a Guatemalan protégé of Hitler's ambassador to Panama, Hans von Winter, who set up a political police called GUSIPA. Its chief was Nicolás Ardito Barletta, father of ex-President "Nicky" Barletta.

In 1937, Arnulfo Arias personally met Hitler, when he was ambassador to Italy. It was there he was formally recruited to Nazism, and, sources say, it was during that time the plot to murder Panama's German Jews was hatched.

Arias, who first became fascinated with Gnostic cult activity in 1925, when he became involved with the racist society "Los Polares" in France, has a long history as a

"race scientist" beginning with his education at the University of Chicago and Harvard Medical School.

- In 1930, Arias was a member of Acción Comunal, an occult secret society that carried out a coup d'état in 1931, and installed his brother Harmodio Arias as President.

- In 1933, during his brother's presidency, the same year Hitler's mass sterilization programs were launched, Health Minister Arias proposed a program to sterilize blacks and "mercy-kill" the elderly. The program was rejected by the congress, but in 1941 during his presidency, all blacks admitted to the hospital were forcibly sterilized.

- Arias himself became President in 1940. In his Oct. 1 inaugural address, he proclaimed that "as Panama has ceded its territory to the United States to construct the Canal, Panama also can cede territory to the Germany of Adolf Hitler, so they . . . can help us against Imperialism. . . . The demagogic concept that all men are free and equal is biologically without foundation. . . . The concept of liberty as an inalienable and unlimited right of the individual must give way to the more modern concept of liberty conditioned by the social exigencies of the community."

Before he was overthrown by a U.S.-backed coup in 1941, Arias was able to impose a new constitution prohibiting immigration of blacks, Chinese, and Japanese. He revoked the citizenship of 40,000 West Indian blacks, and even asked the United States to return to the West Indies blacks who had worked on the canal.

now into a period of the deepest crises of this century to date, a crisis so profound that it were possible the United States, as we have known it up to now, might not survive the events unfolding over the course of the 1990s.

What a contemptible little Elliott Abrams, or even a George Bush thinks or does, is of trivial importance at this juncture. Powerful forces, which such weak-brained fellows never imagined to exist, are about to take over the stage. We are entering now a time when only the most profound insight into principles of classical tragedy provides convenient and useful comparisons for the titanic developments about to sweep over the entirety of this planet.

The important thing is to know the real enemy forces, for whom a mere wretch such as Abrams serves as a readily expendable pawn.

### What is today's neo-Nazism?

The ugly secret of this age is the rise of power of what is

symptomized by the term: SYNARCHISM: NAZI/COMMUNIST. The first thing to do, to understand the forces at play in the emerging upheavals around this planet, is to find the common denominator of Nazism and Communism, the common father and master of both, who is also the true master of the unwitting Elliott Abrams's mouth, hands, and feet.

As Nazi historian Dr. Armin Mohler documents in his *The Conservative Revolution in Germany, 1918-1932*, the Thule Society which created Hitler's Nazis, never intended Nazism to survive as more than an instrument of widespread destruction, preparing the way for a later form of what is usually referenced today as "neo-conservatism"—today's fashionable way of professing to be a fascist. The Gnostic cults, including their overtly satanist, Crowleyite theosophical offshoots, as well as Synarchist networks, are the chief vehicle through which that transition to the new form of fascism is being pushed.

These Gnostic ideologues, backed by powerful rentier-

financier families of Europe, are typified by Friedrich Nietzsche and Aleister Crowley, who proclaimed their intent to make the twentieth century the end of the "Age of Pisces," which they associated with the images of Socrates and Jesus Christ, and to bring on, instead, the "Age of Aquarius," which they identified with the worship of Dionysos and Lucifer.

It is this pro-satanist, self-styled "brotherhood" of such fellows as Oxford's John Ruskin, Dostoevsky, Nietzsche, Berdayev, Gorky, Blavatsky, Crowley, H.G. Wells, Bertrand Russell, and so on, which is the enemy of all mankind, and the author of neo-malthusian dionysian and other countercultural cults, as well as being the true author of both Nazism and Communism.

In other words, Nazism in Germany, like fascism in Italy, was created to serve as an expendable instrument of policy of this Gnostic-cult network. The character of this network is most easily shown by examining the background to the Stalin purge trials of the 1930s, a background which must be studied to understand adequately not only the seismic succession fight erupting to the surface within the Soviet Empire, but the global strategic crisis for which that succession fight is now the center.

The Russian revolutions of 1917 were run from inside Russia by a combination of powerful aristocratic landowning opponents of the Romanov dynasty, in alliance with an insane rabble called the Raskolniki ("Old Believers"). This operation was coordinated by the backers of the notorious Alexander Helphand "Parvus," the "merchant" of the Bolshevik Revolution. Parvus's backers included the same Count Giuseppe Volpi di Misurata who brought Mussolini to power in Italy shortly after the Russian Revolution.

The crucial feature of the Communist International was the control exerted over non-Russian Communist parties and also such longtime foreign-based Bolshevik leaders as Trotsky, Bukharin, Radek, Rakovsky, and so forth. This control was exerted by foreign banking interests, like the Venetian financier interests for whom Volpi served as corporate executive. Find the money-bags behind Trotsky and other former protégés of Parvus, and you find the key not only to the Moscow purge trials, but also the curious Western appeasement of Moscow's dictatorship today.

It happens, that these same financier interests who backed such Bolshevik factions as the Trotsky and Bukharin factions, also backed Mussolini, and, for a significant period of time, Hitler. Indeed, during the early 1920s, up into 1923, the Soviet Cheka directly backed Adolf Hitler. That is key to the 1930s Moscow Trials. If we understand this, we also understand the logic of not only Reagan's INF appeasement of Moscow, but also the titanic succession struggle ongoing in Russia today.

From 1918 through approximately 1927, the same wealthy interests who controlled Western Communist parties, and

who had funded Trotsky, Bukharin, et al. prior to October 1917, entered into an arrangement with Moscow known as the "Trust." By 1927-29, the looting of Russia through Bukharin-steered economic concessions to these Western financial circles had pushed Russia to the verge of destruction. So, a collection of forces around Stalin moved, first in alliance with Bukharin to crush Trotsky and the Left Opposition, and then to crush Bukharin's Right Opposition.

Put into perspective the secondary features, as well as the enormities of the Stalin purges. Put aside the special case of the Tukhachevsky purge, a product of German manipulation, with aid of Czechoslovakia's Eduard Benes, of Stalin's increasing paranoia. Essentially, the accused former leading Bolsheviks were guilty of the charge which lay behind the charge: They were slaughtered, almost, but not quite root and branch, because of their historical ties to those powerful Western financier potencies who had backed these Bolshevik "cosmopolitans" earlier, and were currently backing Hitler.

Once it was apparent to Stalin, that the Western financiers behind Parvus's former protégés were backing Hitler for military adventures to the East, Stalin took several courses of action: 1) He proceeded to butcher both the Left and Right oppositions, 2) He began to probe for an anti-Western pact with Hitler, from about 1936, through Parvus's son then serving as the Chekist agent resident under diplomatic cover in Berlin. 3) He prepared to launch an offensive war through Germany, once, he hoped, Germany would be bled to sufficient weakness by the invasion and conquest of Britain.

In truth, in timing, Germany's "Operation Barbarossa" was a preventive strike against Stalin's preparations to overrun Europe with a Tukhachevsky-designed offensive which is very much like the offensive war-plan options devised by Marshal Nikolai Ogarkov et al. for the 1990s.

True, Hitler intended to overrun Russia, but this had been intended to occur in the way which Hitler's emissary, Rudolf Hess, conveyed Hitler's proposal to the British government. After victory in the West, with Britain either conquered or lured into alliance, Hitler had always intended to use captive Western European resources for the conquest of Russia.

However, the Soviets had been committed to the Tukhachevsky "Plan of the Offensive," first being developed for this purpose at the Frunze Academy during the 1920s, to overrun Western Europe. After Tukhachevsky had failed to sell this plan to Britain and France, the German intelligence services ran a successful intelligence operation aimed to induce a paranoid Stalin to decapitate the Red Army leadership. However, Tukhachevsky's plan outlived him—indeed, it is the model for the Soviet war-planning of today.

Had Germany waited until Stalin was prepared to launch the offensive, the Soviet offensive would have been devastating. The Wehrmacht planners relied upon the fact that the Soviet forces had a massive offensive capability, but virtually no serious defensive capacity. Thus, by preemptively attack-



*Handshake seals Russian-German pact of 1939, between Stalin and Hitler's Foreign Minister Ribbentrop. Stalin had begun to probe for an anti-Western pact with Hitler from about 1936, through "Trust" networks in Berlin.*

ing those Red Army forces, catching them flat-footed, the Wehrmacht might have overrun Russia had Hitler not done Stalin the service of conducting the sieges of Moscow and Leningrad, thus forcing German forces into crippling attrition against the built-in defensive potential of the Soviet cities.

This is the history not only studied by the Voroshilov Academy's Soviet general staff, but is the historical model used to design the current Soviet war plans against the West. Allusions to conclusions based on studies of this period appear not infrequently in the writings of Marshal Nikolai Ogarkov. The Soviet *nomenklatura* will react according to this "model," not only because they are obsessed with it consciously, but because it is bred into their nature to react so.

Most Western analysts of Soviet developments are way off the mark. In one sense, it is true, that Gorbachov is being dumped; but this is no personality conflict, nor does it conform to U.S. Sovietologists' pedantically infantile explanations of the Soviet factional struggles of the 1920s. The lessons of the 1927-29, and 1934-38 purges are being re-

played; the details are significantly different, and the strategic correlation of forces, and their relative dynamics, different, too; but the underlying strategic principles are the same.

There is a crucial flaw in the plan of the strategic offensive elaborated by the late Yuri Andropov and his key protégé, Marshal Nikolai Ogarkov. It is the flaw we examined under the rubric of "Plan A," in the 1985 edition of *EIR Global Showdown*. The playing out of this flaw, which has now come to the surface—in 1988, the year we forecast it to emerge—will largely determine the future history of this planet. The point of no return will be reached within a few years at most, perhaps as early as merely months down the line.

Summarily, it goes like this.

Throughout the postwar period, the Soviet civilian economy has tended to operate at a net loss, much like Italy under the Roman Empire. The prime Soviet productive capacities are devoted to military production. The crucial margin of support for the Soviet civilian economy has been obtained through massive looting of the captive nations of the East bloc. The data to this effect, while fragmentary, is conclusive.

The launching of Marshal Ogarkov's *perestroika* was primarily an economic mobilization preparing for the possible Soviet launching of a simultaneous "first strike" attack upon the United States and overrunning of Western Europe. This was done largely by increasing the intensity of the looting of the East bloc nations; the data is conclusive on this point. So far, the effects were no worse than had been discounted under the terms of a "Plan A" version of the pre-war mobilization plan.

To this, something was added. Moscow attempted to play two cards at the same time. The second card, was massive trade deals with the West, to be subsidized by export of agricultural goods from Eastern Europe, to fill the void in Western European supply caused by the EEC Agricultural Commission's policy of destroying much of Western European agricultural potential.

This arrangement was established through the same international food cartels, such as Armand Hammer, Dwayne Andreas, and Cargill, which are not only the principal agencies for delivering Western food supplies concessions to Moscow, but controllers of the policies of the EEC Agricultural Commission and the policies of the U.S. Department of Agriculture. This arrangement, mediated through the grain cartels on grain cartel terms, meant that the exportable agricultural supplies must come from the tables of the populations of the East bloc nations.

The data on this is also conclusive. As a result of these two ratchets of deep austerity imposed upon the Eastern European captive nations, the economies of several East bloc nations, including Poland and Romania, are now near the point of an economic breakdown.

During the 1920s, the form was different. Then, accord-

ing to leading Soviet economist E. Preobrazhensky's studies, the Soviet economy was trapped in what the coopted Left Opposition leader L. Trotsky described as a "scissors crisis." Then, to meet the terms of trade on Soviet grain exports demanded by the Western grain trade cartel, Moscow looted industry to sustain the agricultural export output. Soviet industry was pushed to the brink of breakdown by Bukharin's pact with his former financial backers of the West. Today, it is the looting of East bloc economies, rather than Soviet industry, which is the center of the new "scissors crisis."

What concerns Moscow is not the fear that savage austerity will cause hunger riots in Hungary, Romania, Poland, and so forth. Social unrest, Moscow could put down with its customary police-state methods. What, when machines and land-output break down? Police-state methods can not torture machines and land back into fecundity! The military looting of the East bloc nations provokes no greater social unrest than might be controlled by the customary police-state methods; the added burden of concessions pushes the looting into a domain where natural laws, independent of the wills of subject peoples and their conquerors, take over. It is that added margin of looting, that pushes Moscow into a succession crisis: *Glasnost* is doomed.

During 1924-27, on the "scissors crisis," Stalin privately agreed absolutely with the Trotsky whom he personally hated. His opposition to Trotsky, his temporary alliance with dictator Bukharin did not signify, in fact, that Stalin disagreed with the Preobrazhensky analysis put forward by Trotsky. Stalin was already preparing to act in acknowledgement of Preobrazhensky's theses, as he did with the First Five-Year Plan later. Stalin reacted, rather, by first acting to eliminate the dangerous Trotsky, in temporary alliance with the foolish Bukharin, and then easily dumped Bukharin. *With this much, Marshal Ogarkov today agrees.*

The key issue—then and again today—was the relationship to the Communist International's Western Trust partners among the U.S. and Western European rentier-financier circles. Dumping both the Trotsky-led Left Opposition and the Bukharin-led Right Opposition, signified breaking the existing trading relations with the Western financier elements of the Trust. Knowing those financier circles, Stalin took the precaution of breaking those financiers' actual and potential assets among the Bolshevik "cosmopolitans" of both the Left and Right Oppositions, to break the Western financiers' capability of organizing a coup against him within the Soviet command.

Today, the issue is the unendurable penalty of looting the East bloc at the rates needed to maintain the Gorbachov period's *glasnost* program of reopening trade concessions to the Western financiers. The cabal of German financial interests rallied around the ambitious Lothar Späth of Baden-Württemberg will soon discover that its schemes of East bloc trade concessions come *zu Späth* ("too late"). The added

degree of looting of the East bloc needed to sustain trading relations *on those terms* will not be tolerated.

This does not mean that Moscow will cease to seek economic concessions from the West. Rather, it means that the new policy will be modeled upon those of the Soviet First Five-Year Plan, not the Bukharin model. Marshal Ogarkov has been explicit on this in specifying his requirements for a Soviet pre-war economic mobilization preparing for the "first strike" assault against the West as early as sometime during the 1990s.

The issue is, that the *glasnost* reforms associated with the *neo-Bukharinite* aspect of the Gorbachov "reforms," are to be scrapped as decisively as Stalin dumped Bukharin. Moscow is about to drop the *neo-Bukharin mask*, to assume what some Westerners will read, simplistically, *after the fact*, as a resurgence of *neo-Stalinism*. It will not be *neo-Stalinism*; but it will reflect the indicated sort of parallels to the issues which led to the toppling of the Bukharin dictatorship.

One case aptly illustrates the point.

In Bulgaria, onions and garlic are being imported from Egypt. By all prior historical standards, Bulgaria's import of onions and garlic is comparable to shipping coal to Newcastle. The reason for this astonishing anomaly, is that Moscow copied Western "free trade" policies toward agriculture, letting the prices of East bloc vegetables be driven so far below parity prices that the Bulgarian farms simply ceased producing vegetables, and shifted into grain production *for export potential!*

Moscow will doubtless deal with potential resistance in the customary police-state manner, but Moscow will be forced to make some increases in effective prices of East bloc produce, simply to avert a breakdown of those East bloc economies upon which Soviet economic potential itself crucially depends. Deals with the West are not ended; rather, the West will be offered much less "generous" Soviet terms for such trade "concessions." Too bad, Lothar: *zu Späth!*

As the new leadership combination comes to the fore in Moscow, the First Five-Year Plan will be echoed on these points. The shift will be toward an economic war-mobilization according to modern Soviet strategic studies of that earlier model. Such matters as paradoxes of Bulgarian onion production will be treated by means of assigned production quotas and assigned prices. The looting in service of the Soviet military build-up will persist, but it will be rigidly organized with the included intent to maintain the essential structures of agriculture, industry, and infrastructure, and will do this in a way consistent with war economy direction of both the Soviet economy and the occupied territories serving as a Soviet military's logistical basis for forward operations.

The time for this change to erupt, is coming up fast. The most recent signal to that effect is that Mikhail Gorbachov spent five days on his visit to Yugoslavia. That alone signals

that Gorbachov is virtually dumped from key Moscow decision-making. A correlated sign, is that in Gorbachov's absence, Moscow has dumped Gorbachov's March 15 Afghanistan ultimatum to the U.S. government, and has announced that its lowering of the Soviet military operations-level in Afghanistan will be conducted unilaterally by Moscow.

What is in progress in Moscow, is not a fight over the dumping of Gorbachov. Gorbachov lost control during the June-October 1987 period, and could have been dumped at any time then, or later. He was kept on as merely a nominal general secretary, after October 1987, solely for the purpose of manipulating as many strategic concessions from an addled President Reagan as might be cheaply gained. The fight is a much more profound matter than the mere dumping of a general secretary; what is in progress in Moscow is a succession crisis: the deadly business of piecing together the component elements, and related agreements needed to define a new leadership combination.

What is almost certain, is that a combination of the Soviet military, the Russian Orthodox Church, and the fascistic, and violently anti-Semitic Pamyat (Memory) Society will be the "comers" within whatever new combination is pieced together.

The maturity of this process is already indicated by the KGB's orchestration of the obscene events in Azerbaijan, a crisis orchestrated by that Ligachov-Chebrikov-Ogarkov *troika* which serves as the interim government of the Soviet Empire. Whatever Iranian or other foreign elements have been meddling in the Caucasus region, the Azeri "pogroms" against Armenians were orchestrated directly from Moscow's KGB headquarters, with backing of the Ligachov-Chebrikov-Ogarkov *troika*. This nasty operation portends an alliance of the Great Russians and Transcaucasian Georgians and Armenians as the crucial social composition of *nomenklatura* power within the leadership to emerge soon.

The special danger is, that because of the gutlessness of the addled appeasers in the Reagan administration, and also the vast strategic superiority of the Soviets currently, Moscow might accompany this transition with some major military, or potentially strategic-military adventure.

*EIR's* intelligence nets inside the East bloc are reporting pieces of information, observed on the ground, which, pieced together, show relatively pre-war sorts of military mobilizations in progress over the recent and current period. This is not some Soviet bluff; Moscow is preparing for something relevant to such military preparations within a few months or so, at most, down the line.

U.S. Defense Secretary Frank Carlucci's meetings with Soviet officials in Geneva, remind one of the State Department's negotiations with Japan while the Japanese fleet moved in on Pearl Harbor. It is the fact that official Washington is currently virtually insane, and caught in a flat-footed state of compulsion to appease Moscow, that makes the situation so

dangerous. The fact that the Reagan administration is so insane as to contemplate a U.S. military action to overthrow the government of Panama, while appeasing Moscow, is like President Reagan's saying to Moscow, "Please rape me: I am too stupid and impotent to resist any nation whose population exceeds 2 million Panamanians."

Virtually never does Moscow make adventures against adversaries of credible capability and credible political will. Unless the Soviet Empire is directly threatened, Moscow proceeds strategically with Russian peasant slyness, mystically confident of its ultimate global victory, and relies more upon self-destructive tendencies operating within the West, than anything else. It seeks to promote self-destructive cultural erosion in the West, as it does in promoting malthusians' anti-nuclear and other lunacies in the West, or pushing its Syria-pivoted narco-terrorist international operations to the same effect. Its view is fairly summed up, "Since we are fated to win, anyway, why take unnecessary risks?"

There is no contradiction between this Russian peasant slyness, and the vigor with which what is in fact Moscow's Mithra cult-like military dictatorship pursues the goals of crushing military superiority and plans for global and regional military operations consistent in character with Tukhachevsky's "Theory of the Offensive." Moscow prepares to defend itself if attacked, but, more emphatically, prepares the military capabilities it foresees might be required to effect "the final victory" of world-conquest: the West during the span of the present generation, and the conquest of China during the next generation after that.

It will not launch military adventures unless most highly provoked, or it perceives assured victory.

However, the collection of cowardly, if bullying ninnies, which is the impression the current Reagan-Bush administration projects to the world at large, makes an all-too tempting target.

In strategic military equations, an attacking force must weigh three leading factors of the intended victim's capabilities: 1) capability of action, in terms of firepower, mobility, and depth; 2) capability of political will of the command and populations of the targeted prospective victim; and 3) capability of executing efficient command of the capabilities at its disposal. On all three counts, eleven years of Carter-Mondale and Reagan-Bush have brought the Western command to its lowest ebb, the second Reagan administration most decisively so.

Reagan's cowardly retreat from a potentially effective Persian Gulf deployment, and from defense of Europe and the Pacific Rim as well, combined with the disgusting acts of the effort to deliver a bully's crushing military blow against a nation of 2 million persons, Panama, is read in Moscow as a U.S. government like a dying man stumbling from one door to another in search of the first undertaker who will inter him with Graustarkian pomp at a bargain price. Such pomp vic-

tims are too rarely placed in Moscow's target-range to let such a victim pass by safely. Like Hitler's temptation after the Munich appeasement, President Reagan's behavior during his second term has escalated Soviet temptation to near its highest.

There lies one of the gravest dangers in the situation, the risk of a Soviet military adventure in some region of the world.

### **The Western side of the equation**

These developments on the Soviet side coincide with the onset of the worst international financial crisis of this century: A financial crisis like that of 1929-32, but much deeper and moving with greater velocity.

Although this crisis is the outcome of approximately twenty years of "post-industrial" drift, directed by the U.S. government and liberal establishment, the immediately leading features of the present crisis are those set into motion by the New York Council on Foreign Relations' 1975-76 *Project 1980s* package of policies, the policies which have guided the Carter-Mondale and Reagan-Bush administrations since. The combination of the orgy of cultish "free trade" dogmas and the build-up of the greatest financial bubble in history, especially since October 1982, is bringing the Western economies near to the threshold of a rapid chain-reaction spiral of collapse.

