

EIR

Executive Intelligence Review

May 13, 1988 • Vol. 15 No. 20

\$10.00

Gov't misdeeds lead LaRouche case to mistrial
French elections wake up Europe
Gorbachov embraces 'Third Rome' cult

**How the global water
crisis can be solved**



**Do you need to be plugged
in to the world's best
intelligence service?**

EIR Confidential Alert

In the age of Irangate, the Zero Option, and glasnost, you may very well need to be ahead of the news.

When you subscribe to the EIR Confidential Alert service, we bring you in on the unique intelligence capability we use to assemble *Executive Intelligence Review's* weekly review.

Every day, we add to our computerized intelligence data base, which gives us instant access to news items provided by our bureaus all over the world. As an Alert subscriber, you get immediate information on the most important incoming developments in economics, strategic news, and science.

EIR Alert brings you 10-20 concise news items, twice a week, by first class mail—or by fax (at no extra charge).

IN THE U.S. Confidential Alert annual subscription: **\$3,500**

IN EUROPE Confidential Telex Alert annual subscription: **DM 12,000.** Includes Quarterly Economic Report. Strategic Alert Newsletter (by mail) annual subscription: **DM 6,000.**

Make checks payable to:

EIR News Service
P.O. Box 17390
Washington, D.C. 20041-0390

In Europe:
EIR Nachrichtenagentur GmbH.
Postfach 2308 Dotzheimerstr. 166,
D-6200 Wiesbaden, F.R.G.

EIR

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor: *Nora Hamerman*

Managing Editors: *Vin Berg* and *Susan Welsh*

Editorial Board: *Warren Hamerman, Melvin*

Klenetsky, Antony Papert, Uwe Parpart-

Henke, Gerald Rose, Alan Salisbury, Edward

Spannaus, Nancy Spannaus, Webster Tarpley,

William Wertz, Carol White, Christopher

White

Science and Technology: *Carol White*

Special Services: *Richard Freeman*

Book Editor: *Janine Benton*

Advertising Director: *Marsha Freeman*

Circulation Manager: *Joseph Jennings*

INTELLIGENCE DIRECTORS:

Africa: *Mary Lalevé*

Agriculture: *Marcia Merry*

Asia: *Linda de Hoyos*

Counterintelligence: *Jeffrey Steinberg,*

Paul Goldstein

Economics: *Christopher White*

European Economics: *William Engdahl,*

Laurent Murawiec

Ibero-America: *Robyn Quijano, Dennis Small*

Law: *Edward Spannaus*

Medicine: *John Grauerholz, M.D.*

Middle East: *Thierry Lalevé*

Soviet Union and Eastern Europe:

Rachel Douglas, Konstantin George

Special Projects: *Mark Burdman*

United States: *Kathleen Klenetsky*

INTERNATIONAL BUREAUS:

Bangkok: *Pakdee and Sophie Tanapura*

Bogotá: *Javier Almarino*

Bonn: *George Gregory, Rainer Apel*

Copenhagen: *Poul Rasmussen*

Houston: *Harley Schlanger*

Lima: *Sara Madueño*

Mexico City: *Hugo López Ochoa*

Milan: *Marco Fanini*

New Delhi: *Susan Maitra*

Paris: *Christine Bierre*

Rio de Janeiro: *Silvia Palacios*

Rome: *Leonardo Servadio, Stefania Sacchi*

Stockholm: *Michael Ericson*

Washington, D.C.: *Nicholas F. Benton, William*

Jones

Wiesbaden: *Philip Golub, Göran Haglund*

EIR/Executive Intelligence Review (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July and last week of December by New Solidarity International Press Service P.O. Box 65178, Washington, DC 20035 (202) 785-1347

European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, D-6200 Wiesbaden, Federal Republic of Germany
Tel: (06121) 8840. Executive Directors: Anno Hellenbroich, Michael Liebig

In Denmark: EIR, Rosenvaengets Alle 20, 2100 Copenhagen OE, Tel. (01) 42-15-00

In Mexico: EIR, Francisco Díaz Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 705-1295.

Japan subscription sales: O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 208-7821.

Copyright © 1987 New Solidarity International Press Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Second-class postage paid at Washington D.C., and at an additional mailing offices. 3 months—\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10 Academic library rate: \$245 per year

Postmaster: Send all address changes to *EIR*, P.O. Box 17390, Washington, D.C. 20041-0390.

From the Editor

Some of you have told me you consult this letter to find out “what to read.” You’ll want to read this issue cover to cover, but I can suggest in what order. Start with the *National* report, where the news of U.S. Democratic presidential candidate Lyndon LaRouche’s total vindication in the political frameup trial in Boston is counterposed to the scandal which has exploded around the Reagans’ astrology cult, and the sobering report by Leo Scanlon on the face-lifted edition of *Soviet Military Power* just issued by Frank Carlucci’s Pentagon.

We have no illusions that Mr. LaRouche’s enemies have given up on the three-ring circus of legal witchhunts by which they have attempted to silence him by shutting down publications, jailing his friends, suppressing his presidential campaign, and forcing the political movement around LaRouche to spend millions of dollars for legal defense. But the above-cited developments do provide an opening for rational policies to be heard, as the “New Yalta” crowd multiplies its disasters.

For the second week in a row, the *Feature* highlights programmatic proposals put forward by associates of Lyndon LaRouche, for solving problems of economic development in key areas of the world. Last week our focus was Panama, described by Mr. LaRouche as the “keystone of the hemisphere”; this week, Ramtanu Maitra, the editor of *Fusion Asia*, puts India’s economic policies under scrutiny, and proposes a concrete program for bringing the world’s largest democracy out of its present stagnation.

Internationally, the most dramatic consequence of the alliance between the Establishment of Western finance and the thugs in the Kremlin is seen in the brutality being meted out to the Polish strikers (page 32). Other targets for genocide of the “New Yalta” superpower condominium are discussed in articles on the Indian Subcontinent (page 44) and Horn of Africa (page 47).

I draw your particular attention to the analysis of the French presidential elections by Muriel Mirak (page 37), which also sketches the role of the growing political movement around LaRouche’s ideas in Europe. This is followed by an EIRNS news release on a development in Italy which must be taken very seriously: a Soviet death threat against LaRouche’s friends there.

Nora Hamerman

EIR Contents

Interviews

19 Alice K. Harding

The astrophysicist and pulsar theorist at NASA's Goddard Space Flight Center in Greenbelt, Maryland discusses Supernova 1987A.

AIDS Update

11 More children dying of AIDS

68 Bill on AIDS passed by Senate

70 WHO scored on AIDS policy in Africa

71 Army data show teen spread of AIDS

Departments

11 Africa Report

More children dying of AIDS.

53 Report from Rome

Drug consumption is up.

54 Report from Bonn

A 'regional crisis spot' called Europe.

55 Andean Report

Peruvian terrorism . . . from within.

72 Editorial

Gorbachov's East bloc crisis.

Science & Technology

14 Scientists search for supernova's pulsar

The neutrino burst from Supernova 1987A marked the formation of a neutron star within it. But is it a pulsar? David Cherry reports on this extreme condition of matter.

19 SN1987A: Eventually a small Crab Nebula

An interview with Alice K. Harding, astrophysicist and pulsar theorist.

Economics

4 The state and local revenue collapse shock

As LaRouche had predicted, this overlooked effect of the Black Monday market meltdown is now coming to the fore.

6 Soviets face 'scissors crisis'

The collapse of Eastern European economies that the Soviets have heretofore been successful in looting, is combined with a 1920s-style decline in hard currency earnings from raw materials sales.

8 In move against cartel, Brazilian military backs mining nationalization

Brazilian patriots have struck the biggest blow for sovereignty against the international usurers, since the debt moratorium was defeated.

9 Currency Rates

12 Business Briefs

Feature



Uwe Pappert

Bathing a child in a pitiful amount of water in an Indian village near New Delhi. The water shortage has also turned into a power shortage, leading to severe hardship and deaths.

22 The global water crisis can be easily solved

Insufficient supply and management of fresh water resources threaten billions of human lives with terrible immediacy. But the water projects that could transform the situation, from North America to Africa, have been identified and designed.

24 What should be done about India's stagnant economy

Over the last year the Indian economy has remained "on hold," handicapped by a severe drought in 1987 that ravaged an already-stagnant agricultural sector. But rather than the drought temporarily halting the economy's growth, it has exposed the glaring deficiencies of India's physical economy. Those deficiencies center on lack of infrastructure. A case study by Ramtanu Maitra.

31 Water key to war or peace in Mideast

Egypt may face the choice of shutting down hydroelectric generation at the Aswan Dam or cutting off water to farming.

International

32 1988 Polish crisis: worse than 1980-81

Even as President Reagan praised Gorbachov's human rights record, the Soviets ordered bloody repression of strikers in Poland.

34 Gorbachov launches millennium by embracing cult of 'Third Rome'

37 French elections wake up Europe

39 Italian Red death threat linked to U.S. mob channels

41 Panama: Labor support breaks U.S. stranglehold

44 After the Afghan accord, another 'Lebanon' in Pakistan?

47 State Department-Moscow deals will bring genocide to Horn of Africa

49 Iran, Saudi Arabia on collision course

50 Paul Sweezy joins the Trilateral Commission

51 Kim Philby: The spy saga rolls on

56 International Intelligence

National

58 President Reagan drifts toward the falls

With little time remaining before Reagan's scheduled May 25 departure for his Moscow summit, the issue of whether the President may be *non compos mentis* according to the provisions of the XXV Amendment is again on the front burner.

60 LaRouche scores a victory in mistrial in Boston

The headlines told it all, including, "LaRouche Jury Would Have Voted Acquittal."

62 LaRouche outlines plans to D.C. press

63 'Soviet Military Power 1988': Frank Carlucci's little fraud

A review of the Pentagon document, in which the word *spetsnaz* never even occurs.

66 Elephants and Donkeys

Dukakis and the "Massachusetts miracle."

67 Eye on Washington

Inter-American group plugs drug legalization.

68 Congressional Closeup

70 National News

The state and local revenue collapse shock

by Chris White

States and localities are beginning, now, to turn in reports of tax revenues collected through the April 15 cut-off point. Around the country the picture is one of an accumulation of apparently local disasters. Each one of such, however, is generated by the insistence, on a national level, of the financial powers that be, that run both George Bush and Michael Dukakis, to maintain the fiction that crisis potentials are being kept in check, while continuing the brutal austerity that ensures that the actual crisis will get far worse.

The national effort to paper over the depth of the crisis, could well be compared to the effort to weather-proof a holed and leaking house, whose roof is beginning to come down, and whose walls are beginning to bust apart, by adding fresh wallpaper to the interior. For a while, the view from the inside may look okay. No one in his right mind, though, would want to be caught on the inside when the weather breaks.

Democratic presidential candidate LaRouche warned, in the immediate aftermath of the Oct. 19 stock market meltdown, that chief among the overlooked effects of the wipe out of approximately \$1.5 trillion worth of book values of stocks, in the period between the end of August 1987 and the Black Monday market bust, would be the evaporation of revenues of federal, state, and local government.

The initial estimate of the effects of the crash on the federal deficit was an increase in the order of \$100 billion and up. State and local governments were anticipated to be proportionally hit, with the crucial difference, that most states and localities are not empowered to cover deficits by resorting to market borrowing as the federal government does, and states and localities, unlike the Treasury, do not have access to the printing press.

Now, the results are beginning to come in, and the forewarned-of bust in state and local government revenues is here. California has chalked up an \$800 million shortfall, attributed by that state's responsible financial officials to the effects of last year's market collapse. Dukakis' Massachusetts is moving toward a \$500 million deficit. New York State has a revenue shortfall. These add to the existing crises in the southwest, already chronic through the collapse of revenues from oil production and property taxation. On the local level, Wilson Goode, mayor of Philadelphia, an anti-tax increase reelection candidate, has been forced to go to his city council to ask for an increase in property assessments of from 14 to 30%. And this is just the beginning.

New round of austerity

With the shock of revenue collapse comes also a new round of brutal austerity against the essential services, like health, education, and infrastructure maintenance, that are funded out of the tax revenues of states and localities. This is further aggravated, around the country, by the now-surfacing effects of federal government budget-cutting austerity against especially Medicare and Medicaid programs.

Public school systems are reported to be under attack in northern California, New York, and New Jersey. Health delivery systems are likewise under attack in California, Ohio, New York, and New Jersey. The infrastructure side of the crisis is coming to the fore on the West Coast and the East. In Los Angeles, new construction has been banned until 1992 because the sewer system has reached so-called capacity. There's a new round of water crises erupting in the Bay Area and in New York and New Jersey. And, of course, the dete-

rioration in the nation's transportation grid has once again been highlighted by the dangerous state of New York City's bridges, epitomized by the now closed Williamsburg Bridge.

Nothing just local

While it might seem that each such situation, which has erupted in the nation's most populous areas, and more broadly, is an eruption of some kind of local peculiarity, nothing could be further from the truth. The collapse of local revenues, and the consequent destruction of essential services and infrastructure on which the labor force and the economy depend, are the result of the insanity of the national-level insistence that brutal austerity against the economy, the workforce, and the population at large, be maintained, in favor of a commitment to defend the apparent integrity of the bankrupt financial system.

There can thus be no local or state-level solution to the crisis that lies behind the austerity shock now hitting states and localities with fresh vigor. The only effort that will work, as candidate LaRouche has stressed repeatedly, before as well as during the unfolding of the present financial and economic collapse, is to junk the financial and economic policies that have created the present mess, and set about the task of organizing a real recovery in the physical economy, by putting the labor force back to work, in wealth-creating productive employment.

The now erupting crisis, on the state and local level, is fresh proof of the insanity, as well as incompetence of the federal-level, financial institution-driven policy, of reducing expenditures of government to bring revenues and outgoings into so-called balance. Since the direct effect of the reduction of expenditures is to further depress the revenue base for all levels of government, through depressive constraints on both government activity, and therefore, the economy as a whole, the expenditure-slashing means of especially the last eight years have consistently had an effect the reverse of the one claimed. Through budget-gutting austerity, the tax revenue base has decreased, and therefore the inflation-adjusted shortfall, especially at the federal government level, has continued to increase faster than cuts have been made in expenditure.

The coupon clippers in the finance houses and banks who parasitize on government's credit-generating powers to finance this deficit are the only ones who benefit, at least in their own conceit. Actually, all they do is ruin themselves, since the spiral of economic decline and revenue decline, feeding inflation, continually devalues, and then wipes out the nominal book values of their holdings of government-secured debt. When the host dies, so too does the parasite.

The way out

What is needed, as LaRouche has repeatedly proposed, as a competent alternative to the built-in self-feeding depressive spiral of brutal austerity, is a policy which will permit

the tax base of federal, state, and local governments to increase. That way, essential services, both to labor and through the infrastructural component of economic activity, can be maintained, while the economy is put back on the path of wealth-creating growth.

That can only be done at the federal level, through financial and economic reorganization measures, directed to that end. The new policy rests on both the constitutional bedrock that the institutions of government are the sole source of money and credit, and the accumulated body of law which permits such constitutional intent to be translated into practice, through emergency action of the executive branch. The bankruptcy of the banking and credit systems is not actually the kind of problem which Treasury Secretary Baker and his friends have determined, by their obsessive incompetence, to make it. Those powers of government are to be used to create in the order of \$2 trillion worth of new credit to finance economic activity which cannot be financed by the self-destruction of the banking system under the combined effect of austerity thinking, and Wall Street's so-called "creative" or "innovative" financing methods of the period since 1982.

Such credits are to be issued in the form of U.S. Treasury notes, secured on the reserve base of gold, into the banking system for allocation into wealth-generating economic activity in industry and agriculture, infrastructure, and scientific and technological advance. On national television, LaRouche has outlined how a 50-year commitment to the colonization and exploration of, first, the Moon, and then Mars, would be the driver of such an effort. Over the near-term, under such a driver, the extension of such credits would have the effect of adding in the order of 5 million productive workers to the economy, in a four-year period, as a milestone on the road to shifting ratios of operatives to service sector workers back in the direction of 40% productive to 60% service sector, by doubling productive employment between now and the end of the century. High-skilled, high-paying jobs would be created to transform the economy and the world for the challenges that humanity ought to be conquering in the 21st century.

The by-product consequence is that the revenue base of all levels of government is increased, such that government at all levels is able to support, at less cost to the economy as a whole, improved levels of social and infrastructural services. Between that proposal, and the brutal austerity that is now gutting states and localities, as LaRouche warned it would, there isn't any middle ground. Without eliminating the policy outlook and commitment which insists that such brutal austerity is the only approach permissible, the crises now erupting will only get worse, and can only get worse. In perhaps the relatively short term, that will make a mockery of the insistence of Baker and Greenspan that the system is under control. Meanwhile, though, only the indicated change in national policy will begin to reverse the destruction now being wreaked at the state and local level.

Soviets face 'scissors crisis'

by Scott Thompson

While members of the "Anglo-Soviet Trust" hope for a full-blown repetition of the 1920s New Economic Policy in the Soviet Union, there is mounting evidence that the Soviets are facing a "scissors crisis" of the sort that led to the partial dismantling of the NEP in 1927. The present "scissors crisis" is being led by the collapse of Eastern European economies that the Soviets have heretofore been successful in looting, combined with a 1920s-style decline in hard currency earnings from raw materials sales.

One result of the present "scissors crisis" has been nearly a doubling of Soviet hard currency debt, through so-called untied loans from major commercial banks of the industrialized Western nations, so that the Soviet Union can continue to fund its empire.

Historically, the main figure that the "Anglo-Soviet Trust" has associated with the NEP (which opened the Soviet economy to foreign concessions) was Nikolai Bukharin, a Western-educated agent of the Odessa grain trading cartels. Bukharin argued for agricultural (over industrial) development of Russia, and he envisioned a Bolshevik conquest of Europe as presaging its forced return to a pastoral economy, as U.S. Treasury Secretary Henry Morgenthau later envisioned the treatment of Germany's postwar economy.

While many of the concessionaires re-tooled Russian raw materials and industrial processes with modern technology, what Leon Trotsky termed a "scissors crisis" arose because of the collapse of export earnings from raw materials and agricultural products. The grain cartels and raw materials concessionaires were bleeding the Soviet economy, so Josef Stalin, first siding with Bukharin against his more powerful rival Trotsky, next turned on Bukharin and ended NEP provisions that permitted ready repatriation of profits from the Soviet Union.

Collapse of hard currency earnings

Replacing the grain and mineral exports of the 1920s as the main source of Soviet hard currency earnings has been energy exports, especially oil and natural gas. The volume of Soviet oil deliveries to the West rose by about a quarter from 1975 to 1980, but because of OPEC pricing the value of its sales tripled. In 1975 the Soviet Union earned 49% of its \$8.56 billion hard currency from exports of oil and gas, especially to the OECD countries. In 1985 it earned 74% of its \$22.34 billion hard currency from exports from the sale of oil and gas.

This is a minuscule amount of hard currency at Soviet disposal to run an empire, and there has been a decline in Soviet hard currency earning power because of the collapse of energy prices. Every dollar decrease on the price of a barrel of oil means a \$500 million loss in annual revenue for the Soviet Union. In the latter part of 1985, Urals crude sold on the spot market at about \$27 per barrel; by the middle of 1986 the price had dropped to about \$11 per barrel.

Western analysts have placed the Soviet loss of hard currency earnings from 1985 to 1986 in the region of \$8 billion, or roughly one-third of the country's exports to the West in 1985.

Economic warfare has assisted this decline in Soviet hard currency exports from energy sources. Starting with the 1979 Soviet invasion of Afghanistan, U.S. sanctions have especially embargoed the sale of advanced oil and gas technology needed by the Soviets to exploit their dwindling reserves. Further, the Reagan administration won support from the International Energy Agency in May 1983, to limit Soviet gas supplies to Western Europe beyond those amounts already contracted by year-end 1982, because it was possible to rely upon new fields opened in Norway.

Even before dwindling Soviet reserves force a drop-off in sales to the West, which is expected to occur by the mid-1990s, these two factors combined to block a Soviet end-run around declining oil and gas prices by increasing production. For the first time since the war, oil output actually fell in 1984 and again in 1985. A recovery in 1986 led by increased investment under Mikhail Gorbachov's policy of perestroika increased output by 4%, merely restoring 1983 levels.

The Soviets have been left with six options for increased hard currency earnings:

- 1) go more heavily into the international narcotics market (part of Soviet policy since the Khrushchov era), which has been done through such client states as Syria, Afghanistan, Cuba, as well as through proxies in the "Golden Triangle" opium zone;

- 2) produce world market quality goods, which is the stated goal of perestroika ("restructuring") combined with the policy of joint ventures, but so far this is merely in its start-up phase;

- 3) sell more gold on European markets, but this risks depressing prices;

4) increase the looting of Eastern European economies, but many of these have already entered a breakdown collapse phase;

5) increase syndicated borrowing from commercial banks; and,

6) issue of Euronotes, bonds, or other securities, which the Soviet Union has just begun to do.

Untied loans

Since Mikhail Gorbachov became General Secretary of the Communist Party of the Soviet Union, the Soviets' borrowing has more than doubled. A recent joint study by the Central Intelligence Agency and Defense Intelligence Agency, titled "Gorbachev's Economic Program: Problems Emerge," shows Soviet estimated hard currency debt to the West holding relatively steady from 1980 to 1984 at around \$20 billion, when it suddenly jumps to \$41.2 billion for 1987. Most of this increase at a rate of \$6-8 billion a year, is led by commercial debt to major banks that have syndicated loans to the Soviet

consulting firm, estimates that Soviet gross indebtedness will rise from about \$29 billion in 1985 to \$53 billion by 1990.