The Socialist International welcomes this debacle, which it has avowed to be the opportunity to impose its proposed "democratic fascism" upon North America and Western Europe. The social-democrat's "democratic fascist" dogma, the guiding dogma of the U.S. National Endowment for Democracy and Project Democracy, is essentially as follows.

The social-democratic dogma of "democratic fascism" came to the surface during the 1971 monetary crisis. The economics of the dogma were those identified by Keynesian social-democrat Prof. Abba Lerner, in his Queens College debate with this writer during the fall of that year.

In that debate, Lerner was forced to concede that he was a supporter of the doctrines of Hitler's Economics Minister, Hjalmar Schacht. Once cornered into that admission, Lerner defended it. He argued, that if the Weimar social-democrats had supported Schacht's policy, *Hitler would have been unnecessary.*

These social-democratic ideologues of "democratic fascism" have adopted two additional elements of Nazi and other fascist ideology. They have adopted the "small is beautiful" thesis of the Nazi ideologues, and the notion of a corporatist organization of society, modeled upon the Italian and the Dollfuss variety of Austrian fascism. Over the period since about 1957 to date, the social-democrats have created mass-based support around ideas in this direction through their international "New Left" projects.

They call this "democratic fascism," or, sometimes, "fascism with a smiling face," because they propose that fascist

austerity must be imposed "democratically" by the various corporations they propose to establish in place of existing forms of constituency organization.

In short, the "technicians"—i.e., representatives of rentier-finance—will present the corporations with a kind of multiple-choice questionnaire. This "questionnaire" will ask, "Which of the following economic rights and civil liberties do you prefer to give up, and which do you least desire to give up?" These choices will be presented as "the only objectively available alternatives"; the representatives of the members of the fascist form of corporations will then choose "democratically" which of the alternatives is adopted.

Thus, it is leading social-democrats and bankers of Europe who support this fascist scheme who tend to be the most clear-headed and accurate in ridiculing those who seek to deny the character of the present financial collapse. They accept this calamity with not only confidence, but zeal, because they believe that it is precisely this crisis which makes possible a social-democrat-led sort of "democratic fascist" dictatorship over the nations of Western Europe and North America.

This is already Project Democracy's fascist model for the Philippines and Central and South America. The toppling of Marcos by Soviet collaborators such as Ramsey Clark, and the intended crushing of Panama, are intended to eradicate every nationalist institution from relevant areas of the developing sector, in order to proceed with unprecedented looting of these regions and to impose savagely increased death rates among persons whose skin complexions are not admired by Anglo-Saxons of New Ager Teddy Roosevelt's racist tradition.

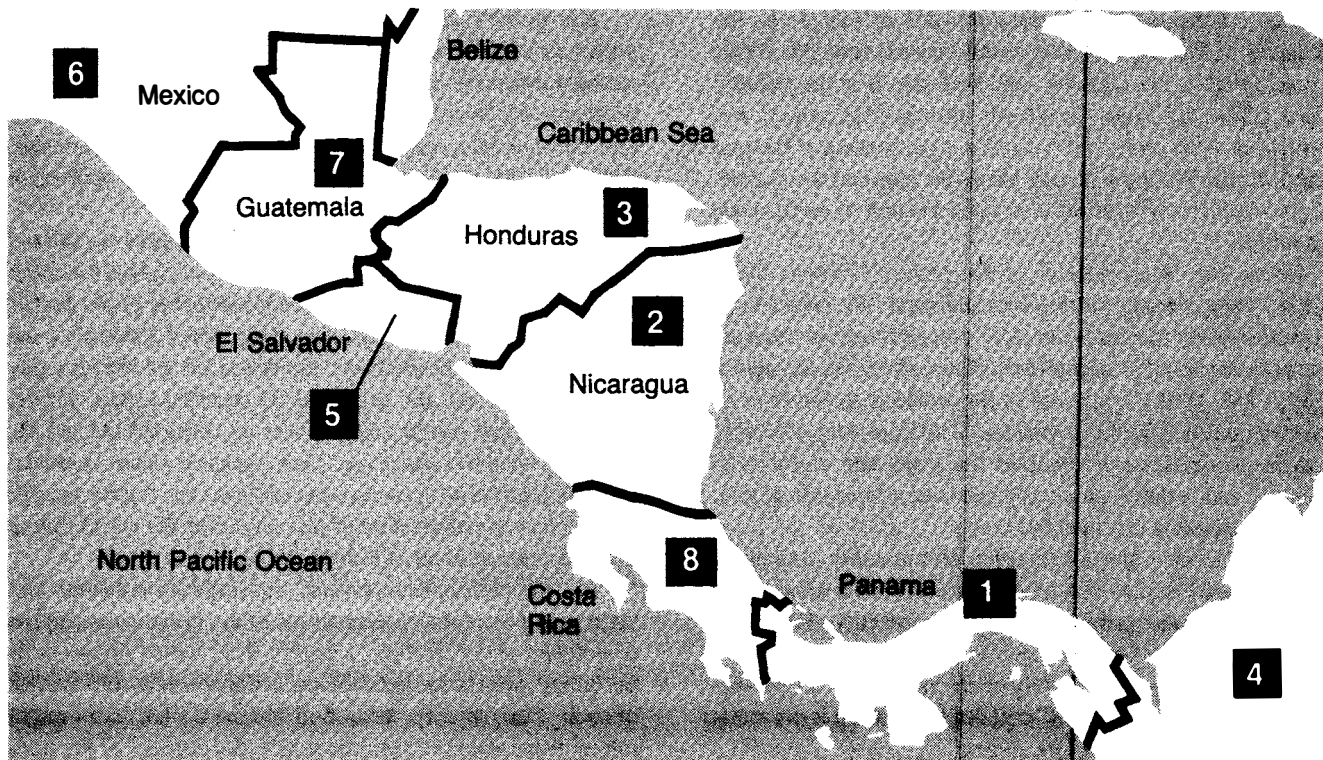
This "democratic fascism," like all fascism, and Soviet Communism, too, are, like the theology of the Muscovite Orthodox Church, Gnosticism in practice. In other words, these are all, like Adolf Hitler, New Ager, forces assembled in aid of the "Dawning of the Age of Aquarius."

It is the intersection of the policy-crisis within the Soviet Empire, with the devastating complex of crises erupting in the West, which is the essential characteristic of the present moment of our planet's history.

### **How the crisis is structured**

Western civilization is essentially the outcome of the Augustinian tradition of Western European Judeo-Christian civilization. "Judeo-Christian" is defined historically, by the collaboration between St. Peter and Philo Judaeus, at Rome, against the Gnosticism of Simon Magus, the Magis' anti-Christ cult of Mithra.

So, in response to Peter's and Philo's success in checking Simon Magus's efforts to recruit among the Jewish communities of Rome, the Emperor Nero launched the effort to exterminate the Christians. So, Mithra cultist Emperor Tiberius, from the Mithra cult center at Capri, had commanded the death of Christ on behalf of the anti-Christ, Mithra.



## Central America: prospects for a 'Thirty Years War'

**1. Panama:** The U.S. Army Southern Command has threatened Gen. Manuel Noriega, that in the next coup attempt, U.S. troops would back the officers trying to overthrow him. The target is not merely Noriega, but the 15,000-man Defense Forces as a whole. Not only will these troops fight if the U.S. invades, but nationalist forces are already setting up militias for that eventuality.

**2. Nicaragua:** Nicaragua has overwhelming military power in the region, heavily armed by the Soviet Union. It has combined armed forces and militias of 120,000. The U.S. response has been to build up a mercenary, paramilitary force, the Contras, while attacking the professional militaries in the region as a "threat" to democracy.

**3. Honduras:** Military force of 16,000. One of the poorest countries in the Western hemisphere, the headquarters of one of the dope cartel chieftains. Honduras now faces

the threat of the Contra mercenary forces based on its territory, which are equal in size to its own armed forces.

**4. Colombia:** The capabilities of the 60,000-man armed forces are overextended, fighting four now-unified narco-terrorist armies. U.S. demands that American troops be sent into Colombia to "fight drugs" would not be tolerated, even by the strongly pro-American military.

**5. El Salvador:** The country has been torn by eight years of civil war, and the army has been unable to wipe out the Soviet-backed FMLN insurgency. The guerrillas expect they can defeat the government's 45,000-man army, as the economic crisis intensifies.

**6. Mexico:** The U.S. and Soviet Union have agreed on a civil war scenario in which U.S. troops would be pulled out of Europe, and deployed to police the southern border. Mexico is being hit by a growing narco-terrorist insurgency. Its armed forces number barely over 100,000.

**7. Guatemala:** While Guatemala's 32,000-man military has held the Soviet-backed insurgency in check, the guerrillas are recruiting among the Indians and being militarily reinforced by the narcotics traffickers.

**8. Costa Rica:** Has no army, and has been targeted as a major cocaine transshipment center by the drug mob. Drug financier Robert Vesco was based there for many years.

This culture extends as far eastward in Europe as the influence of Roman Catholic missionaries, into the Baltic region, Poland, the Ukraine, and so forth. It is the cultural matrix of the Americas. It extends into the Philippines, and into Africa. This cross, from the Christian borders of Eastern Europe to the Philippines, and along the spine of the Americas, is Western civilization, and is the bastion of civilization as a whole.

Respecting other cultures of this planet, Western civilization's characteristic culture is ecumenical. We have a moral responsibility to assist nations of other cultures in securing access to the benefits of our own. Thus, if we see the matter rightly, our culture's mission in the world is to preserve its superior qualities for the advantage of all humanity. Our duty to make available to all peoples the fruits and methods of scientific and technological progress is an expression of this.

This is what is in jeopardy.

On the surface, the adversary of all humanity is centered presently in Moscow. Moscow is part of the adversary, and that enemy's most powerful military capability. However, the true enemy is a force which infests both Moscow and the West, a force most consistently characterized by the promotion of the "Age of Aquarius" cult dogma as what is presently the leading expression of Gnosticism.

In the affairs of governments, the essence of Western civilization is the principle of *natural law*, as Nicolaus of Cusa and Gottfried Leibniz, for example, identify the proper, non-liberal meaning of *natural law*. This entails such principles as the sacredness of individual human life, the right to development of all persons and nations, the right to be judged by no standard but that of reason guiding the application of natural law, and the commitment of mankind to foster the improved conditions of average life of a growing human population by aid of scientific and technological progress. It means a policy of abhorrence of usury in all forms, and supplying the advantage in social practice to the investment of wealth in the improvement and growth of the scale and per capita productivity of agriculture and industry to effect a rising per capita standard of life.

Starting with the poisonous seed of liberalism, this civilization began its present long drift toward self-destruction during the eighteenth century, with the revival of the model of Roman imperial law as a form of rejection of the Augustinian heritage of *natural law*. Liberalism was then self-defined as a rejection of any intrinsic authority of morality, replacing morality by capricious whims of currently prevailing opinion.

The degenerative process quickened after the 1815 Treaty of Vienna, with the spread of the erotic irrationalism of Romanticism. The second half of the last century saw Romanticism superseded by a more naked evil, Modernism, and out of Modernism came directly the overtly satanic New Age of Ruskin, Nietzsche, Dostoevsky, Teddy Roosevelt, Crowley, H.G. Wells, and so on.

It is the New Age, so viewed in reflection upon its origins, which is the true adversary of all civilization, as it is the modern incarnation of the cult of the anti-Christ. This is the mother—the lunatic Great Earth Mother—of both fascism and communism, including social-democratic "democratic fascism." This mother is expressed by an ideology of practice cohering with the dogmas of Gnosticism.

The problem of those non-Christian cultures we defend as part of a broader definition of civilization, is that they lack a specific ingredient essential to mobilizing the planet for the preservation of even what they themselves fervently, and rightly believe to be their vital interests. It is we who embody relatively the best, the genius of Western European culture, who have what might often appear an acquired instinct for initiating what must be done. Thus, we must place the crucial strategic emphasis upon the area of the cross, not because of any exclusive self-interest of this region of the world, but in the self-interest of all of humanity.

So, the political, economic, and military cohesion and aggregate potentials of the nations of the cross is the bastion of defense of civilization, a region from which no retreat is permitted, whose unified defense is the absolute self-interest of each. That is to say, the notion that the United States might retreat from absolute commitment to the defense of Western Europe—or, part of it—for offsetting gains in the Middle East or Pacific Asia, is a suicidal delusion. We are able to defend these flanks only to the degree we do not weaken any part of the nations of the cross.

This is not to be viewed as an abstract thesis. Practice coincides with this.

The industrial potential of Western Europe exceeds that of the United States. The correlation of present economic power globally is such, that should Western European industries become large-scale suppliers of the Soviet Empire, the Soviet Empire dominates the world absolutely, to the effect that no portion of the world were defensible against Soviet hegemony.

### **Gnosticism's devastating paradox**

In that unfortunate case, the Soviets would butcher their Establishment partners of the West. The study of Hitler-Stalin relations is the demonstration of this.

Nazism was essentially Russian culture superimposed upon Germany, a German-language copy of the Russian fascism of Fyodor Dostoevsky's diary and novels. In the most fundamental respects there was no difference between Nazism and Stalinism. There were numerous differences in detail; the chief difference was that the Nazis spoke German, and that the Stalinists were Russian racists.

So are all Gnostics. In that sense, Gnostics are all cannibals. In a Gnostic world, relations are reduced to who eats whom. If the Russian Gnostics prevail, they will eat the Western Gnostics, for the simple reason that Gnostic regimes do not tolerate power-sharing with representatives of other



racism, except as semi-autonomous subject peoples, colonies, satrapies, and client-states. Bolshevism is essentially racism, in its Gnostic axiomatic roots.

In secular terms, Gnosticism is a form of hatred of reason. It hates instinctively those qualities of the individual human mind which are the source of the generation and efficient assimilation of valid fundamental discoveries in physical science. It hates, for the same reason, any form of art congruent with the principles of classical aesthetics—as physically talented Russian artists show this in their butchery of classical musical compositions, or the system of crotch-display which is the essence of Russian ballet.

Any culture which satisfies such prescriptions of Gnosticism will collapse in the way of the demographic collapse of the Roman empires of West and East.

It should be obvious, that the level of per capita productivity is limited both by the quantity of energy supplies per capita and per hectare. It is also obvious that the conversion of increased energy supplies into higher productivities requires technological progress as Leibniz defined “technology.” It is therefore obvious, that the potential population-density of mankind varies in proportion to both the increased density of usable energy supplies and technological progress.

Without a culture efficiently committed to technological progress, the depletion of natural resources by a stagnating level of technology must lead to a collapse of the potential population-density. This is what destroyed the Western and Eastern Roman empires from within, demographically. This is precisely what the international monetary agencies and the neo-malthusians are doing to the world today.

With the adequate scale of use of even the levels of technology already developed, this planet could sustain two to three times the present world population at levels of per capita existence comparable to Western Europe during the early 1970s. As a consequence of neo-colonialist policies of looting of developing nations, and neo-malthusianism in the industrialized sector, the failure to deploy existing levels of technology has lowered the potential population-density of today’s planet to a level lower than the present human population.

This could be readily corrected, if the world were placed under new management committed to scientific and technological progress. Under Gnostic world-domination, this would never occur. A rapid collapse of potential population-density would occur in the months and years immediately ahead, leading to the most monstrous biological holocaust imaginable, a holocaust which has already begun to explode into the open.

Against such forces of nature, no political system can do anything. No police-state rule, no matter how brutish, can crush the will of the laws of nature. Something must give way; either the political systems submit to the will of natural law, or those nations which sustain such political systems will be eradicated in the fashion of the Biblical Sodom and

Gomorrah our Hollywood gangster’s culture has caused us so much to resemble.

Hence, the brutish degeneracy of the Reagan-Bush administration’s actions toward Panama are symptomatic of the view, that whom the gods would destroy, they first make mad.

The great strategic issues of our time involve the problem of the Soviet Empire’s military and related might and aggressive commitments to world-rule. However, in the language of the physicist, the Soviet problem is but an unignorable, efficient singularity of a subsuming, higher process. The actual strategic conflict of today, is not among states as such; the conflicts among states are merely singularities generated by a more profound conflict. That more profound conflict is between great opposing cultural forces, now locked in combat to the death of one or the other. This conflict between the adversary, Judeo-Christian and Gnostic cultural currents, intersects the laws of nature, as principles of physical economy reflect those laws of nature.

Either the forces of our culture destroy the power of what Gnosticism represents, or the laws of the universe will crush out of existence, relatively soon, every nation whose political systems tolerate any longer the persistence of the recent twenty years’ policy-shaping trends.

The Panama case is one of the crucial tests of whether the political system of the United States today is morally fit to survive. If the United States fails those tests, the United States will rapidly cease to exist. If that occurs, it will be for most of you as if you had never existed, and all of your ancestors will also become as if they had never existed; for there would be, then, no outcome of your existence or theirs, but the most contemptible memories in the minds of whatever future generations of humanity, somewhere, might survive the holocaust now brewing.

Even in the movements of a poor worm such as Elliott Abrams, sometimes reflections of the oncoming destiny of mankind as a whole are to be adduced. If we can do such things as this scoundrel Abrams proposes to do to Panama, Mexico, and so forth, then the ultimate significance of what we do to those victimized nations is that such actions display to us our own character: the character of a people which has lost the moral fitness to survive, a people whose own destruction will be brought about by those mechanisms which prompt them to tolerate the monstrosities of an Elliott Abrams.

If the practical-minded experts around Washington today are right, then things will go in the direction they are already drifting. If they are right on that account, then the virtual obliteration of the United States will assuredly occur during the course of the years just ahead. In such a circumstance, the only thing worth doing is to kick against all the pricks, and commit oneself all the more resolutely, even ruthlessly, to what must be done; to rescue this nation from the looming debacle it presently seems quite literally Hell-bent on bringing about.

## Israeli violence will help Sharon gang to power

by Joseph Brewda

Recently announced repressive measures by the Israeli government against the volatile Palestinian population of the occupied territories, are expected to trigger a dramatic escalation of rioting and killings in April. The effect of this new phase of violence, combined with the guaranteed failure of U.S. Secretary of State George Shultz's ridiculous peace plan for the Middle East, may be to create the conditions for bringing to power the most lunatic faction of the Israeli leadership, associated with Gen. Ariel Sharon. Already, spokesmen for a faction of the U.S. Eastern Establishment are beginning to call for imposing Sharon on Israel.

Speaking before the Israeli Knesset's legislative committee March 22, Israeli Defense Minister Yitzhak Rabin announced a new series of repressive, intentionally provocative measures allegedly designed to suppress the Palestinian riots which began last December. These new measures include the complete elimination of judicial review of detentions ordered by military commanders in the occupied West Bank and Gaza; and the official allowance of Israeli "settlers" in the occupied territories to act as vigilantes, and shoot Palestinian "rioters" on their own initiative.

In his address, Rabin also admitted that the Israeli government has secretly "detained" 3,000 Arabs since the riots began, 700 of whom were seized at the end of March. A new prison camp has been constructed behind barbed wire near the West Bank city of Nablus to accommodate these new prisoners. There are unconfirmed rumors that another camp has been constructed somewhere in the Negev desert. Where all the Palestinians have been detained is a state secret.

Under the Rabin procedures, local Israeli army commanders can order the detention of Palestinians for six months

without specific charges or evidence. Previously, these detentions could only be authorized by the two senior generals in the Israeli Military in charge of the West Bank and Gaza respectively, and were subject to prompt civilian judicial review. The six-month term of detention can be renewed by Israeli commanders indefinitely, without even nominal legal oversight. The state, in true Nazi-like *Nacht und Nebel* fashion, is not even required to specify to the families of victims of this seizure, where, or even if, they have been detained.

Rabin's announcement came one week after the Israeli government cut all telephone lines between the occupied territories and the outside world, allegedly to reduce "outside agitation." The occupied territories have been sealed off from foreign press correspondents for a month.

### Violation of Camp David accord

An important feature of the 1979 Camp David accord between Israel and Egypt was Israel's solemn promise to formally charge and arrest individuals within 96 hours of their apprehension, or release them from custody. Thus, Rabin's decision to announce that Israel has suspended civil legal procedures is an overt violation of the Camp David agreement. Commenting on this unilateral action, Rabin claimed, "It wasn't easy to decide to cancel it because it was, after all, a commitment of a prime minister in the wake of the peace agreement with Egypt, but there was no choice."

Simultaneous with proclaiming the new policy, Rabin made the astonishing admission that his Defense Ministry has authorized the Jewish settlers in the West Bank, the most irrational component of the Israeli population, to shoot Palestinians found throwing molotov cocktails, thereby taking

the law into their own hands. The only nominal restriction on these civilian settlers is that they do not shoot into crowds. The riots were triggered on Dec. 8, 1987 by one such settler, who "accidentally" ran over four Palestinians with his truck in a camp in Gaza.

Since the riots began, these settlers have become increasingly deranged, as indicated by the formation of the "Committee for the Mass Expulsion of the Arabs," on Feb. 27, by retired Gen. Rehavam Ze'evi. Ze'evi, who formerly directed anti-terrorist actions and assassinations for the Israeli Prime Minister's Office of the Warfare against Terrorism, labels such a necessarily genocidal mass expulsion as the most "humane solution" to the Palestinian problem. The words of a U.S.-based spokesman for the Israeli Likud party indicate the suicidal psychosis that has gripped this Israeli layer. Speaking on the riots March 14, the spokesman ranted, "Israel must act toward the Arabs the same way Germany acted toward Poland in World War II."

### **Shultz 'peace plan' shot down**

The increasingly dangerous situation in Israel and the Middle East has also been heightened by the circumstances of the failure of U.S. Secretary of Shultz's so-called Peace Plan. The failure of the plan has strengthened the worst elements of the Israeli political elite, associated with Likud Bloc leader and Israeli Prime Minister Yitzhak Shamir.

Ever since Shultz's plan was triumphantly announced in February, observers have noted that the proposal was a guaranteed failure. Nominally designed to deal with the problem of the occupied territories, Shultz refrained from even mentioning the question of economic development. Without a "Marshall Plan" for economic development of the Middle East as a whole, any effort to bring peace in the region must fail. Such a plan was proposed by former Israeli Labor Party Prime Minister Shimon Peres, and has been given its most detailed form in the writings of American presidential candidate and economist Lyndon LaRouche.

In fact, the collapse of living standards of the Israeli Palestinian population has been a major factor triggering the riots. Since the riots began, Israeli authorities have imposed economic measures against the West Bank, including the cutting off of gas supplies, which only makes matters worse.

The Shultz plan is otherwise noteworthy for its strange proposal to have Jordan and Israel decide the fate of Gaza, even though the territory was seized from Egypt. This outrageous provocation against Egypt, the most long-suffering U.S. Arab ally in the region, merely accelerates the process of driving Egypt toward a radical takeover by "Islamic revolutionaries" controlled by Soviet intelligence services.

While the secretary of state may not have intended to strengthen Israel's hardliners, Shamir's trip to Washington beginning March 14 to discuss the plan, has led to an increase of his popularity among his supporters back home. During the trip, Shamir ridiculed the proposal, stating, "We have not

found the appropriate parties to negotiate with." Meanwhile, back in Israel, Shamir's supporters held demonstrations against the plan, as a "new Munich." Indicating the shifting mood, the Israeli daily *Yediot Ahronot* featured an editorial March 9 already speaking of sometime Shamir ally, Ariel Sharon, as the next prime minister of Israel.

Meanwhile, the Brookings Institution, one of the premier think tanks of the liberal wing of the U.S. Eastern Establishment, released a study March 23 entitled "Toward Arab-Israeli Peace." The author of the report, former Carter administration National Security Council official William Quandt, is an unabashed supporter of Ariel Sharon's prime ministerial ambitions. "There's been a change of perception in Washington," Quandt reported while releasing the study. "People here are disillusioned with Labor because they haven't used their opportunities. The key thing is that there be a stronger Israeli government. Maybe it'll be the Sharon wing. Sharon is not an ideologue."

While factions of the U.S. elite tout Shamir and Sharon and their policies, it has not escaped the attention of Israel's military elite that the methods already implemented by Shamir have already had disastrous military consequences.

Since the riots began, the Israeli Defense Forces have not been able to maintain necessary officer training or even maneuvers. Instead, Israeli troops have been deployed as mere policemen, engaged in the highly demoralizing task of shooting unarmed teenagers and beating up old women with two-by-fours.

Now, the indications are that the Druze population of the occupied Golan Heights might soon follow the lead of the Palestinians. Unlike the West Bank, the Golan Heights, formerly part of Syria, is a strategic area. The Druze sect, a Muslim minority centered in Lebanon, encourages its members to enter the Israeli military and officer corp. If the Golan Heights erupts, the area will become strategically insecure, while the Druze Israeli military units will become unreliable.

According to some reports, the Soviet-controlled Abu Jihad faction of the PLO is rapidly gaining ground against moderate factions. Until recently, the PLO wing led by Yasser Arafat has blocked its Israeli Palestinian supporters from using firearms as too provocative. Now, the Abu Jihad group is pushing to replace stone-throwing with armed guerrilla warfare. Ominously, on March 20, the first Israeli soldier was shot dead by Palestinians since the riots began. Gloating about the incident, for his own reasons, Prime Minister Shamir stated, "It is proof that we are engaged for the security of Israel. A war that has been misunderstood since now."

Armed guerrilla warfare, which both the Moscow-controlled Palestinian factions and the Russian-linked pro-Sharon extremists advocate, could rapidly plunge the entire region into war. Such a war would go a long way toward redrawing the Mideast map as mandated by the U.S.-Soviet "New Yalta" secret deals concluded at the INF December 1987 summit.

# Politburo overrules Gorbachov on Afghanistan; Transcaucasus boils

by Konstantin George

On March 17, the Soviet Foreign Ministry announced that Soviet forces would be withdrawn from Afghanistan, with or without a Geneva agreement. The statement is the third signal in as many weeks that Mikhail Gorbachov has effectively been removed from power.

The dethroning of Gorbachov was already evident when his Feb. 26 appeal for "calm" in the Transcaucasus blew up in his face 24 hours later, as the KGB staged a massacre of Armenians in the Azerbaijan city of Sumgait.

The Foreign Ministry's March 17 statement could only have been issued with explicit Politburo authorization, which came while Gorbachov was out of Moscow, in the midst of a March 14-18 visit to Yugoslavia. The policy change threw overboard Gorbachov's proclamation, issued in February, that any withdrawal was contingent on a Geneva agreement that met Soviet conditions by March 15.

The 180-degree turn, in the general secretary's absence, was driven home by a companion announcement that the Soviet ambassador to Afghanistan, Pavel Mozhayev, a candidate member of the Central Committee, was being replaced with one Nikolai Yegorichev. It was a clear downgrading of the posting to Kabul. Yegorichev was the powerful boss of the Moscow city party, until his disgrace in June 1967. That ended his career on the Central Committee. He was lucky to get, from 1970-84, a "comfortable" exile as ambassador to Denmark, and the last three years as a nondescript Foreign Ministry bureaucrat.

## Where was Yakovlev?

Gorbachov was not the only Politburo member conveniently absent during those critical days that produced the turnaround on Afghanistan. His close associate, Aleksander Yakovlev, was also absent, having been granted the "honor" of presiding over a March 16-17 meeting of Central Committee ideological secretaries from socialist countries—in Mongolia.

Yakovlev is perhaps the Politburo member most closely identified with the Moscow side of the East-West alliance known since the days of Lenin, Dzerzhinsky, and Bukharin, as the "Trust."

Yakovlev was given a "slow boat" return ticket, depart-

ing Mongolia March 18 and spending the night in Irkutsk in the Siberian boondocks, only reaching Moscow on Saturday, March 19.

Yakovlev's absence is the more significant: On March 9, the Politburo entrusted the Central Committee Secretariat, led by Yegor Ligachov, the succession fight's "king-maker," with working out a solution to the crisis in Armenia and Azerbaijan.

Yakovlev is one of the six Politburo members who are also on the Central Committee Secretariat. He is nominally the Secretariat's expert on nationality questions. One would have expected him to be playing a prominent role in the Secretariat's work on the Transcaucasus crisis. Instead, the opposite has been the case; Yakovlev has been frozen out of the process.

While Yakovlev was sampling the delights of the Mongolian capital of Ulan Bator and night life in Irkutsk, a select core of the Central Committee Secretariat, led by Ligachov and Politburo member Lev Zaikov, the Secretariat member responsible for the U.S.S.R.'s military industry, began meeting in Moscow with delegations from Azerbaijan and Armenia.

## The military's rise

Zaikov's promotion, to de facto number-two behind Ligachov in dealing with the Armenia-Azerbaijan crisis, is the latest demonstration of the military's growth in power during the succession fight. In early February, Yuri Maslyukov, one of the leading military production experts in the U.S.S.R., who spent 12 years (1962-74) at the plant which later manufactured the SS-20 missiles, was named head of the State Planning Committee (Gosplan). At the Feb. 17-18 plenum, he was appointed candidate member of the Politburo. Also in early February, Oleg Baklanov, another expert on missile and high-tech military production, was appointed to the Central Committee Secretariat.

The hapless Gorbachov returned to Moscow on March 18, just in time to receive another jolt from Ligachov and his Politburo sidekick Zaikov. They had just finished their first round of meetings with a delegation from Azerbaijan, and a statement was issued that any discussion of Armenian de-

mands for incorporating the region of Nagorno-Karabakh into Armenia were out of the question. The statement as such was no surprise. It merely reiterated the CC resolution of February. But its timing was. As part of his Feb. 26 appeal, Gorbachov had promised he would make a final decision on Nagorno-Karabakh by March 26, in return for a promise of no Armenian demonstrations until that date. The March 18 statement by Ligachov et al., threw Gorbachov's one-month deal out the window, and ensured a new Armenian crisis.

That is exactly what happened. On March 19, Armenian protest organizers held a mass meeting. On Sunday, March 20, demonstrations again erupted in the Armenian capital of Yerevan, and continued on March 21, 22, and 23, involving tens of thousands each day.

This wasn't the only chain reaction launched by Moscow leadership deliberations held during Gorbachov's absence. During March 21-23, resolutions were passed by all 13 Soviet Republics, outside of Armenia and Azerbaijan—the lead was taken by the three Slavic Republics of Russia, Ukraine, Belorussia—condemning any attempt to change territorial boundaries, and calling on the authorities of Armenia and Azerbaijan to “restore order.”

The line taken by the Soviet press, led by *Pravda* and *Izvestia*, beginning March 22, reveals that the leadership's intent in precipitating the latest Armenian explosion is to prepare to violently crush of the Armenian nationalist ferment, and thus provide a “lesson” for all other nationalities in the Muscovite Empire. A point generally missed in most Western articles, which stressed the Armenian side of things, was that the Supreme Soviet (Parliament) resolutions and the tough press coverage also were conveying a message to Turkic Azerbaijan.

### **Rule from Moscow**

After weeks of near silence on Armenia, the March 22 *Pravda* delivered a broadside against Armenian “national egoism,” and charged the Armenian Central Committee with having “lost contact with the masses.” There were two interesting fine points in that article. The leadership of both Armenia and Azerbaijan, who deserved “severe criticism,” were accused of having ignored repeated reminders from Moscow to “educate the people” of the Republics in “Soviet patriotism and socialist internationalism.” The Armenian protest leaders were accused of having “sowed a national conflict,” under the “cover of democratization and glasnost.” More than the Armenian protest leaders were being attacked in that latter phrase.

The same day, *Izvestia* declared that Saturday, March 26, in Armenia would be “the most explosive day.” The Soviet government paper reported on the March 19 meeting of Armenian protest organizers, informing the entire Soviet Union that they planned to take the Nagorno-Karabakh issue to the World Court in The Hague, Netherlands, and had proposed a “mass hunger strike,” declaring Armenia a “non-party So-

viet Republic.” Such language in the past has appeared on the eve of military interventions, such as Hungary in 1956, Czechoslovakia in 1968, or the near intervention into Poland, 1980-81.

The gravity of the situation and the severity of coming measures was underscored in a resolution of the Supreme Soviet, issued on March 23, at a session attended by the Politburo. The resolution was issued “in connection with developments in Azerbaijan, Nagorno-Karabakh and Armenia, where tension persists, as a result” of demonstrations which demanded Nagorno-Karabakh's incorporation into Armenia. The “current situation” was described as “ruinous to the peoples of both republics,” and the Supreme Soviet declared: “It is considered inadmissible . . . for all sorts of self-proclaimed groups to call for the redrawing of state and administrative borders secured under the Soviet Constitution.” The resolution denounced “attempts to exert pressure on government bodies to change territorial boundaries,” as acts which “may lead to unpredictable consequences.”

The Supreme Soviet called on the authorities in Azerbaijan and Armenia to “restore order,” and “impose stringent punishment on those who, with their actions, destabilize the situation.”

It is clear, however, from points four and five of the resolution, that Moscow itself will take central actions to accomplish these goals. Point Four calls on the Council of Ministers (i.e., the Soviet government) to “work out all measures deciding the immediate economic, social, and cultural development of the Nagorno-Karabakh autonomous region.” Point Five calls upon the chief state prosecutor to issue a directive for “necessary steps and measures” to be taken “to restore order.”

These parts of the resolution, given that Soviet Army units are already patrolling of Nagorno-Karabakh, give the guts of Moscow's decision. Nominally, Nagorno-Karabakh remains part of Azerbaijan, but will be ruled not from Baku, but Moscow. This implies at least the possibility that as the dynamics of the succession fight unfold, changes in territorial boundaries are not to be ruled out, at the expense of the Turkic republics of the Soviet Union.

Observers found it striking that the Supreme Soviet resolution, which certainly was harsh and virulent against Armenian protest leaders, limited its attacks to “self-proclaimed groups,” ignoring, apparently consciously, the fact that duly constituted governing bodies, the parliament of Nagorno-Karabakh on Feb. 20, and the Nagorno-Karabakh Party Committee on March 17, had passed resolutions for the incorporation of the region into Armenia.

The next critical juncture occurs on March 26, when, if original plans are adhered to, hundreds of thousands will again demonstrate in the streets of Yerevan. Will Moscow move preemptively, with a massive military show of force? Or will Moscow wait and let the next explosion occur in the Transcaucasus?

# U.S. Big Lie on Panama hides deployment for another Vietnam

by Robyn Quijano

The Reagan-Bush administration sent 100 elite forces into Panama at the end of March, for the explicit purpose of kidnaping or assassinating Defense Forces Commander Manuel Antonio Noriega, according to Panamanian sources. One week earlier, George Bush, who could soon be indicted along with fellow Panama-basher Elliott Abrams, for their role in the Iran-Contra affair, told reporters that Noriega should be kidnaped and thus brought to justice in the United States.

Meanwhile, Sen. Alfonse D'Amato, one of the key players in the "get Noriega" command, who has been a loud-mouthed crusader against "corruption" in the Panamanian Defense Forces, has just been accused of taking a \$30,000 "campaign contribution" payoff for doing favors for the scandal-wracked Wedtech corporation. These paragons of morality have determined that the tiny nation of Panama and her 2 million inhabitants should be starved, invaded, and treated to the 1980s version of Teddy Roosevelt's "big stick." And they called it "democracy."

The American public, and most of the rest of the world, have been treated to a "Big Lie" of proportions not seen since Goebbels worked his magic for Hitler. Everyone swallowed the first Big Lie that Noriega leads a narco-military conspiracy. This, despite the fact that he has worked closely with U.S. authorities for years to bring drug traffickers to justice, and caused apoplexy among bankers last year for revoking bank secrecy, when Panama collaborated with the U.S. Drug Enforcement Administration in Operation Pisces to land some big-fish drug money launderers in jail.

But the new Big Lie, if swallowed, will have far greater consequences. The U.S. government and the media, with the help of President-in-Hiding Eric Delvalle, have tried to convince the world that the United States can invade Panama. According to this fantasy, hardly a shot will be fired, and the U.S. will have defeated a monster in a surgical strike like Grenada.

Juan Sosa, Delvalle's ambassador in Washington, and the man the Reagan administration has used as the front man for the President-in-Hiding, told the press on March 22 that any action on the part of the United States is "justifiable." Eduardo Arango, Delvalle's consul general in London, told the press the same day: "Sooner or later the U.S. will have to

intervene. Why not do it now before there are guerrillas in the mountains? Ninety-nine percent of the Panamanian people are praying for U.S. intervention."

He went on to try to entrap the U.S. public in an immoral war we should never have to fight. "There will not be one shot fired," he said, in the most dangerous deception operation. On March 25, Noriega himself answered the Big Lie, warning that if the United States intervenes militarily, it will be a hideous war, a new Vietnam.

The perpetrators of the Big Lie themselves may have started to believe their own propaganda, but in Panama and increasingly throughout Ibero-America, reality is understood. The nationalist project of the late Gen. Omar Torrijos, now continued by Noriega, has the support of the Panamanian workers and peasants, those who had long been disenfranchised by the Panamanian oligarchy. These forces, along with many of their Ibero-American neighbors, are willing and ready to fight a long and bloody war of resistance in defense of the sovereignty of Panama.

The International Relations Secretary of the CONATO, the Panamanian trade union confederation, on tour in Mexico to build support for his nation, reported that General Noriega has the support of the students, workers, and popular sectors as the "standard-bearer of a patriotic struggle which the oligarchy is trying to bury. . . . We are prepared to fight, and confront a possible intervention. We know that there is a high risk. . . . We will pay with deaths, but this is the price we are prepared to pay in defense of our sovereignty."

On March 19, after General Noriega met with State Department officials, they announced that he was "defiant." "He hasn't come to grips with reality."

Unfortunately, it is President Reagan and George Bush who have not come to grips with reality.

On March 19, labor leaders, and peasant organizations met in the National Palace with President Solís Palma, General Noriega and the cabinet. These popular groupings, making up the National Unity Front, demanded: 1) the formation of a war cabinet, 2) the adoption of a contingency plan to assure food supplies, transportation, creation of a Panamanian currency, backed by import-export controls and flight capital controls, 3) confiscation of properties of those participating in seditious activities, 4) military training for all

citizens of appropriate age.

While the U.S. media has puffed up the story that the Panamanian government is receiving arms from Cuba, in order to make a case for a U.S. intervention, the fact is that there are brigades from all over Ibero-America, from right to left, from Mexico to Argentina, who have already pledged their support for the Panamanian resistance against what is clearly seen as an imperialist intervention. Such an anti-colonialist war, however, would surely make Moscow very happy.

The Reagan administration's move against Panama, at a time when U.S. forces are being pulled out of crucial responsibilities in Europe and the Middle East, is part of a New Yalta Pact with Moscow to divvy up the world to Moscow's benefit, as Mexican presidential candidate Cuauhtémoc Cárdenas pointed out in a remarkable statement (see *Dateline Mexico*). But a U.S. imperial move to assert its control over the Western hemisphere would actually create openings for Moscow's irregular warfare already deployed in the region.

### **Ibero-America responds**

President Manuel Solís Palma brought his nation's plight to the world's attention when he addressed the National Assembly of Panama in the presence of the diplomatic corps. He told them that "the governments and the peoples of the world must understand that what is lost in Panama will be a loss to everyone. The beginning as well as the future of the political independence of many Latin American nations are at stake in the Panamanian people's self-determination. The push for domination that Panamanians suffer today must be stopped in Panama, because to remain inactive is to help endanger the respectful coexistence among nations and also peace—at least in this region, at least on this continent."

On March 21, Mexican President Miguel de la Madrid attacked the use of violence and interventionism and noted that the Panamanian people "are the objects of serious violation of international law."

On the same day, the permanent committee of the Peruvian congress attacked the intervention into Panama's internal affairs, and the head of the congress condemned the economic aggression against the government of President Solís Palma. On March 24, the Committee in Defense of Panama's Sovereignty, composed of congressmen, politicians, labor leaders, and lawyers, called for an Ibero-American-wide mobilization in defense of the Solís Palma government.

Committees for the Defense of Panama are springing up throughout the continent, and an extraordinary session of the Latin American Economic System (SELA) will be convened on March 28 to consider emergency aid for Panama. Panama's ambassador in Venezuela, who requested the SELA meeting, said that he would ask for SELA's backing against intervention. When asked about a U.S. invasion, he said: "We recognize that we are not going to defeat them militarily, but they would surely pay a very high price for such an action."

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## **Documentation**

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# **Speech by President Manuel Solís Palma**

*President Manuel Solís Palma spoke to the National Assembly on March 22. We present excerpts of the speech below.*

Before all the countries and peoples of the world, I denounce the mockery the U.S. government is making, out of the most basic principles and norms of our national law in this aggression against the Republic of Panama, an aggression which has no comparison in the history of mankind. The Panamanian people and the peoples of Latin America and the world must understand the magnitude of the danger involved in the strategy of domination that the U.S. government is practicing against the people of a small country that has always offered it its friendship, has always contributed to the growth of its wealth, and has always helped increase its power. It is necessary for all to know the truth.

However strong the U.S. government's control is over the news media in the United States and most of the world; however extensive that government's network is in its manipulation of world public opinion—at this terrible hour the Republic of Panama rises up to tell the world that lies will not prevail. Panama's current situation did not happen suddenly. It is not something that happened overnight. It is not an action against a man; it is not a measure against a system; it is not a reaction to the change of a leader. It is the result of a carefully planned strategy of domination calculated over a long period of time and systematically executed with a merciless and base cruelty which will be remembered by many future generations. . . .

Nevertheless, as head of state and the most authoritative voice in Panama, I must now tell our truth, which is the truth and nothing but the truth: The U.S. government wants to prolong its military presence in Panamanian territory beyond the year 2000, disregarding the agreement signed by President Jimmy Carter and Gen. Omar Torrijos Herrera.

The country without drug traffickers that they claim they want, is not what they want. What they want is a country that allows them to have a strategic military outpost in the heart of Latin America. The country without money laundering that they claim they want, is not what they want. What they want is an impoverished, vilified, and subjugated country that will never raise objections to the presence of an unlimited number of U.S. troops on its soil. . . .

This is a nation formed in a nationalist struggle, accustomed to confrontations with the United States, and ready to resist in the defense of the Panamanian nation at any cost and

for any amount of time for the defense of the Panamanian nation. . . .

To place this in the annals of Latin American history, the following are the actions that show the uncontrolled violations of principles and norms of international law—the embargo, the economic blockade, and the threat of using military force against Panama as an instrument of pressure and oppression. . . .

All these actions paint a clear and vivid picture of an undeclared war against the Republic of Panama, against the Panamanian people's will for peace, and against the nation's will to defend the neutrality of the Panama Canal. . . .

The closing of banks and the paralysis of the financial center—both caused by economic aggression of a foreign country which in this way has made a mockery of the trust given to it by Panamanians for 85 years—shows us and the world that our monetary system is vulnerable and, thus, so is our national economy. This closure, which has been a consequence of an arbitrary and illegal dollar embargo affecting not only our national treasury, but also individual depositors from different countries, has abruptly restricted the cash that circulated in the country and has had terrible effects on the economy of Panamanians, who have been deprived of a currency that enabled them to satisfy their basic and daily requirements.

This unprecedented action shames the civilized world, because for the first time it uses the weapon of financial piracy in relations among nations. It also shows there is a need to make a detailed and responsible study of the operational value of our monetary system within the framework of economic reality and our national sovereignty. I firmly believe in this need because the government has the duty to take necessary measures to defend free enterprise and related organizations, such as the banking center that today is temporarily prostrated due to foreign pressures and covert or open political maneuvers. . . .