For the East bloc as a whole, total external indebtedness exceeded the \$100 billion mark by year-end 1986, with the Polish debt then exceeding total Soviet hard currency indebtedness. Soviet borrowing under Western government programs tied to export-import business has declined dramatically in the 1980s as a proportion of the Soviets' overall borrowings. Instead of government-to-government credits tied to the exports of the respective countries, the Soviet Union has been able to obtain untied loans at highly favorable rates of interest. "Untied" loans mean that it is cash-on-the-barrelhead, which the borrower can employ for any purpose he chooses.

Almost 80% of Soviet borrowing is in the form of such untied loans, and over 90% of that loan money is being provided by the commercial banks of Western Europe and Japan. U.S. banks provide slightly less than 10%, but the attitude of one U.S. commercial bank that led a \$200 million syndicated loan for the Soviet Union, First Chicago, was to say: "The loans could be used for the military, but we would hope not. I mean, they do so much of that kind of thing anyway, it doesn't matter."

While some of the Soviet borrowing has been directed toward the purchase of high-technology prototypes for breakdown and possible duplication by scientists assigned to the military sector, PlanEcon Inc. estimates that the main purpose of Soviet hard currency borrowing has been to fund their empire. Already, the Soviets have placed between \$50-60 billion in strategic loans to Third World countries that they wish to bring within their empire. The total value of this debt might be 50 cents on the dollar, and much of it is low-grade debt that the Soviets have little hope of collecting.

So far, the amount of Soviet borrowing has caused little

concern among bankers, because the Soviets have ready assets to cover the debt that they hold. The \$200 million First Chicago syndicated loan was offered at merely one-eighth percent over the London Interbank Offer Rate, with an eight-year maturity, six-year grace period. One former assistant to David Rockefeller at Chase Manhattan Bank, however, Roger W. Robinson, Jr., who was the senior director for international economic affairs at the National Security Council until 1984, has tried to get bankers to impose voluntary constraints upon untied loans on the basis that the loans are used by the Soviets for their military, KGB international operations, and for funding their empire.

Robinson's role as a spokesman against untied loans is ironic, because David Rockefeller's bank has been involved in business with the Soviet Union for over 50 years. During the 1920s and 1930s, Chase maintained a \$30 million revolving credit for the Soviet Union, which acted instead of the Export-Import Bank for financing trade, and David Rockefeller has himself been a spokesman for untied loans to the Soviet Union through his role as one of the founders (now a director emeritus) of the U.S.-U.S.S.R. Trade and Economic Council.

Well-informed sources have named the following U.S. banks as involved in this sort of business with the Soviet Union: Chase Manhattan Bank, First Chicago, First Boston Corporation, Bank of America, National Bank of Detroit, National Bank of North Carolina, Citibank, Irving Trust, Chemical Bank, Republic National Bank of New York, Bank of New York, Mellon Bank, Marine Midland, First Interstate Bank, Ltd., First National Bank of Chicago, Union Bank, Bankers Trust, Morgan Guaranty Trust Co., Manufacturers Hanover, and Continental Illinois.

Legislation

Preliminary hearings were held in November 1987 on a new bill, H.R. 3095, introduced last August by Rep. Jack Kemp (R-N.Y.) and Rep. Toby Roth (R-Wis.) to stop untied lending by U.S. banks. The bill is known as the International Financial Security Act of 1987. Even if the bill does pass, it is unlikely to curtail the Soviets' ready access to Western European and Japanese sources of untied loans, unless an international agreement is reached to block such loans to the Soviet Union.

Should this happen, the Soviets have another option. In January 1988 the Soviet Union ended a 70-year absence from the international public bond market when a state bank sold a \$77.8 million bond issue in Switzerland. PlanEcon Inc. estimates that this bond issue was a trial balloon, and others are likely to follow. It was to be able to launch such bond issues, that the Soviet Union made an effort to settle its czarist debt with the United Kingdom last year, so that it could place bond issues on the London market. So far, no such settlement has been reached in the United States, and the Soviets are barred from issuing bonds on the U.S. market.

In move against cartel, Brazilian military backs mining nationalization

by Silvia Palacios and Lorenzo Carrasco

Singing the national anthem and displaying a map showing Brazil's vast mineral wealth, the majority of national congressmen who comprise the ongoing Constitutional Convention on April 28 celebrated their approval of a constitutional measure ordering the nationalization of all exploration and exploitation of these mineral resources, so coveted by the superpowers and the international mining cartel.

"The use of hydro-power, prospecting, and exploitation of mineral resources and mines will only be carried out with authorization or concession from the Union, in the national interest, by Brazilians or Brazilian companies with national capital," dictates the new article in the country's draft constitution.

This measure is designed to shatter the strategy of the major mining companies like Brascan-Bronfman, Anglo-American, Rio Tinto Zinc, British Petroleum, etc. which moved silently into Brazil in hopes of controlling, among other things, the abundant reserves of strategic minerals in Brazilian territory which will eventually substitute for South African production.

Approval of the nationalization proposal was preceded by another measure which gave Brazil's national business sector a clear priority over foreign-owned or -financed companies. In one stroke, such agents of the illegal bankers' U.S. secret government ("Project Democracy") in Brazil as former Planning Minister Delfim Netto, Congressman Afif Domingos, and ex-Finance Minister Roberto Campos—who have proposed annulling all protection for national industry and liberalizing the economy—suffered a decisive setback.

Both measures were the result of an open and public alliance between the nationalist sector of the Armed Forces and a majority, multi-partisan group of congressional assemblymen. Some political observers were quick to point out that both measures were approved during the presence of former President Gen. Ernesto Geisel in Brasilia, where he was

commemorating the 50th anniversary of the National Petroleum Council, created by his predecessor, President Getulio Vargas, and considered the bulwark of Brazil's nationalist forces.

Together with former President Geisel, the commemorative ceremony was presided over by Aeronautics Minister Octavio Moreira Lima, and Mines and Energy Minister Aureliano Chaves, the very ministers known to be behind the nationalist decisions of the Constitutional Convention.

"I don't understand how some constitutional assemblymen cannot see the importance of national business, and the subsoil," said Aeronautics Minister Moreira Lima, to a group of congressmen seeking him out for support of stronger measures to defend Brazil's mineral wealth. Air Force officer Camarinha, who represents the opposition to IMF-dictated austerity policies, also made known his support for such initiatives as mining nationalization. Equally influential were a group of young officers in the National Security Council.

Until the historic nationalization measure was approved, the international mining cartels had the prerogative of keeping Brazil's fabulously rich mineral reserves under their strict control, with no obligation to exploit that wealth. This, in turn, gave them the ability to manipulate prices on the international markets. Thus, Mines and Energy Minister Aureliano Chaves declared April 28, in endorsing the nationalization initiative: "Foreign capital which comes to Brazil with the desire to participate in national development must be welcomed. That which comes to sit on top of our wealth instead of developing it advantageously, cannot be well received. If anyone is going to sit on top of our wealth, it is going to be us!"

Getúlio Vargas still scares the oligarchy

Beyond the constitutional measures themselves, that which most terrifies Brazil's oligarchs (who, as can be seen

in the case of mining, function as the nominal partners of European wealth) is the resurgence of a potential alliance between military officialdom and nationalist political forces. It was this same kind of alliance which enabled Getulio Vargas to nationalize Brazil's oil during the 1950s, before the U.S. State Department overthrew him.

The oligarchy's terror at the military's resurgence in a nationalist political role has already begun to surface on the editorial pages of *Jornal do Brasil* and of *O Estado do São Paulo*. "This was common enough in the fifties," protested *Jornal do Brasil*, "when many officers assumed openly nationalist positions. . . ." Warned columnist Castello Branco, in that same newspaper: "It was reserve officers who took the campaign, 'the oil is ours!' to the streets," Castello Branco concludes that this nationalist grouping reassembled itself during the Geisel administration, "whose nationalizing spirit produced a new generation—no longer through the Superior War College, but through the National Security Council."

The editorials of *Estado do São Paulo* are even more desperate against the re-emergence of this alliance. On April 29, it threatened: "Brigadier Moreira Lima confirmed the fears we expressed in our lead editorial yesterday: The Armed Forces are neutral with regard to the principal definitions in the section [of the draft constitution] on Economic Order, but favor an agreement 'which preserves national sovereignty and that our riches be effectively under national control'. . . . Albania, Mozambique, and Angola have become the political horizons of the military who, while neutral on economic matters, are nonetheless extremely jealous of national sovereignty," conclude *O Estado's* upset editors.

The reaction of the Brazilian "establishment" is explained by the vastness of the interests which will be affected by the new constitutional measures. According to the calculations of the National Research Council (CNPq), foreign companies control 19% of the 1.5 million square kilometers that the Brazilian government has granted for mineral exploitation up to the present time.

International apoplexy

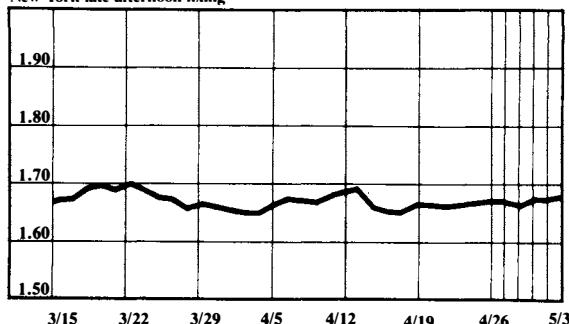
The financial mouthpieces of the international mining cartels are foaming at the mouth. A May 2 editorial in the *Wall Street Journal* screams that the nationalization measure "underscores the country's political disarray and indicates its future policies will be subjected to wild and unpredictable swings. . . . The vote was a clear embarrassment to Mr. Sarney, showing that his government lacks any steady support in the assembly. . . . Certainly, [the vote] emerged from the same unlikely alliance of industrial interests and the left, united under the banner of nationalism, that adopted the country's controversial ban on foreign microcomputer manufacturers. It showed again that the country's goal of becoming a great power is entangled in a jumble of nationalist rhetoric that is likely to leave foreign companies—as well as any IMF accord—vulnerable for the foreseeable future."

The London *Financial Times* of April 30 is equally dis-

Currency Rates

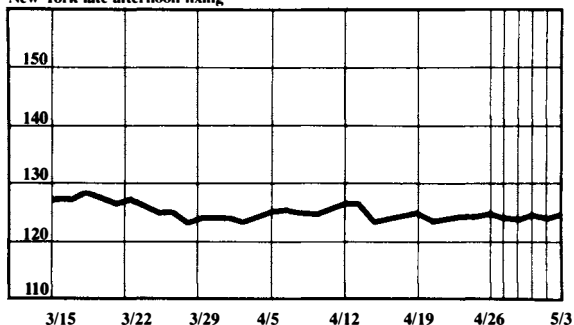
The dollar in deutschmarks

New York late afternoon fixing



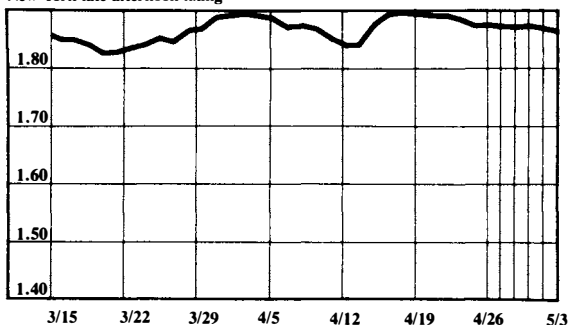
The dollar in yen

New York late afternoon fixing



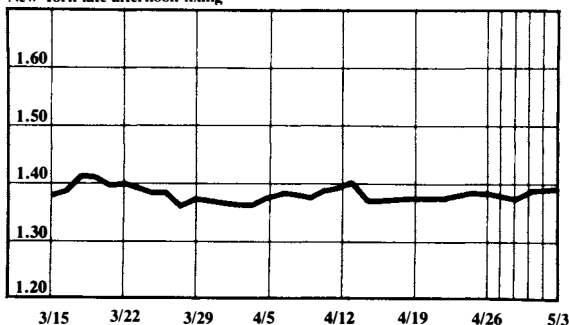
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



tressed, claiming that little help in overturning the nationalization clause can be expected from President Sarney, whose entire efforts are now directed toward ensuring himself a five-year term in office. The *Times* cites the Brazilian manager of a foreign-owned company moaning about the vote: "Mining has ended in Brazil." The *Times* comments: "While this is clearly an exaggeration, most industry experts are convinced that exploration activities are certain to decline drastically as foreign interests suspend investments."

The nationalization will, in fact, affect 20 mineral consortiums, among which the most important are British Petroleum, Brascan-Bronfman of Canada, and Anglo-American, as well as their lesser Brazilian partners such as Monteiro de Carvalho, Roberto Marinho, etc. The following are some interesting specifics on Brazil's principal minerals, and the groups which control them.

Gold: All mechanized production is controlled by Anglo-American.

Silver: 98% of production is with France's Société Minière et Métallurgique de Peñarroya.

Diamonds: 92% is controlled by the Belgian group Union Minière.

Tungsten: 55% under the control of Union Carbide and Anglo-American.

Niobium: 100% control by Union Oil-Molycorp, and Anglo-American. Brazil possesses nearly 86% of the world's niobium reserves.

Beryllium: Total control by Anglo-American.

Nickel: 85% controlled by Anglo-American.

Asbestos: 98% controlled by the French group Saint Gobain Point.

Tin: British Petroleum and Brascan control, in association, 24% of national production.

Barium oxide: 34% under control of the U.S. company National Lead Industries.

Mineral Water: 30% of national production run by Nestlé and Perrier.

Fertilizers: 30% of production under control of Anglo-American and Bunge and Born.

Fluoride: German group Bayer controls 35% of national production.

As Congressman Gabriel Guerrero noted, the mining companies "are afraid of the political situation in South Africa, and resolved to expand their investments here." Now, they will be given five years to sell off the bulk of their assets to Brazilian-owned companies.

It now remains to be seen if the nationalist alliance can sufficiently consolidate itself to derail Brazil's ongoing negotiations with the creditor banks, orchestrated by Finance Minister Maílson da Nóbrega. If not stopped, they threaten to sink Brazil in the worst economic depression in its history, putting a halt to all modernization projects, including those of the Armed Forces themselves.

EIR

Special Report

An Emergency War Plan to Fight AIDS

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

Contents

- I. The emergency war plan to fight AIDS and other pandemics
- II. The real story of AIDS in Belle Glade, Florida
- III. AIDS in Africa: the unfolding of a biological holocaust
- IV. The biology of AIDS
- V. Flow cytometer and other laser technology potential for combatting AIDS
- VI. The relevance of optical biophysics for fighting AIDS: designing a Biological Strategic Defense Initiative (BSDI)
- V. How Kissinger and Pugwash destroyed America's biodefense against AIDS and other deadly diseases
- VI. The Soviet command and control of WHO's AIDS Policy
- VII. Why the Reagan administration has tolerated the CDC cover-up of the AIDS pandemic
- VIII. The necessary public health program to fight AIDS

\$250.00. Order from: EIR News Service, P.O. Box 17390, Washington, D.C. 20041-0390. Order #85020

More children dying of AIDS

An article in the German publication AIDS-Forschung reveals more details of the spread of the pandemic.

Most medical authorities now admit that AIDS is very widespread in Africa, although the actual number of cases is unknown. The World Health Organization (WHO), after strenuously denying for years that AIDS represented any threat in Africa, now simply publishes "reported cases" from the individual African countries, totaling 10,997 cases in 50 countries. That this is a vast understatement of the horror gradually sweeping Central, West, and East Africa becomes clear from a recent report in the German publication *AIDS-Forschung*. In early 1987, we reported extensively on an anonymous article in the same magazine, which warned of the devastating consequences AIDS would have on the continent. One year later, more details are emerging of how the epidemic is spreading among children. There is still little clarity on exactly how the HIV virus is transmitted.

The author, Dr. Alan F. Fleming, from the London School of Hygiene and Tropical Medicine, writes that "Central and East Africa are the areas of the world worst affected by the pandemic of human immunodeficiency virus type 1 (HIV-1): There are a minimum of 1 million infected individuals and 10,000 cases of the acquired immunodeficiency syndrome (AIDS) per year; HIV-2 is absent or most rare. In West Africa there is a high prevalence of HIV-2, especially in Senegal and Guinea Bissau; HIV-1 has been introduced recently and frequency of infection has increased rapidly in Ivory Coast and Ghana. . . . The doubling time of prevalence of HIV-1 is var-

iously estimated, but is about one year. . . .

"A reasonable estimate of the current annual incidence of AIDS in towns of central Africa is 55-100 per 100,000 population. Peak age-specific incidence in Kinshasa [Zaire] was in the 30-39 age group, the annual rate being for men 78.6 and women 60.1 per 100,000: In other populations, for example Tanzania and Zambia, the peak of age-specific incidence for women occurs in the 20-29 age group. . . .

"Groups at greatest risk are female prostitutes, their customers, and patients with histories of recurrent sexually transmitted diseases (STDs). The highest frequency for pregnant women is 24% in Uganda. The criteria for diagnosis of transplacental infection remain uncertain: The rate of vertical infection has been estimated to be between 17% and 79% of pregnancies of HIV-infected mothers. . . . Blood transfusion is the third commonest mode of infection, because of the high rate of HIV-infection among blood donors and the high demands for blood transfusion arising from severe anemias in childhood and pregnancy, often due to malaria."

Fleming points out that it is difficult to tell how many children are actually infected with AIDS, as clinical determination is used, and the symptoms, a syndrome of failure to thrive, leading to malnutrition, diarrhea, pneumonia, fever, and anemia "occur commonly in African children not infected by AIDS."

Fleming stresses that the importance of transmission of HIV from pregnant women to baby (vertical

transmission) "is impossible to exaggerate." He writes, "Where 10% of pregnant women are seropositive, around 5% of all infants will be infected. Among African hospitalized patients, seroprevalence is highest in infants and young children; 11% of hospitalized children aged 2-4 years and 14% below 4 years were seropositive in Kinshasa: Nearly two-thirds of seropositive children aged less than two years had seropositive mothers, the remaining one-third being exposed to HIV through blood transfusion or redical injections."

Fleming goes on: "Pediatric AIDS is already an immense burden on the health resources of tropical Africa: In Kinshasa at least 15% of all pediatric admissions are HIV positive. The worst report is from Rwanda, where by the end of 1986, 705 patients with ARC [AIDS Related Complex] and AIDS had been reported, of whom 246 (35%) were children less than 15 years old. Whenever there is HIV-seroprevalence of 10% among pregnant women, around 5% of the newborn will be infected and 2% will die in the first year of life: This will increase the infant mortality and childhood mortality rates by 20 per 1,000, and wipe out the hard-won gains of child health programs in the last few years. Seroprevalence amongst pregnant women in Uganda has reached 24% already; as seroprevalence will certainly continue to rise before the epidemic is controlled, and as there will also be a decrease of female fertility in the population, a decline of population is inevitable."

An article in the Swiss daily *Neue Zürcher Zeitung* on April 18 warned of increasing "economic and political instability" on the continent due to the spread of AIDS, mentioning that especially Africa's productive population and economic and political elites were threatened with AIDS.

Business Briefs

Foreign Exchange

E. Germans revalue against Poland, Hungary

East Germany revalued its currency against those of Poland and Hungary, effective May 2. The currency remained at its pre-May value with respect to other currencies.

The East German mark will now be exchanged for 52.34 Polish zlotys; the old exchange rate was 41.87 zlotys. The mark will be worth 7 Hungarian forinths; the old rate was 6.10. The change amounts to an increase of 27% in exchange value against the zloty, and 15% against the forinth.

The East German regime explained the change as a "price increase" with respect to both countries. For Poles and Hungarians who come to East Germany to obtain goods they cannot get in their own countries, the currency adjustment translates into a drastic price increase.

European Community

Spain rocked by strikes, protests

Hundreds of thousands of farmers, cattle-men, and industrial workers across Spain are simultaneously engaged in protests or strikes against their government's economic policy, and the Spanish Communist Party appears primed to exploit the ferment to destabilize the government of Socialist Felipe Gonzalez.

Farmers are particularly incensed by the policy imposed on Spain by the European Community, which translates into a drastic reduction in the price they receive for their products should output exceed a fixed quota.

Protesting pig breeders disrupted traffic in Madrid by unleashing their pigs in the streets. Observers reported that many were grabbed up by hungry people.

At the same time, tens of thousands of schoolteachers went on strike demanding pay raises. Their average salary is about \$625 per month.

In the north of Spain, at mines and shipyards, 40,000 workers are threatened with

immediate layoffs, and violent protests have broken out.

Meanwhile, the Spanish Communist Party has recently elected as its leader a fanatical Muslim, Julio Anguita, who is an energetic rabble-rouser and agitator. There is also a new head of the Communist trade union; both are committed to joint action with greens, squatters, the so-called peace movement, and various separatist movements. Intelligence sources thus expect to see the Spanish left seek a head-on clash with the government on every possible issue.

Energy

International project to design fusion reactor

The United States, the Soviet Union, Japan, and the European Community "have begun collaborative work on a conceptual design for a fusion engineering test reactor," according to press release issued May 3 by the U.S. Department of Energy.

A U.S. team of ten headed by Dr. John Gilleland of Lawrence Livermore National Laboratory arrived in Garching, West Germany to begin the joint work at a new design center at the Max Planck Institute. Personnel were drawn from Oak Ridge National Laboratory, the Princeton Plasma Physics Laboratory, and the Argonne National Laboratory, as well as Livermore.

The goal of the three-year project, called ITER or International Thermonuclear Experimental Reactor, is to develop a conceptual design for the reactor by the end of 1990.

The work will also involve validating research and development conducted by the fusion programs of each of the nations. The parties have agreed to make equal contributions, and the Department of Energy said it expects to devote about \$50 million over the next three years.

"The goal of a test reactor," the release stated, "will be to complete the scientific data base for a magnetic fusion reactor and to gain experience with technologies required to use fusion energy for electric power generation."

Municipal Budgets

N.J. mayors stage march for state aid

Three thousand New Jersey municipal employees, led by the mayors of their towns, marched on Trenton, the state capital, May 3, asking the state for more money to prevent layoffs and offset the soaring costs of providing municipal services.