Whoever knowingly allows and tries to create difficult situations will be working against the Panamanian nation. This cannot be allowed. We have issued a cabinet decree in which we have officially announced that the Republic of Panama is experiencing an undeclared war. We declared a state of emergency throughout the country, but did not suspend constitutional guarantees, which the entire population continues to effectively enjoy. . . .

Panama will enforce compliance with the 1977 Panama Canal Treaty and the Canal Neutrality Treaty regardless of the systematic U.S. violations of these treaties, which have been repeatedly reported by the Panamanian government at all international forums. Panama reasserts before those who signed the neutrality pact with our country, before the nations that shared their anticolonial struggle with Panama, and before the whole world, that its destiny as a sovereign country is irreversible and that its determination to comply and enforce compliance with the treaties is irrevocable. . . .

## U.S. plots to take back Panama Canal

by D.E. Pettingell

The Reagan administration's commitment to "rid" Panama of Gen. Manuel A. Noriega, the nationalist commander in chief of the Panama Defense Forces, is now clearly only the prelude to a campaign to destroy—at whatever the price—the Panama Defense Forces itself. It is just as clearly a precondition for revoking the Carter-Torrijos Treaties that were to give total control of the Panama Canal to the Panamanians at midnight Dec. 31, 1999.

The Reagan administration has increasingly shown its total disregard for the treaties. President Reagan's decision to put the fees for canal service into an escrow account, and the deployment of hundreds of American troops to Panama above the levels stipulated in the treaties, are only the two most recent and blatant violations.

General Noriega and the PDF have declared that behind the U.S. aggression is a plot to keep the canal beyond the year 2000. Administration spokesmen such as Assistant Secretary of State for Inter-American Affairs Elliott Abrams, of course, deny that the attack on Noriega is an excuse to abrogate the treaties. But then, Abrams is a liar, even by his own admission, to the Congress.

Abrams recently set two conditions in order for the United States to honor the treaties: 1) that Panama becomes fully "democratized" and, 2) that the Panama Defense Forces demonstrate their ability to "defend" the canal by withdrawing from "political life."

The type of "democratic" government Abrams would impose in Panama would ask the United States to keep the canal, turning the treaties into a dead letter. The "Panamanians" whom Abrams is attempting to put in power have already asked the United States to invade their country.

### Abrams's socialists cronies

"Panama must democratize, and that is part of the Carter-Torrijos agreements. It is not written down, but clearly in the



López and Pérez mission, they know that the democratization of Panama is part of the image," Abrams innovatively claimed in a March 18 Worldnet televised interview transmitted by USIA to Ibero-American capitals. He was referring to former Colombian President Alfonso López Michelsen and Socialist International leader Carlos Andrés Pérez, both of whom have close ties to the drug mafia and—what is the same thing—the Panamanian opposition. In recent closed-door meetings with Abrams, Pérez committed himself to use his "moral authority," as a former Venezuelan President who supported the treaties at the time, to make sure the canal is not returned to Panama unless a "democratic" government is in place.

Former Carter administration officials now part of the pro-drug Inter-American Dialogue and the Democratic Party's National Democratic Institute for International Affairs, have joined Pérez's crusade. A closed-door three-day conference on the connection between the treaties and Panama's "democratic transition" was scheduled to be held in Georgia, to be chaired by both Jimmy Carter and Walter Mondale. It had to be canceled at the last minute at the request of the Panamanian participants, who were unable to leave Panama. The conference was scheduled to begin March 16, the day of the failed coup attempt against General Noriega.

Abrams spelled out his second condition during hearings March 10 before a House subcommittee. "Deep military involvement in politics weakens the civilian and the military institutions, just as it detracts from Panama's ability to fulfill its crucial role in defense of the canal," he said, and warned, "We believe that strict adherence to the Canal Treaties by both partners is fundamental to Panama's democratic future."

### **The treaties: a 'serious mistake'**

A campaign of lies and disinformation, charging that Panama is becoming "another Cuba," has resurrected the debate on the treaties on Capitol Hill, an issue that for a while seemed to have been settled. For the first time since 1978, when the Senate approved the Treaties, the political faction that favors the United States holding on to the canal and breaking the treaties is becoming hegemonic.

"It is clear that the United States made a very serious mistake when it agreed to give away the canal," Rep. Connie Mack (R-Fla.) stated on his way back from Panama. Mack visited Panama March 17 in the company of Florida National Guard units deployed to Panama for "exercises." The Panamanian army has denounced such maneuvers as a violation of the treaties.

According to a spokesman for Mack, the congressman will soon send out a "Dear Colleague" letter arguing for abrogation of the treaties on the basis of Panama becoming "another Cuba." Even if General Noriega were to leave Panama, the spokesman stated, Mack does not believe there will be a stable government in the foreseeable future. His letter will be intended to test the waters, to determine the feasibility of introducing legislation to revoke the treaties.

Mack is seeking the Republican nomination for Senate, and intends to make the "canal giveaway" a key issue in his campaign. Congressional sources have argued that most of the senators who ran for reelection after voting in favor of the treaties were defeated for that reason.

Campaigning against the treaties has become an issue in the presidential race as well. Sen. Robert Dole recently bragged about having voted against the treaties 10 years ago, and pledged that if he is elected President, he would seriously consider dumping them. "We may want to go back and take another look at the canal," he said Feb. 28. "We may not want to turn it over to Panama."

But the most violent opponent of the treaties is no doubt Sen. Jesse Helms (R-N.C.), who led the campaign against them in 1978. Ever since, he has not missed an opportunity to attack them. His latest action came March 14, when he attempted, but failed, to introduce several amendments to the Intelligence Oversight Act which would have "suspended" the canal treaties.

Helms's amendments called for the "President of the United States" to "notify the Government of Panama of the intention of the United States to suspend, should it be proven to be required by the supreme national security interests of the United States, the operation of any provision of the Panama Canal Treaties of 1978 mandating the withdrawal of the United States military personnel or the closure of any United States military base protecting the Panama Canal."

Helms's new amendments are a variation of a similar measure introduced by Sen. Steve Symms (R-Idaho) in October 1987, calling for "voiding" the treaties on the basis of the refusal of the Panamanian government to "ratify" the "DeConcini Reservation," which is not part of the treaties. The amendment was defeated by only 20 votes. The reservation, authored by Sen. Dennis DeConcini (D-Ariz.) in 1978, demands that the United States be allowed to use unilateral military force in Panama after the year 2000 if Congress or the administration considers the canal imperiled. Sources now believe that, in light of the strong anti-Panamanian sentiment in Washington, were a new vote on the Symms amendment to be taken now, the Senate would pass it with little debate.

For Panamanian nationalists, the issue is not negotiable. In rejecting the so-called DeConcini Reservation in 1978, the late Gen. Omar Torrijos stated: "The Republic of Panama declares that its political independence, territorial integrity, and self-determination are guaranteed by the unshakeable will of the Panamanian people. Therefore, the Republic of Panama will reject, in unity and with decisiveness and firmness, any attempt by any country to intervene in its internal or external affairs."

Were the United States to continue pushing for the abrogation of the treaties, it might provoke, inadvertently, the much-needed unity of Ibero-America that has so shamefully been lacking.

# Kissinger's pals running Panama war

by Gretchen Small

The emergence of William D. Rogers in the limelight of the Reagan administration's war against Panama, proves again that the anti-Noriega campaign is run by a group of sleazy private interests determined to transform Panama into another Hong Kong: Noriega is in their way.

Rogers speaks for Henry Kissinger, and the Rockefeller interests that pay Kissinger's bills. Rogers is not only Henry Kissinger's private attorney, but a partner in Kissinger Associates, the lucrative investment consulting firm which specializes in seizing assets in developing nations, as payment for foreign debts.

Rogers has been so active in Ibero-American debt deals, that he's been nicknamed "Bill Collector Rogers." With his Panama war, Rogers has been given a new title by the *Washington Post*: "the 'lanky gringo' [cast] as a master puppeteer in Latin American affairs."

"I tend to think of it as an unprecedented revolution by litigation," Rogers told the *Washington Post* in an interview published on March 22. He explained: "I don't know of any effort to overturn another government by litigation which really was based on, and derived from, litigation in the United States. Or that worked as fast as this, or that had the consequences this one had. Or that a law firm was as deeply involved in as we have been."

He, and a team of 20 lawyers at his firm, Arnold and Porter, devised what they consider to be an unbeatable strategy to bring Panama to its knees: Cut off the flow of dollars to the country. Backed up by the power of the U.S. government, Arnold and Porter's lawyers have sued, or threatened to sue, any institution or person which attempts to send dollars to Panama. Since Panama uses the U.S. dollar as its national currency, as it has since 1904, without dollars, its economy has ground to a halt.

Members of the Reagan administration had considered activating the International Economic Emergency Powers Act against Panama, as the juridical basis to seize Panama's assets abroad, but pulled back when officials at the Treasury Department and the Federal Reserve warned that any such action would weaken confidence in the U.S. banking system, already teetering at the brink of generalized collapse. Thus, the operation was handed over to Rogers and his "private" law firm.

## A Hong Kong revolution

What Rogers means by "revolution," is to run the nationalist resistance out, so that his private business buddies can be placed in power in Panama. Rogers told the *Post* that "the government of Panama" has been set up in Arnold and Porter's offices, where they are lining up prospective private investors for Panama, once the economy has been fully deregulated.

The central figure in Arnold and Porter's "government," is Panamanian millionaire Gabriel Lewis Galindo—a business partner of Colombia's former President Alfonso López Michelsen. A close friend of Fidel Castro's, López Michelsen has served as the public representative of the cocaine mafia's interests since his infamous meeting with the chiefs of the Medellín Cartel in May 1984.

But this isn't the first time Arnold and Porter has worked with friends of Fidel Castro in the region. In 1981, Arnold and Porter—shortly before becoming the law firm for Kissinger Associates—served as the registered foreign agent for Nicaragua's Sandinista government in Washington, advising them on "U.S. laws, regulations and policies, arms exports, and trusts and estates."

Lewis Galindo is an intimate of the Kissinger-Rockefeller apparatus, working closely from the beginning with former National Security Council member Norman Bailey. Bailey set out to overthrow Panama's military in 1985, when his banker buddy Nicky Barletta was ordered by Panama's military and political elite to break with the International Monetary Fund, or quit as President of Panama. Barletta quit.

While at the National Security Council, Bailey played a key inside role in handing control of Reagan administration policy toward Ibero-America over to the Rockefeller-Kissinger apparatus. Before Richard Allen brought him onto the Security Council in 1981, Bailey had been involved in several schemes to set up free trade zones, exempt from any government control or inspection, at various places around the globe, including drug financier Robert Vesco's 1970s attempted Azores "liberation movement."

Once on the NSC, Bailey focused on converting the Caribbean into a "free enterprise" paradise. With David Rockefeller, Bailey drew up a scheme called the Caribbean Basin Initiative (CBI), which granted tax incentives and import benefits for U.S. businesses which set up operations in the free trade zones which Rockefeller's crew was promoting throughout the Caribbean. Bailey's CBI promoted the so-called "Jamaica model." The motor which drove the Jamaica model, as administration officials admitted, was drug monies, channeled into "private investment" through a facility established at the Central Bank.

In 1984, Kissinger demanded that the Reagan administration make Bailey's CBI scheme into the U.S. program for the whole region. He got his way, when the administration accepted the recommendations of Kissinger's Bipartisan Commission on Central America, which demanded that the "Hong Kong model" be imposed on Central America.

# Filipino opposition unifies, in order 'to save the country'

by Linda de Hoyos

A new coalition has emerged in the Philippines dedicated to providing an alternative policy-pole to the administration of Corazon Aquino. On March 17, Enrique Zobel, one of the richest business leaders of the Makati banking district of Manila, was elected chairman of the National Movement for Reconstruction and Survival. The new coalition sees itself, as Zobel told *Asia Week*, "not as a league of confrontation," but "a constitution of consultation and participation."

The Nation Movers, as they call themselves for short, bring together top leaders of the Makati business circles that backed Aquino's coming to power in 1986; some leaders of former President Ferdinand Marcos's New Movement Society; and leaders of the Grand Alliance for Democracy, the coalition of many former Aquino admirers that challenged the government in the May 1987 congressional elections.

Among the The Nation Movers' most prominent members are former Defense Minister Juan Ponce Enrile, former Defense Minister Rafael Iletto, and current Filipino Vice-President Salvador Laurel.

### Other efforts had failed

The Nation Movers thus represent that section of the Filipino elite that has watched, increasingly horrified, as the Aquino administration has floundered in the face of continuing economic crisis, national division, and escalating insurgency. After the May 11, 1987 elections for the first congress under the new Aquino constitution, in which the GAD slate was nearly wiped out by alleged computer vote fraud, there has been no effective opposition to the government presenting policy alternatives to Aquino's ineptitude.

However, the lack of a political opposition has not brought stability, given the crises the nation faces. In July, even Aquino's own hand-picked winners in the Senate and House of Representatives launched a major policy debate against the Aquino government's obeisance to the International Monetary Fund. In coordination with then-presidential secretary Joker Arroyo, bills were put forward in the Senate calling for a "García solution" for the Philippines—prohibiting the government to pay more than 10-15% of its export earnings on debt service. (The Philippines now spends an

untenable 45% of its export earnings to pay the national foreign debt.) However, all such debate was put to rest by the abortive Aug. 28 coup of "Gringo" Honason, which temporarily discredited all "right-wing" opposition to the government.

Since then, Filipino politics has tended to degenerate into apolitical squabbling between dynastic elites, with various attempts by right-center politicians to forge an alliance failing. Hence, in the October 1987 nationwide elections for local posts, the most powerful opposition to Aquino came from President of the Senate Jose "Jovito" Salonga, head of that section of the Liberal Party which backed Aquino in the congressional elections. Salonga, a former exile whom the State Department escorted back to the Philippines in January 1985, was an executive board member of the Soviet-Gnostic World Council of Churches, and if in power, would likely favor a coalition with the insurgent New People's Army.

Salonga is in likely alliance with such as Father Jose Bernas, president of the Benedictine Ateneo University. Bernas, an organizer of Aquino's former "Council of Trent" early advisers, has since publicly attacked the President for human rights violations and for drifting to the right. In the local elections, Salonga fielded his own slate of local candidates in the elections in a campaign against "dynasticism" and "nepotism." The ploy succeeded in knocking out several Aquino candidates, including her own mother's family in Tarlac province.

The creation of the Nation Movers now presents a policy-pole not only to Aquino but also to the Salonga anti-American power base.

### Not for confrontation purposes

Beginning March 23, *Asia Week* of March 26 reported, members of the Nation Movers moved to set a policy agenda focusing on six major issues: a federal system of government, agrarian and urban land reform, economic and labor policy, national security, U.S. military bases, and education and cultural development. On the issue of the U.S. bases at Clark Field and Subic Bay, the Movers favor the retention of the bases, but at better terms.

At least from statements of its members, the Nation Movers is not looking to create the political cover for a military coup against Aquino. As Laurel stated in an interview with *Asia Week*: "The Movers is non-political, non-partisan. We are tapping the best brains and the best minds who are willing to help, regardless of party label. We will support Cory when she is right, oppose her when she is wrong.

"We are setting aside personal, partisan interests for the national interest, because the country is in peril. The insurgency problem is getting worse, the foreign debt is getting bigger, and we're fighting each other. So what to do: unite the nation and work together for national survival. That is the overall theme. . . . We are thinking of what should be done under the circumstances to prevent the situation from deteriorating. The objective is not to topple the President. . . . We're not thinking of 1992 [when Aquino's six-year term expires]. We think that if we don't solve the crucial problems today, there won't be presidential elections in 1992."

### **Movers in action**

By the end of March, the Nation Movers had proved the point by taking action to avert a possible Muslim separatist war in the southern-most island of Mindanao, whose mineral wealth has made it the richest area of the Philippines.

In the early 1970s, the Philippine Armed Forces fought a bitter war with the Muslims (Moros) in Mindanao, in which at least 100,000 Moros and soldiers were killed. In 1976, Imelda Marcos negotiated the Tripoli Agreement with Moro National Liberation Front (MNLF) leader Nur Misauri, currently resident in Saudi Arabia, in which autonomy was granted to 13 Muslim-dominated states in Mindanao, Palawan, and Sulu. But the agreement has been abrogated by the Aquino government, some suspect for reasons of the business interests in Mindanao of Aquino's brother Peping Cojuangco, fueling centuries of hatred by the Moros of Manila "imperialism."

The MNLF, along with two splinter groups, the Moro Islamic Liberation Front and the MNLF Reformist Group, is estimated to have 15,000 trained fighters with 11,500 firearms. However, according to a Moro leader quoted in *Malaya* March 14, the Moros are prepared for war. "Every gun in every Muslim household could be easily centralized" should fighting between the MNLF and government forces erupt.

Despite their antipathy to Manila, the Moros have not linked forces with the New People's Army in Mindanao, and have even been accused of working with the vigilante *Alsa Masa* in Mindanao against the NPA. Nevertheless, it is agreed by both Juan Ponce Enrile and current Defense Minister Fidel Ramos that under no circumstances can the Philippine Armed Forces win in a two-front war with both the NPA and the Moros. It is also believed that the Moros, if they were goaded to fight by Manila intransigence, would prove to be far superior enemies to the NPA. Funded and supplied by the Islamic countries, the Moros would likely employ random

mass terror against civilians similar to that used in Beirut. The NPA limits its actions to targeted assassinations and operations against the armed forces.

Over the past months, the Moros organized a million-signature petition for recognition as a state by the Organization of Islamic Conference (OIC), which convened in Amman, Jordan, March 21. According to Moro leaders, upon recognition, the Moro leadership was prepared to establish a provisional government in Mindanao and declare war on Manila.

### **Agreement on federalization**

On March 18, Moro leader Abdul Khavr Alonto, a member of the Grand Alliance for Democracy, announced in a press conference at a Zobel-owned building in Makati, that MNLF leader Misauri was in "full accord" with the federal form of government espoused by the Nation Movers. Misauri, Alonto said, "was optimistic that peace would return to Mindanao under a federal form of government." Misauri's aide, Uztadz Zain Jali, also stated that "federalization is an alternative so that the Philippines will not be dismembered." If federalization is adopted, he said, the MNLF will no longer insist on secession.

Under the current constitution, the country is highly centralized, with national authority presiding over education and local government. Over 70% of local taxes are passed on to Manila, where, it is widely suspected, it is siphoned off into the coffers of the families in power. This total centralization has made it very difficult for local authorities to deal effectively with the NPA insurgency. As seven provincial governors complained recently, they are not receiving enough funds from Manila to provide new jobs, the best antidote to NPA agitation.

Alonto himself is on the Nation Movers subcommittee to study which federal system would be most appropriate for the Filipino culture, reported the *Manila Chronicle* March 18. Vicente Puyat, who led the Grand Alliance for Democracy and who is also a member of the subcommittee, added in the press conference that he would push for the creation of Mindanao as the first federal state, to serve as a model for the other seven or eight such states that might be created. He also agreed on the use of the Tripoli Agreement as the basis for negotiations, since "that is already a past commitment and government is running late in implementing it."

The danger of war has been averted by these developments, crafted by the Nation Movers, and by the March 21 decision by the OIC not to seat the MNLF as a nation among Islamic states.

If the Nation Movers fully succeed in their endeavors in Mindanao, it will have earned full credibility as a reliable source of policy alternatives for the Aquino government. This will be required if the government is to save the country from its near-disintegration into warlord territories and unite to fight the NPA.

## Cárdenas defends sovereignty

*Opposition presidential candidate blasts the superpowers' "New Yalta" deals behind threats to Central America.*

Nearly 150,000 followers of Cuauhtémoc Cárdenas, the presidential candidate of Mexico's opposition National Democratic Front (FDN), gathered March 18 in the Constitution Plaza of Mexico City, facing the national palace, to hear his message in commemoration of the 50th anniversary of Mexico's oil nationalization. That historic act, carried out by Cuauhtémoc's father, Gen. Lázaro Cárdenas, in 1938, gave Mexico long-overdue economic and political sovereignty, and simultaneously guaranteed the position of the ruling PRI party for the next 50 years.

That sovereignty is now being surrendered to the very international oligarchy General Cárdenas once defeated. Lawfully, his son Cuauhtémoc—who was a PRI governor of the state of Michoacán for six years—left the PRI in September of 1987 in disgust at the party's divorce from national interests. He went on to be chosen the presidential candidate of a group of dissident political forces of center-left persuasion who, nevertheless, have in the past endorsed the PRI choice for President.

But now, for the first time, the name of PRI candidate Salinas de Gortari will appear on but one line of the national ballot, while Cárdenas will appear as the candidate of several political parties.

The 150,000-person mobilization for Cuauhtémoc rapidly turned into a protest against U.S. military intervention in Central America, and a statement in defense of Panama. In his speech, Cárdenas said, "We are living through years which will be decisive

not only for Mexico, but for all of Latin America, and for the world balance of power. . . . In the aftermath of the disarmament agreements, the superpowers are seeking a new definition of spheres of influence, and thus the economic and political pressures on the developing nations worsen."

Cárdenas's followers broke into enthusiastic shouts and applause when the candidate demanded "the immediate withdrawal of foreign troops from the continental Isthmus, and, in particular, from Honduras; that the deployment of arms and troops to the Nicaraguan counterrevolution cease, and that pressures against the Panamanian people, intended to violate the surrender of the Canal, end." Panama's people, he insisted, have the right to self-determination.

Two enormous banners of the Mexican Labor Party (PLM), bearing the slogans, "A United Ibero-America in Defense of Panama," and "We won't give up Pemex [Mexico's state oil company] nor the Panama Canal," set the tone for what afterward turned into a mass march to the famous Monument of the Revolution, which contains the tomb of General Cárdenas, where a floral offering to his memory was made.

"We won't give up Pemex nor the Panama Canal," also became the war cry of thousands of marching Mexicans, and was summed up in Cárdenas's speech. Today, he said, the foreign debt is used as a means for "imposing control over natural resources. . . . They would establish a new era of economic colonialism, against which all free people must reb-

el." After denouncing the efforts of the creditors to seize Mexico's oil, which is currently exploited solely "to fulfill financial commitments," Cárdenas accused the De la Madrid government of "having ceded the authority of government to oligarchic forces and to foreign powers," compromising "economic independence and giving away the very sovereignty of the nation."

Cárdenas concluded with a proposal to "suspend payment on the foreign debt under current terms. It is Mexico's right to establish priorities and conditions."

The *Cardenista* demonstration, which surpassed the massive peasant mobilization of one month ago in the agricultural region of La Comarca Lagunera (see *EIR* Vol. 15, No. 9, Feb. 26, 1988), stood in sharp contrast to the efforts of the PRI party, which carried out a bland official commemoration of the oil nationalization and which, for the first time, could not count on the presence of Cárdenas's own family. The official event once again revealed the widespread discontent of the PRI rank-and-file with the creditor-dictated austerity program of the De la Madrid regime. At least 2,000 oil workers in attendance broke away from the group to listen to the nationalist appeals of a group of Cuauhtémoc followers.

At the end of the official PRI event, the oil workers pulled down a gigantic PRI banner and raised in its place another bearing the name of Cuauhtémoc Cárdenas, while announcing through loudspeakers, "The true Mexicans will arrive this afternoon. Viva Cuauhtémoc Cárdenas!" More than 100,000 PRI demonstrators who had not abandoned the commemoration site, responded by chanting the candidate's name, until dispersed by the President's military guard.

## Region is polarized on Panama

*An Ecuadoran general has called for an Ibero-American army to defend Panama, but the socialists back the State Department.*

**G**en. Frank Vargas Pazzos, former commander of the Ecuadoran Air Force, has called for a "Latin American Army for the Defense of Panama." He made his statements in an interview published in the Quito daily *El Comercio* on March 17.

Vargas made a dramatic entrance into Ecuadoran politics in 1985, when he led a failed military coup against President León Febres Cordero. He was jailed. In March 1986, from his cell, he inspired the officers of an Air Force base to hold Febres captive for several days. This gesture gained Vargas international notoriety, but earned him the admiration of a good number of Ecuadorans. Febres, after all, had supinely followed the advice of the Reagan-Bush administration to radically reduce living standards. He had brought a severe depression by paying the foreign debt and by instituting "free market" economics.

What brings gala dinners at the White House may bring scorn in Ibero-America. Febres' party came in a poor third in the Jan. 30 presidential elections, just ahead of General Vargas, who had the disadvantage of campaigning while practically under house arrest.

Vargas, in his *El Comercio* interview, charged the United States with violating the Torrijos-Carter Treaties on the Panama Canal. He called for the formation of "a Latin American army for the defense of the canal . . . in the face of imperialist aggression which intends to convert Panama into another Grenada."

The general asked for "a post in

any trench, as just one more soldier who knows how to give his life if necessary to defend this noble cause."

To some, this may sound like Don Quixote dreaming of ages gone by. But, given that the Reagan administration is intent on making grade-B replays of Teddy Roosevelt's "gunboat diplomacy," Vargas's response is appropriate, and it struck a chord in Ecuador. His arch-enemy Febres became the first President to support Panama's March 18 request for an emergency meeting of the Latin American Economic System (SELA). Panama asked SELA to take measures to defend Panama from "undeclared economic warfare and a threat to Panama's national sovereignty." It asks the regional body to give Panama a reserve back-up for its own paper money.

One would have expected Peruvian President Alan García, the only leader in the region who does not raise his hand to ask Wall Street's permission to go to the bathroom, to have led the defense of Panama.

But García has prevaricated by calling for "accelerating the process of democratization" in Panama. This is interpreted by his foreign ministry and parts of his APRA party as support for U.S. pressures against Noriega.

García's problem comes precisely from the snakes in his party, the American Revolutionary Alliance Party, APRA. The majority of APRA sided with the State Department when it engineered the overthrow of the Argentine nationalist Juan Perón, in 1953.

Octogenarian APRA leader Luis Alberto Sánchez embodies the treasonous wing of APRA. Last year, Sánchez worked from the inside to sabotage García's bank nationalization and undermine the government. Sánchez, Peru's vice president, now praises Amulfo Arias, who was thrown out of the Panamanian presidency in 1941 for his open support for Hitler's ideas and his blocking of U.S. efforts to defend its merchant marine. Sánchez says Arias was "expelled by the most conservative Panamanian interests, naturally allied to U.S. interests." Sánchez demands "free elections" in Panama so the aging Nazi could be President once again.

APRA's treasonous wing was picked up by Nelson Rockefeller during World War II. Since then they have been run by the Washington nest called "the State Department socialists." Jeane Kirkpatrick and Elliott Abrams are contemporary members of that species.

In 1945, the "democratic socialists" formed the "Caribbean Legion," a regional insurrectionary force which, in 1948, invaded Nicaragua to overthrow the Somoza dynasty. They were the forerunners of the Sandinistas, and of today's Costa Rican-based Contras. These social democratic goons made Costa Rica a haven for flight capital, the mafia, and drug banker Robert Vesco—precisely the State Department plan for Panama now.

These are the rotten networks in various Ibero-American countries which the State Department is using to block regional support for Panama, such as that expressed by Ecuador's former Air Force chief. This may explain why García waffles on Panama while proclaiming that if Nicaraguan dictator Daniel Ortega were to ask him to come as a symbol of Latin American solidarity, "I will be there."

## Rumbles from rural India

*Angry farmers rose in Meerut to challenge a smug government in February, and promise that it is only the beginning.*

**D**uring February a new regiment, the western Uttar Pradesh-based Bharatiya Kisan Union (BKU), entered the growing ranks of organized and increasingly angry farmers. Though the BKU agitation is over for the time being, the prospect of expanded farmer mobilization in the coming months makes it likely that the lid may finally be blown off the open secret of Delhi's vice-regal relationship to 80% of India's population who live and work in backwardness and poverty in the villages and rural areas.

From Jan. 27 through Feb. 20, from 50,000 to, at its high point, 600,000 farmers under the banner of the BKU occupied the Divisional Commissioner's office in Meerut. It was one of the biggest and best disciplined agitations since the farmers' movement came on the scene during the 1970s. The action put the BKU, formed in 1978 and led by a Jat farmer, Mahendra Singh Tikait, firmly on the map.

"These people who read in English schools and sit in cities have not looked to us for the last 40 years and have no right to rule us," Tikait told a roaring crowd in Meerut, drawn from Punjab, Rajasthan, Jammu and Kashmir, and Bihar as well as Uttar Pradesh (UP). "They have to listen to us now."

The protest in Meerut was over a charter of 35 demands that had been the basis for a series of local actions throughout 1987. In an interview, Tikait described their "minimum demands": "Better educational facilities, remunerative prices for farm produce, including sugar cane on the basis of sugar recovery, and drought re-

lief where justified. We know corrupt government employees won't allow cash relief to reach us, so let the power bills be waived. Those who don't use power for irrigation should get subsidized fertilizer."

Significantly, the protest has arisen in western UP, one of the regions that benefitted from the Green Revolution in the 1960s and 1970s, and, as a food surplus area, has become a mainstay of the nation's food supply.

In spite of smokescreens about farmers who "cashed in" on the Green Revolution and are now demanding more, and government statistics on power and poverty, India's farm economy is in serious trouble. It is not some sudden crisis, though drought has helped to push it to the fore. The problem is a lack, across the board, of basic infrastructure: power, water, transportation, storage, marketing systems, and low-cost credit.

India's farm economy is in serious trouble. It is not some sudden crisis, though drought has helped to push it to the fore. The problem is a lack, across the board, of basic infrastructure: power, water, transportation, storage, marketing systems, and low-cost credit.

As a consequence, productivity has stagnated, even in the most advanced areas, and farm production remains generally in a quasi-subsistence mode. The farmers' bitter complaint that the cost of production has gone up faster than either yields or product prices, is but a reflection of the stagnation of productivity.

The BKU agitation, for instance, centers on power. Not only is the supply irregular and at odd hours, but the

farmers are made to pay in money, time, and physical labor for every moment it is there at all. When transformers break down at the local substation, the farmers must disconnect them and carry them to the state electricity board workshop at their own cost. There, the farmers have to bribe officials to get them repaired before carting them back again. As many as 400 transformers have been simultaneously out of order in UP, for as long as 2-4 months, according to a member of the UP state legislature.

On top of that, the farmers are billed not by actual power used, but by flat rates according to the horsepower of their equipment!

Or, take low-cost credit. For reasons of bureaucracy and political corruption, it is impossible to get credit in a timely fashion. Farmers are driven to the moneylender, suffering 20-25% rates of interest to get their crops into the ground on time. The "low-cost" government loan (at 10%!) can only partially pay off the moneylender.

Even where the basics are adequate, a lack of transport and marketing infrastructure prevents producers from diversifying their output.

The BKU lifted their siege of Meerut after 25 days, with state and central governments refusing to entertain their demands. Both the Congress government in UP and the ruling party's central spokesmen tried to dismiss the affair as narrow and selfishly motivated, "not a general farmers movement." It is the type of imperial response that can only fuel the fire.

There is no doubt that the farmers' vow of further action is not hollow. And, perhaps because they spurn the politicians almost universally (Tikait refused to allow any of the prominent well-wishers on the podium in Meerut), the farmers promise to become an increasingly potent political force in their own right.

## A 'depression' vote

*A strong farmer-labor protest vote was recorded in Baden-Württemberg state elections.*

Those in the political establishment of Germany who believed that massive "recovery" propaganda would help to make voters forget the Black Monday crash of October 1987, were proven wrong by the results of the state elections in Baden-Württemberg on March 20. All four parliamentary parties (Social Democrats, Christian Democrats, Greens, and Free Democrats) lost votes.

State Minister-President Lothar Späth (CDU), who slyly shifted toward attacks on "them in Bonn" in the last days of the campaign, only "won" reelection because none of the other parties broke the pattern of vote losses.

Votes were lost because an increasing section of the working population feels the effects of the economic depression. Späth's CDU suffered a drain of 5-10% in the farming belts, where the European Commission's quotas on food production, as well as farm indebtedness and excessive conservation laws, have caused a dramatic drop in farmer income. Späth's refusal to act to save farmers from bankruptcy, and his alliance with the policy of the Bonn government to "phase out" state subsidies made his CDU unpopular.

Whom did the traditionally conservative constituency of the farmers turn to? Political disorientation drove many farmers to vote for the two neo-Nazi protest parties, the NPD and REP. But a considerable percentage voted for the Patriots for Germany, whose program, based on the LaRouche method, drew "broader response in the rural districts," as the state's farmers association observed.

Significant breakthroughs for the Patriots, running for the first time and scoring only 0.1% statewide, occurred where farmers themselves, with high local recognition, were the candidates. In District 23, Main Tauber Kreis, Patriot candidate Stefan Blasauer scored 17.3% in his home village Paimar. In the district around Gruensfeld, he achieved a total of 3.8%. In both cases, he scored third after the CDU and the Social Democrats, leaving the Liberals and the Greens behind.

Alfons Haas, another farmer who ran in District 64, Ulm, received 9.4% of the vote in Steinfeld, his hometown, and a significant 8% in the general area. Another farmer candidate, Karl Bauer, in Schwäbisch Hall (District 22), scored 3.3%.

These results are the more remarkable in that they were achieved by farmers who joined the Patriots only a few weeks or months before, and who had little in the way of the logistics, funds, and manpower resources possessed by the other parties. The media, which are controlled by the bigger parties, blacked out the Patriots. Like the LaRouche presidential campaign in the United States, the Patriots' candidates concentrated on "grass roots" programmatic organizing, working their way from village to village and farm to farm.

The Patriots earned their votes by targeting the international grain cartel and Soviet grain-trade mafia. Naming these bigger enemies overcame many farmers' deeply rooted skepticism, usually expressed in comments like, "Everybody makes deals with Big Money; nobody takes the big ones on."

Voting for the Patriots was a great step forward for the farmers, therefore, and even the news media, despite their blackout of the Patriots campaign, took notice of the new phenomenon after election day.

On the labor side of the vote, a remarkable development took place: the Social Democrats lost a disproportionate 4.5% in labor districts, their traditional strongholds. This is a direct response to corporatist proposals for a wage-freeze by the SPD leadership.

Part of the SPD's losses were due to the desertion of voters in the "information society" professions, who considered technocrat Lothar Späth a more promising choice. Späth won't be able to keep his promises for a "high-tech boom," however, because he doesn't have a program to halt the deepening economic depression, which is already reaching the computer and electronics sectors of the German economy. Labor voters in the machine-building sector, which has suffered severely from the collapse of export markets in the West, still hope that Lothar Späth's deals with the Soviet Union may yield profitable contracts and secure jobs. As his trip to Moscow in February showed, however, the Soviets want machines but don't want to pay for them.

Voters in high-tech professions will be forced to recognize soon that only the LaRouche program for a massive effort to place a colony on Mars over the next 40 years, a program adopted by the Patriots, can secure their future.

Since Lothar Späth is out to topple Chancellor Kohl in Bonn, preferably over economic issues like another "crash," there may be national elections in Germany, very soon. Those who deserted from the SPD to the CDU now, will have to consider the Patriots in the next elections.



## Optina Pustyn monastery reopened

*It's part of the same preparations for 1988 millennium celebrations, as the canonization of Dostoevsky's mentor.*

Last Dec. 21 the newspaper *Moscow News* announced that the Russian Orthodox monastery at Optina Pustyn will be reopened. The famous monastery, founded in the 14th century on the Mount Athos monastic model, and located near Kaluga, northwest of Moscow, played a central role in spawning anti-Western Russian literature in the 19th century. It was the flagship of the monastic revival in Russia, launched from Venice and Mt. Athos in order to build the cult of irrationality there, into a mighty weapon against Western civilization. The expansion from 300 Russian monasteries in 1762, to over 1,000 in 1917, was indispensable preparation for the oligarchy's Bolshevik project.

After the Bolsheviks came to power, Optina Pustyn was temporarily closed. Now, after 70 years, it is being reopened, in time for the 1988 Russian Jubilee.

Keston College in the U.K., which specializes in East bloc religious affairs, reports that the Moscow Patriarchate will use the millennium celebrations of the Christianization of Kievan Rus in June to glorify (canonize) new saints. These include Starets ("Elder") Amvrosi (Ambrose) of Optina Pustyn; Prince Dmitri Donskoy, the hero of the 1380 Battle of Kulikovo against the Mongols; the icon painter Andrei Rublov, and others.

Exiled members of the Russian nobility view the reopening of Optina Pustyn and the canonization of Starets Amvrosi as signs of dramatic growth in the role of the Russian Orthodox Church in Russian cultural-spiritual life, and as an institution in the Soviet

Union. These sources stress what *EIR's* historical research has otherwise demonstrated, that the elders of Optina Pustyn were the shadowy gurus of 19th-century Moscow. They exerted almost singlehanded control over Russia's literary-cultural life, up to 1917 directly, and beyond 1917 indirectly.

The most important was Starets Amvrosi (1812-91). Pilgrims came from all over to consult with him, including the leading literary proponents of Russian racialism, Pan-Slavism, and Eastern mysticism: from the leading Slavophile Ivan Kireevsky (who later came to live in the monastery) to writers like L. Tolstoy, F. Dostoevsky, V. Solovyov, M. Gorky, V.V. Rozanov, K.N. Leontyev, and Bazarov. All either belonged to the Russian aristocracy or were patronized by powerful oligarchic families (Volkonskis, Turgenyevs, Ignatievs). As Optina Pustyn acolytes, all spoke of the need to create a "new religion," a "New Jerusalem," that would purge the "contaminated" Russian soul of pro-Western ideas.

Two outstanding literary products of the Optina Pustyn school, Dostoevsky and Tolstoy, led Muscovite cultural warfare against Western ideas. Fyodor Dostoevsky, the darling of the violently anti-Semitic, anti-Western Pamyat Society on the rise today, in his *Diary of a Writer*—all but unknown in the West—proclaimed the "superiority" of the "Great Russian Aryan Race." The character Starets Zosima in his *Brothers Karamazov* was modeled on Amvrosi.

Count Leo Tolstoy—the scion of

a family that exerted a powerful influence over czarist policy and the (KGB predecessor) Okhrana—promoted the idea of "founding a new religion . . . Christianity purged of dogmas." He rejected the Trinity, the Resurrection, and immortality of the soul. Tolstoy's disciple, Maxim Gorky, shared Tolstoy's gnostic world view. After the Bolshevik revolution, he defined communism as a transitional path to establishing the "New Jerusalem . . . the one true path to a Universal Fusion (*sliyanie*) for the sake of the great cause, the cause of universal god-building (*bogostroitelstvo*)."

Another Optina Pustyn guru to be canonized is the Mount Athos-trained starets Paisi Velichovsky (1772-94), who trained a force of 1,000 monks to disseminate his Russian translation of the *Philocalia*, the compendium of manuscripts from the irrationalist school of hesychasm, first assembled in Venice in 1782.

As a member of one of Russia's 12 leading noble families has written, in preparation for the upcoming millennium, concerning Optina Pustyn: "It built the basis for the teachings of the Slavophiles, who were of the conviction that the Russian people must not follow the Western path proscribed by Peter the Great, rather that it, in order to exist as a nation of culture, should develop its own (non-Western) way, based on its own cultural principles; these stood in stark contradiction to the fundamentals of West European culture."

Reopening Optina Pustyn will mean the recreation of its cultural policy-shaping priesthood, a true "Council of Elders," in the clerical side of the Russian elite. For the post-Gorbachov succession fight, the Russian Orthodox Church's institutional clout will increase tremendously.—*To be continued.*

# International Intelligence

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## **West Germany's Kohl government is shaky**

West German Chancellor Helmut Kohl threatened to resign March 22, during a heated cabinet session on a tax reform bill. The media have been saying that if his tax reform fails, he would have to go, and Baden-Württemberg Minister-President Lothar Späth would be the next chancellor, heading up a multi-party "Grand Coalition" which would oversee a corporatist austerity program.

When the three coalition parties got into a hefty dispute over aspects of the tax bill and the whole package was in danger of being paralyzed, Kohl shouted that he was fed up and might as well file his resignation: "I am not everybody's dancing bear, you may look for someone else, then."

Reportedly, the liberal Free Democratic cabinet ministers (who would not be in a Grand Coalition cabinet) suddenly backed down and agreed to Kohl's tax bill, which was passed promptly.

Kohl's spokesman Friedhelm Ost called the resignation threat a "risky step you only do once."

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## **El Salvador: 'We are not a U.S. colony'**

El Salvadorans voted against the Christian Democrats and the U.S. State Department's endless war strategy, in municipal and National Assembly elections March 21. The vote shows the potential for any U.S. military intervention in Panama to backfire throughout Central America, triggering an anti-American explosion.

The Republican National Alliance (ARENA) won a majority in the National Assembly, 13 of the 14 mayoral races in provincial capitals, and 200 of the nation's 264 municipalities.

ARENA campaigned on one theme: The United States and its Christian Democratic puppets lack the will to end eight years of civil war, and are turning the war into a business for corrupt politicians. ARENA

leader retired Col. Sigfredo Ochoa, repeated constantly: "If the United States does not want us to run the war, they should send their own troops and send a governor instead of an ambassador to run the country. They have no right to treat us as a colony."

In a defeat to the Soviet-backed FMLN terrorists, who had called for a boycott of the elections, the voter turnout was a high 70%, despite the fact that the terrorists imposed a ban on inter-city transportation, blew up power lines supplying electricity to 80% of the country the night before, and shut down water supplies for several hours.

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## **Prince Philip touts zero population growth**

Britain's Prince Philip called for limits to be placed on the size of families, in a speech before the Royal Society of Arts March 23. He questioned the value of medical advances which had contributed to the "population explosion," and attacked the "obsession" with economic growth which is "putting mankind at risk."

The malthusian prince, who is the head of the World Wildlife Fund, did not say whether he or any other member of the Royal Family were planning to forego the benefits of modern medical science.

"There must be an optimum size [of population] which would ensure that all future generations had a fair share of the planet's limited resources," he stated. "Whatever size that population is judged to be, it will have to be kept at about that figure." Referring to advances medical science has made in cutting mortality rates, he said: "Are we justified in doing good when the foreseeable consequence is evil?"

It is certain, stated the prince, that "whatever happens to the human species, Nature will continue on its way without a backward glance at the self-imposed fate of its most successful and intelligent product. . . . The ultimate irony is that . . . the conflicts between rival societies and economic ideologies have destroyed what pretension Man ever had to being a special creation with special responsibility for the rest

of Creation. They have reduced a creature which thought of itself as semi-divine to the level of the simplest organism whose instincts compel them to struggle for survival even to the point of destroying their own habitats in doing so."

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## **Saudis receive first Chinese missiles**

Saudi Arabia received its first shipment of CSS-2 Intermediate Range Ballistic Missiles from China in January, according to a report in the *Washington Times* March 21. U.S. intelligence officials predict the missiles "may become operational within a month."

In response, Israeli cabinet official Yossi Ben Aharon warned March 20 that Israel would act to prevent the missiles from posing a danger to its security. Ben Aharon also asserted that Israel has called on the United States to persuade Saudi Arabia to dismantle the missiles.

In an allusion to the Israeli attack in 1981 on an Iraqi nuclear reactor, Ben Aharon said that Israel has "proved in the past that it is not in the habit of waiting for a potential danger to become an actual danger."

The Saudi government confirmed March 19 that the Chinese missiles were being introduced, but said they will not carry nuclear warheads.

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## **Kim Philby grants first interview in 25 years**

For the first time since his defection to the U.S.S.R., KGB Gen. Kim Philby has given an interview to a Western journalist, speaking to the *Sunday Times* of London's Philip Knightley. In the first installment of the interview, published March 20, Philby claims that the very highest levels of the British political-intelligence establishment allowed him to defect from Beirut to the Soviet Union in 1963, to prevent further embarrassing spy scandals for the already beleaguered Harold Macmillan government.