The tremendous rise in the costs of garbage disposal (most rates have doubled or tripled) was the central theme of the demonstration, sponsored by the New Jersey State League of Municipalities.

About 50 garbage trucks led the procession of mayors, firefighters, police, and other municipal employees and elected officials. The mayor of Paterson brought 43 police recruits who had just completed training school to the rally. "I told them that if we did not get extra money, they would have to be laid off."

Trade

South Korea to change U.S. trade policy

South Korea will penalize the United States for its protectionist trade legislation, even though President Reagan has promised to veto the bill just passed by the Congress. Actions against the United States are seen as inevitable since the ruling Democratic Justice Party (DJP) failed to win a majority of seats in the April 26 parliamentary elections, and opposition parties are now capable of blocking measures that would have opened up parts of Korea's economy to U.S. interests.

According to "a senior government official" quoted by South Korea's YONHAP news service, the government is going to "substantially revise" its U.S. trade strategy.

The changes will probably include retracting its earlier plan to allow the establishment of branch offices of U.S. shipping companies in South Korea. The official also said that a planned law concerning liberali-

zation of Korea's agricultural and communications markets is also uncertain.

East-West

A 'Marshall Plan' for the East bloc?

A "Marshall Plan" for the East bloc is the key to getting the West out of its economic problems, a member of the Inter-Action Council of Former World Leaders told *EIR* May 4. The Inter-Action Council is headed by former West German Chancellor Helmut Schmidt and former Japanese Prime Minister Yasuhiro Nakasone. It has been obsessed with the creation of a global malthusian order, with the aid of the Soviet Union.

The Council will meet in Moscow from May 16-19, just before the Reagan-Gorbachov summit.

The council member, of East bloc origin, stated, "The original Marshall Plan was a shot in the arm to the American economy of incredible dimensions. Why not the same now, with a plan for the East bloc? We're talking about \$100 billion of deals a year." He said such a "Marshall Plan" would also help "bail out Poland and other East bloc countries."

The conceptual architect of such a plan, he reported, is economist Wassily Leontief, who put the idea forward at a 1987 conference in Luxembourg, sponsored by Harvard University, commemorating the 40th anniversary of the original Marshall Plan.

Another council member, based in Paris, stated that compared to an East bloc Marshall Plan, both the Marshall Plan for the Middle East proposed by then-Israeli premier, now Foreign Minister Shimon Peres, and the Marshall Plan for Africa advanced by French Agriculture Minister François Guillaume, "are worthless."

"The Middle East and Africa have no absorptive capacity," he asserted. "Africa, sad to say, has no political glamor, it has no sex appeal, none whatsoever. Africa hardly participates in world trade, even with its oil. If you go to Moscow, and see the huge building with the representatives of all the biggest Western industrial firms and banks, then you will see what sex appeal means!

This was beginning to happen before Gorbachov, but now the feeling is that the moment has come."

Cost-Cutting

Oregon denies boy bone marrow transplant

The state of Oregon has denied a bone marrow transplant to a boy of a poor family in order to save money. The boy faces certain death if he does not undergo the operation.

The two-year-old boy will not get the life-saving transplant as a result of state budget cuts which recently eliminated financing of such transplants to families on Medicaid. The decision has caused enormous controversy and has become a hot political issue.

The family has been forced to move to Washington to seek state aid for the operation. They are living in a camper in a parking lot until they can find a home that they can afford. Meanwhile, the child's condition is deteriorating steadily.

A similar situation is fast arising in the state of Illinois which, as of April 26, had run out of Medicaid money for hospitals and nursing homes, endangering small institutions providing health care for the poor.

The head of the 168-bed Roseland Community Hospital, half of whose budget comes from the state Public Aid Department's Medicaid payments, called this "doomsday or worse." Roseland, on the predominantly black South Side of Chicago, is one of 281 hospitals and 750 nursing homes, including group homes for the developmentally disabled, that are affected by the cutoff.

At the end of April, the state also ran out of money to pay pharmacies, home health care agencies, dentists, podiatrists, and chiropractors for health care provided to more than 1 million of Illinois's Medicaid recipients.

Recently, Mary Thompson Hospital, Chicago's second oldest in-patient medical facility, shut down because of inadequate Medicare and Medicaid funding. Its clientele is 80% black and Hispanic. Thompson hospital is the 8th Chicago hospital and the 12th in Illinois to close since June 1986. A 9th Chicago hospital, announced that it will close June 30 if money is not forthcoming.

Briefly

● **A NUCLEAR ENERGY** pact between the United States and the Soviet Union was renewed on May 3. Renewed twice since its signing in 1973, it provides the basis for cooperation in research on fusion energy and the fundamental properties of matter. Also signed was a memorandum of cooperation on nuclear reactor safety, under which Soviet and American scientists will exchange information on regulatory policies, reactor designs, and health effects.

● **A HEART PUMP** no larger than a pencil eraser has saved the life of the first patient to receive it, doctors in Houston report. The pump is inserted into the heart through an artery in the leg in a 20-minute procedure, temporarily replacing the heart's blood-flow function for up to seven days after a heart attack, giving damaged muscles time to rest.

● **THREE MILE ISLAND'S** damaged nuclear reactor could be "safely mothballed" for 20 years while radiation decays inside, if the recommendations contained in a staff report just received by the U.S. Nuclear Regulatory Commission are implemented.

● **THE AIDS VIRUS** can hide in bone marrow cells, Anthony Fauci, the director of the National Institute of Allergy and Infectious Diseases, reported May 1. Researchers discovered that marrow "can be a reservoir" for the virus, which "can reside in the marrow, but not be detected in the peripheral blood." Bone marrow is the agency of the body that produces blood.

● **BUSINESS SPENDING** has risen sharply, according to a report in the *New York Times*, but this has done little to aid the economy because most of the goods being purchased are imported. "American industry, which once dominated the world markets for capital goods, has ceded large portions of the business to foreign competitors in the last decade."

Scientists search for supernova's pulsar

The neutrino burst from Supernova 1987A marked the formation of a neutron star within it. But is it a pulsar? David Cherry reports on this extreme condition of matter.

A quiet drama is now unfolding in the study of SN1987A, the star in the Large Magellanic Cloud, a satellite of our galaxy, that exploded into a supernova in February 1987. Scientists are now engaged in the search for a pulsar possibly left behind by the exploding star. A pulsar is a neutron star, a tiny star of inconceivable density, that sends out a powerful lighthouse beam as it rotates.

One key in the study of the universe is the behavior of matter under extreme conditions. The tiny pulsar gives us access—albeit limited access—to some very extreme conditions.

The pulsar, if it is a pulsar, may be discovered through detection of its very high energy gamma rays in the coming months, or, failing that, through low energy gamma rays that we probably won't see for a few years. Longer wavelength radiation will peek through the supernova's thinning envelope even later. Scientists operating cosmic ray detectors across the southern hemisphere are already looking for the very high energy gammas.

It will be the first time that a pulsar has been detected virtually at birth, and the pulsar may produce—in combination with the exploded envelope of the original star—"a little Crab Nebula," in the words of Alice K. Harding, a pulsar theorist at the Goddard Space Flight Center (see interview). The Crab Nebula, remnant of a supernova explosion almost a thousand years ago, is continuously lit by the energy from the pulsar within it (see **Figure 1**).

That pulsar in the Crab Nebula, one of the first pulsars to be discovered, was found in 1968. But the story more properly begins in 1933, when Walter Baade and Fritz Zwicky

first distinguished the supernova phenomenon from that of the much less cataclysmic nova. They soon found by computation that the supernova process might leave behind a previously unknown creature. They called it a neutron star. The supernova, they said, could be triggered by the collapse of the star's core, when fusion in the star began to exhaust its sources of fuel (see *EIR*, Science & Technology, March 18, 1988). The outward flow of radiation from fusion would die down and cease to counterbalance the gravitational pull, according to theory, and the core would collapse. Gravitation would become so overwhelming that electrons would no longer hold their orbits, but would merge with protons to form neutrons. Having no charge, neutrons would not repel each other, and would pack densely. The result would be a sphere with a diameter of 10 or 12 kilometers, but with the mass of the Sun! One cubic centimeter of pure neutronic matter would weigh as much as all of humanity. The neutron star is at least the generally accepted conception of the outcome of the core collapse process.

It is beyond the casual imagination. Moreover, a sphere 12 km in diameter is too small to be seen with the best telescopes at interstellar distances. Yet, what we know *from observation* about Sirius, the Dog Star, enables us to contemplate the existence of a neutron star with equanimity. Sirius is a binary system of two stars in orbit about their common center of mass.

Thanks to Kepler's laws and a combination of fortunate circumstances, it has been possible to determine the density of its two components. The undoubted result is that one of the two stars, a white dwarf, has a density of 1 million grams

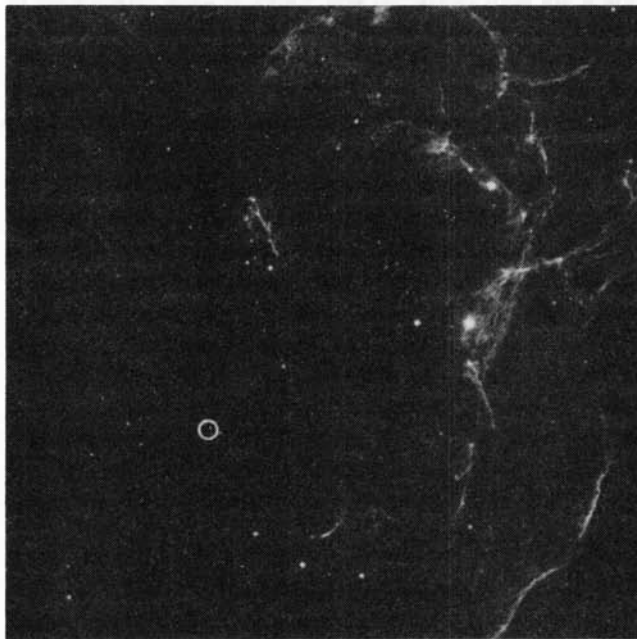
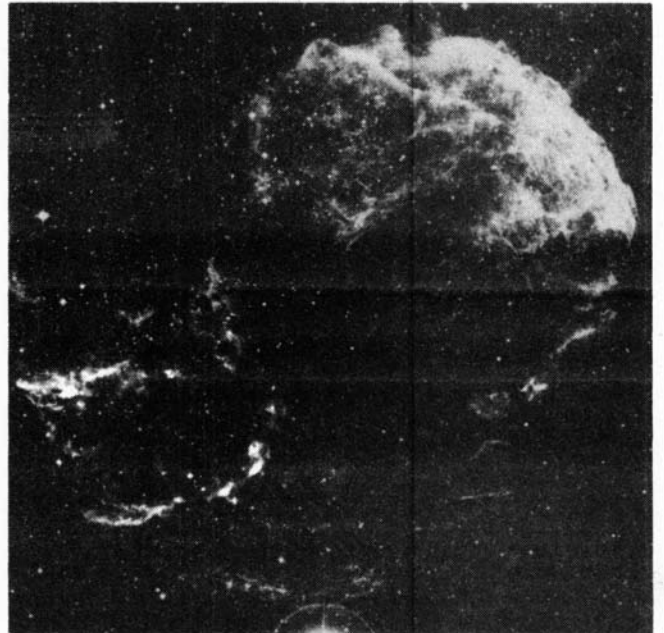
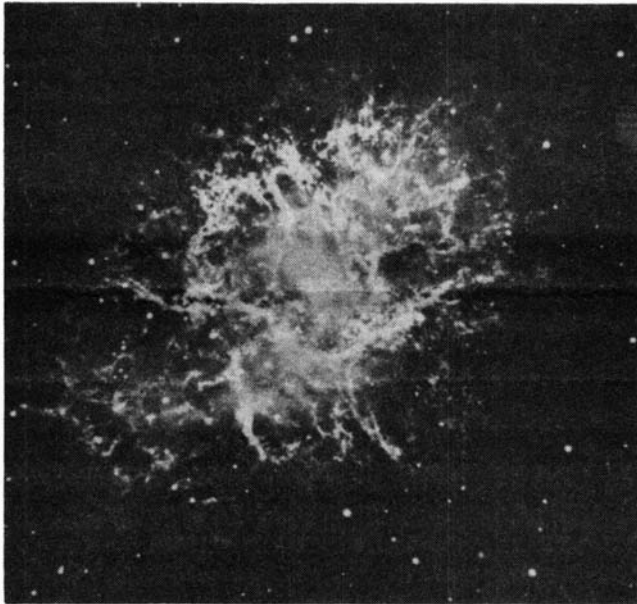
per cubic centimeter. The greatest density we know on Earth is about 20 grams per cubic centimeter! And pulsars are much denser than white dwarves.

Baade and Zwicky's hypothesis that some types of supernovae left neutron stars behind, although very interesting, had no known observational reference point in 1934. It was

not until 1967 that a "neutron star" was suddenly required to account for an unprecedented observation.

That observation was the work of Cambridge University graduate student Jocelyn Bell, who participated in building a large radio telescope under the direction of Anthony Hewish. Hewish was interested in studying the scintillation of radio

FIGURE 1
Three nebulae remnants of supernovae associated with pulsars



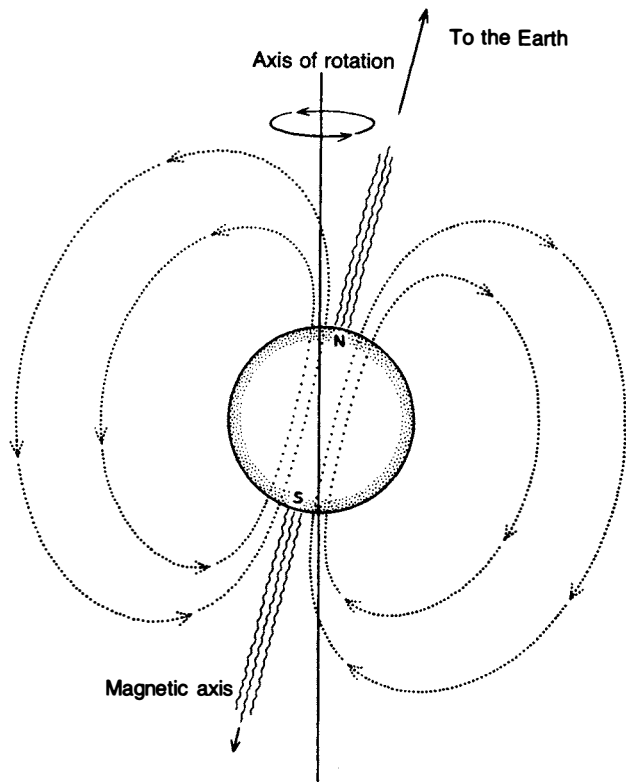
More than 120 nebulae in our galaxy have been identified as the remnants of supernovae. Yet, there are only three cases (shown here) in which a pulsar can be associated with a nebular remnant, since Earth must lie in the path of the beam for the pulses to be seen.

At upper left is the Crab Nebula, remnant of a supernova that exploded less than a thousand years ago, in 1054. It emits energy all the way from radio waves to gamma rays, lighting up the surrounding remnant nebula. Upper right, the gaseous Nebula IC 443 in Gemini. Its association with pulsar 0611+22 is open to question. Lower right, part of the Gum Nebula in the constellation Vela. The location of the pulsar is marked with a small circle. Approximately 10,000 years after the supernova event, this pulsar has a period of 0.0892 seconds. A fourth association between a pulsar and a supernova remnant—called the Crab Nebula Twin—was identified in 1984 in the Large Magellanic Cloud beyond our galaxy.

Sources: upper left, Lick Observatory; upper right, Hale Observatories; lower left, B.J. Bok.

FIGURE 2

The oblique rotator model of the pulsar



What physical configuration could give rise to short, frequent, regular pulses? Expansion and contraction of the object is ruled out—pulsar periods are too short for expansion and contraction to be accomplished. What if the object emitted a beam of light on one axis while rotating on a different one? Then an observer in the path of the beam would see a pulse on each rotation. (The Earth itself provides an example of the axis of rotation and the magnetic axis being different.) These considerations have given rise to the standard model shown above. Some theorists think the beam is not collinear, but is itself a hollow cone whose axis describes a cone during rotation.

Source: George Greenstein, *Frozen Star*, 1983, p. 74.

waves coming from quasars—scintillation caused by the interplanetary medium. Bell was in charge of taking all the data, and noticed the appearance of recurrent blips made by the recording needle every time the antenna was pointed toward a certain part of the sky.

Radio telescopes of the day were not equipped with the means to sample the signal in fine slices of time, since rapid fluctuations were not expected from astrophysical sources. In fact, time constants of several seconds had the advantage of smoothing out fluctuations in the background noise. But for purposes of studying scintillation in the interstellar medium, a time constant of 0.1 second was necessary, and this was the first telescope equipped to accomplish that.

Bell noticed radio pulses that kept coming, one and one-third seconds apart, with varying amplitude. The clocklike precision in the timing of the pulses caused Hewish and his colleagues to conclude that the signals must either be man-made (such as from space probes), or else produced by other intelligent beings from somewhere in space—“little green men,” as they were jokingly called. Both ideas were reasonable enough.

Bell—less fixed in her ideas of what to expect from the stars—didn’t see why the source could not be astrophysical. She turned out to be right.

The small parallax of the source proved that it had to be far out in space, and hence, not man-made. If it was being beamed from a planet in another solar system, there would be Doppler shifting as the planet’s rotation caused the source to approach and then recede from the Earth—but there wasn’t any. When Hewish and Bell published their initial report in *Nature* on Feb. 24, 1968, they included a model based on the idea of beamed radiation coming from a white dwarf or neutron star that was rotating with a period equal to the time between pulses (see **Figures 2-3**). The rapid-fire detection by Bell of three more widely separated sources of such radio pulses gave impetus to the idea that the phenomenon was astrophysical in nature.

The theory of the pulsar that survived—when tested against a cascade of new pulsar discoveries—was that of the Austrian-born astrophysicist Thomas Gold. In 1968, Gold proposed that the pulsar was a rapidly spinning neutron star with a high magnetic field on the order of 10^{12} gauss that spins with it. The neutron star results from the collapse of the core of a star, he said, whose magnetic field is compressed when the core collapses, and whose angular momentum is conserved, causing the neutron star to “spin up” at the time of the core collapse. Gold predicted that pulsars should subsequently spin down very slowly, owing to the conversion of their spin energy into emitted radiation, and this has been confirmed by observation.

The discovery of pulsars at the centers of supernova envelope remnants completed the broad outlines of the picture. The most exciting of these was the discovery in 1968 of a pulsar in the Crab Nebula with a period of only 33 milliseconds, making it the fastest, and hence probably the youngest, pulsar known. The Crab Nebula is known to have been created by a supernova that exploded in 1054. Within months, it was found that the Crab pulsar was also emitting pulses of optical light, and that it coincided with the star that Baade had identified as the remnant of the supernova that fathered the Crab Nebula. Baade had seen the pulses as continuous emission (see **Figure 3**).

Model for the beamed emission

The standard model of a pulsar is the *oblique rotator* shown in Figure 2. The spin axis of the neutron star in the general case does not coincide with the magnetic axis. The

beam is thought to be produced in alignment with the magnetic axis. Collimated streams of charged particles are ejected from the magnetic poles at a significant fraction of the speed of light, and emit beams of continuum radiation, in many cases all the way from radio waves to gamma rays. The model is reminiscent of the free electron laser. This configuration causes the beam to sweep out a hollow cone as the star rotates. For an observer in the path of the beam, the time between successive pulses is equal to the rotational period of the star (see Figure 3).

Physically, how can this model be made to work? Astrophysicist and pulsar student George Greenstein, in his popular book, *Frozen Star* (1983), takes us part of the way there. He begins with the fact that a rotating magnetic field produces an electric field and a flow of charges. He considers two particles lying on the surface of the neutron star:

[T]he first will lie at the north magnetic pole, the second somewhere along the magnetic equator. An electric field acts to lift both of them away from the star. The charge at the magnetic pole is free to move,

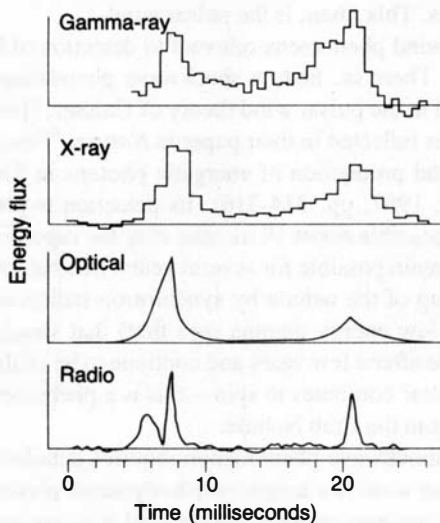
and it accelerates vertically upward along a line of force. But the second charge is not free to move outward. If it were to do so, it would cross a magnetic field line, and this is forbidden. The motion of the charges is beamed. So is the radio emission [that is created by the charges].

A more careful analysis shows that the acceleration is strong only for particles located quite close to one or the other of the two magnetic poles. So the picture naturally accounts for the narrowness of the pulsar beacon. [Does it? Is the radio emission produced over a significant length of an open field line? How straight is that length of field line?] . . . [O]ne is forced to postulate some bunching mechanism to account for observed pulsar intensities. . . . The picture might be made to work. (p. 73)

Greenstein reports the *observed power* of the pulsar beam in this way:

What words can never convey is a full appreciation of the intensity of this beacon. Nothing on Earth even

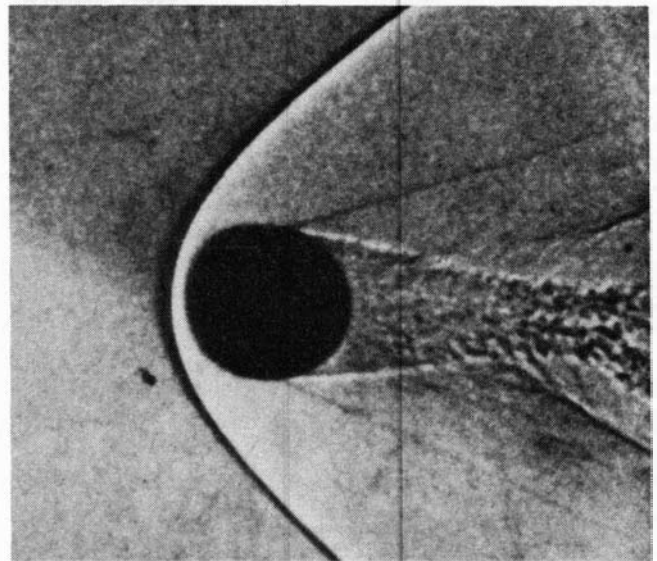
FIGURE 3
The integrated profile of the Crab pulsar signal from radio to gamma-ray frequencies



The integrated profile of the Crab pulsar signal, representing the averaging of numerous pulses. The Crab pulsar has a period of 0.033 seconds. Pulsars characteristically have a main pulse (left) and a second pulse of less intensity called the interpulse (right). The interpulse phenomenon has not been adequately explained. While individual pulses vary slightly in shape and timing, the integrated profile of even a few pulses is as characteristic of the particular pulsar as a fingerprint. What allows the pulses to vary, but always average to the same profile?

Source: R.N. Manchester and J.H. Taylor, *Pulsars*, 1977, p. 70.

FIGURE 4
Čerenkov radiation and shockwaves

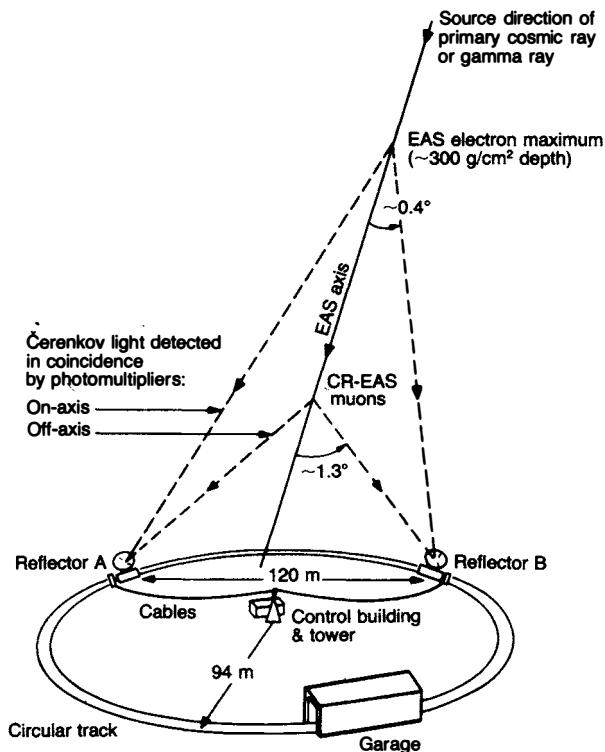


When a charged particle traverses a medium at greater velocity than the speed of light in that medium, it emits light at visible wavelengths in a shockwave. This is called Čerenkov radiation. The particle continues to lose energy by radiation until it reaches the speed of light for the medium. A Čerenkov detector may have a specially chosen medium in it to trigger the emission of the radiation, or may rely upon the atmosphere itself as the trigger. Čerenkov radiation is analogous to the bow shockwave produced by a body traveling through air at supersonic speed, shown above.

remotely approaches such an intensity. The pulsar searchlight beam is so strong that were a person to venture within a hundred million miles, he would be killed—killed by mere insubstantial radio signals—in a fraction of a second. Close to a pulsar, the radio beacon is sufficiently powerful to vaporize metal and bore holes through solid rock. In a single second, this beam transmits enough energy to supply the energy requirements of our entire planet—transportation, heating, industry, for Europe and America and all the rest of the world combined—for a full 300 years. (p. 60)

Were Earth to lie in the path of this beacon, we would have no difficulty in seeing it. We see the Crab Nebula Twin that also lies within the Large Magellanic Cloud, despite a distance of about 170,000 light years. On the basis of simple probability, Earth is more likely not to lie in its path. How, then, can we detect it?

FIGURE 5
The detector system for Extensive Air Showers (EAS)



The detector system for Extensive Air Showers (EAS) as it was at Narrabri Observatory, New South Wales, Australia, in 1975

Source: J.E. Grindlay, et al., *Astrophysical Journal* 201:82, 1975. © American Astronomical Society.

Despite the stupendous power of a pulsar beacon, calculations show it can be carrying off only 1%, or a fraction of 1%, of the pulsar's total spindown energy. Meanwhile, as seen in the case of the Crab Nebula, a supernova remnant nebula is apparently kept bright by some large amount of the spindown energy. How is this energy transferred? In the last few years, magnetohydrodynamic wind models of the pulsar—on the analogy of the solar wind—have been developed to explain how the greater part of the spindown energy is carried off and deposited in the nebula.

The pulsar wind—and detection

The wind phenomena are the key to detection because the wind comes off in all directions. How is the wind formed? Magnetic dipole energy is its source. The rapid rotation of the strong magnetic field would produce magnetic dipole radiation if the star were in a vacuum. If one rotates a dipole—for example, a bar magnet with positive and negative poles—in a vacuum, it will give off radiation having the frequency of the rotation. That is magnetic dipole radiation, also known as radio waves. It seems clear, however, that the star is surrounded by plasma of sufficient density to prevent the propagation of this radiation, and the result is the conversion of that energy into electron and positron pairs. Perhaps they stream out only along the open field lines initially; but the rapid rotation of the magnetic field causes the lines to wind up, so that the electrons and positrons are sent out in all directions. This, then, is the pulsar wind.

The wind phenomena relevant to detection of the pulsar are two: There is, first, a shockwave phenomenon that is predicted in the pulsar wind theory of Gaisser, Harding, and Stanev (as reflected in their paper in *Nature*, "Particle acceleration and production of energetic photons in SN1987A," Sept. 24, 1987, pp. 314-316). Its detection is predicted to become possible about 18 months after the supernova event, and to remain possible for several years. Second, there is the lighting up of the nebula by synchrotron radiation (we will see it in low energy gamma rays first) that should become detectable after a few years and continue to be visible as long as the pulsar continues to spin—this is a phenomenon well-known from the Crab Nebula.

The shockwave phenomenon requires detailed analysis. The pulsar wind is a magnetohydrodynamic plasma of electrons and positrons propagating outward at relativistic speed—some significant fraction of the speed of light. It is confined, however, by the supernova envelope, since the envelope is expanding more slowly than the wind. Where the two meet, a standing shockwave forms—a discontinuity of velocity and density. The pulsar wind piles up against the inside wall of the supernova envelope. According to theorist Harding and her co-authors, protons and electrons are accelerated within this discontinuity.

The phenomenon is apparently analogous to the trapping of a bouncing ping-pong ball between paddle and table, when

the paddle is brought down on the ball gradually—the ball oscillates faster and faster. In the region of the shock, however, the particles are accelerated without remaining trapped. With a range of velocities acquired in this manner—in the teravolt and petavolt range (10^{12} and 10^{15} electron volts, respectively)—the particles eventually penetrate the envelope. The accelerated protons are of primary interest from the standpoint of detecting the pulsar. Harding and her co-authors calculate that “if a proton beam of power $\sim 10^{40}$ erg/sec and spectral index $\gamma \leq 2.6$ were accelerated at SN1987A, an observable γ -ray signal would be produced.”

While the envelope is sufficiently young and therefore still dense enough, there will be a significant collision rate between the accelerated protons, and nuclei in the envelope, producing neutral pions (unstable particles of mass intermediate between that of protons and electrons) that quickly decay into two TeV gamma rays each. But at too early a time, the envelope is *too* dense to allow the gamma rays to get out to be observed. Hence, there is only a window for observation, beginning perhaps 18 months after the supernova event. (If the pulsar is very energetic, spinning faster than 100 times a second or so, we should expect to be seeing them even now.) After five or ten years, however, the envelope will have thinned out to the point that the collision rate drops, and the production of gamma rays falls below the observable threshold.

These very high energy gamma rays are to be observed—but still not directly. When they hit Earth’s atmosphere, they trigger a photomultiplier of nature’s own devising called an extensive air shower (EAS). The gamma ray collides with molecules of the atmosphere, setting in motion a cascade of secondary radiations and particles that spreads in chain reaction fashion until it reaches the Earth’s surface. There we are ready for it with particle detectors and Čerenkov detectors (see **Figures 4 and 5**). Čerenkov detectors capture the flashes of Čerenkov light with mirrors that focus it onto photomultiplier tubes. The energy and direction of the initiating gamma ray can be deduced from what the detectors pick up. Čerenkov detectors now use multiple mirrors to actually image the shower with one-degree resolution.

Successful detections of these gamma rays would not only establish the existence of a pulsar in Supernova 1987A, but would confirm a good deal of the pulsar wind and shock-wave model that predicts them. That would be a wonderful outcome that could tell us much about these extreme conditions in nature.

Should these observations not materialize, there is still the possibility of detecting the pulsar a few years from now, when the envelope has thinned out enough to let through the synchrotron radiation—the radiation given off by electrons in the pulsar wind as they spiral around magnetic field lines. This is the radiation that lights up the Crab Nebula for us to see, and this is the most certain means of confirming the presence of a pulsar in Supernova 1987A.

Interview: Alice K. Harding

SN1987A: Eventually a small Crab Nebula

Alice K. Harding is an astrophysicist and pulsar theorist at NASA’s Goddard Space Flight Center in Greenbelt, Maryland. This interview began on March 25, and was continued on April 21.

EIR: You are predicting the appearance of very high energy (VHE) gamma rays from the supernova sometime in the coming weeks and months, as a result of the expected pulsar. I gather there are some significant uncertainties in this.

Harding: Yes. It’s really not guaranteed. First of all, although we believe there’s a neutron star there, whether or not it will be spinning fast is not known. We assume it’s going to be spinning at least as fast as the Crab pulsar, but nobody has seen it happen before, so we don’t really know for sure. And if it’s a pulsar spinning fast, then is this wind model correct? Does energy go into relativistic particles? And *that* seems to be happening in the Crab pulsar. So if there is a pulsar in the center of this thing, we’re sure to get some kind of relativistic particles.

EIR: Because these particles are being scattered in all directions out of the wind?

Harding: Theoretically, it happens because the wind forms a shock. It’s not clear how the particles are accelerated, actually, in these models. But the picture we have is that there is a shock that forms in the nebula, within the envelope, and that shock accelerates particles by scattering them back and forth across the shock, which is a discontinuity in velocity and density. The mechanism is that if you scatter back and forth across a velocity discontinuity, it’s as if you are bouncing particles back and forth between converging walls. That boosts them up to high energies.

EIR: So we’re talking about basically two concentric spheres which are converging, and it’s the space between the spheres. . . .

Harding: . . . and the particles essentially bounce between them, because of the irregularities in the magnetic fields. The particles scatter off of those irregularities. So they can bounce back and forth across the shock many times. The particles that bounce back and forth the most gain the most energy. You get a whole spectrum.

EIR: So, that means the particles are going to come out in all directions?

Harding: They should come out pretty much in all directions downstream of the shock. They should be able to diffuse into the envelope which is further out. This is the original envelope of the star that was blown off. We expect that there are electrons being accelerated by the shock—there are also protons that are accelerated, and those protons can interact to make the high energy gamma rays. But there are a lot of questions along the way here: Is this really shock acceleration? If it isn't, there are other ways that you could accelerate electrons and not protons. In that case, you might get low energy gamma rays, but you wouldn't get these very high energy ones. So, that's one question.

Second, if there are protons being accelerated, can they, in fact, diffuse into the material of the envelope, or do they stay near the shockwave, where there is not much material for them to interact with? They might actually be confined very close in to the shock. These are details that we are working on right now, but the general picture is that there is enough mixing of the envelope into this region where the accelerated particles are, that there should be some high energy gamma rays, if you do have accelerated protons. So there are several "ifs," but it's a strong possibility that there is a pulsar present.

EIR: Are you working from the textbook model of the oblique rotator?

Harding: That's the model we're assuming. The basic model is that you have a neutron star with a dipole field that is not aligned with the spin axis. So, you get a spindown of the star which appears in some form of energy. The old model was that it appeared as electromagnetic dipole waves, which would be radiated off as concentric spherical waves into space. But that's only true in a vacuum. It turns out that when you have a lot of surrounding material, these dipole waves don't propagate, because they are below the plasma frequency—like radio waves that bounce off the ionosphere when they are of too low a frequency. So, instead of that, they get absorbed, and the energy gets carried off in a wind with particles in a magnetic field, something like the solar wind. That's more or less the present picture of how the spindown energy of pulsars gets carried off.

EIR: These gamma rays will be coming out in all directions. Where does the beamed energy come into the picture that

gives the pulsar its name?

Harding: There are two different kinds of radiation here. The beamed radiation is the one that forms the pulses at radio, optical, x-ray, and gamma-ray frequencies. That radiation is at a much higher frequency than this dipole radiation, which, in the case of the Crab pulsar, is at 30 Hertz [30 cycles per second]. It's actually at the frequency of the spin of the pulsar, so it's very low frequency radiation. The amount of energy carried off by those very low frequency waves is much greater than the energy emitted as higher frequency radiation that you see in pulsed form.

EIR: Why is that?

Harding: It has something to do with the efficiency with which the pulsar converts its spindown energy into higher frequency radiation. It just isn't very efficient at converting its spindown energy to radio emission. In fact I think the radio accounts for only—what is it— 10^{-5} or less of the total spindown power. Even the gamma-ray emission, which is the highest-efficiency process, is only about 10^{-3} of the total emission. So what you see in pulsed emission is really kind of a small blip. It's just that it's [in a form that is] a lot easier to see.

EIR: So, what kind of conversion is there that causes this 30 Hz radiation to become detectable to us? Is that tied to what you were saying about particle acceleration at the shock boundary?

Harding: In the Crab pulsar, if you look at the nebula, you see very strong synchrotron emission. That total energy in synchrotron emission is roughly equal to the spindown power of the pulsar. So, somehow, the Crab pulsar is converting, with something like 20 or 30% efficiency, that spindown energy into relativistic electrons. If there were protons in the Crab Nebula, we wouldn't see them, because the density of the nebula right now is much too low for the protons to interact. So, the only way to see protons is from a very young supernova remnant, like 1987A, where the envelope is still dense enough, so that those protons can't just escape, or diffuse around forever. They have to interact. And if they interact, they produce the gamma rays. So, that's the chain of argument. . . .

EIR: We know—or at least we think we know—that there has to be a neutron star there.

Harding: Yes—the neutrino burst [confirms that]. . . .

EIR: The next question, therefore, is whether that neutron star is a pulsar. We can't count on the pulsed—that is, the beamed—energy to give us the answer. We might not lie in the beam's path. Is there any distinguishing phenomenon of a pulsar that carries a very high probability of happening and being detected?

Harding: Yes. I think a very high probability would be the relativistic electrons, as in the Crab Nebula. If there is a pulsar, ultimately we should see the effects of something like 20-30% of the spindown energy in relativistic electrons, in the form of synchrotron radiation. We predicted what this would look like in our paper as well [at the February 1988 meeting of the American Astronomical Society in Austin, Texas, and in *Nature*, Sept. 24, 1987]. Since it's not as dramatic, it didn't get mentioned in the press articles—the dramatic stuff is the high energy gamma rays—but certainly you should expect synchrotron radiation at about 10 MeV, or 1 to 10 MeV, from the electrons.

EIR: Well, that's pretty dramatic to *my* mind.

Harding: Yes, yes. You would see something emerging eventually that looks like a small Crab Nebula. . . .

EIR: Under what conditions are supernova remnants called "Crab-like"?

Harding: When there is a pulsar at the center. "Crab-like" means it's a pulsar surrounded by a synchrotron-emitting nebula. There are about three or four of these, and they all seem to conform to the same type of model—relativistic electrons appear and agree in some fairly good way with the spindown energy of the pulsar. So, we would expect this supernova, if there is an active pulsar there, to become a Crab-like remnant eventually. That is, when all the rest of the envelope becomes optically thin to what's going on down in the center. In the radio range, that's going to take a long time, but at higher energies—x-rays and gamma rays—it may only take a few years. . . . All of this is very model-dependent. Right now, SMM [Solar Maximum Mission] is looking for continuum emission between 1 and 10 MeV. Certainly, it doesn't hurt to look now, because we don't know exactly when it will become visible.

EIR: Sure. Our predictions were very wrong about the time of appearance for the x-rays and the nuclear gamma rays.

Harding: The gamma-ray lines [that establish explosive nucleosynthesis], by the way, are now doing something completely unexplainable in terms of the standard model. They seem to be decreasing—turning off—as of the latest IAU Circular. All the models say the peak is yet to come. So, we don't really know what's going on with this envelope, and I don't think we've seen the last word on the model. So I don't know exactly what to say. I really can't predict when these relativistic electrons—the radiation from them—will appear.

The interview continued on April 21.

EIR: Is there any news regarding the detection of the VHE gamma rays since we spoke last?

Harding: Yes, there are some new upper limits [being established on the background flux]. They haven't been published, so they're tentative. But one was just reported at the meeting in Baltimore [the American Physical Society spring meeting the same week], by my colleague, Tom Gaisser, who is involved in the experiment with the air shower array at the South Pole, for detecting particles from the air showers. It is ideally suited to look for the supernova, because it's always up, and it's always at the same declination. Their threshold for detecting gamma ray showers is about 50 TeV, that's 5×10^{13} electron volts, and that's much lower than the other air shower particle detectors.

EIR: Lower than any other?

Harding: The other particle detectors are usually in locations which have higher backgrounds, and so their detection thresholds are always at higher energies. This one, since it's at the South Pole and at a high elevation—9,000 feet above sea level—has much less background. They have a very good upper limit. From just four days of data in February, when they turned on the detector—they just looked at over four days of the supernova—and they got an upper limit of 10^{40} ergs per second on the flux—the luminosity—of protons [at the source], so that's a new upper limit. They will be able to do 10 times better than that in a year, and they'll be looking at the supernova continuously. Another experiment is being conducted in Australia. They have an air Čerenkov detector, which detects visible light from the showers at lower energies. They are sensitive around 1 TeV, which is 10^{12} electron volts.

EIR: Who runs these arrays?

Harding: The one at the South Pole is a collaboration between Leeds University in England and Bartol Research Institute at the University of Delaware, where Tom Gaisser, one of my co-authors, works. The Australian one is run by a group at Durham University in England, headed by Ted Turver. They apparently have some new results that have not been published.

EIR: These arrays are working on limits for detecting the VHE gamma rays predicted in your paper?

Harding: They were not designed primarily for that, because they were built before the supernova, but over the next year they are going to be probably devoting a good part of their time—the time that they can *see* it—to looking at the supernova. Some cannot see it all the time. The air Čerenkov detectors rely on a dark sky—they can only look at night because they are detecting flashes of visible light. And they can only see the supernova for a few months at a time. The Durham group has been devoting 50% of the time that they can see the source, actually looking at it. It's a pretty big effort for probably the next year.

The global water crisis can be easily solved

by Nicholas F. Benton

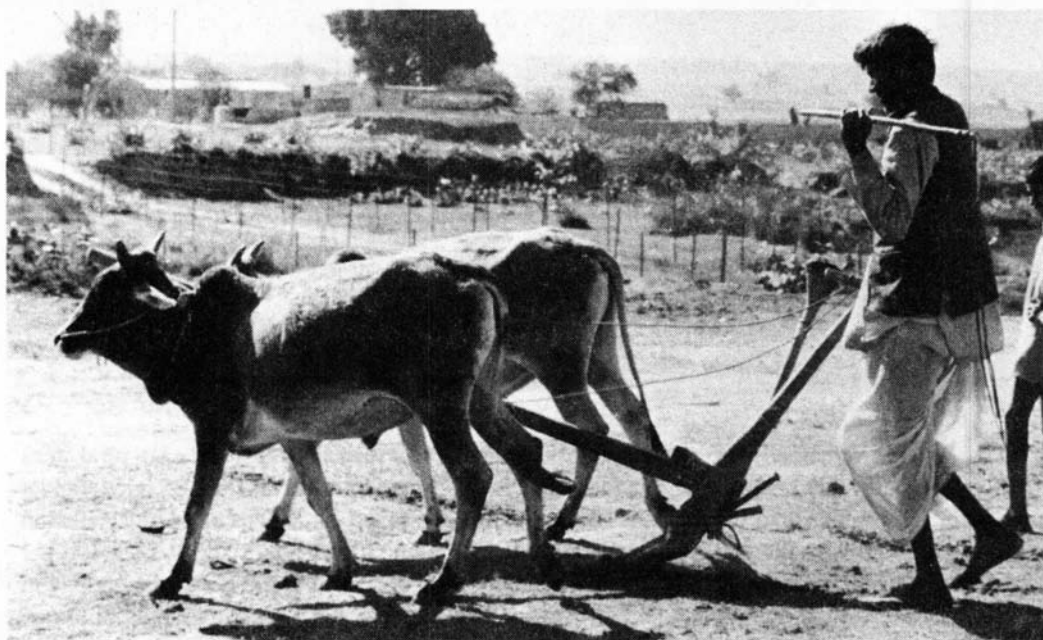
It is a cruel irony that the U.S. Congress and administration proclaimed May 2-8 as "National Drinking Water Week, 1988," when neither has added a single drop of new fresh water to the world's rapidly diminishing supply.

All across the globe, in developed and undeveloped sectors alike, insufficient supply and management of fresh water resources threaten billions of human lives with a shocking immediacy. Famine and disease are by-products of man's failure to harness enough of the most essential resource on earth required for human life—fresh water. Whole continents, most particularly Africa and the Asian subcontinent, face near-term catastrophes of epic proportions due to this failure.