Philby held several posts in British in-

telligence before his defection, including head of the Soviet Desk of MI6. In what should have been a warning to British intelligence, he was kicked out of his post as liaison to the CIA, on suspicion of being a Soviet agent. In the early 1950s, he worked at the British Middle East Office in Cyprus where his specialty was the cultivation of Armenian agents to penetrate the Soviet Union. At the time of his defection, Philby was working as a "journalist" in Beirut.

Philby also revealed in the interview that he was a conspirator in a Soviet plan to kill Germany's Admiral Canaris in 1943, with the aim of prolonging World War II.

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### ***Takeshita: Japan will boost its military power***

In what commentators describe as a political bombshell, Japanese Prime Minister Noboru Takeshita announced, in a speech March 21, that Japan's military power should match its economic strength. Since World War II, Japan has maintained a very small defense force.

"We cannot cope with a military threat or maintain ties with our allies and gain their trust without defense capabilities commensurate with our national power," Takeshita told graduates of the National Defense Academy in Kanagawa prefecture, west of Tokyo.

"No, it wasn't a slip of the tongue, it was exactly what he wanted to say," said a spokesman for the Liberal Democratic Party which Takeshita heads.

Takeshita added that Japan would use its military power for defensive purposes only, and noted that the build-up would be attained within the framework of the Japan-U.S. mutual security treaty.

On March 23, Tsutomu Kawara, director of Japan's Defense Agency, told a special Diet panel considering defense-related bills, "The latent threat to Japan has increased owing to the remarkable buildup of Soviet forces in the Far East in terms of both quality and quantity and the intensification of related activities."

Kawara referenced a report compiled by

his agency in August 1987, which that said deployment of Soviet Far Eastern ground forces had increased by 12 divisions and 90,000 troops from the year before, to a total of 43 divisions comprising 390,000 troops by mid-1987. The Soviet Far East fleet also grew by 85 vessels to a total of 840 vessels, while the number of combat aircraft rose to 2,390 from 2,030, the report said. It also pointed to an improvement in firepower and mobility with the introduction of T-72 tanks, the Kiev-class aircraft carrier and new high-performance aircraft.

Soviet Deputy Foreign Minister Igor Rogachev, in Manila March 24, denied that Moscow is expanding its military presence in Southeast Asia.

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### ***Thailand, Malaysia meet, plan joint war on drugs***

Mohd Ghazali bin Yaacob, deputy director of the Malaysian Criminal Investigation Department, and Chavalit Yodmani, secretary general of the Thai Office of the Narcotics Control Board (ONCB), met March 15 as part of their countries' regular consultations on drug control and smuggling suppression, according to an article published in the *Nation* of Bangkok on March 16.

Ghazali said drug smuggling overland from the southern Gulf coast provinces in Thailand into Malaysia has increased recently and more attention is needed for that part of the common frontier. Chavalit said drug traffickers have shifted to smuggling drugs from Narathiwat and Pattani provinces on the eastern coast, where Thais and Malaysians trade fish.

The two countries decided to deploy more law enforcement officers at various checkpoints along the border, after the recent Malaysian seizure of drugs there, they said.

Malaysia's prime minister made a strong speech for a war on drugs at the East Asia and Pacific Regional Narcotics Conference March 15, calling for an international effort aimed at crop eradication and the prevention of replanting.

## Briefly

● **CHINA'S** National People's Congress, opening on March 25, is expected to be preoccupied with the question of unrest among China's 55 different minority groups. They comprise about 10% of the population, or 70 million people.

● **FRENCH PREMIER** Jacques Chirac, in an interview in *Active Defense* on March 15, said that talks are now under way between France and Great Britain for joint development of an air-launched ballistic missile of 800- to 1,000-km range. Current ALBMs have a range of only 300 km. The purpose, said Chirac, is to "reinforce Europe's nuclear deterrent and, simultaneously, the European pillar of defense."

● **SOCIALIST** International chairman Willy Brandt will meet with Mikhail Gorbachov and other senior Soviet officials in Moscow April 4-6. Brandt is scheduled to discuss "improved cooperation" on arms control, and a proposed Third World Solidarity Fund for debt bail-out which is to be financed through Western defense budget cuts.

● **THE GERMAN BUNDESTAG** voted in favor of the INF treaty and its inspection agreements March 18. The vote was rammed through by acclamation, without debate, upon a special arrangement between the government and party chairmen. The parliamentarians also called on the U.S. Senate to ratify the treaty "as soon as possible."

● **STALIN'S DAUGHTER**, Svetlana, called Gorbachov "a naive person," "a loser," and said, "Glasnost is doomed to failure," in an interview with the West German daily *Die Welt*. For his effort to rehabilitate Bukharin and Trotsky, she said Gorbachov will have to "pay a high price." "If there hadn't been Stalin, Gorbachov wouldn't be on top of one of the most powerful countries of the world. . . . What he is doing is ideological suicide."

# Shultz-Shevardnadze meet advances New Yalta plot

by Kathleen Klenetsky

The meetings between Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze, which took place in Washington March 20-23, resulted in several startling developments, which show how rapidly the two governments are moving toward a "New Yalta" agreement, to carve the world into two new spheres of influence, and police them jointly. Under this plan, spelled out by the late Soviet leader Yuri Andropov in a 1983 interview, the United States gets control over the Western Hemisphere, and Moscow gets everything else.

The results of the Washington meetings show that it is Moscow which is holding all the cards. As *EIR* has long maintained, in the "New Yalta" agreement—as in the 1945 Yalta pact—the Russians intend to cheat.

Here is what Shultz agreed to deliver to the Kremlin:

- He reversed the U.S. position on the Strategic Defense Initiative, and agreed to put SDI on the negotiating table at the strategic arms limitation (START) talks. President Reagan has long maintained that the SDI, which is crucial for the national defense, would never be a bargaining chip in broader arms talks.

- He agreed to Moscow's demands concerning the conditions for a Soviet withdrawal from Afghanistan, and even reportedly began handing over to Moscow U.S. intelligence concerning the activities of anti-Soviet Afghan guerrilla resistance factions.

The way was opened for these concessions with the Dec. 8, 1987 signing of the treaty on intermediate-range nuclear forces (INF), by Reagan and Gorbachov. With that decision to begin withdrawing U.S. protection from Western Europe, the Reagan administration took its most dangerous step down the slippery slope of appeasement.

Now, with the announcement on March 23 that President Reagan will travel to Moscow on Memorial Day weekend in

late May for another summit with General Secretary Gorbachov, we can expect further manifestations of such willingness to surrender to every Soviet demand. As Foreign Minister Shevardnadze said, summing up the results of the meetings at a March 23 press conference, "This is a good time of year for the next radical step in renewing Soviet-American relations on the basis of dialogue and constructive cooperation."

## SDI down the tubes

Shultz, who has wanted to strangle the SDI all along, revealed that the administration was putting it on the negotiating table, at a press briefing March 23—the fifth anniversary of Reagan's speech announcing the change in military doctrine that became the Strategic Defense Initiative. The Soviets have insisted that U.S. agreement to honor the so-called "narrow interpretation" of the ABM Treaty, a demand which would kill the program, be part of any accord on strategic nuclear arms. The administration had countered that it would never agree to such terms, and that the START negotiations should be completely separate from negotiations on space defense.

But the official U.S. position did not deter Shultz from working out a rotten compromise with Shevardnadze to get around this problem. Shultz, with a grinning senior arms adviser, Paul Nitze, at his side, boasted to reporters March 23 that the Soviet foreign minister and he had managed to work out a "new methodology" that would resolve the "ambiguities" contained in a joint text agreed upon at last December's summit, concerning what specific kinds of SDI testing Moscow would allow the United States to conduct.

This "new methodology" involves establishing a separate negotiating track, based on working with a draft joint text, that would be technically separate from START, but would

parallel those negotiations and operate on the same timetable. According to the joint statement issued at the conclusion of the talks, the two ministers "directed their negotiators in Geneva to expedite preparation of a joint draft text of a separate agreement building on the language of the December 10, 1987, joint statement" issued by Reagan and Gorbachov, "allowing consideration of any unresolved issues" when Shultz meets with Shevardnadze in Moscow in April.

Despite Shultz's insistence that this represented an achievement for the U.S. side, a top administration negotiator told *EIR* afterward that the Soviets "have not changed their position one inch" on demanding the so-called "narrow interpretation" of the ABM Treaty. Shevardnadze himself bluntly informed the press, "There will be no treaty on the 50% reduction in strategic offensive arms if there is no observance of the [strict interpretation] of the ABM Treaty. . . . [T]here is a link between SDI and the ABM treaty, and we insist that the ABM treaty should be preserved, and hence our attitude to SDI." Thus, the U.S. proposal for a "procedural mechanism" to "overcome ambiguities" was, in fact, a massive concession to the Soviets, agreeing to a framework for negotiating with their non-negotiable position.

The March 25 *New York Times* gloated about what it called the U.S. "reversal on 'Star Wars,'" and reported that, according to administration officials, the new position "reflects a grudging recognition that the Russians are likely to continue insisting that they have a right to back out of any new strategic arms agreement if the United States goes beyond Moscow's definition of what anti-missile testing is permitted" by the ABM Treaty.

What makes these concessions even more grotesque, is the fact that the Soviets are still playing coy about whether they'll even be willing to consider the START agreement at the summit. Both sides admitted that very little progress was made on the outstanding obstacles to a strategic arms pact.

## Treachery against Afghanistan

Washington's initial negotiating position on Afghanistan had been that the United States would terminate all aid to the Afghani resistance movement, the minute the Soviets began to withdraw their occupying troops from the country. But when even the U.S. Senate raised a stink about this betrayal, pointing out the obvious fact that cutting off military assistance would leave the Afghani opposition defenseless, and give the Soviet Army a perfect opportunity to mop up the resistance during the period of its purported phased withdrawal, the administration hardened its line slightly, telling the Soviets they would have to stop arming the puppet regime in Kabul as well.

According to official sources, Shevardnadze reiterated Moscow's opposition to this proposal, and also rebuffed a new offer proffered by Shultz calling for both the Soviets and the United States to impose a three-month moratorium on aid to both sides.

But U.S. news leaks just before the Shultz-Shevardnadze talks opened, indicated that the U.S. secretary of state was preparing to offer another rotten compromise on the Afghanistan issue. The March 20 *New York Times* reported that Washington planned to propose that Moscow agree only to an informal, nonbinding understanding that it would terminate aid to Kabul, whereas the formal agreement would simply include a pledge by both sides to treat Afghanistan as a neutral and non-aligned nation.

According to another report, this one from UPI, the United States has begun handing over to Moscow information concerning certain radical Afghani guerrilla factions which are viewed as a threat to the sell-out deal on Afghanistan which Washington and Moscow are now negotiating. "We are not making a deal behind anyone's back, nor are we exploiting differences between the mujahadeen, but we are talking" with the Soviets about the rebels, a U.S. government source told UPI.

The news wire quoted another official to the effect that the Reagan administration's first priority is to ensure a Soviet pullout, and that it places less importance on what a future Afghanistan government will look like. A CIA source confirmed to UPI that the United States is shifting position on the resistance, saying: "We want to see some groups fed to other groups."

Afghanistan was just one of the hot spots that came up for discussion at the meetings, under the rubric of "regional matters." The Iran-Iraq war and Central America were also featured on the agenda. According to initial reports, the two men also planned to discuss the situation in Panama, where the United States is trying to oust Gen. Manuel Noriega, a move which would create yet another political vacuum in Ibero-America which the Soviets could then fill. However, neither the United States nor the Soviets would confirm that Panama was indeed discussed.

## INF treaty advances

Shevardnadze's trip to Washington was made all the more pleasing to the Kremlin's rulers by the actions of the U.S. Senate, which chose the occasion of his visit to push the INF treaty a giant step closer to ratification.

On March 22, both the Senate Armed Services and Intelligence Committees recommended that the agreement be ratified, even though the chairman of the latter, Sen. David Boren (D-Okla.), admitted that the panel has "grave concerns about the ability to monitor even the INF agreement if a [strategic arms treaty] is superimposed on it," because the value of any Soviet cheating would be far greater after substantial cuts in Moscow's nuclear arsenal. The next day, the Senate Foreign Relations Committee, the panel primarily responsible for treaty ratification, vetoed every amendment to the treaty proposed by critics Jesse Helms (R-N.C.) and Larry Pressler (R-N.D.), setting the stage for a full committee vote on March 30, and a Senate floor vote in mid-April.

# LaRouche certified for matching funds

by Mel Klenetsky

The Federal Election Commission finally certified Lyndon H. LaRouche's presidential campaign for federal matching funds, after a three-month delay. The 5-1 vote by the FEC commissioners included a favorable vote by Democratic Commissioner Scott Thomas, who acknowledged, "The overall financial picture of the LaRouche Democratic Campaign shows that candidacy has substantial support from the American citizenry." The dissenting vote was Republican Commissioner Joan Aikens.

On the day of the FEC's decision, March 24, the California Steering Committee for LaRouche filed more than 60,000 signatures of registered California Democrats to place LaRouche on the June 7, 1988 California primary ballot. He was the only Democrat who would have had to go through the petitioning route. Once California's Secretary of State March Fong Yu learned of the FEC's decision, she automatically placed LaRouche's name on the ballot.

LaRouche campaign treasurer Edward Spannaus commented on the FEC decision. "The vote today, comes after three months of unjustified delay. The FEC was forced to recognize that candidate LaRouche indeed has substantial support from the American population. LaRouche matching funds submissions over the past four presidential election cycles have always been subjected to microscopic scrutiny, unlike any other campaigns. I trust that today's vote indicates that such unwarranted singling out of LaRouche's campaigns by the FEC is a thing of the past."

The FEC had sent letters to all contributors whose checks were made out to the initials "LDC," asking them to verify that their contribution was to the LaRouche Democratic Campaign. The response was so conclusive that the long-awaited matching funds were finally relinquished, though not without major costs to the campaign.

In California, LaRouche Democrats not only gathered more than 61,000 signatures, but they collected more than 500 signatures from each of 45 Congressional Districts throughout the state. Hundreds of thousands of Californians were organized to support LaRouche's White House bid and thousands of new Democrats were registered. Nonetheless, the delay on the matching funds prevented LaRouche from automatically being placed on the ballot in South Dakota, Maryland, Connecticut, North Carolina, Virginia, and in effect California, where the petitioning effort had to go forward, given the lateness of the FEC decision. In Maryland

and Virginia, LaRouche Democrats also petitioned. In Virginia, Democrats collected more than 22,000 signatures, and LaRouche again was the only Democrat to appear on the ballot through petitioning.

In Tennessee, Georgia, Florida, Wisconsin, Mississippi, New Mexico, Wisconsin, Alabama, and Idaho, the secretaries of state refused to place LaRouche on the ballot, offering little or no reason for their arbitrary decisions. In Alabama and Mississippi, LaRouche Democrats petitioned to put LaRouche on the ballot. In Florida there wasn't even a petitioning recourse. From the FEC to the decisions of these secretaries of state, the undemocratic pattern of activities toward the LaRouche Democrats, points out the weakness, not the strength, of the existing Democratic Party leadership.

## 'LaRouchites are something else'

In New York State, John Marino, the Democratic State Chairman, vowed that he would leave no stone unturned in preventing LaRouche from appearing on the April 19 primary ballot. Referring to the Democratic Party election process, Marino had said, "Open process is one thing, LaRouchites are something else." The *Village Voice* reported a meeting between Seth Harris, the head of the Gephardt campaign, and all the other Democratic presidential candidates, where an agreement was reached that none of the candidates would challenge each other, with the exception of LaRouche. On Feb. 25 LaRouche Democrats filed more than 23,000 signatures in New York and were promptly challenged. A general challenge was issued individually by Jerry Koenig, who just so happens to be the adviser to the New York State Assembly election committee. Yet, the support for LaRouche was so strong, as evidenced by signatures gathered, that Koenig was never even able to come up with the specifics of a challenge.

Earlier in the campaign, a similar thing happened in Illinois, where Illinois Democratic Party chairman Vince DeMuzio and his lawyer challenged LaRouche's petitions for filing *too many* signatures. As in New York, the press reported that all the other candidates met and conspired not to challenge each other's petitions, but to challenge LaRouche's. Of course, Illinois had seen the famous 1986 victory of Fairchild and Hart, two LaRouche Democrats who won in the primary, after which Democratic gubernatorial primary victor Adlai Stevenson withdrew from the ticket, refusing to run with the LaRouche Democrats. The Illinois Democrats have yet to recover.

More recently, a LaRouche Democrat, Claude Jones, was elected chairman of the Harris County Democrats in Texas. Harris County includes Houston and is the third-largest electoral district in the country. On cue, the Harris County Democratic Executive Committee is unconstitutionally attempting to strip Jones of his powers. While Jones is fighting the moves in the courts, these undemocratic actions further demonstrate a national pattern against LaRouche, whose growing influence has the leadership of the Democratic Party apoplectic.

# AMA: Don't 'muddy' euthanasia drive with Hitler comparison

by Linda C. Everett

*EIR* recently interviewed Dr. George Lundberg, editor of the *Journal of the American Medical Association (JAMA)*, about its notorious decision to publish an essay in which an anonymous young resident admits that he intentionally killed a patient with an overdose of morphine. Lundberg said that he relishes the idea that "the debate about mercy-killing or euthanasia has been tremendously increased by publishing the essay," since society is now faced with "what exactly should be done [with] patients who are terminal and who are allowed to live . . . by modern technology."

*JAMA's* readership is the largest of any medical publication in the world.

The author of the essay, "It's Over Debbie," describes how he was awakened in the middle of the night to assist a 20-year-old patient suffering with cancer. He hurriedly glanced at her chart, saw she had not slept or eaten for two days, and thought, "Very sad." The patient, whom he did not know, supposedly uttered five words to him, "Let's get this over with," whereupon he ordered enough morphine "to do the job." It did.

When the essay appeared in the Jan. 9 issue of *JAMA*, it created a firestorm of protests nationally. *JAMA's* mail indicated a 4 to 1 opposition to both the resident's actions and *JAMA's* decision to publish. The story prompted New York's Mayor Koch to demand that U.S. Attorney General Edwin Meese III investigate. With no indication of where, and if, a crime actually did occur, Cook County State's Attorney Richard Daly served the Chicago-based AMA with a grand jury subpoena demanding all records concerning the original article. But the AMA refused to reveal the name of the author, without a court order, and cited the Illinois Reporters' Privilege Act, which protects confidential sources from disclosure unless it is proven that there is no other available source for the information, and that the disclosure is in the public interest.

In the nine weeks that followed, the AMA defended its right to "debate" the cold-blooded murder—by claiming that euthanasia is an "urgent issue" and they did not want to be in the position of "preventing the free flow of information."

Since then, every conceivable nuance of the essay has been examined, detailed, and drooled over by euthanasia enthusiasts from coast to coast. The Reporters' Committee for the Freedom of the Press and several press law experts were interviewed on First Amendment rights and *JAMA's*

refusal to reveal the author. The U.S. Drug Enforcement Administration and the federal government's National Institute on Drug Abuse were quizzed on whether the dosage of morphine used to kill the patient was really a lethal dose. Pain specialists, among others, bickered about the story's veracity because of its tone and the outdated mode of treatment it cited. The same "ethicists" who have for years advocated killing patients who lacked sufficient "quality of life," showed mock "outrage" over the essay, because the physician did not know the patient. For "mercy killing" to be "ethical," the patient and doctor must have rapport. Death lobby physicians who routinely pull out patients' feeding tubes were "appalled" because what the essay advocates "will lead to a danger of active euthanasia." Derek Humphry of the Hemlock Society, who is running a campaign to make physician-assisted suicide legal, was troubled because of the "speed with which it happened." In Hemlock's bill, the patient can be injected as soon as two physicians "predict" the patient's death in six months.

The essay was reproduced in its entirety by MacNeil/Lehrer, the *New York Times*, *Los Angeles Times*, *Chicago Tribune*, and many of the 1,500 newspapers and 3,000 radio and TV subscribers of Associated Press. The *Washington Post* adorned the entire essay on the front page of its "Health" section with a lethal syringe and the question: "Should this doctor have killed this patient?" That paper then fueled the "debate" for weeks, with articles like: "Tales of Dying Patients," "A Safe Passage to Death," "A Patient's Note: Please Let Me Die," "Saving Lives, Ending Lives—Doctors Confront A Mercy Killing," "How Doctors and Patients Can Communicate About Dying," and "The Right to Die: How the Courts Have Ruled." Their how-to article on "Making Sure Your Last Wishes Are Followed," had a full size blow-up of the living will, and instructions from the Right to Die Society.

It is clear that the media barrage that aims to legitimize cold-blooded murder as "humane" for patients, also aims to wear down the physicians who still cherish the Hippocratic Oath. Over 30 years ago, Dr. Glanville Williams, a Rouse Ball Professor of Laws of England at the University of Cambridge, 1968-78, complained that lay people and physicians alike resisted euthanasia because they recalled the crimes of the Nazis. Glanville's solution was to initiate a "bio-ethics" debate in schools of medicine, theology, and philosophy. He

called the British abortion act a perfect analogy. "The change made by this act in the law was minimal, but even before the measure was through Parliament the number of medical abortions had begun to grow, and it swelled greatly afterwards; the reason was that the public debate in the Act convinced many doctors that abortion was a respectable operation to perform, supported by general opinion. . . . This shows that the importance of the proposal to legalize voluntary euthanasia cannot be measured in terms of the numbers of doctors who are at present prepared to end their patient's lives."

The Cook County Circuit Court ruled on March 18 to dismiss a grand jury subpoena against the AMA for refusing to reveal the essay's author, when Chief Judge Richard Fitzgerald announced that the State's Attorney had failed to prove that a crime was committed. We are chillingly reminded of Dr. Lundberg's statement that, with the essay's debate, "We've accomplished exactly what we intended."

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## Interview: Dr. George Lundberg

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*Dr. Lundberg is the editor of the Journal of the American Medical Association.*

**EIR:** How would you say today's discussion on euthanasia compares to what went on with Hitler?

**Lundberg:** Well, I, of course, have no personal knowledge of anything that went on during the Hitler period.

**EIR:** It is well known that Hitler did charge his personal physician, Dr. Karl Brandt, with granting incurable patients a "merciful death."