No one is immune. In the United States today, severe water rationing is being introduced into some of the most agriculturally rich and populous regions of the country. Writing in 1982, Democratic presidential candidate Lyndon LaRouche said, "Next to a general thermonuclear war, the greatest single environmental danger to the American people over the coming two decades is the danger that whole regions of our nation will simply run out of usable fresh-water supplies" ("Won't You Please Let Your Grandchildren Have a Drink of Fresh Water?" by Lyndon H. LaRouche, Jr., published by the National Democratic Policy Committee).

LaRouche's prediction is coming true with a vengeance, not only in the United States, but worldwide. In the United States, where monuments to man's engineering creativity turned muddy streams into the water lifeline for millions (with projects like the great Hoover Dam on the Colorado River), urban populations now face not only shortages, but potentially deadly contamination of fresh water, as unimproved 200-year-old wooden sewer pipelines in older cities finally give way to erosion. Lack of continued progress in water development, the devastation of uncontrolled flooding, including the inability to control the rising levels of the Great Lakes in recent years, poses an equally great danger, as the flooding which shut down West Germany's principal artery of commerce, the Rhine, exemplified earlier this spring.

In the Asian subcontinent, monsoon flooding, which countless generations



Uwe Pappart

Crippled by poverty and lack of basic necessities, a majority of India's rural and urban population remains unhealthy, unskilled, and consequently, only marginally productive. Water, power, education, and transportation are thus key to India's very survival.

have learned to live with there, is so violent and uncontrolled that it has left the region with the most minimal possible benefit, and therefore as susceptible to the ravages of drought as any of the most parched regions of desert Africa.

Man's inability to use even 100-year-old technology for continued basic water infrastructure development is one of the uglier components of policy decisions made to perpetuate the institution of usury. Whether in the name of balancing the budget in the United States, or of collecting the debt in the Third World, this policy has cultivated a crop of home-grown theories of "zero growth," "environmentalism," and "cultural relativism" to consciously deprive the world of fresh water in order to better drain its population of its political and economic autonomy and wealth.

This is the fact that explains the unnatural constraints placed on water resource development around the globe. It includes the cynical effort by the United Nations to declare the 1980s the "International Drinking Water Supply and Sanitation Decade," only to conclude, in its 1986 report, entitled *Strategy for Survival*, that "desertification" of the Sudano-Sahel region south of the Sahara Desert in Africa, and its inevitable consequence of mass famine and death, are "irreversible." It explains why Lester Brown's Worldwatch Institute published a pamphlet, entitled, *Water: Rethinking Management in an Age of Scarcity*, which conjures fraudulent arguments to debunk the most routine form of fresh water diversion project anywhere on the globe.

It explains why President Reagan, in his proclamation declaring "National Drinking Water Week" May 3, cited the construction of single-village "one-pipe water stands" as exemplary of the kind of "technical assistance to water systems" that the United States supports in the Third World.

Such genocidal constraint on fresh-water development seeks to silence men of vision who have charted plans to divert mighty rivers onto our deserts, or to capture monsoon rainfall in order to reap the full measure of its potential benefits.

For example, there exists a workable plan to flood the North American continent with fresh water from a portion of the waters that today rampage, untouched by man, northward through Canada into the Arctic Ocean. Utilizing that water, a comprehensive fresh-water, navigation, and flood control system could be integrated that would range from the Pacific Coast and northern Mexico to the Great Lakes and Hudson River.

In Africa, one mountain range stands between the raging waters of the Zaire River and the Sudano-Sahel region that the United Nations has condemned to death. Breaching that small geographical distance could eventually turn all of northern Africa into a garden. In Asia, as in all other parts of the world, many plans for capturing and controlling fresh water for man's use exist.

In the future, these plans will be augmented by a new form of energy, thermonuclear fusion power, sufficiently cheap and dense to make water desalination economically feasible on a large scale. Directed-energy technologies may eventually be able to affect the earth's magnetic field lines in ways that control weather, as well. But bringing ample fresh water to man's use need not await any of these to begin. The political will to overcome the obstructionist apologists of usury is the single most essential ingredient in a glass of fresh water.

To that end, *EIR* presents on the following pages the case study of India—and, in brief, the Middle East.

What should be done about India's stagnant economy

by Ramtanu Maitra

Over the last year the Indian economy has remained "on hold," handicapped by a severe drought in 1987 that ravaged an already-stagnant agricultural sector. But rather than the drought temporarily halting the economy's growth, the fact is that the drought has exposed the glaring deficiencies of India's physical economy. Those deficiencies center on lack of infrastructure.

The drought has especially shown the limitations of India's success in managing its vast water resources and generating adequate electrical power—the two pillars on which India's agriculture and industry rest. Failure to harness adequate power and mismanagement of abundant water supplies has kept hundreds of millions of Indian citizens in misery. It is this failure which has defined "two Indias." One is the India of high technology centered in defense and the space program with vast scientific and technological potential. But this India is surrounded by a sea of poverty. Crippled by poverty and lack of basic necessities, a majority of India's rural and urban population remains unhealthy, unskilled, and consequently, only marginally productive. There exists no infrastructural pipeline through which technology is introduced to the economy as a whole. Water, power, education, and transportation are thus key to India's very survival; inadequacy in any one of these areas means a relative crippling of the economy and destruction of labor power.

Tables 1-5 and other available data on infant mortality, per capita public health expenditures, illiteracy, slum population in the cities, etc., show that in spite of loud drumbeatings about building a "socialistic pattern of society," the misery of India's millions has not been alleviated. The so-called poverty ratio at the time of independence was 40% of the 340 million that lived in India then. Today, the poverty ratio is practically the same: While a larger number, about 480 million, are above the so-called poverty line, even more, roughly the entire population of India in 1947, have gone below that arbitrary line during these 40 years.

Even that is grotesquely misleading. Who are these poor? What is "poverty" in India? The poverty line business is worth exploring to understand who is considered poor in India.

According to the Planning Commission, those who earn

a monthly income of less than 107 rupees (Rs.) in rural areas and less than Rs. 122 in urban areas, at 1984-85 prices (about \$9-10), are below the poverty line. The basis of calculation is the alleged minimum caloric requirements of 2,400 per capita per day in rural areas and 2,100 per capita per day in urban areas. This definition means that if a family of five—since the minimum unit for any economic calculation must be the household, and not an individual—living in an urban area earns above Rs. 610 per month, such a family is considered to be above the poverty line and its members are not poor. If reality had been the principle for defining the poverty line, it would have been apparent that no family of five can survive with that income.

The concept is phony to begin with, since a family, in order to earn a wage and survive, needs more than the bare minimum of food. The basic requirements associated with earning an income are the following: The family must have a home to live in and pay rent for it; the family must buy cooking gas, or kerosene or firewood to cook its daily food of 2,100 calories; the family must have electricity in order to survive; the family must have water for drinking, sanitation, and washing purposes and pay for it; the family has to buy clothes; the family has to pay to commute to the workplace; the family has to pay for incidentals, vital as they are, such as medicine etc. It is evident all these cannot be done with a monthly income of Rs. 610 per month, at 1984-85 prices, for a family of five.

Plenty of water

The current drought has hit India at its two most vulnerable points: water and energy. India depends heavily on the monsoon—a 13-week period which follows the dry season—for its water supply. In a normal year, India receives about 330 million hectare-meters (mhm) of rainwater. After 40 years of government water management efforts, only 20 mhm—not even 10%—is successfully impounded, mostly in big reservoirs. About 150 mhm enters the soil. The rest—fully 160 mhm—flows into the sea, carrying with it an enormous amount of silt.

Over the years, the volume of water that flows into the sea has increased because of depletion of natural forests and

vegetative cover—both of which help to slow down the flow of water, allowing the flowing water to enter the ground. Depletion of forest and vegetative cover has also resulted in massive loss of topsoil, the most fertile part of agricultural land.

The water that flows into the sea is carried by large rivers (see Table 6). But the flow in these rivers is erratic because of the long dry season and the sudden downpour over just 13 weeks. As a result, only a small percentage of the river water is utilized.

Since independence, India's thrust in water management has centered on building irrigation potential through major and medium irrigation and minor irrigation. Major and medium irrigation includes large reservoirs and canals. Minor irrigation, which refers to everything else, including the exploitation of groundwater, has received decidedly less attention by the water bureaucrats (see Table 7).

Vast groundwater, too

Since 150 mhm of water enters the soil in a normal year, there exists on that account alone a vast pool of groundwater reserves. The Seventh Five Year Plan (1985-90) document put the usable potential at 40 mhm, but the Central Groundwater Board repudiated that figure in 1986 and said the "ultimate potential" of groundwater is far greater. It is very difficult to assess what India's groundwater exploitation potential actually is, since the government keeps the figures secret.

But recent findings of large groundwater reservoirs in the states of Rajasthan and Uttar Pradesh (UP) indicate that the real figure could be as high as 80 mhm. And studies by the World Bank, recently corroborated by government oil exploration drilling, indicate that in the upper Gangetic plain, south of the Nepal Himalayas, the volume of groundwater in deep aquifers may be as high as 3,000 mhm. Similar deep groundwater aquifers are suspected to exist also in the Brahmaputra basin.

So far, only 10 mhm of groundwater has been exploited, and that, too, in a haphazard fashion. Recharging of groundwater aquifers has been left almost entirely to natural precipitation. As a result, in areas like Haryana, Punjab, and western UP—the major foodgrain production belt—the water has become saline and brackish in certain areas.

To this day, no comprehensive plan has been chalked out, let alone implemented, for a balanced extraction and recharging of groundwater.

. . . But not a drop to drink

It is not agriculture alone that suffers an inadequate water supply. Irrigation accounts for about 90% of all water consumed in the country. Domestic and industrial uses together account for the remaining 10%. This reflects the fact that India's huge rural population does not consume much water.

As the statistics show, India has not been able to supply

its population with safe drinking water and adequate sanitary facilities. Yet, the lack of safe drinking water has a cascading effect on other manpower development investments. For instance, not having access to safe drinking water renders most public health measures useless.

TABLE 1
Extent of electrification in some countries, 1982

Country	Population (millions)	Rural as % of total	Electrified households as % of total
India	766	77	14
Indonesia	167	78	16
Brazil	138	32	56
China	1,072	79	60

Source: W.W. Norton and Co., *State of the World 1987*

TABLE 2
Access to safe drinking water in some countries (percentage of population)

Country	Rural		Urban		Total	
	1970	1980	1970	1980	1970	1980
India	6	31	60	77	17	41
Egypt	93	64	94	88	93	75
Brazil	28	51	78	80	55	71
Indonesia	1	18	10	40	3	23

Source: World Bank, Social Indicator Data Sheets, June 1985

TABLE 3
Drinking water supply and sanitary facilities

	Population with water supply		Population with sanitary facilities	
	(millions)	(percentage)	(millions)	(percentage)
Urban	115.48	77.8	40.03	26.9
Rural	162.07	30.9	2.8	0.5
All India	277.55	41.3	42.83	6.4

Source: Government of India, *National Master Plan India*

TABLE 4
Poverty ratio

Year	Rural	Urban	All-India
1977-78	51.2	38.2	48.3
1979-80	55.5	42.0	52.4
1983-84*	40.4	28.1	37.4
1984-85*	39.9	27.7	36.9

*Provisional figures

To most of India's rural population, 522 million or so, safe drinking water is a distant dream. According to government statistics, residents of some 90,000 Indian villages have to walk at least a mile or more in order to get to the source of drinking water. Very little is known about the quality of water that they or the residents of the other 480,000 villages get.

The persistent power cut

About 95% of electricity supply capacity in India is publicly owned. Under the 1956 Industrial Policy Resolution, the government took direct responsibility for this basic and strategic sector. In spite of a significant rise in electrical power generation over the decades, the amount of electricity generated is far short of both what is required and what is possible.

A careful look at the rural electrification picture begins to tell why. Although 71.5% of India's villages are electrified, only 14% of India's total households have electricity (see Table 8). In order to understand this apparent dichotomy, one has to know that the official government definition of "electrification" is the following: "Even if a single connection is provided to a village, it is considered as electrified."

But a major portion of the population earns less than that considered the minimum and lives below the "poverty line." These people simply cannot afford to do the necessary wiring in their mudhouses or shacks, and therefore remain powerless.

It is not just households that are powerless. This year, because of the drought and agricultural priorities, a large segment of industry has had to do without power for at least a few hours every day. The situation is expected to worsen during the coming dry season, as hydroelectric power generation, upon which the country is significantly dependent, will continue to drop (see Table 9).

How badly is industry faring due to lack of power? One press report in February summed it up: In the southern states—Tamil Nadu, Karnataka, Kerala, and Andhra Pradesh—where 66.2% of electricity comes from hydropower, the shortage of power is most deeply felt. In Kerala, since August 1987, a 40% power cut has been in force for high tension and extra-high tension power consumers. Seven hours per day of power

cut for all consumers—industrial, agricultural, commercial, and household—was also in force until recently, when it was reduced to three hours per day. Karnataka's high tension power consumers are getting only 20% of their installed requirement. A 40% power cut has been in force in Tamil Nadu since January.

It is not much better in some northern states where agricultural demand has forced power cuts in industry. In Madhya Pradesh, a 30% cut is in force and in Haryana, a wheat-growing state, cuts are more severe. Gujarat and Rajasthan—two other states reeling under the severity of drought—are also going through sustained power cuts. In the eastern part of the country where electrical power is a rarity in any case, industrial enterprises in Orissa and Assam are floundering due to lack of the minimum power supply.

What is required to alleviate the situation is nuclear power. More than 25 years ago, Dr. Homi Bhabha, the founder of India's nuclear power program, and India's first prime minister, Jawaharlal Nehru, had said so, and were planning in that direction. But the Indian nuclear industry—now more than 20 years old and well-pampered—has delivered precious little. In all these years only six small nuclear power plants have been built, two were imported from the United States. To this day, India's nuclear industry has declined to take the responsibility of providing electrical power to a power-starved nation.

The bureaucratic reflex

Water and power are only two of the building blocks whose shortage has made the lives of hundreds of millions of Indians harsh and miserable. Education and housing along with safe drinking water and electrical power provide the foundation for a transformation of India's people. Couple these with transportation and communication, and the productivity of the labor force soars. The problem with the Indian economy is not that improvements have not occurred,

TABLE 5
Indian villages non-accessible by all weather roads

States	Percentage of total villages non-accessible
Punjab	1
Haryana	2
Madhya Pradesh	78
Rajasthan	82
Uttar Pradesh	91
Orissa	97
All-India	70

TABLE 6

Surface water resources (1974)

River basin	Average annual flow (mhm)	Utilizable flow (mhm)	Approximate utilization (mhm)
Indus Basin	7.7	4.6	3.7
Godavari, Krishna, and other east-flowing southern rivers	22.5	19.0	7.3
Ganga Basin	51.0	25.0	8.5
Mahanadi and other east-flowing rivers	12.3	9.1	2.8
West-flowing rivers north of Narmada	2.5	2.0	0.5
Brahmaputra Basin (including Barak)	54.0	2.4	0.5
Narmada and Tapi	6.2	4.9	0.6

but that the majority has remained in miserable conditions and has thus acquired very little capability to enhance their labor power.

For lack of consistent attention to the fundamentals, economic gains will become more vulnerable and policymakers will find themselves increasingly in a fire-fighting mode. The government's response to the drought is a case in point. In a knee-jerk reaction born of political as well as economic considerations, the government has produced an "Action Plan" to raise foodgrain production from last year's low of 135-145 million tons to 175 million tons by 1990, the last year of the Seventh Plan.

Enhancing use of high-yield seed varieties and even bridging the gap between irrigation potential and utilization has been ritually invoked. The Task Force assigned to devise a short-term strategy has identified districts in 14 states where high foodgrain potential can be reached with only minor adjustments here or there.

Government response to the power crisis is even more astonishing. In energy-starved India, a policy of *energy conservation* is being talked up! The Bureau of Industrial Costs and Prices, in its recent report on energy audits of the cement, paper, and aluminum industries, suggested short-term, medium-term, and long-term measures for achieving energy conservation in these sectors.

The Planning Commission, not to be left behind, has also suggested a 15-20 year plan for the commercial energy sector (rather than five-year plan) on the grounds of the long gestation period for power projects. The Commission has also recommended a nationwide energy conservation campaign, energy audit, and suitable incentives for energy conservation.

The draft development program

Let us put to one side, however, the poverty of the Planning Commission's current policy approach. It is essential to work out a developmental program whereby all the households of India will be provided with the minimum necessities. This is the crux of the nation-building approach to planning. What is real and primary is the requirement for physical goods in the form of water, power, food, etc., to be consumed by the members of every household, rural and urban alike.

Looking at the contents of such a "market basket" will enable us to estimate what will be the volume of various basic physical goods that need to be produced, what products in both the upstream and downstream ends of the process are to be prioritized for manufacturing, and where and how the manpower is to be allocated to get the job done.

Since no clear data exists for the number of households in the country, let us say that there are about 160 million households—assuming an average of 5 members per family. Since the program cannot be completed overnight, we must allow for population growth and estimate the market basket for 200 million households.

Food: Considering 2.5 kilograms of foodgrain consumption, including rice, wheat, and legumes, per day as the minimum necessary for a household, the direct consumption of all households will be about 185 million tons. Including other uses, such as processed food, storage for emergency, and loss due to storage and transportation, etc., foodgrain production required for 200 million households will be about 300 million tons—nearly twice the "action plan" target.

Since land area is not unlimited, and needs to be allocated for other urgent purposes such as afforestation, growing oilseeds and other essential agricultural products, fruits and vegetables, fodder for cattle, agro-industrial complexes, etc., the key to meeting the nation's food requirement will be to increase farm productivity dramatically. The single most critical factor in this will be water management. If a comprehensive plan for water is adopted in the Ganga River basin—consisting of Uttar Pradesh, Bihar, West Bengal, and marginally Haryana and Punjab states—India could produce foodgrains for more than 1 billion people from that area

TABLE 7

Irrigation potential and utilization

(millions of hectares)

Item	Ultimate potential	Utilization	
		1950-51	1984-85
Surface water	73.5	16.1	34.3
major and medium	58.5	9.7	25.3
minor	15.0	6.4	9.0
Groundwater	40.0	6.5	26.1

TABLE 8

Villages electrified in India

At the end of	Number (× 1,000)	As % of total villages
1947	2	0.3
1960-61	22	3.8
1970-71	107	18.5
1980-81	273	47.3
1986-87	412	71.5

alone. The Ganga basin has more than 50 million hectares of cultivable land. With adequate basin management and modern agricultural methods, more than 250 million tons of food-grains can be produced there.

Water: The minimum water requirement for a family of five is about 1,000 liters/day. This includes drinking water, and water for washing and sanitation requirements. This amount is about one-third of the average water consumption in the developed nations.

Based on this calculation, the domestic water requirement for 200 million households in India will be about 7.5 mhm annually. The agricultural demand, considering 100 million hectares of land will be subjected to intense, three-crop cultivation annually, will be about 70 mhm. Adding another 15 mhm for industrial and commercial uses, the total requirement for the country will be about 90-95 mhm annually.

India's present water consumption is about 30 mhm, of which agricultural consumption is about 92%. But that does not reflect the real water situation. During a normal monsoon year India receives about 360 mhm of water as precipitation. Of that, about 40 mhm enters the shallow groundwater aquifers while 50 mhm moistens the top soil and 160 mhm flows out unutilized into the sea through many rivers. At least 70 mhm of water needs to be impounded in small, medium, and large reservoirs for the purpose of recharging the groundwater aquifers, domestic water supply, and, if necessary, agricultural activities. These reservoirs can also serve as fisheries, producing cheap protein for the citizenry.

Moreover, India has vast reserves of fresh groundwater, though some of it has been contaminated by incompetent use of groundwater. An informed guess, however, is that India has a reserve of at least 80 mhm in shallow groundwater aquifers strewn all over the country, although the concentrations are in the river basins.

In deep groundwater aquifers, 5,000-7,000 feet deep, along the Himalayan foothills, huge freshwater reservoirs exist. According to a 1986 World Bank report, there exists about 6,000 mhm of groundwater in these deep aquifers in the Upper Gangetic Plains and the Brahmaputra River Basin. About 35 mhm of water enters these deep aquifers annually,

TABLE 9

Mix of installed generating capacity, 1979

Source	Total MW	% of total capacity
Thermal	15,218	57.0
Nuclear	640	2.4
Hydro	10,831	40.6

Source: Government of India, *Report of the Committee on Power, 1980*

pressurizing the aquifers. These aquifers are under such pressure that the water will come out on its own—the artesian well—if a bore hole is dug into these deep aquifers. No pumping will be necessary initially.

These figures show that India has much more water available than she immediately needs. Yet people and cattle alike suffer from water starvation—which causes many deaths due to use of stagnant pools where water-borne bacteria proliferate—only because of what can be most charitably described as criminally incompetent policies.

What is required is holding rainwater to the tune of 70 mhm annually; extracting and recharging groundwater from shallow aquifers; extracting 40-45 mhm from deep aquifers annually, allowing them to be recharged naturally; and diverting the surplus river water from the north and east during monsoon season to the southern rivers. Significant natural recharging will increase automatically with the afforestation of deforested lands and reduction of tilled acreage. Annual water consumption in India can be readily raised to 90-95 mhm with a proper water management plan.

Power: The minimum power requirement of any household will include two electric fans of 0.1 kW rating each and an average illumination of 1 watt/sq.ft. (in the developed nations the average illumination is 3 watt/sq.ft.). Assuming that our five-member household lives in a 500 sq.ft. area, the power requirements will be about 0.75 kW at night. Therefore, the domestic power consumption of India's total households at its peak consumption will be about 150 Gigawatts (1 Gigawatt = 1 million kilowatts).

Since domestic power consumption occurs during that part of the day when industrial, agricultural, and commercial uses are significantly less, it can amount to as much as 30% of total power consumed. Hence, India's power requirement can be estimated at about 450 Gigawatts (GW). Allowing for line loss and generation losses, installed capacity should be no less than 550 GW. In the near future, new technologies such as superconductivity will allow an increase in agricultural and industrial activities with the same amount of generated power because of reduced losses and increased storage potential.

At present, India's installed power capacity is a mere 51

GW, and the official target for the year 2000 is 100 GW! This is patently absurd. It makes sense only if one assumes that, a) rural India does not need any power, and b) industry does not need much power.

What are the elements of a power program that can meet the market basket requirements we have outlined? To determine this, it is necessary to look at fuel sources to generate power. India has a significant amount of coal, some hydroelectric potential, and a huge deposit of nuclear fuel in the form of thorium. So far, India's planners have decided to go along with coal-based power generation and hydroelectrics. However, this policy has proven to be extremely problematic.

The quality of India's coal is extremely poor, so poor in fact, that it would not be considered fit for burning in most countries. The ash and mineral content is very high, making it a poor fuel to burn. As a fuel for power generation in bulk amount coal has other problems. Major coal reserves are concentrated in certain areas, often distant from where the power is required. For instance, in northern India where the population density is highest and the bulk of foodgrains is grown, very little coal is available. It has to be hauled in bulk a long distance every day to the power stations. This puts an inordinate pressure on the country's ancient and creaky railroad system and, as yet nonexistent, waterways. Coal also contains ash which needs to be removed and disposed of in bulk. Ash is acidic in nature and, if not properly disposed of, will come in contact with the groundwater, and pollute the aquifers. Coal-burning is also highly pollutive, releasing harmful nitrogenous and sulfurous oxides along with dust particles into the air. Measures can, admittedly, be undertaken to remove the dust and nitrogenous oxides, albeit at substantial cost.

India's hydroelectric potential, considering mini-hydel, could be as high as 100 GW in the peak season. Besides the fact that most of the country's hydro-potential is concentrated in the northeast and north, the quantity is inadequate. The full potential must be exploited, certainly. But hydroelectric has other problems, such as its seasonal nature, that make it unreliable. In order to utilize the full potential of hydroelectrics, balancing reservoirs must be built to which the water will be pumped during the slack power consumption part of the day and used to generate power during the peak demand part of the day.

It's not really debatable: India's power program must be based on nuclear power as the mainstay. Breeder reactors—already developed in India—and a new generation of advanced reactors which are intrinsically safe will be the main sources of power generation until such time as a superior technology such as fusion power becomes commercially viable.

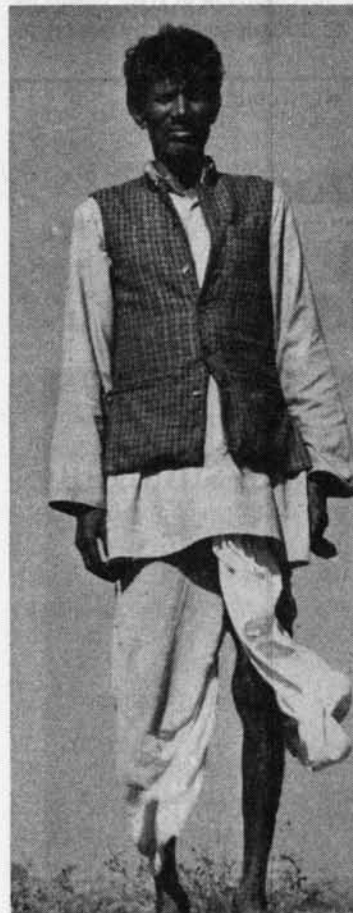
Point of departure

Developing the market basket requirements in basic detail provides a handle to calculate what types of industries

and agricultural products are to be prioritized. It also provides a window through which we can see broadly the volume of basic agro-industrial products that would need to be produced in order to meet the domestic as well as industrial requirements. The production capacities of each basic industry—such as steel, aluminium, specialty steel, cement, fertilizer, engineering—to manufacture the basic industrial ingredients to further the agro-industrial development process can also be estimated. Water use and power consumption will define the quality of housing required, while quantity of housing required will enable India to explore new materials, such as aluminium and petrochemical products. And through this process, it is possible to pinpoint the employment potential, during and after the implementation of the program, quantitatively, and also qualitatively. One can, thus, roughly determine the size of the manpower needed, the skills that the manpower requires, and the quality of education to impart these skills.

There are a set of broad but specific economic policy measures needed necessary to achieve the goals defined by India's market-basket requirements. These policies must be adopted on a priority basis, and must be seen to supersede existing policies and programs for basic development work.

1) Agro-industrial development. Dramatically raising



Uwe Papant

An 'Untouchable' in India. For a household to earn a wage and survive, it needs much more than the income officially defined as above the poverty line.

general agricultural productivity has to be the government's first concern, and this must mean a focus on farm productivity per se, as well as on the rural economy broadly. Here, the promotion of agro-industries is critical, both to solve the marketing problem that will otherwise undermine real productivity increases, and to absorb underemployed and unemployed agricultural laborers.

2) Infrastructure. It must also be a primary concern of government to build the infrastructure of the country—including power generation, water management, transportation and communication. In general this can be done through appropriately designed large projects, conceived of simultaneously as training centers for construction labor, and relying on a mixture of labor-intensive and high-technology inputs. Primary education facilities must be integrated into the plan. Such large projects can thus, in addition to absorbing labor productively, be a training ground for the workers and their children.

Two types of such projects are particularly timely. First, building nuclear power-based agro-industrial complexes where power will be consumed locally for agricultural and industrial uses (thus obviating the costly investment associated with long-distance transmission). New cities will be built up around such complexes to provide manpower for their operation and growth. Second, water resource policy must serve to bring about the development of river basins as integrated units. This must be complemented by action to

link the northern and southern river systems, and to open up waterways—deep channels—through existing rivers for bulk transport by barge, the most efficient and cheapest way to move heavy bulk items. From both the environmental and economic standpoint, failure to apply this approach to the Ganga river basin, the Brahmaputra basin, the Godavari, and others will exact an enormous price.

Neither of these ideas is new. The proposal to develop nuclear power-based agro-industrial complexes, called “nuclexes,” was first put forward by Dr. Vikram Sarabhai, and extensive feasibility work was done to map out several such complexes for Uttar Pradesh and Madhya Pradesh. The proposal was buried, however, in the mid-1960s as the agricultural and other crises began to push policymakers into a corner. Articulate critics of India's water management policies have been writing and talking for several decades, but so far their voices have fallen on ears deafened by vested interest and political patronage.

3) Rapid Development of Border Areas. The counter-productive idea that border areas would be kept secure by keeping them underdeveloped has to be abandoned. In fact, only implementing a real and vigorous development process in an area will assure its stability, strength, and integrity with the rest of the country. Therefore, accelerated development of border areas, including industrialization of Punjab and the agro-industrial development of northeast India, is imperative as a priority in its own right.

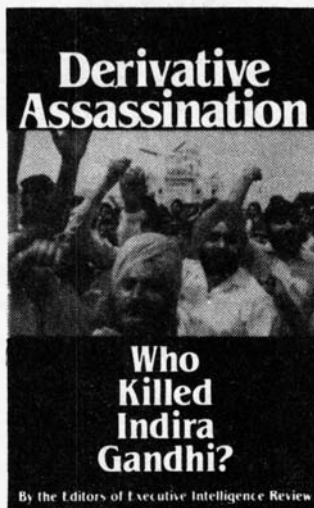
Derivative Assassination:

Who Killed Indira Gandhi?

by the Editors of
Executive
Intelligence
Review

Order from:
**Ben Franklin
Booksellers, Inc.**
27 South King St.
Leesburg, VA 22075

\$4.95 plus shipping (\$1.50 for first book, \$.50 for each additional book). Bulk rates available.



MIDDLE EAST INSIDER

Weekly Confidential Newsletter

Executive Intelligence Review has been the authority on Middle East affairs for a decade. In 1978, *EIR* presented a coherent profile of the “Islamic fundamentalist” phenomenon. *EIR* had the inside story of the Irangate scandal before anyone else: In 1980, *EIR* exposed the late Cyrus Hashemi as the Iranian intelligence man in Washington, organizing arms deals and terror.

Middle East Insider, created in November 1986, brings you:

- **the inside story of U.S. Mideast policy**
- **what the Soviets are really doing in the region**
- **confidential reports from inside the Middle East and North Africa that no one else dares to publish**
- **accuracy on the latest terror actions and terrorist groups**

A subscription also includes a “hot line,” where you can call for more information on any item we publish.

Take out a three-month trial subscription for 1000-DM, and receive one of our recently published special reports as a gift. Yearly subscription at 5000-DM. (Distributed only by European office.) Write or call: Middle East Insider c/o EIR Dotzheimerstr. 166, P.O. Box 2308, 62 Wiesbaden F.R.G. Tel: (6121) 88 40.

Water key to war or peace in Mideast

by Scott Thompson

Hydroelectric generation at Egypt's Aswan Dam could be shut down by July, if the water level drops further, announced President Hosni Mubarak on May 1. The water level has already fallen to 150 meters, a level not anticipated before July. If the water reaches 147 meters, the Egyptian government will shut down the hydroelectric plant.

The choice that faces the Egyptian government is that 25% of Egypt's electricity is generated by the Aswan Dam, which is also essential for water for irrigation of agricultural production. President Mubarak made the decision to cut off electricity generation, and to continue to supply the water essential to farming. (Egypt currently imports 50% of its food through international grain cartels, largely because of shortages of water for major agro-industrial projects that would make the country self-sufficient.) There are already power shortages in several parts of the country.

The low water levels are due to the combined effects of: years of African drought, which have especially devastated Ethiopia and Sudan in the Nile River Basin; work on the Jonglei canal in southern Sudan, intended to increase water supply for both countries, was halted in 1985, when the chief engineer was kidnaped by southern Sudanese insurgents, who said that Egypt planned to steal Sudan's water; and, a new dam that is being built with Soviet aid in Ethiopia, where almost 85% of the waters of the Nile originate in steep valleys that a government hostile to Egypt could try to block if provided with the necessary technology.

The scope of the problem

A study by Joyce Starr for the Center for Strategic and International Studies, titled "U.S. Foreign Policy on Water Resources in the Middle East," which was done to accompany a Marshall Plan proposal for Middle East development, points out, "By the year 2000, water—not oil—will be the dominant resource issue of the Middle East." Water will also be the first economic issue encountered in any serious peace

effort for the Arab-Israeli conflict. If there is to be peace, a settlement will have to be made on the use of the Jordan River, as well as its principal tributary, the Yarmuk, which respectively divide Israel and Jordan and Jordan and Syria.

With headwaters originating in the Syrian and Lebanese highlands, the Jordan River has an average annual discharge of 1.287 billion cubic meters. By the year 2000, Israel's water needs may exceed supply by 30%, with Jordan experiencing a 20% discrepancy. The upper Jordan River is already highly developed, and there are plans between Syria and Jordan for construction of the proposed Unity/Maqarin Dam along the Yarmuk—the only major undeveloped tributary—which will fully utilize this resource.

Israel is already using 95% (of an estimated total of 1.755 billion cubic meters per annum) of its renewable resources, and it consumes five times more water per capita than its neighbors. Estimates are that by the year 2000, through increased agricultural projects, Israel will face a shortfall of 800 million cubic meters per annum—almost half its present consumption. According to the West Bank Data Project, "The main water potential of the West Bank, shared with Israel, is exploited to its limit, in a ratio of 4.5% to the West Bank and 95.5% to Israel. Already, Jewish settlements in the West Bank have exceeded their water quotas by almost one-third, leaving less water for Arab agriculture. The water situation in the Gaza Strip has been described as a 'time bomb waiting to explode.' " Already the large Gaza Strip aquifer, which supplies all of the area's water needs, is being seriously overpumped. Clearly, any peace settlement for the occupied territories will have to make major provisions for desalination projects, as well as allocation of existing resources.

Turkey is undertaking an ambitious development project known as the Southeast Anatolian Project (GAP), which is reducing the discharge of the Euphrates, thereby affecting both Syria and Iraq. Turkey has offered to build a \$20 billion "peace pipeline" from the Ceyhan and Seyhan rivers: An eastern pipeline would serve Kuwait, the eastern coast of Saudi Arabia, Bahrain, Qatar, and the UAE, while a western pipeline would serve selected cities in Turkey, Syria, Jordan, the West Bank, and the western section of Saudi Arabia. So far, Turkey has been unable to raise the capital for this project to supply water for municipal use.

Syria may face a general deficit as high as 1 billion cubic meters by the year 2000, assuming present patterns of consumption. Syria is already confronting mounting shortages as a result of the reduced flow of the Euphrates, and major cities like Damascus and Aleppo suffer from constant water and electricity shortages (from hydroelectric sources), especially during the summer months. The Syrian government has sharply increased the amounts budgeted for water and hydroelectric projects in 1988. These areas will account for 43.5% of the government's investment budget in 1988, compared with only 10% in earlier budgets. Targeted projects include badly needed water and sewage systems in Damascus, Aleppo, Homs, and Hama.

1988 Polish crisis: worse than 1980–81

by Konstantin George

On the same day that Ronald Reagan gave Mikhail Gorbachov a clean bill of health on the human rights issue, Soviet-directed thugs in the uniform of Polish Interior Ministry troops brutally crushed a steelworkers strike near Krakow, and now threaten similar action against shipyard workers in Gdansk. But, President Reagan said, "In recent months, the Soviet Union has shown a willingness to respect some human rights. . . . It is my belief that there is hope for further change, hope that in the days ahead the Soviets will grant further recognition to the fundamental civil and political rights of all."

Does the President's absurd statement mean that crisis-racked Poland, caught in a pincers between looting by Moscow and looting by Western financiers, is going to be sacrificed on the altar of a superpower "New Yalta" deal?

The first phase of the Polish crisis of 1988 came to a head at 2 a.m., May 5, when special troops of the Polish Interior Ministry stormed the grounds of the Nowa Huta steel plant near Krakow, making heavy use of percussion and tear gas grenades. Hundreds of striking workers, who had occupied the plant premises, were brutally beaten, and most of the 19-member Strike Committee were arrested. Some managed to escape in the confusion and went into hiding.

Hours later, all traffic into and out of the city of Gdansk, Poland's main Baltic port, was blocked by Interior Ministry forces, who also massed outside the sealed off Lenin Shipyard, occupied by 3,000 striking workers and Polish Solidarnosc leader Lech Walesa.

The morning of May 5, Radio Warsaw announced the storming of Nowa Huta, charging that the strike was "endangering national security," which can "no longer be tolerated

by the security organs." An ultimatum was presented to the Gdansk workers and Walesa, to abandon the shipyard, or have it stormed. Walesa rejected the ultimatum, pledging that he would be "the last to leave" the shipyard.

The Polish government, on *Soviet* orders, has acted to bring what have been relatively limited strikes so far to a head *now*, to get things over with, before the strike wave spreads totally out of control. It may already be too late. As *EIR* goes to press, the strikes have spread to Yugoslavia.

Every day a new strike

The signs of an approaching storm in Poland mounted during May 4. The strike wave spread to Szczecin, Poland's other large Baltic port, where urban transit workers walked out. The student strike expanded to shut down Warsaw University, following the closure of Krakow University, where the student strikes began.

The language of the strike leaders escalated, reflecting the desperate plight of the Poles under a never-ending regime of falling living standards. On May 4, Walesa, a moderate, declared before the striking workers of the Lenin Shipyard, "If we don't get a real reform this time, it will come to a *bloody revolution*," and, "The only reason the whole country isn't *yet* on strike, is because it's too soon." That same day, the official union for Poland's 460,000 coal miners, the nation's biggest export industry, announced that they had begun "a collective dispute with the government" over a pay increase. They had to, to prevent imminent wildcat strikes in the coal sector.

Within hours, the Polish Politburo, after an emergency session, issued a statement that foretold the decision to use

force to break the strikes, by denouncing the strikes as “destabilizing the national economy,” and declaring that the Politburo would “oppose resolutely the threat of destabilization.” The statement was prominently—and ominously—featured immediately in the Soviet media.

The Soviet decision to have the Jaruzelski regime employ force to smash the strikes was also a deliberate slap in the face to Pope John Paul II and the Polish Catholic Church. Only hours earlier, the Polish Church had begun a concerted mediation effort to end the strikes, around a solution that would provide dignity and results for Poland’s desperate workforce, and within a framework of Solidarnosc-government “dialogue.” Teams of Church intellectuals were sent to both Nowa Huta and Gdansk.

Government spokesman Jerzy Urban slapped down the Church’s efforts at mediation and “dialogue” by calling the Nowa Huta and Gdansk strikers “terrorists.”

Far worse than 1980-81

As these events document, the Polish crisis of 1988, under way since April 25, in terms of its underlying gravity, is already far worse than that of 1980-81, which nearly produced a Soviet invasion. The strike wave, expanding on a daily basis, has become *political*, and the situation is moving inexorably to a confrontation.

What will happen in the days ahead is unpredictable. If the Gdansk shipyard is stormed, with Walesa inside, all bets are off. An explosion could occur. The anger of the population, already intense before the strike wave began, after the storming of Nowa Huta, has reached dangerous proportions.

Build up to confrontation

During the week of April 25-30, the Polish government had adopted a strategy of attempting to isolate the largest and most political of the strikes, that of the 16,000 Nowa Huta steelworkers, by granting the large wage increases demanded by other strikers. That accomplished, over the weekend of April 30-May 1, the government dispatched thousands of special troops to Nowa Huta, to intimidate the strikers into submission.

The government miscalculated. The threat of force backfired. On May Day, thousands demonstrated against the government in every large Polish city. The list of protests was impressive:

- Thousands demonstrated in Warsaw and the main port of Gdansk. The police moved in, brutally beating marchers and arresting over 100. In Gdansk, the protesters fought back with fists and stones, where, to use the Soviet jargon, the “correlation of forces” was in their favor. They taught more than a few police that they are not the only ones capable of administering beatings. These incidents, coupled with a now daily phenomenon of sidewalk crowds of ordinary citizens calling the police “Gestapo,” poignantly illustrates the deep anger and vastly more combative mood of Poland’s captive

population, as compared to 1980.

- In Wroclaw, 3,000 demonstrators were charged by club-swinging police.

- In the central Polish city of Plock, 5,000 demonstrators were dispersed by riot police.

- In Poznan, the center of Poland’s 1956 Revolution, police charged into a crowd of 5,000 demonstrators who carried Solidarnosc banners.

- In Lodz, police broke up a demonstration by 3,000, and arrested at least 20.

Challenge to Moscow’s Quisling regime

The May Day protests were but the prelude to the strike wave. On May 2, the Lenin Shipyard workers, who had spearheaded the 1970 strike wave that toppled Polish leader Gomulka, and the 1980-81 strike wave that ended civilian rule, began a strike in solidarity with the Nowa Huta steelworkers. The Gdansk Strike Committee turned the strike wave into a political confrontation by demanding, on top of large wage increases, that the opposition Solidarnosc be legalized as the price for ending the walkout.

Next, the Pafawag plant in Wroclaw (Silesia), which makes railway rolling stock, went on strike, followed by 1,000 copper miners in Luben. The workforce from many large plants, including the giant steelworks in Katowice, announced they will join the strike, should force be used.

Poland’s Jaruzelski regime was placed in a bind: If it continued to capitulate to strikers’ wage demands, as it did to settle a rash of urban transit strikes, it would thereby only encourage more strikes at other enterprises. But if force were employed to break the main strikes, a national explosion might be provoked, with unpredictable consequences, or the groundwork laid for an explosion in the near future.

Caught in this bind, the Polish government first attempted to “settle” the crisis through intimidation. It threatened that those enterprises on strike would be allowed to “go bankrupt” and be closed down. These threats made the government a laughing stock. The Gdansk shipyards build ships for *Russia*, the Nowa Huta steel works supplies finished steel products for *Russia*, the Wroclaw plant builds railway rolling stock for *Russia* and other Comecon nations. The Luben copper mines produce Poland’s second leading export item to the *West* (after coal) for vitally needed hard currency. So much for Warsaw’s tough language.

On May 4, however, the regime issued a more credible threat. The Politburo declaration’s use of the phrase twice that Poland is being destabilized, made clear that force would be used, and that the ultimate option, a Russian invasion, would be used if all else failed.

Radio Moscow and the Soviet media, which until then had played down the Polish events, responded by broadcasting the Polish Politburo declaration, emphasizing that Poland is being “destabilized.” Thus, Moscow officially proclaimed that a Polish crisis as bad or worse than that of 1980-81 was

now under way.

The looting 'pincers'

The reason that the 1988 Polish crisis is worse than 1980 is that in the intervening eight years, Poland has been subjected to much higher rates of *looting*, by both the Soviets and Western creditor banks. The looting "pincers" has reached intolerable proportions. This has not only collapsed living standards to a level far lower than in 1980, but, unlike 1980, the Polish people have no illusions that measures taken from "above" by the government will improve matters. On the contrary, knowing that living standards will otherwise keep falling, a desperate, "backs to the wall" combat mood has set in.

Soviet policy has been and remains to be to loot Poland, and for that matter, all its Eastern European satellites, as much as possible. Given Soviet war economy requirements, this looting will increase, to meet the demands of the Soviet war and civilian economy. The problem for Moscow is that until now, it has permitted a large-scale parallel looting of Eastern Europe by the financier interests of the Western oligarchy. This phenomenon in Eastern Europe has created an East bloc-wide economic crisis, replicating the Soviet Union's "scissors crisis" of the late 1920s. Then as now, dramatic Soviet policy shifts in response to the crisis are on the agenda for the near future. The transformation of this underlying economic crisis into a political explosion, as is now occurring in Poland, dictate that these policy shifts be enacted in the very near future.