**Lundberg:** I wouldn't have any comment on that at all. I have no personal knowledge of that history. I believe that if one were to get into that particular area of comparison and contrast, one would hopelessly muddy the waters because of the holocaust and all the horrid Nazi atrocities that I would guess would get all mixed up in any such discussion. So, I would not want to make any comments on that at all and I would caution you against it. Frankly, I think you would just muddy the waters.

**EIR:** Muddy the waters?

**Lundberg:** I just think that one should speak in terms of 1988, in terms of modern technology, in terms of human suffering and death, in terms of the growth of medical ethics as a very important field in the last 10 or 20 years. One must obviously learn from history, and I think the world uniformly condemns the Nazi atrocities in the strongest terms possible. . . . The discussions we are having today are unrelated to that.

**EIR:** Hitler's policy was based on economics. Is there a reflection of that in the policies we see today? Consider health-care rationing or the Office of Technology Assessment's recent report, "Life-Saving Technologies and the Elderly," where they propose using a computer to assess the severity of a patient's illness to decide if money can be saved by ending a patient's care, and food and water, if his prognosis is poor. The idea that a patient is not worth treatment is based on an economic policy.

**Lundberg:** Well I have not seen the report to which you refer, so I would have no comment.

**EIR:** Dr. Eric Cassel, a New York internist, recently wrote that patients experience significant cognitive changes when they face major operations, illnesses, or lengthy hospital stays. Because they are most vulnerable then, Cassel proposes that patients hold off on major decision-making until they return to full health. Is patient vulnerability and the "Do Not Resuscitate" policies enforced in hospitals, a hidden issue that should be raised? Would you like to comment on this?

**Lundberg:** Not particularly. Anyone who is sick is more vulnerable to influence or to actions of anyone, because if you're hurt or ill or confused, you become much more vulnerable. That's been known for hundreds, thousands of years. . . .

**EIR:** How does this affect situations like that in the Debbie essay, where the patient is asked: "Do you want us to resuscitate you?" Do you think this has to be raised in debate?

**Lundberg:** I would say sick people are very vulnerable to many influences.

**EIR:** Then you don't feel that it is just half of the debate that is going on right now. Is it a "merciful death" if a statement from a sick patient is taken seriously, as opposed to what the patient really wants?

**Lundberg:** Your statement is so obvious, it has no merit. It is perfectly obvious that at a time when a patient is in terrible pain, anguish, and knowing they're dying, their reaction is going to be different than when they are healthy, sound, happy, and painfree. . . .

**EIR:** It's obvious. However, the debate that is going on right now does not reflect that understanding, nor does it reflect to the general population that issue.

**Lundberg:** I have no comment.

**EIR:** Dr. Glanville Williams, a British law expert, used the bio-ethics debate to legitimize euthanasia among physicians. Does the euthanasia debate today serve to legitimize euthanasia in the eyes of those who would otherwise see it differently?

**Lundberg:** I have no comment on that.



# Drug abuse is up, drug prices down: How George Bush botched drug policy

by Scott Thompson

*Part I of this series, by D.E. Pettingell, exposed the policy of the Reagan administration and Congress of declaring war on sovereign states where drugs are produced, rather than confronting the Eastern Establishment international banks that make drugs the most profitable business in the world. This article begins a series of reviews of publications from the Reagan administration and Congress on the status of the War on Drugs.*

President Ronald Reagan and his wife Nancy used the opportunity of the Feb. 28-March 3 White House Conference for a Drug Free America to proclaim a major victory for the administration's "War on Drugs." President Reagan told conference participants, "We're fighting the crusade for a drug-free America on many fronts." He proceeded to name record seizures of drug-related assets, the shutting down of 682 clandestine laboratories, and the seizure of 92,000 pounds of cocaine. His wife Nancy escalated her demand-side campaign for youth to "Just Say No," by saying that it is the casual user of cocaine who buys the bullets that have nearly thrown Colombia and other countries into a bloody civil war with the Medellín Cartel and the narco-terrorists.

The truth is that despite new records being set by law enforcement agencies, the United States is on the brink of losing the War on Drugs. This was the substance of contrasting remarks by Rep. Charles B. Rangel, chairman of the Select Committee on Narcotics Abuse and Control, when he addressed the Conference for a Drug Free America on March 1. Rangel stated: "Our own President, our Attorney General, our White House Drug Adviser, all seem to be falling in line with the demand argument as a way of covering up their failure to address the issue." The issue, Rangel said, is that record amounts of drugs are still being supplied and record profits are being recorded by the banks that launder the estimated \$500 billion of illegal narcotics proceeds. The War on Drugs has been a dismal failure.

Two publications prepared by the Reagan administration

itself document this fact. The first is a General Accounting Office report entitled "Controlling Drug Abuse: A Status Report" that was specially prepared for the Conference for a Drug Free America. The GAO report gives the latest statistics on drug production, use, and law enforcement efforts in six major cities. It shows that production of every type of major drug (cocaine, heroin, marijuana) is up, prices are down, and the number of users is increasing with a dramatic shift from marijuana abuse to harder drugs such as cocaine and the more deadly "crack." The second report produced by the U.S. State Department's Bureau of International Narcotics Matters, titled "International Narcotics Control Strategy Report," was released on March 1. Its country-by-country survey shows that despite increased eradication and interdiction efforts, the drug problem is growing in most producing countries.

## Cocaine: a losing battle

The Reagan administration has made cocaine production and abuse the number-one priority of its War on Drugs. On Jan. 28, 1982, President Reagan appointed Vice President George Bush to direct a special Cabinet-level task force on drugs, called the South Florida Crime Task Force. Some 350 agents were deployed from the FBI, Drug Enforcement Administration (DEA), the Army, the Navy, the Coast Guard, U.S. Customs, Bureau of Alcohol, Tobacco and Firearms, as well as local law enforcement, to stop the flood of cocaine entering the country from Colombia via Miami, Florida. Already by June 8, 1982, George Bush announced on the televised MacNeil-Lehrer Newshour, "Well, I think we've done a good job, and I think that we have reduced the flow of drugs from a torrent to a trickle."

Despite the vice president's claims about the success of the South Florida Crime Task Force, the "trickle" of cocaine coming through Miami still proves to be a torrent, according to the recently released statistics of the GAO. Over 80% of all cocaine seizures in the United States occur in the Miami-South Florida area. However, the price of cocaine (a prime

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—Lyndon H. LaRouche

**EIR's Special Report, "Soviet Unconventional Warfare: The Case of Guatemala,"** shows who is trying to turn Guatemala into the newest wholly-owned plantation of the international drug mafia—and how to stop them. The U.S. State Department has maintained the Carter administration's boycott of aid for the Guatemalan anti-drug effort, on grounds of "human rights violations."

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indicator of availability) has dropped 50% over the last two years from approximately \$30,000 to \$15,000 per kilo. As of October 1987, this trend has continued, with kilogram prices falling to between \$9,000 and \$11,000. The reason is easy to see. While a record 8,000 pounds of cocaine was seized in the Miami area in 1987, local law enforcement officials estimate that at least 1,000-1,500 kilos of cocaine move through the area each week.

According to the DEA, average street-level purity of cocaine more than doubled from 1981 through 1986, while prices for the drug nationwide plummeted as they have done in Miami, indicating greatly increased availability. The National Survey on Drug Abuse found that the number of people who had ever used cocaine remained about the same from 1982 to 1985 (from 21.6 million to 22.2 million). However, the number of Americans over age 12 who were current users increased 38% (from 4.2 million to 5.8 million).

A new angle in the cocaine story is the deadly cocaine HCL base known as "crack" or "rock." A National Institute of Drug Abuse study in 1987 reported that 5.6% of high school seniors reported having used "crack" while 4% reported using it in the 12 months prior to the survey. The survey is believed to vastly underestimate the problem, because dropouts are more likely users of "crack" than those who finish the last year of high school. A study by the House Select Committee on Narcotics Abuse and Control found the "crack" problem "severe" now in several cities: New York City; Miami, Florida; Boston, Massachusetts; Newark, New Jersey; Detroit, Michigan; Houston, Texas; Portland, Oregon; Oakland, California; Minneapolis, Minnesota; Seattle, Washington; Los Angeles, and San Diego, California. "Severe" means that as many as 70% of the arrests for cocaine use and distribution were "crack"-related. Meanwhile "crack" sales and "crack" houses are beginning to be syndicated by larger and larger organizations in cities like New York, while several police departments report being "overwhelmed" by the crime wave arising from gang youths' abuse of "crack."

Latin American governments have not yet accepted that herbicide use is a viable method for meaningful coca control. It is now estimated that between 162,000 and 211,400 metric tons of coca leaf were cultivated in the Andes during 1987, some 59% in Peru's Upper Huallaga Valley, according to the U.S. State Department's latest report from the Bureau of International Narcotics Matters. An estimated 75% of the cocaine available in the United States is then processed in Colombia by the powerful Medellín Cartel for export to the United States, according to the National Narcotics Intelligence Consumers Committee.

Peru continues to be the world's foremost producer of coca leaf, with 1987 production rising to about 109,000 metric tons. Enforcement efforts (despite cooperation with the United States by Peru's President Alan García) continue to be hampered by the terrorist acts of the traffickers, and violence from political insurgent groups such as Shining Path (Sendero Luminoso) and the Tupac Amaru Revolutionary

Movement (MRTA), which fund their terrorism with narcotics proceeds.

Narco-terrorism also hampers enforcement efforts in Colombia, where it is ultimately controlled by the Medellín Cartel in partnership with the Soviet Union and Cuba. Although Colombian President Virgilio Barco has proven to be "narco-tolerant," he is facing a near civil war because of narco-terrorism. Medellín Cartel drug lord Carlos Lehder was extradited to the United States, but a key trafficker, Jorge Ochoa, succeeded in gaining release from a Colombian prison. Subsequent to Ochoa's release, U.S. Customs officials concluded that little control existed over narcotics traffickers operating in Colombia, so they have increased their interdiction efforts through physical searches at borders. A major weapon in the drug arsenal was lost when the Colombian Supreme Court invalidated implementing legislation for the U.S. extradition treaty and denied President Barco certain state of siege authorities.

### **Heroin: growing supplies**

Estimates of the heroin addict population within the United States have remained relatively stable since the 1970s, with the last estimate in 1981 showing approximately 500,000. According to the National Narcotics Intelligence Consumers Committee Report of 1985-1986, the average age of heroin users has continued to increase, and this population consists mostly of long-term users.

One of the most significant trends in the heroin market during the 1980s has been the emergence of Mexican "Black Tar," a crudely processed, highly potent form of heroin. While the purity of most heroin on the street ranged from nearly 4 to more than 6% over the 1980 to 1986 period, purities of 60 to 70% for "Black Tar" were common.

DEA's chemical analysis of heroin revealed that of the samples analyzed in the first six months of 1986, Mexican heroin accounted for 41%, Southwest Asian ("Golden Crescent") heroin for 40%, and Southeast Asian ("Golden Triangle") heroin for 19%. In 1985, these three areas combined produced approximately 1,500 metric tons of opium. Of this amount, about 60 metric tons were used to produce the nearly 6 metric tons of heroin available in the United States that year. In 1986, total estimated opium production was increased in these three areas, with estimates ranging from 1,680 to 2,815 metric tons. While the size of the addict population has remained constant in the United States, it has soared in other countries.

Worldwide opium production increased in 1987, with the largest percentage of increases in the Golden Crescent and Mexico. The surprising increase in opium production was in Mexico where new estimates place opium production, thought to be between 35 and 50 metric tons in 1986, in a higher range of 45-55 metric tons after extensive eradication efforts in 1987. The Mexican government has committed its military as well as its police force to the War on Drugs. The number of hectares of opium poppy eradicated increased marginally

in 1987; however, this did not halt an increase in supply. To improve joint law enforcement cooperation, Mexico signed and ratified a mutual legal assistance treaty and agreed to cooperate in a number of ways with the U.S. in "Operation Alliance" set up to carry out interdiction efforts along the 1,900-mile border.

Afghanistan increased production with the approval of the Kabul regime and its Soviet backers. Current production figures for the Golden Crescent total between 735 and 1,360 metric tons. Just as the Soviet regime has encouraged opium cultivation in areas of Afghanistan, so the Soviets' client state of Syria has encouraged both terrorism and narcotics production in the Bekaa Valley of Lebanon, which Syrian troops and militias control. Iran and Pakistan, both producing countries in the "Golden Crescent," still produce barely enough for sizable domestic addict populations. But, while the government of Pakistan has cooperated with the United States in opium eradication and interdiction efforts, the governments of Syria, Afghanistan, and Iran have permitted such trafficking to flourish without cooperation in U.S. law enforcement efforts.

The rate of increase in opium production in the Southeast Asian "Golden Triangle" was not as sharp as in Mexico and the Golden Crescent. This is partly because the Thai government has engineered a major program of eradication and interdiction of its share of "Golden Triangle" opium production. However, the region continues as the world's largest opium producer, cultivating between 1,095 and 1,575 metric tons. Burma continues to be the world's largest opium producer, with 1987 production estimated at 925-1,230 metric tons, compared to 700-1,100 metric tons in 1986. Burmese government agencies destroyed 16,279 hectares of opium poppy in 1987, despite having to curtail spraying to counter a major offensive by the Burmese Communist Party, which controls a substantial portion of the prime opium growing area.

Opium production in Laos is estimated to be between 190-300 metric tons in 1988. Production of heroin has increased significantly, amid charges that Laotian officials and companies are involved in the narcotics trade. The British Crown Colony of Hong Kong is still considered to be the premier narcotics money-laundering center for Golden Triangle narcotics trafficking. It is also an important transit center.

With the concentration of the War on Drugs on cocaine trafficking from Latin America, there have been fewer checks upon heroin and marijuana production and trafficking.

### **Marijuana use down slightly**

Based on the National Institute of Drug Abuse's 1985 national survey on drug abuse, an estimated 61.9 million people over age 12 had used marijuana at least once in their lifetime and 18.2 million people were current users. This level compares to the 1982 estimates of 56.3 million people who had used marijuana at least once and 20 million who

were current users. The High School Senior Survey also showed a decline in current users of marijuana (from 33.7% in 1980 compared to 21% in 1987) and in the percentage of students who had ever used the drug (from 60.3% in 1980 to 50.2% in 1987).

According to the National Narcotics Intelligence Consumers Committee report, in 1986 approximately 82% of the marijuana was smuggled in from foreign countries with Mexico supplying 30% of that and Colombia supplying 26%. In 1982, 6% of the U.S. supply came from Mexico and 57% from Colombia. Foreign marijuana cultivation increased, after eradication, by 25% during 1987, with more than half of the increase occurring in Mexico and Colombia. Total marijuana production in countries supplying the U.S. market was in the range of 10,930-17,625 metric tons.

Despite significant gains in marijuana eradication and seizures in source countries, marijuana availability increased during last year. The other significant trend in the marijuana picture has been the shift from regular abuse of marijuana to harder drugs such as cocaine and "crack."

### **George Bush: wimp in the War on Drugs**

President Reagan placed George Bush in charge of the premier South Florida Crime Task Force. When cocaine traffickers began to shift from South Florida, the vice president was again named in March 23, 1983 by President Reagan to head the National Narcotics Border Interdiction System Administration (NNBIS), which set up six regional offices and is still coordinated out of Bush's office.

George Bush has been a loser in the War on Drugs for two reasons, according to informed sources. First, sources report that Bush is afraid a banking collapse would result from a tough crackdown on the major banks involved in laundering the \$500 billion in narcotics money, thereby ruining Bush's chances to become President. Secondly, through his position on the National Security Council, sources report that Bush diverted his South Florida Crime Task Force into a virtual front for the secret war being waged by the Contras.

The war against U.S. and offshore banks responsible for laundering the \$500 billion in illegal narcotics trafficking proceeds ground to a halt when Assistant Secretary of the Treasury for Enforcement and Operations John Walker was forced out of his post in 1985. On Feb. 7, 1985, the Swiss financial giant *Crédit Suisse* was caught red-handed in a multi-billion dollar money-laundering scheme directed out of the staid offices of the First National Bank of Boston, the flagship institution of the Boston Brahmins' Bank of Boston Corporation. The case was handled by then-U.S. Attorney William Weld (since promoted to Assistant Attorney General in charge of the Criminal Division), who collapsed 1,163 separate documented cases of criminal felony, involving \$1,218,682,281 in hot money, laundered in and out of nine foreign banks, into a one count indictment—for which the Bank of Boston was fined a slap-on-the-wrist \$500,000 in a

plea bargain! In his prosecution, Weld overlooked ties between the Bank of Boston and the Angiullo organized crime family of Boston. The Bank of Boston case was the last major money-laundering case brought by the Reagan administration.

As *EIR* has elsewhere documented, based upon recent congressional testimony corroborated by other sources, Bush's involvement with the "Narcontras," who are known to be trafficking in cocaine and marijuana to support their covert war against Nicaragua, has completely compromised the vice president in the War on Drugs. This charge is especially true of Bush's national security adviser Donald Gregg, a pivotal player with the NSC's Lt. Col. Oliver North in the Central America policy, who may be facing indictment by Special Prosecutor Lawrence J. Walsh for his role in the Iran-Contra scandal. Through his dealings with former Cuban CIA agent Felix Rodríguez (aka Max Gomez), both Gregg and the vice president are implicated in a \$10 million payoff by the Medellín Cartel to the Contras, in exchange for lifting some of the law enforcement pressure upon the Medellín Cartel. (See "George Bush sinks deeper into Iran-Contra scandal" by Scott Thompson in *EIR* Vol. 15, No. 5, Jan. 29, 1988).

Bush's NNBIS has drawn criticism from his own staff, from the DEA, from Congress, and from the GAO, yet the vice president continues to make grandiose claims about the United States winning the War on Drugs. On May 28, 1984 Adm. Daniel Murphy, then chief of staff for Vice President George Bush and Washington coordinator of the administration's anti-drug campaign, was forced to admit: "I don't see where we are winning the war on cocaine." Bush disagreed with his chief of staff.

The same was heard in a special memorandum released to Congress that was drafted by then DEA administrator, Francis W. Mullen, Jr., who wrote to Attorney General William French Smith charging that Bush's NNBIS has been presenting "grandiose claims" and taking "false credit" in the War on Drugs. "If NNBIS continues unchecked it will discredit other federal drug programs and become this administration's Achilles Heel for drug law enforcement," Mullen wrote.

On July 18, 1985, the GAO told the House Government Operations Subcommittee that NNBIS was having only a minimal effect on the tide of illegal narcotics being shipped across U.S. borders. Finding that NNBIS was only responsible for 39 out of 2,289 interdiction cases, William J. Armstrong, who headed the GAO study of NNBIS, told the House that: "The price of cocaine is continuing to drop and the number of drugs coming into the country continues to go up. . . . If the initial purpose of all our drug efforts is to reduce the availability on the street, then measured by this we are not doing well." A congressional staff member concluded, "NNBIS is a brilliant political stroke, but a lousy agency." NNBIS is one of the premier agencies created by President Ronald Reagan in his aborted War on Drugs.

## Hearings ordered on U.S. misconduct

by our Special Correspondent

Hearings on government misconduct and withholding of information by prosecutors were set to commence in Boston on March 28, resulting in another interruption in the ongoing federal court trial of Lyndon LaRouche and six associates.

The hearings were ordered on March 25 by Judge Robert E. Keeton, after prosecutors admitted that they had violated their legal obligation to provide the defense with exculpatory evidence. Judge Keeton said that it is clear that the government has violated its obligations, and set hearings for the following Monday, to determine the scope of the violations, responsibility for them, and to determine what remedy he should order—which could range from dismissal of the indictment, to a mistrial, or allowing defense attorneys to make new opening statements in the middle of the current trial.

The hearings were to cover three areas: 1) withholding of exculpatory evidence regarding FBI informant Ryan Quade Emerson, who was also an intelligence source for associates of LaRouche; 2) belated disclosure of government files pertaining to covert intelligence operatives Gary Howard and Fred Lewis, who said they were asked by the FBI and CIA to infiltrate the “LaRouche organization” in 1984, and who later showed up in May 1986 offering “information against LaRouche” to the Richard Secord-Oliver North “Enterprise”; 3) withholding of exculpatory information in handwritten notes of prosecutors, which put certain of the “overt acts” charged in the indictment in a non-criminal context.

Defense attorneys proposed that the hearing begin with five witnesses, which was approved by Judge Keeton. The five witnesses were to be: Ryan Quade Emerson; Timothy Klund, the FBI Special Agent in Alexandria, Va., who is the case officer on the “LaRouche” case there, and who used Emerson as an informant against the defendants in 1986; Angus Llewellyn, an FBI counter-intelligence specialist working in Alexandria and at FBI Headquarters, who allegedly utilized Emerson as an informant on various counter-intelligence and counter-terrorist matters; Richard Egan, the FBI case agent on the LaRouche matter in Boston; Donald Moore, the Loudoun County, Va. Deputy Sheriff who is now employed as a Special Deputy U.S. Marshal on the federal prosecution team in Boston. (Moore was a tent-mate of Oliv-

er North in Vietnam, and set up Emerson to tape-record an interview between Emerson and a defense investigator last September.)

Defense attorney William Moffitt, who asked for the evidentiary hearing on the Emerson matter, charged that he is being denied the right to prepare a defense by the government’s hiding of evidence. “Emerson was listed as a government witness,” Moffitt told the court, “and the fact that he lied to my client is exculpatory.” Moffitt charged that Emerson was used by the FBI to plant information in his client Jeff Steinberg’s notebook, and then prosecutor John Markham “utilized it as evidence of Jeff Steinberg’s guilt,” by referring to a statement by Emerson from Steinberg’s notebook in his opening statement to the jury last December.