So, in recognition that the looting of Poland by "two thieves" at the present scale cannot go on, Russia is moving toward measures that would scale down the amount of Western looting permitted, while permitting continued massive plundering of Poland's economy for the cause of the Soviet war economy.

The looting by Western financial interests of Poland has been massive. Over the past two years, Poland has paid nearly \$11 billion in interest payments on outstanding debt, "receiving" in return a mere \$3 billion in "new" credits to roll over existing debt repayment on principal. Despite this net outflow of \$8 billion from Poland to the West, Poland's net debt to Western creditors climbed, in the last year alone, from \$34 billion to \$39 billion.

The April 24 *Pravda* signaled the policy change. Going beyond the usual attacks on Western radio stations and "subversion centers," *Pravda* attacked the West for attempting to destabilize Eastern Europe, "for example, Poland," "especially through economic levers." *Pravda* noted that the massive Polish price hikes of Feb. 1 and April 1 were, among other things, agreed to as measures required to satisfy "economic reform" demands made by Western creditors. It then added that "no sooner" was this agreed to, than the West began to "provoke . . . an explosion of dissatisfaction."

In short, the Western "thief" would have to have his franchise reduced.

Gorbachov begins embracing cult of

by Luba George and Konstantin George

Soviet leader Mikhail Gorbachov received Patriarch Pimen and the entire Russian Orthodox Church Moscow Patriarchate leadership, the Holy Synod, at the Kremlin on April 29. The occasion was a celebration of the 1988 Russian Millennium, the 1,000 years that Russia has been "Christianized."

The reception at the Kremlin's glittery Catherine Hall, the first of its kind in Soviet history, was broadcast as a lead item on Soviet TV and radio. Present with Pimen were Metropolitans Filaret of Kiev, Alexei of Leningrad and Novgorod, Juvenali of Krutitsy and Kolomna, Vladimir of Rostov and Novocheerkassk, Filaret of Minsk and Belorussia.

The only comparable event in Soviet history came at the height of World War II, when Josef Stalin received the Moscow Patriarch in 1943. Stalin, then in a desperate situation, decreed that thousands of churches could reopen, and the Church, in return, pledged its all-out support in mobilizing the people for Holy Russia's war effort.

The televised spectacle of Gorbachov and the Holy Synod went far beyond Stalin's behind-closed-doors meeting with the Church. It conveyed the imperial splendor of pre-1917 Russia, of Czar and Church, hand-in-hand for the cause of "Holy Russia."

The party secretary expressed the hope that "the 1,000th anniversary celebration of the introduction of Christianity into Russia," whose highpoint will occur in a week-long series of celebrations in mid-June, would bring together "all believers and workers" to take part jointly "in the great cause of perestroika and socialism's renewal." Believers and non-believers, said Gorbachov, "fought side by side" to "build socialism," and "at the front" in World War II. Since an "overwhelming majority of believers have accepted the perestroika . . . a broader social dialogue is possible."

ROC consolidates power

The Millennium was not the only reason for Gorbachov's unprecedented session with the Holy Synod, a session which underscored what would appear as the astounding rise in power and influence of the Russian Orthodox Church. It occurred in the context of one of the most intense crises in

Millennium by the 'Third Rome'

Soviet history, on the eve of dramatic policy shifts expected in the weeks ahead, and some very dramatic personnel changes in the Soviet leadership as well. The underlying crisis is a bloc-wide economic catastrophe, caused by Soviet and Western looting of the satellites of Eastern Europe, a deep failure in the Soviet civilian economy, and rising nationality troubles in the U.S.S.R. itself. Taken together, this situation has forced a succession crisis within the Soviet leadership, endangering Gorbachov's rule.

Gorbachov's audience signifies a decision by the Soviet elite to turn to an institution that can mobilize the Great Russian part of the population in a time of deep crisis. Here lies the parallel with Stalin's Sept. 4, 1943 deal with the Church to reconstitute it, accompanied by the state ending its anti-religion campaign.

EIR's in-depth coverage of the Moscow Patriarchate over the past several years analyzed and predicted a pattern of dramatic events to occur during 1988, that would show the rise of the Church in the context of a well-publicized "Moscow: the Third Rome" policy thrust. Recent *EIR* coverage of the Soviet succession fight has emphasized that no matter what else happens, Russian national institutions such as the military and the Russian Orthodox Church will gain in power.

In the midst of the Soviet crisis, the Church is certainly taking full advantage. This was demonstrated at Gorbachov's meeting with the Patriarch. Pimen, facing Gorbachov before the TV cameras, took the occasion to complain that "difficulties still exist" for the Church, which "must be solved."

Gorbachov concurred. He replied by denouncing the "persecution of the Church," which had happened as a "tragic occurrence during the time of the personality cult" (under Stalin), and, in return for the Church support he had just received, Gorbachov pledged that in 1988, the 1,000th anniversary of "a historical landmark in the centuries of Russian history and culture," state "persecution of the Church" will end, and a concordat restoring the Church to its former institutional glory will be enacted.

June is not only the month of the Millennium celebrations, but also the month of the Soviet Communist Party's extraordinary "All-Union 19th Party Conference." It is also

the month in which the Russian Orthodox Church will hold its *Sobor* or Synod—only the fourth since 1917. (Until the autumn of 1917, at the very moment of the Bolshevik Revolution, the Romanovs had permitted no *Sobor* for over 200 years.) The last *Sobor*, in 1971, elected Pimen patriarch.

Another dramatic high point that month will be President Reagan's meeting with the old patriarch himself, including a visit to the new Church headquarters at the Danilov Monastery complex.

A pre-synod consultation took place March 28-30 to discuss the new statutes, that will form the basis of the new Church-State arrangement. Archbishop Kirill of Smolensk has been in charge of drafting these documents. A well-informed British source told *EIR* that the Church has received about 75% of the concessions it wanted from the government. All bishops are now studying the working copy of the proposed new statutes, to replace the restrictive statutes of 1945, which, although with 1961-71 amendments, still govern Church life.

The bishops' consultation rejected the recent call by six Orthodox believers—among them Father Gleb Yakunin and Father Nikolai Gainov—for the resignation of Patriarch Pimen, accusing the group of trying to disrupt Church-State relations which the hierarchy of the Church is trying to improve. The fact that Church officials refused the resignation request is irrelevant, for it is clear to all that Pimen, old and ailing, will not be around much longer. The ROC succession is already being battled.

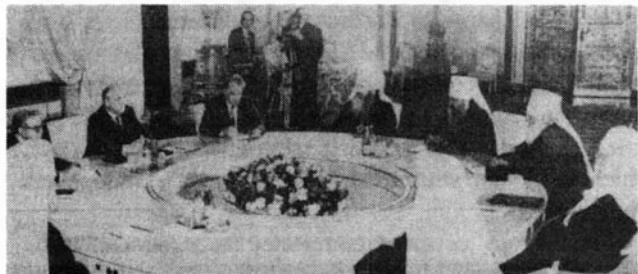
Moscow: the 'Third Rome'

An overlooked and extremely important step in the Church-State launching of an overt "Third Rome" campaign, was the decision at the pre-synod gathering to canonize the 16th-century Metropolitan Makary, in addition to other leading Russian mystics and religious figures, e.g., icon-painter Rublyov, Dostoevsky's mentor Father Ambrosius, Dmitri Donskoi, Paisi Velikhovsky, et al. (see *EIR*, April 8, 1988).

Metropolitan Makary (1482-1563), the Church's gray eminence behind Ivan the Terrible (czar 1533-84), played the key role in transforming the "Third Rome" idea into the state policy doctrine of the Muscovite czars, beginning with Ivan.

The imperial theory of "Moscow: the Third Rome" emerged in the aftermath of the Council of Florence (1438-39). The Russian Orthodox Church responded to the Florentine Union with a denunciation of the Western Christian concept of the *Filioque*—that the Holy Spirit also flows "from the Son"—refusing unification. This was followed by the Church declaring its independence from Constantinople. In order to convey the idea of Russian Orthodoxy's ancient supremacy, and that the czar's power was given him by the grace of God, the myth of Moscow as the "Third Rome" was concocted and spread at the end of the 15th and beginning of the 16th century by the Mt. Athos-trained monk from Pskov, Filofei (Philotheus).

In his celebrated circular, Epistle to the Grand Vasilii III of Moscow, Filofei proclaimed Moscow's mission in world history with the words: "Know, God-fearing Czar, that all the realms of loyal adherents to the true Christian faith are united in Thy kingdom, in the whole world, Thou art a Christian emperor. . . . Hear, therefore, O God-fearing Czar, that all Christian kingdoms are united in Thine empire, that the First Rome and the Second Rome have fallen, that the Third Rome stands, and there will be no Fourth."



This formal portrait of Soviet Communist Party General Secretary Mikhail Gorbachov meeting the hierarchy of the Russian Orthodox Church at the Kremlin, appeared on the front page of Pravda on April 30.

With Metropolitan Makary, as head of the Russian Church and Ivan IV's most trusted adviser, this prophecy was transformed into *political doctrine*. It was Makary who supervised the drafting of falsified hagiographical, geneological, and historical documents, such as the "Steppanaya Kniga" and the "Great Chetii Minei," which provided the "documentary evidence" needed to justify the Muscovite Empire's "Third Rome" imperial expansion. His forgery, the "Steppanaya Kniga," featured the legend that the family of the Muscovite czars was directly descended from Prus, a legendary brother of the Roman Emperor Augustus.

It was Makary who fashioned a Church-State concordat in 1547, in which Ivan the Terrible assumed the title of "Czar" (Caesar) and the Russian Empire was proclaimed the direct successor of the Second Rome, Byzantium.

The Church-State arrangement gave Ivan the power to found the "Oprichnina," a kind of state within a state, under the personal, dictatorial control of the czar himself. With its own secret police, the Oprichniki—with the blessing of the Moscow Patriarchate—slaughtered those whom they designated to be the enemies of the czar, and were in turn often slaughtered by the czar; Ivan waged wars to expand the realm of "Moscow: the Third Rome," capturing Kazan from the Tartars, and also pressing toward the shores of the Baltic in a series of expansionist wars against the Livonians, Swedes, Lithuanians, and Poles.

The *Journal of the Moscow Patriarchate* in 1987 (No. 10) hailed Makary as a champion of Russian expansionism, noting that he had "a prominent role to play in the establish-

ment and consolidation of the Moscow supremacy over Novgorod and was an active champion of the policy of eastward expansion, leading, in particular, to the conquest of the Kazan Khanate."

This "Third Rome" cult belief remains to this day the program of the Russian Orthodox Church. They believe that the Russians are the only people of the world who have kept the true faith, and will one day compel the world into a universal empire for the purpose of purifying and purging the "putrid" West and other wayward races influenced by the West. The *Journal of the Moscow Patriarchate* (No. 3, 1986) declared: "The first Christian Millennium was Greek, the second—Roman-Germanic, and the *Third shall be Slavonic*. Today this is coming to pass, and we must accept this great destiny of ours." In another article (No. 9, 1987) Metropolitan Filaret of Kiev praised the 19th-century Russian mystic Fyodor Dostoevsky and acclaimed the "Third Rome" doctrine by name, stressing that it embodied "the feeling the Russian people had a spiritual mission to perform."

The historic Gorbachov-Pimen meeting marks the consolidation of Church power and influence during the Soviet succession fight, regardless of what happens to Gorbachov. It also shows Gorbachov playing his only viable option for surviving the factional crisis, by marshaling the support of the Russian nationalist institutions in Soviet society, beginning with the military and the Church. Just as Stalin turned to the Church during his most difficult months in power after 1943, i.e., during the war when the tide was going against Russia, so Gorbachov, in the midst of his most difficult weeks, is doing.

The Millennium celebrations are only the beginning, and the first high point of a series of Russian Church and national anniversaries occurring this year and next. They will provide the occasion to maintain a continual State-Church escalation in mobilizing the Russian masses for the "mission" of world domination.

July 8, 1988 is the 540th anniversary of the Church as an autocephalous church, after it rejected the Union of the Council of Florence, and broke with the Ecumenical Patriarchate in Constantinople. It should be recalled that the Stalin regime on July 8, 1948 organized a large-scale celebration in Moscow for the 500th anniversary of the autocephalous church.

In 1989, the Church and the State will celebrate the 400th anniversary of the Moscow Patriarchate. It was in 1589, during the post-Ivan the Terrible succession fight known as the "Time of Troubles," that the Metropolitan of Moscow was elevated to the full status of a Patriarch.

The Gorbachov-Pimen meeting thus was but a prelude, and for the Church, it marked a milestone in its march toward a greater share of power. For Gorbachov, his receiving Pimen and the Holy Synod marked the beginning of his move to acquire the support of Russian national institutions, allying also with the most powerful Russian national institution, the military, again echoing Stalin.

French elections wake up Europe

by Muriel Mirak

Following the first round of the French presidential elections on April 24, the European press sat up and took notice, as if a flying saucer had landed on the Eiffel Tower. The National Front candidate Jean-Marie Le Pen, who had been characterized variously as a curiosity, a mixture of nostalgia, neo-fascism, populism, and xenophobia, had established his voter strength at 14.4%, running close behind Trilateral Commission member Raymond Barre of the UDF (16.5%) and current Prime Minister Jacques Chirac (19.9%). The incumbent President François Mitterrand established his lead with 34.4%.

What shocked observers, both within France and throughout Europe, was not only Le Pen's national total, but his astounding showing in Marseille, with over 30%, in Alsace, with close to 30%, and in working class suburbs of Paris, where he outpolled the Communist Party (PCF). How could it happen?

The simplistic explanation tendered by Communist Party analysts, both in Moscow and Western Europe, is that "neo-fascism has reared its ugly head." But, as *Le Monde* commented days after the election, "It would be enough to live in a popular [low-income] district of Paris to figure it out: Le Pen's voters are not the racists they are presented as, they are the small people, the cannon-fodder always sacrificed by our generals in all wars. They are the excluded, the penniless, the unfortunate. . . ."

Indeed, the shot fired in France and reverberating through Europe, was fired by a combination of desperate masses of "normal" people, and a clique of behind-the-scenes manipulators.

The silent majority

Le Pen's vote is a classic protest vote, a vote cast by citizens fed up with the impotence of the national party institutions to allay economic and social woes: increasing unemployment, decaying living standards, a dramatic health crisis spearheaded by drug consumption and the AIDS pandemic,

and terrorism. Although Le Pen exploited working people's job frustrations in Marseille, which is heavily populated by immigrants, by calling for the expulsion of foreign workers and their replacement by the French, not all of his support expressed xenophobia. In Alsace and Lorraine, eastern regions whose steel sector has been decimated by the depression, workers do not feel threatened by foreign labor. It is estimated that one-third of Le Pen's vote came from Communist Party voters, who crossed over to the National Front, because they felt that the PCF would not defend their economic interests.

Le Pen captured these votes, and others, because he appeared to address the issues, which no other contender did. In his mass rallies, he focused on law and order, immigration, AIDS, drugs, and security. In contrast, Chirac's campaign was paralyzed by an unresolved conflict between the technocrats from the Ecole Nationale d'Administration (ENA) and Interior Minister Charles Pasqua's traditionalist Gaullist machine; Chirac allowed his campaign to be influenced by the former, who ran an American-style public relations campaign, focused on empty slogans ("Let's go, France! Let's go, Chirac"), and religiously avoiding the issues. Ironically, Chirac was in the best position to exploit real achievements of his government, and could have used his electioneering to mobilize the population around the Marshall Plan for agricultural development, designed by Agriculture Minister François Guillaume; he could have fulfilled the Gaullist aspirations of his electorate by detailing plans for upgrading nuclear defenses, including greater cooperation with West Germany; he could have taken the fight against terrorism, led by his Interior Minister Pasqua, a few steps further.

But, Chirac did not, and his inertia, particularly in the closing week of the campaign, cost him dearly. When the Socialists focused attention on the immigration issue, this threw large chunks of the conservative electorate to Le Pen. And when, just days before the vote, terrorists in New Caledonia acted with ostensible impunity, capturing French gendarmes, the frustrations of a population desiring effective responses to national crises, exploded. They voted for Le Pen.

The back-room schemers

Simultaneously, in the proverbial, smoke-filled back rooms, French power-brokers were wrapping up their deals. The drop in votes for Chirac in the areas of Auvergne and Bordeaux provides an important clue to what happened. Auvergne, controlled politically by ex-President Valéry Giscard d'Estaing, and Bordeaux, dominated by one-time Premier Jacques Chaban-Delmas, showed a shift in votes from Chirac, the conservative, to Mitterrand, the socialist, which could only have come about through voter preference directed from above. Considering the fact that Giscard, who has enjoyed close relations with President Mitterrand for years, has been mooted as a possible premier, and as the President of Europe

in 1992, it is not incomprehensible that Giscard would abandon his official political alliances to assure Mitterrand's victory. Thus, in Auvergne, in Bordeaux, and in other areas like the Gironde district, those Chirac votes which had not been captured by Le Pen, were transferred to Mitterrand.

It was not only personal considerations or national politicking which manipulated voter preference for Mitterrand. Powerful international financial groups put out the word shortly before the vote, that Chirac must be defeated at all costs, because his nationalistic policies did not cohere with their plans for supranational integration. These groups backing Mitterrand include the Assicurazioni Generali, the Lazard group, Carlo De Benedetti, as well as leading German and American consortia. Carlo De Benedetti, who has been vying with Chirac allies for control over the Société Générale de Belgique, appeared, in fact, on national television alongside Giscard, at the height of the electoral campaign.

Political manipulation, albeit of a different sort, was also a factor in Le Pen's surprise results. It was, after all, President Mitterrand who put through an electoral reform years back, which allowed for a new political figure, such as Le Pen, to have representation in the National Assembly, proportional to his vote; prior to the reform, only candidates who had won a majority of the vote could gain enough seats to constitute a parliamentary grouping. In point of fact, Mitterrand has promoted Le Pen's rise to political prominence, in hopes of using him to break up the Gaullist formation.

The future of Europe

In a February issue of the weekly *Literaturnaya Gazeta*, the Soviets published a raving piece entitled "Yankees and Teutons," which slandered presidential candidate Lyndon LaRouche and his wife Helga Zepp-LaRouche, chairwoman of the Patriots for Germany. In the course of its hand-wringing despair over the "danger" that LaRouche might occupy the White House, and that his wife might gain political office in Bonn, the article dubbed LaRouche "the Le Pen of America." In the wake of the French elections, the Moscow-controlled Italian Communist Party (PCI) has been convulsed by internal factionalizing, around what is mistakenly identified as the "right-wing turn" in European and American politics. The external expression of this conflict has been an unprecedented attack against a LaRouche-associated organization in Italy, the POE.

Although the Soviets and their West European mouthpieces express themselves in typically uncouth, crude language, the phenomenon which they identify, albeit in misnomers, is indeed real; and no one knows better than the Russians what the real nature of the phenomenon is. The first round of the French elections registered the existence of a powerful protest vote, which went to Le Pen, because there was no candidate running on a platform capable of addressing the legitimate concerns of the electorate, for economic growth, national security, and public health. There will be, however,

candidates running on a LaRouche program in upcoming elections, not only in France, but throughout the continent. And that, combined with the electoral tide turning consistently in favor of LaRouche candidates within the United States, has Moscow running scared.

In the second round of the French elections on May 8, two candidates of the Parti Ouvrier Européen (POE) are running for local office in by-elections in Vélizy-Villacoublay and Poissy. In October, elections are slated to take place in half of the nation's 3,600 "cantons," roughly equivalent to counties; the POE is recruiting thousands of candidates, including many farmers, to run a nationwide slate. In Italy, the newly formed Patriots for Italy movement, is meeting its first electoral test in by-elections being held in Nave, near Brescia. The slate, led by prominent citizens of the area, will be the springboard for a national campaign when parliamentary elections are called. In Sweden, the LaRouche-associated party, EAP, which has been the target of a years-long disinformation campaign of the KGB, has announced it will participate in parliamentary elections scheduled for September. In the Federal Republic of Germany, the Patriots for Germany participated in regional elections in Baden-Württemberg in March, garnering up to 17% in some districts. Although the next regional and city council elections will not be held until 1989, a recruitment drive is already under way for candidates to run both in these elections and in the European Parliament elections in spring 1989.

In short, a European-wide candidates movement is coming into being around the strategic perspective and programmatic platform of Lyndon LaRouche. Although each nation may be experiencing the convergence of crises in slightly differing forms—West Germany feels the threat of Soviet aggression more acutely than, perhaps, France or Italy, while these latter are being hit by economic and social breakdown more dramatically—yet, the fundamental issues facing each are the same. How can Western Europe recover the values of its cultural heritage, and wield the tools of its scientific, industrial, and cultural greatness to rebuild its decaying economy—to again give its citizens a productive role in society, upon which to secure their human dignity? How can the genius of Western civilization be reawakened, to provide the technological wherewithal for Africa and other debt-crushed areas of the developing sector to industrialize? How can Europe rebuild the tattered Western alliance on culturally sound bases, to mobilize the defenses required to thwart Soviet aggressions?

These are the questions brewing in the minds of citizens of Europe's nations. The converging crises which have exploded over the past years and months, have brought these underlying questions to consciousness, and with them, the awareness that "politics as usual" will not, cannot, provide the answers. When no viable alternative is available, this consciousness expresses itself in a "protest vote." When it is, however, then a re-drawing of the political map is underway.

Italian Red death threat linked to U.S. mob channels

The following international news bulletin was released by EIRNS in Washington, D.C. on May 4.

U.S. sources agree with a European view that channels in the United States may have encouraged placing a not-so-veiled Soviet death threat against associates of U.S. Democratic presidential candidate Lyndon LaRouche in the 27 April edition of Italy's Communist Party daily, *L'Unità*. Factions within the U.S. government linked to convicted spy Jonathan Pollard, or to secret graveyards in Sicily, are under scrutiny in this connection.