As Moffitt continued to hammer away at the government’s withholding of FBI interview reports, known as “302s,” Judge Keeton asked Markham if he had not violated his agreement with Moffitt regarding pre-trial discovery, and also if he were not violating his legal obligations regarding the providing of exculpatory information. “Wasn’t there a violation of the agreement, if the 302s were not provided until the 52nd day of the trial?” Keeton asked. “Yes,” conceded Markham. Markham also admitted that he was in violation of his obligation to provide exculpatory evidence by withholding evidence showing that Emerson had made prior false statements.

After a short recess, Markham told the court that he recognized that he had an obligation to give to the defense any information regarding false statements by a government witness. “As a witness, his [Emerson’s] relationship to the U.S. government is exculpatory, and the fact that he had lied is exculpatory. I was obligated to provide this information,” Markham admitted.

Judge Keeton then further pressed the issue about the government sending Emerson to give a phony story to the defendants in September 1986. “Isn’t it a problem, when the government is sending him to the defendants undercover with some kind of cover story? . . . Isn’t the government setting up the conditions for creating evidence?”

Keeton then ruled that “it is clear that there has been, to some extent, a violation of the government’s Brady obligation and the discovery agreement.” (“Brady” refers to a U.S. Supreme Court decision which said that the prosecution is required to give the defense any exculpatory evidence in its possession.)

### Will Ollie North testify?

Judge Keeton was also to hear proposals for additional hearings which will probably involve Lt. Colonel North and Richard Secord, in connection with a telex message from Secord to North found in North’s files, which discussed information-gathering against LaRouche. Defense attorneys are expected to ask that North and Secord be called as witnesses to the hearings.

## Senate upholds Civil Rights Restoration Act

In a much-publicized March 20 override of President Reagan's veto of the Civil Rights Restoration Act (or, as it is more commonly known, the Grove City Bill), the Senate opened the lid to a Pandora's Box. The name of the bill is a misnomer. It has nothing to do with civil rights.

According to the new legislation, a university (either secular or Church-affiliated) which takes nary a penny in federal aid, but which is accepting students who are receiving federal loans to finance their education, falls under the federal anti-discrimination laws. If a single institution in that university is receiving some form of federal aid, then the entire university falls under the federal anti-discrimination legislation.

Now what is this federal anti-discrimination legislation?

It encompasses the Civil Rights Act of 1964 (against discrimination on grounds of race, color, or national origin), Title IX of the Education Amendments of 1972 (against discrimination because of sex), the Age Discrimination Act of 1978, and Section 504 of the Rehabilitation Act (concerning discrimination against the handicapped).

The bill gives a virtual carte blanche to the federal government to legislate the activities of private institutions. President Reagan noted in his veto, that it is a blow to religious freedom.

Such legislation, which applies purely negative sanctions to those whom government administrative

bodies judge to be guilty of discrimination, is incapable of dealing with the real grievances which minority groups suffer. The real problem, is that the economy of the nation as a whole is collapsing. Instead of civil rights being a program for equal sharing of economic progress, it has become a political game of sharing-out what has become a steadily increasing misery for all.

That was the case during the battles over school busing in the past, which set black and white communities over each other's throats. What is the point of busing children across town to a different school, when both schools are flooded with drugs, when the teachers teach "alternate sexual lifestyles," and when the child has no hope of a productive job upon graduation?

Today, the "civil rights" issue is being used as the pretext for irrational and dangerous policies, such as the failure to adopt public health measures to curb the AIDS epidemic, because of the lobbying of homosexual activist groups.

Let's look at the various rulings regarding section 504 of the Rehabilitation Act. The previous Department of Health, Education, and Welfare extended the definition of "handicapped" to include drug addicts and alcoholics. This meant that employers receiving any form of assistance from the federal government were forbidden from refusing to hire persons because of their use of or addiction to alcohol or dangerous drugs.

In a Supreme Court decision on March 3, it was ruled that a communicable disease (in this particular case,

tuberculosis) is a "handicap." Recent decisions in the courts and administrative agencies have moved in the direction of extending this law to prohibit discrimination against AIDS patients. It is not at all unlikely that the Rehabilitation Act, combined with the Civil Rights Restoration Act, could be utilized to force hiring of AIDS patients by university cafeterias and hospitals.

In a particularly ludicrous example, recent court decisions have also ruled that transvestites can be classed as "handicapped," and therefore, are protected from "discrimination" by these same federal provisions.

## INF supporters seek to block 'killer amendments'

In spite of attempts by Sen. Jesse Helms (R-N.C.) to try to attach several well-aimed amendments to the INF treaty before it is taken up on the floor by Majority Leader Sen. Robert Byrd (D-W.Va.), the supporters of the treaty have succeeded in bringing it through committee hearings virtually unscathed.

The fighting was fast and furious at times during the meetings of the Senate Foreign Relations Committee, on which Helms is the ranking Republican member. At one point Helms had to leave the committee room in order to prevent a quorum vote on one of his proposals.

A committee vote is currently scheduled for March 29. Helms is asking that the Senate hold a closed hearing to examine whether the Soviets have submitted the correct figures as

to the number of SS-20 intermediate-range nuclear missiles they have. Helms and other opponents of the treaty feel that if the Senate understands how the Soviets have in fact already begun cheating, by submitting false data, then the enthusiasm that has been drummed up for the treaty may fade somewhat.

But the big fight is still to come, and will be held on the floor of the Senate. The issue is scheduled to be taken up by the full Senate after the Easter recess.

Senate Democrats seem adamant on attaching a proviso to the treaty, stating that government testimony during the hearings is authoritative for determining what the treaty actually means, and cannot be changed afterward. They wish to use this proviso to force the Reagan administration to keep to the "narrow interpretation" of the ABM Treaty, curbing research on the Strategic Defense Initiative.

## **Senate to keep nuclear agreement with Japan**

The Senate voted on March 21 to reject attempts to rescind an agreement with Japan in the area of nuclear cooperation. The agreement, which will take effect at the end of April, allows Japan to reprocess U.S.-controlled spent nuclear fuel and to use plutonium separated from that fuel without the case-by-case approval required under the previous agreement. The previous agreement was originally to expire at the end of this century.

Despite a rather snide intervention by former Defense Department offi-

cial Richard Perle and Frank Gaffney, who had submitted written arguments for maintaining a case-by-case approach, the Senate conducted what was in essence a vote of confidence in a crucial U.S. ally and friend in the Pacific region.

But the issue of U.S. relations with Japan remains a topic of heated debate, and the bill coincided with a new explosion of that favorite congressional sport of "Jap-bashing."

Sen. Ted Stevens (R-Alaska) on March 22 called for the United States to pull its troops and military installations out of Japan, unless the Japanese contribute more for Western defense. "The yen has conquered a great portion of America," Stevens told a group of Pentagon officials during a hearing of a Senate Appropriations Subcommittee. "Now that the Japanese economy is going full tilt," Japan should pay the full cost of keeping U.S. troops and facilities on its soil. Stevens said he is "putting the Pentagon on notice" that he plans to offer a bill next year that would require U.S. military withdrawals from Japan.

## **D'Amato implicated in Wedtech affair**

The scandal involving the Wedtech Corp. drew more New York congressmen into its expanding web on March 24, as Mario Moreno, former vice chairman of the company, continued his testimony in the trial in New York City concerning the now-defunct defense contractor. The seven defendants include Wedtech founder John

Mariotta, former Bronx Borough President Stanley Simon, and Rep. Mario Biaggi (D), who are charged with turning the company into a racketeering enterprise.

Moreno testified that he gave illegal political contributions to both Democratic and Republican politicians, including \$30,000 for Sen. Alfonso D'Amato (R) and \$5,000 for the late Rep. Joseph P. Addabbo (D), in exchange for lobbying favors.

A spokesman for D'Amato dismissed the charges as "ridiculous."

According to a report in the *New York Times* on March 25, D'Amato intervened repeatedly with the Army, the Navy, and the Small Business Administration, in efforts to win government contracts for Wedtech.

In October 1986, during D'Amato's re-election campaign, his unsuccessful Democratic opponent, Mark Green, said that D'Amato had received \$11,000 in campaign contributions from Wedtech officials since 1981.

In 1985, D'Amato lobbied the Navy in behalf of the company's efforts to obtain a \$55 million order for pontoons for use as floating docks. Moreno testified that without D'Amato's help, the company would probably not have gotten \$143 million in Navy contracts that were awarded to it starting in April 1984.

Moreno said that Wedtech contributed to political organizations "in exchange for favors we expected to get." Asked what favors he expected from the Republican State Committee in New York, he replied, "We expected to have the Republican Party in our pocket."

# National News

## Weinberger points to Soviet lead in SDI

Former Defense Secretary Caspar Weinberger criticized the current direction of the U.S. space policy and the cutbacks in the Strategic Defense Initiative (SDI), warning that the Soviets are significantly ahead of the United States in both crucial areas.

Keynoting an event sponsored by the Willard F. Rockwell Space Foundation on March 23, Weinberger said that the U.S. lag in the space race has put America "in serious danger." "We must compete in space for economic and many other reasons, but the consequences of neglecting space for national security purposes can have truly disastrous consequences."

The Soviets devote 90% of their ambitious space program to military uses, and have spent \$150 billion already on developing their own SDI, whereas the U.S. Congress had terminated the anti-satellite (ASAT) program, and cut the SDI so severely that the initial deployment schedule has had to be put back two years.

Weinberger reiterated that he doesn't think President Reagan would negotiate away SDI, but he pointed out that any future President could.

He maintained that the United States can afford to undertake both the SDI and an ambitious space program, which, he said, will "lead to a stronger economy," pointing as evidence to America's "ability to turn out millions of pieces of hardware that helped lead us to victory in World War II."

## New NSC documents show targeting of Contra foes

Lt. Col. Oliver North and FBI Executive Assistant Director Oliver Revell launched a series of counterintelligence investigations in the spring of 1986, aimed at proving that several major efforts to block military aid to the Contras were directed or inspired by the

Sandinista government, according to an article appearing in the *Boston Globe* on March 24.

Among the alleged targets of the probes were the Christic Institute, which had launched a legal action against a number of key players in the private Contra aid network, and Jack Terrell, a former Contra mercenary who defected to join American anti-Contra activists.

The key North-FBI counterintelligence unit meeting that launched the probes occurred on May 9, 1986, just four days after Contragate's Gen. Richard Secord had dispatched a memorandum to Colonel North, pointing to information "against LaRouche" (see *EIR*, March 18, 1988, "Judge orders Bush, White House files searched in trial against LaRouche").

The same day that Secord sent his cable to North about LaRouche, a meeting took place at the Old Executive Office Building among North, Secord, and Glenn Robinette, described by congressional probes as the "security chief of Project Democracy." According to the *Globe*, the FBI counterintelligence operations were coordinated with Robinette's parallel "private" investigations.

Among the targets of the North probe were at least three members of the Congress: Sen. John Kerry (D-Mass.), Sen. David Durenberger (R-Minn.), and Rep. Lee Hamilton (D-Ind.). When FBI officials determined in June 1986 that the probe should not be upgraded into a full FBI investigation, North was reportedly so outraged that he told the FBI agents that he would now likely be "a target for elimination by organized crime," due to information he possessed about Sandinista drug connections.

## NASA space station in jeopardy from cuts

The United States will have to abandon plans to build an orbiting space platform unless almost a billion dollars is allocated to it next year, said NASA Administrator James C. Fletcher on March 22. Unless such an in-

vestment is made, the current cuts in the space station budget, added to delays caused by cuts in earlier years, will make it useless for NASA to continue efforts to build the station, Fletcher warned.

NASA's first civil space science mission since the Challenger disaster was carried out on March 25. A 522-pound satellite was put into orbit, carrying instruments from Italy, West Germany, and the United States. The mission is designed to study the Earth's lower atmosphere. The launch took place from Italy's San Marco platform, a large steel barge anchored in the Indian Ocean three miles off the coast of Kenya.

The space administration is also working on a plan to send an American spaceship to Mars in the year 2010, the *Los Angeles Times* reported on March 20. "Called Project Pathfinder, the program has the blessing of the Reagan administration to the tune of \$100 million for fiscal 1989," according to the report. John Mankins, who manages the project at NASA's Washington headquarters, is quoted saying, "Pathfinder looks toward exploration of the solar system and the technology that is needed for that."

## DEA nabs top heroin suspect

An Asian businessman identified as the U.S. Drug Enforcement Administration's No. 1 heroin target has been arrested and charged with importing 453 kilograms of heroin from Southeast Asia over a three-year period, according to a March 16 article in the *Bangkok Post*, which cited sources in New York City.

Robert Stutman, head of the DEA's New York office, said that heroin trafficking is now primarily controlled by Chinese ethnic groups that are bringing in vast amounts to the United States, far more "than any of us who have been professionals in the field ever thought possible."

A Justice Department source said that federal authorities lured the businessman, whose name is Kon, to New York, where he was arrested in front of the New York Hilton Hotel. Kon was charged under indictments



handed down in December.

The heroin was smuggled into the country from 1984 to 1987. Couriers carried millions of dollars in proceeds back to Hong Kong to be laundered, authorities said. About \$20 million was used by Kon to buy commercial real estate in New York and San Francisco.

## Pentagon kooks meditate while Moscow cheers

A nest of weirdos known as the Pentagon Meditation Club, has drawn commentary from both the Soviet and British press.

The Soviet magazine *New Times* (No. 11, March 1988) publishes an article by Dmitri Pogorzelsky, who recently toured the United States, reporting on a Soviet proposal for a "Soldier Meets Soldier" project, in which "50 young men in army uniform from each side could meet and look at one another not through gunsights, even imaginary ones, but face to face."

This idea is looked on with favor by the U.S.S.R. Ministry of Defense in Moscow, he writes, but also by Edward Winchester, "who heads the Meditation Club at the U.S. war department," and who spoke to Pogorzelsky about using meditation/psychological techniques to combat the "enemy image." These discussions occurred at a conference in Washington, DC, held by the Center for Soviet-American Dialogue.

The *Daily Mail* of London on March 23 reported further on Winchester and the Pentagon Meditation Club, under the headline, "Weapon of Peace":

"When American troops were parachuting into Honduras the other day, Ed Winchester was outside near the Pentagon flagpole measuring the strength of the peace-bearing energy radiation from the Department of Defense. The readings were pretty impressive, he says. SDI was working.

"This is the other SDI—the Spiritual Defense Initiative—that members of the Pentagon deploy collectively at their weekly meetings and individually in their homes in the hope that their mental messages of love

and goodwill will project a 'peace shield' around the earth. . . .

" 'It may be the secret weapon we need to replace the nuclear threat,' says Ed Winchester, a former Air Force captain who now works as an accountant in the office of the Secretary of Defense. He is President of the Pentagon Meditation Club and the chief inspiration behind its attempts to beam benevolent psychic energy around the world, right out of the soul of the American military machine, to nourish global peace."

## Weld's 'war on drugs': Hit the little shots!

Assistant U.S. Attorney General William Weld, head of the Justice Department's Criminal Division, told federal attorneys recently that in the war on drugs, "they could look for guidance from Washington to emphasize user prosecutions as one tool in the united assault on both the supply and demand sides," according to a statement Weld made to reporters recently.

Weld criticized prosecutors who "are less taken with the idea" of prosecuting drug-users, since possession charges have not been prosecuted at the federal level.

Weld's "get the little shots" campaign was supported by Attorney General Edwin Meese, according to Justice Department spokesman Dean St. Dennis, who said that Meese believed "it clearly will have an impact on use and send a message to people that these cases will indeed be subject to criminal prosecution."

Weld's publicity-grabbing campaign comes in sharp contrast to his treatment of the "big shots"—the banks which launder billions of dollars in drug money. In 1985, during his tenure as U.S. Attorney in Boston, prior to his current appointment, Weld allowed the Bank of Boston to plea bargain its way out of serious prosecution for failure to file reports on \$1.2 billion in international cash transactions, which Treasury Department officials believed to be drug money. The bank was fined a measly \$500,000—less than 1/20th of one percent of the amount laundered.

## Briefly

● **GEORGE BUSH** is being hurt by the Iran-Contra scandal, according to a poll conducted by the *Washington Post* and ABC News. More than half of those polled believed that Bush was lying about his role, while only one-third believed him. About 75% of Democrats think Bush is lying, and one out of three Republicans concurred. Bush's greatest weakness was among independent voters and Democrats who voted for Reagan.

● **ROBERT MCNAMARA**, the former secretary of defense, was received on March 15 by Soviet Central Committee Secretary A.F. Dobrynin, *Pravda* reported. The meeting was at McNamara's request, and covered "prospects for further constructive progress along the road of nuclear and conventional arms reduction," and the issue of adherence to the ABM Treaty.

● **THE UNITED STATES** will give Peru \$18.6 million in anti-drug aid this year, the U.S. embassy in Lima announced. The money will be used for eradication of coca cultivation, assistance to police teams, provision of equipment, and support for rural problems. Ambassador Watson said that Peru has become "a regional leader in the effort to fight narcotics."

● **A RECORD 79** hospitals closed in the United States during 1987, as a result of the unstable economy and inadequate Medicare payments, the American Hospital Association announced March 21. Another 17 special facilities closed. Arkansas, Louisiana, Oklahoma, and Texas accounted for 25% of the closings.

● **THE CORNERSTONE** of the first magnetic train system in the United States was laid on Jan. 28 in Las Vegas. The 2 km.-long track should connect the inner city with the baseball stadium and exposition grounds by 1990.

# *Is Europe defensible after the INF?*

On March 18, our founder and contributing editor Lyndon H. LaRouche, Jr. issued a study paper which directly confronts the most profound strategic question of our age.

LaRouche poses the question in the following terms: "Broadly speaking, if we assume that the effect of President Reagan's INF appeasement of the Soviet empire is not nullified, and if we also assume that the Soviet military preparations continue along their present course, Western Europe is already virtually indefensible."

Fortunately, neither of those two developments is irreversible, for two developing reasons:

1) The Soviet Empire is now gripped by a succession-crisis, comparable to that of the 1927-34 period; the occurrence of a combination of certain potentially calamitous, but also possibly hopeful strategic adjustments in that quarter should be foreseen as inevitable over the course of the coming weeks and months.

2) The United States is gripped by the implications of an international financial crisis somewhat analagous to that of 1929-31, but far more devastating. If the next major financial shock should strike by mid-second quarter of 1988, then, fortunately for Europe, none of the "front-running" Democratic nominees could be elected President. Under those same conditions, Western Europe would escape the certain disaster of having George Bush succeed Ronald Reagan as U.S. President.

Thus, the worst catastrophe which could threaten Western Europe's security during the coming four years, would be that the next major financial crisis would fail to erupt by May 1988. LaRouche comments:

"If the present U.S. policy structures are locked in, in the way that a Bush nomination would tend to ensure, the probability of a desirable correction in U.S. policy, might be virtually zero. Any European aiding George Bush's friends in delaying the financial crisis's next major eruption, is holding the tip of the knife to his own country's solar plexus, and pushing upward at about a sixty-degree angle."

The Anglo-American Establishment has thrown its top-down commitment to George Bush and to preventing the eruption of the financial crisis as long as possible. In strategic thinking, they parody the follies of Prince Metternich, whose doctrine of cabinet warfare and a "balance of power" was bankrupt from the day it was conceived. Ironically, Metternich and Castlereagh established Russia as the "policeman of Europe" for approximately two generations. So, in the succession of 1940s conferences at Teheran, Yalta, and Potsdam, the Anglo-American Establishment handed over half of Europe for the Russians to police. Today, that Establishment is moving with disgusting speed to surrender the other half of Europe to the Russians.

The cultural and economic aspects of strategic doctrine constitute 80% or so of the the process, while the military aspects consist of less than 20%. The Anglo-American Establishment is still committed to the low-technology and anti-science "post-industrial society" policy and the so-called "New Age" kooky cultural projects. *Rather than reviving classical science and classical culture, the Establishment has foolishly continued to downgrade the achievements of Western civilization.*

The general staff of the Red Army has been overjoyed by the fact that the Establishment backing George "Mr. Unelectable" Bush has adopted a losing strategy.

Patriots on both sides of the Atlantic who do not wish to hand their children and grandchildren over to domination by the Red Army, have no option but to assist the early detonation of the global economic structures, so as to clear the stage for the construction of new institutions and arrangements.

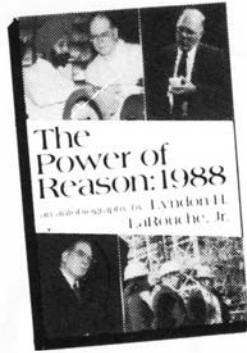
LaRouche's study paper concludes with the following pledge:

"We must prepare to fight to the death for Western Civilization, not because it is our own, but because without it, life on this planet would not be worth living. Death were preferable to peaceful accommodation of Western Europe and the United States to a Soviet overlordship."

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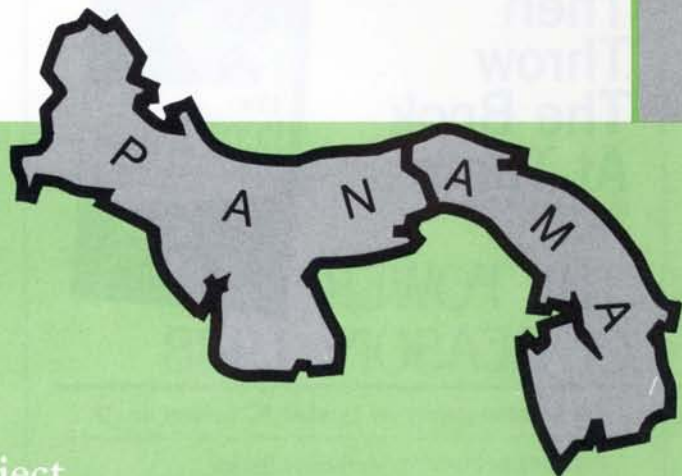
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EIR has commissioned this White Paper to bring the truth of the developing Panama crisis to American citizens and lawmakers, so that decisive action can be taken to stop this campaign before the United States faces a new strategic crisis on its Southern 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?

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