That edition of the Communist daily featured an article, written from Palermo, Sicily, which accused associates of LaRouche of being implicated in the April 30, 1982 assassination of Sicilian Communist leader Pio La Torre. The article had also repeated discredited old Soviet and Anti-Defamation League (ADL) charges dating from March 1986, which had targeted LaRouche himself as author of the assassination of Sweden's Prime Minister Olof Palme.

The first impression created by that article was that it reflected orders from highest levels of the Soviet government. The Soviet intelligence services are currently unleashing a wave of terrorist assassinations in Western Europe, and the Soviet national press has made the name of LaRouche a household word in the massive factional uproar leading into the upcoming Soviet plenum. The style of the April 29 *L'Unità* article is not Italian, but the imported ID-format Soviet KGB libel against LaRouche.

Suspicion of an official U.S. hand in fostering this libel was first aroused when the Communist propaganda-piece was picked up by the Italian daily *La Repubblica*. This suspicion was strengthened by discovery that U.S. State Department officers were simultaneously conducting a new covert operation against LaRouche associates in Italy.

Although U.S. diplomatic officials linked to Vice President George Bush have been caught repeatedly in undercover political operations against LaRouche's European associates, it was doubted that the *L'Unità* threat itself involved such Bush circles in Europe directly.

Indications are that highly influential political circles in the United States are operating through their own special networks inside official U.S. channels. Since early 1984, major legal and other harassment of LaRouche and his associates through U.S. government channels has always coin-

cided with both major public attacks in the Soviet and Soviet-controlled news media, and with known channels of Soviet clandestine networks into such sections of the U.S. Department of Justice as the Office of Special Investigations (OSI) and the circles of recently resigned number-two Department of Justice official Arnold Burns.

'Operation Nightmare'

L'Unità's libel based its charges on the instance, during 1982, in which LaRouche associates had forewarned La Torre that Soviet agencies were behind a Qaddafi-backed plot named "Operation Nightmare," intended to destabilize the government of Italy.

Planned terrorist assassinations of Sicilian Communists, during mass-protest demonstrations at the U.S. Comiso cruise missile base, had been a central feature of that plot. Now, six years later, *L'Unità* argues suddenly that that warning to La Torre was a threat, and that LaRouche's connections to the U.S. Central Intelligence Agency are key to the slaying of La Torre later during 1982.

L'Unità's author says that he was the channel used to relay to La Torre the information supplied by two close associates of LaRouche. That much is true. However, the author omits very crucial parts of what was transmitted, and fails to report LaRouche's connection to La Torre at that time.

Pio La Torre was highly significant in operations against Mediterranean drug-traffickers and against sections of organized crime tied to the Palermo assassination of General Dalla Chiesa, leader of Italy's national police force, the Carabinieri. La Torre was typical of those Italian Communist leaders of the period 1978-82 who had been earlier part of a project by Soviet-assassinated Christian Democratic leader Aldo Moro to wean the Communist Party of Italy from Soviet control. La Torre had been in liaison with LaRouche's circles in connection with an anti-drug operation being conducted by a special task force of French and Italian law enforcement agencies. La Torre had been of significant assistance against the drug-running ring.

Hence, LaRouche's circles respected La Torre for his highly moral stand on such questions, for his being among those exceptional Italian Communist leaders who were Italian patriots in the last analysis.

L'Unità's author also fails to mention leading facts he was supplied by LaRouche's associates on the details of

"Operation Nightmare" itself. Among these details was a list of names of key Italian members of that operation. Suspiciously, *L'Unità* fails to mention that these named figures fled from Sicily as a result of the work of LaRouche's associates in exposing the details of the plot, and that key members of that list were later caught by Italian police in Sardinia, attempting the same kind of plot, with Qaddafi's backing, there.

*A not-so-veiled Soviet death threat
against associates of U.S.
Democratic presidential candidate
Lyndon LaRouche is timed with
events in Boston. . . .*

The exposure of "Operation Nightmare" came through a very high-level leak by a major intelligence service to LaRouche's security-intelligence operations. For complex political reasons, that intelligence service was unable to act on its knowledge of the plot, and therefore passed its information, minus identification of methods and sources, to LaRouche. LaRouche personally placed highest priority on defeating the plot, and recommended to his associates in-depth cross-checking of the information received.

An immediate, broad-based investigation was conducted by teams in Western Europe, the Middle East, and the Americas. The original information received was fully corroborated, and the findings were relayed to relevant circles in the U.S. and European governments, including a high official of the private household of Britain's Queen Elizabeth II. It is believed in relevant circles, that British intelligence, after receiving this information, acted in cooperation with Italian services to neutralize the plot. Probable U.S. actions against the plot are reported to be classified secret still.

Moro and the Communists

According to the family of former Prime Minister Aldo Moro, Secretary of State Henry A. Kissinger delivered menacing warnings to him, demanding that he abandon his role in an Italian Christian Democrat plan for weaning the Communist Party of Italy from Moscow's control. The plan was not new; it had been a project of the old Office of Strategic Services and key Christian Democrats which had been scuttled by the U.S. State Department and Central Intelligence Agency officials involved. Moro had revived that project, meeting violent disapproval from Kissinger, according to the sworn testimony.

In 1978, the Soviet intelligence services organized the

kidnaping and murder of Moro through a KGB Red Brigades front, as a warning to those Italian Communist leaders who had been in discreet negotiations with Moro's Christian Democrats.

Recently, Moro's project was revived by the new, present prime minister of Italy, Ciriaco De Mita. Suddenly, just prior to the consolidation of the De Mita government, the prominent Christian Democrat, Roberto Ruffilli, was assassinated on April 16, 1988, with a known KGB terrorist-front operation claiming the murder as their own work. The murdered man would have been key in handling sensitive aspects of De Mita's efforts.

The objective assessment is that 1988 is not 1978; what Secretary Kissinger feared Moro might accomplish is probably not feasible now. Then, the Communist Party of Italy had large financial resources not dependent upon Moscow; today, that is no longer true. Also, as we see in the way Moscow is moving toward purging the Communist Party of France, the Soviet foreign sections are unwilling to tolerate any degree of freedom of Western Communist parties from finger-tip Soviet control.

The murder of Ruffilli by a Soviet terrorist front, occurring in the context of a massive wave of Soviet-directed terrorist deployments in Western Europe and even the United States, is the context of *L'Unità's* libel.

The complicating factor is Soviet policy toward LaRouche personally. As long as Moscow believed that LaRouche might be eliminated through a Justice Department legal frame-up organized by Soviet assets inside the Anti-Defamation League (ADL), Moscow would not risk being detected in orchestrating an assassination threat against a U.S. Democratic presidential candidate it had denounced as Soviet public enemy number-one.

It has been known internationally for more than a month that the U.S. Justice Department's attempted Boston, Massachusetts frame-up of LaRouche was disintegrating in court. That case has just been shut down because of interruptions of the jury process caused by massive evidence of government misconduct in preparing and conducting the case. The imminent mistrial began to be rumored widely in international circles several weeks ago. What is obviously a Soviet death threat conducted through *L'Unità*, just ten days before the impending mistrial, comes as no surprise.

Inside the United States itself, LaRouche's number-one adversary is super-wealthy Soviet agent Armand Hammer. Hammer has great influence at the highest levels of U.S. politics, both as a leading funder of the Democratic National Committee and as an intimate of the personal circles of astrology-convert Nancy Reagan. Hammer's personal circles include major figures of Meyer Lansky's international organized-crime syndicate, circles linked to such relevant personalities as the notorious Michael Ledeen and U.S. Ambassador to Italy Max Rabb. A proven such U.S. hand in the *L'Unità* death threat would come as no surprise to any among the world's leading intelligence services.

Labor support breaks U.S. stranglehold

by Robyn Quijano

Panama's Gen. Manuel Antonio Noriega cut short rumors that he had made a deal with the State Department to leave office, when he addressed a gathering of international trade union delegates on April 30. The general promised that the only negotiations he would undertake would be with the constituencies of Panama, and warned that the Reagan administration is out to impose a puppet government "in the image of the U.S. establishment." He charged that the war against Panama was being carried out as an experiment, and that other Ibero-American nations would sooner or later suffer similar aggression, if the economy and sovereignty of Panama were destroyed.

U.S. press reports the previous week that the State Department had decided to "permit" Noriega to stay in his own nation after leaving his position as Commander of the Defense Forces, were shown to be inventions designed to cover the fact that the Reagan administration had lost this round with the tiny Central American nation.

As the *Financial Times* of London commented April 29, the Reagan administration's effort to get rid of Noriega has become "a botched job bordering on a debacle." "The chief target of criticism" is Assistant Secretary of State Elliott Abrams, they state, quoting a Latin American diplomat, "Nobody wants to bail out Elliott." To the *New York Times*, the problem has been one of "style." The "bullying, snarling style of Abrams risks antagonizing Latins," their April 27 editorial warned. The economic blockade of Panama was correct, but it was imposed "recklessly," they complain.

Key sectors of the U.S. establishment have either tried to blame it all on the hideously incompetent Abrams, or on the "street fighter" finesse of the "master in psy-war" Noriega.

In truth, while Abrams deserves to be thrown to the pirañas, and Noriega has been demonstrated to be a most competent adversary, the U.S. foreign policy debacle is due to an immoral and strategically insane policy, the real popular support for the Panamanian nationalist project that Noriega inherited from Omar Torrijos, and the increasing resistance of key sectors in Ibero-America.

Vernon Walters, U.S. ambassador to the United Nations, touring South America to get governments there to oust Noriega, also took aim at Abrams. According to Brazil's *Veja* magazine Walters said, "I don't want to get into a debate with Mr. Abrams, who is several posts below me. In my

opinion, the ruler of a country should be judged by his compatriots." Walters's job is to hold the line against other nations joining Mexico in full economic and moral support of President Manuel Solís Palma and the nationalist project he and Noriega represent. On cue, Venezuelan Foreign Minister Germán Nava Carrillo took up Walters's line, and stated that as long as the current situation in Panama prevails, Panama will not be represented in the Group of 8, the Contadora Support Group, which suspended Panama for not being a "democracy" when Eric Delvalle was voted out of the presidency by the National Assembly for taking orders from a foreign power.

Walters was in Venezuela, and met with both President Luisinchi, and ex-President Carlos Andrés Pérez, who is seeking to return to office. Pérez stated that the U.S. "has recognized its error." "I now think that it is possible for the good offices of Latin American governments to bring about a peaceful and negotiated solution to the crisis." Opposite from the Mexican approach of backing Panamanian sovereignty, Pérez is running the Socialist International's game of ousting Noriega so the Reagan administration can withdraw "from the center of action." He is pushing the Vernon Walters line that it is the Group of 7, once the Group of 8, that should "mediate." According to the Venezuelan press, Pérez was once an intimate of the Medellín Cartel's Ochoa clan, and received a pace horse from Fabio Ochoa named "Porcelana."

"Mexico is the first country to demonstrate its solidarity with the Panamanian people, in a concrete act, by not cutting the supply of oil and providing payment facilities," announced Mexico's ambassador to Panama, Carlos Plank Hinojosa. Mexican Foreign Minister Sepúlveda, when asked about General Noriega said, "The so-called crisis has been made to revolve too much around personality questions. We find it a highly dubious practice, that foreign powers presume to decide, who should rule in another country."

Trade unions back Panama

Trade union delegates from seven Ibero-American nations drafted a document of support for the Panamanian government for the 150 delegates from 25 nations who participated in the "Solidarity with Panama" trade union conference that ended on April 30.

The document was presented to the conference by Dom-

ingo Petrecca, a labor leader from the "62 Organizations" of Peronism, representing the Panama solidarity committee of Argentina. The trade unions demanded that their governments come up with immediate credits, medicine, and food to meet the emergency, and to start the process of economic recovery. The document also clearly states that the support for Panama must come from Ibero-America, the subject of a pamphlet written by the Schiller Institute, and distributed by the organizers of the conference.

The first international guest to address the Panama Trade Union Conference was José Sosa, a high-ranking leader of the Mexican Petroleum Workers, one of the most powerful unions of the multimillion-member Confederation of Mexican Workers. This show of support, along with the Mexican government's breaking of the U.S.-imposed economic warfare by supplying oil to Panama, radically shifted the correlation of forces in the region.

The Communist World Federation of Trade Unions sent delegations from all over the world, but was able to dominate neither the conference nor the committee that wrote the final document because of the strength of the democratic union delegations, in particular from Mexico, Argentina, and Colombia.

After the conference, a May Day rally was held, which demonstrated the broad support the Solís Palma government enjoys. Over 30,000 workers rallied in a show of support for the government that was not covered by the U.S. media. The same media that has trailed handfuls of opposition demonstrators, never managed to film the May Day rally.

The real support for the Torrijista nationalist project inside Panama, that the State Department continues to pretend does not exist, is also responsible for the U.S. policy debacle. U.S. policymakers believed all their own lies, and thought that if they controlled enough of the international media, reality would go away. Happily for the potential future existence of the nation-state, reality has a stunning capability of asserting itself.

Documentation

Final and general resolution

The resolution, excerpted below, is entitled, "Governments should do what the people want":

Labor organizations representing 400 million workers from throughout the world, meeting on April 28-30 at the Atlapa Convention Center in Panama City at the invitation of the

People's Unity Front (FUP) to express solidarity with the sister peoples and government of Panama and against imperialist aggression, resolve:

1. To report and reject intervention in the internal affairs of Panama, and the U.S. imperialist economic, political, and military aggression against the Panamanian people and government.
2. To demand from the U.S. government respect for Panama's self-determination and sovereignty, and the immediate elimination of the economic measures against Panama.
3. To demand that the U.S. government strictly complies with the Torrijos-Carter Treaties, which obligate the United States to deliver the Panama Canal in good operating condition and to withdraw U.S. Armed Forces on December 31, 1999.
4. To report to our governments, organizations, and peoples that the aggression against Panama is an important part of the strategy to prevent the independent economic and political development of our peoples and to secure the domination and exploitation of Latin America as its strategic rearward.
5. To establish committees and other forms of solidarity with Panama with the fundamental objectives of reporting the imperialist aggression and organizing the urgent dispatch of contributions of food, medicine, money, and any other kind of help.
6. To urge all labor unions and regional and international organizations to urgently effect greater and more effective solidarity with the Panamanian people and their people's movement. We also extend this appeal to all youth, intellectuals, women, peasants, and other organizations throughout the world.
7. To ask the governments in our countries to approve special credits, deposits, aid, energy resources, and food to help the Panamanian people and government, according to the needs and requirements of the Panamanian government.
8. To support FUP and its proposal that a national government of unity and commitment should be established as a political solution to the crisis. This government should be headed by Manuel Solís Palma and be composed according to the FUP proposal, which guarantees the completion of the decolonization process and guarantees a decision regarding the command headed by General Manuel Antonio Noriega—respecting the national interest and Panama Defense Forces Law 20—without U.S. imperialist intervention.
9. To support the Panamanian government in all its efforts before the organizations and highest international courts to defend its sovereignty and the compliance of the Torrijos-Carter Treaties. . . .
11. To declare ourselves in permanent solidarity with the Panamanian people and government until we defeat the imperialist aggression.

"Latin America's revival must not be hampered; it should be supported to encourage peace. A new awareness is being

created among Latin Americans, and there will be peace only when we allow this awareness to follow its own path. Whoever opposes this attitude is creating the hostility that promotes the existence of conflicts. If we are prevented from making peaceful changes, we are pushing our people to promote violent changes"—Omar Torrijos Herrera, U.N. Security Council, March 15, 1973.

General Noriega's closing remarks

Speech by General Manuel Antonio Noriega, Panama Defense Forces commander in chief, to the closing session of the International Trade Union Solidarity Congress of the Atlapa Convention Center in Panama City:

Gentlemen; friends; brothers of the Panamanian cause . . . Panama receives you . . . with love, receives you with solidarity, and makes of this historic moment, the moment and the hour of Latin America and the world, the hour of the peoples, the hour of not one step backward.

Those who believed that "not one step backward" was just rhetoric made their mistake right there. . . .

The habit of buying friends is the norm guiding imperialism . . . which forgets that Rome does not pay traitors and that 20 centuries ago another imperialism regretted the sad experience of its immoral behavior. . . .

. . . We want to tell the whole world that Panama is being treated as an experiment . . . the results of which will be applied in other Latin American countries, maybe next year, maybe in two, four, for six years. This is true of Panama today. Tomorrow it will be true of Honduras. The day after tomorrow it will be Argentina, and later it could be any other Latin American country because of the experience gained in Panama.

The experiment in Panama also involves the economic sector. Even though other countries do not use the dollar as their currency, the dollar will be precisely the one which strangles their national currency through the subterfuges that have been tested in Panama to obstruct clearinghouse activities and freeze deposits in New York and Boston. The Latin American countries, presidents, and governments that timidly watch the Panamanian cause and problem today should know that when their times come they will be dealt with in the same way.

The political experiment is being tested in Panama. Whenever it [the U.S.] needs to install a docile government in its own image to guide the flock, it will create a house, an island, a place, a Quarry Heights so that the government may use it as a hideout to attack its own country! All the Latin American countries have their own Quarry Heights, gentle-

men! Quarry Heights is a military base. That is where the [U.S. Armed Forces] command is located. That is where they have given shelter to the president that they want to impose on Panama. . . .

Concerning international affairs, we have seen attempts at conditioning Latin American peoples and countries against one nation. We have seen the visit paid by Vernon Walters—I am going to mention this case because I am acquainted with it—to Argentina when General Galtieri took the Malvinas. He and Alexander Haig traveled at once to Buenos Aires and they threatened Galtieri to stop the Argentine people's liberation struggle. And today that very same individual goes to Argentina to demand that the Argentine government crush and oppose Panama. . . .

In the military sphere, we also see the same attempts being made. According to them it shows a lack of education to speak the language of the Panamanian Armed Forces. According to Poindexter, the loftiness, the speed, the tone, the doctrines of a Panamanian Armed Forces captain or lieutenant are a bad example.

In that military sphere, we feel proud of these armed forces. During a secret visit by friendly officers of other armed forces, they told us: We feel proud of you Panamanians and we bring a message of solidarity to you, but we cannot make it public because they have us by the balls.

Gentlemen, it is important that you take this realistic concept and analysis of the Panamanian situation back home with you. This is not exclusively a situation of Panama versus the United States. This is a situation of Panama being treated as an experiment, for which Panama is paying the price. Above and beyond that experiment, however, there is the very real urgency [for the United States] to have a new government, one without the popular forces, come to power in Panama in the year 1989; a new government without the desire for liberation, without the thirst for sovereignty, and without the patriotic goal of reaching the year 2000 without foreign presence; a new government that will appoint a subservient man to the Panama Canal Commission, a man made in the image of the U.S. "Establishment." The attempts to prevent us from getting rid of the colonialist remnants that must be gone in 1989 lead to these attempts at destabilization. . . .

These patriotic people have taken over the streets and will never give them up. These people already know where the country's rifles are and already know at whom these rifles must be fired. These people have already made a list of their friends and also a list of their enemies. These people do not want to be left out of the dialogue because they are no longer passive participants in their own drama. There can be no dialogue here, either national or international, unless the popular forces negotiate their own security. This commander is prepared to talk, but with the popular forces, for the destiny of the popular forces, for the benefit of the popular forces. If this commander has a price, only the popular forces know what that price is. . . .

After the Afghan accord: another 'Lebanon' in Pakistan?

by Ramtanu Maitra

The signing of the Geneva Accords by Islamabad and Kabul on April 14, with the United States and Soviet Union as guarantors, has raised the instability factor in the region to a new threshold. Pakistani opposition leader Benazir Bhutto's recent proclamations as to the danger of Afghanistan becoming another "Lebanon" miss the point. It is now an open secret that the so-called Afghan settlement will likely lead to the partitioning of Afghanistan. The real danger, however, is the survival of Pakistan as one nation. It is Pakistan which has been set up for the "Lebanon" treatment.

The warning signals are there for all to see: Opening up the Durand Line dispute between Afghanistan and Pakistan; added instability caused by the 3 million Afghan refugees who are showing little interest in heading back home (not to mention the presence of 15,000-20,000 active Kabul-trained agents within the refugee population); efforts by secessionist movements within Pakistan to carve out Sind and Baluchistan as independent nations; a sizable population of Iran-backed Shi'ite fundamentalists; a weak economy which can hardly afford indulgence in curbing militant extremism; an increasingly fragmented political scene, and regular threats issuing from Moscow.

Pakistan has become the cat's paw of three geopolitical military powers—the Soviet Union, the United States, and China—each angling to gain a deeper hold in the subcontinent. The point of entry for bringing this game to a new and dangerous level is the projected Balkanization of Pakistan. The partitioning of Afghanistan will fuel a revival of the push for "Pakhtoonistan" and southern Afghanistan's gouging out a chunk of Pakistan. It is a fissuring process that will not be neatly confined within Pakistan's Northwest Frontier Province (NWFP) or even within Pakistan itself.

It is this recognition, at least in part, which is undoubtedly motivating India's stony silence on Afghanistan's plight for the last nine years. India's role could be critical in the face of the new instabilities, provided New Delhi can muster a serious initiative to restore and build Indo-Pakistani relations, clearly the key to retaining the integrity of the region.

An accord for what?

The accord, which had been labeled the harbinger of lasting peace for the region, is no more than a "convenient

solution" worked out by the Soviets and the United States, with China an interested bystander. For the Soviets, in addition to more fuel for the "glasnost" and "perestroika" propaganda machine, the accord gives virtual control over northern Afghanistan. It is only a matter of time before that part of Afghanistan joins the "fraternal brotherhood" of fellow Tadjiks, Uzbeks, and Kirghizes belonging to the Central Asian Soviet Socialist Republics.

For Pakistan, besides a temporary reprieve from condemnation as "saboteurs of peace and the negotiating process," the accord offers only intangibles—mainly, "hope."

The accord has elicited a torrent of babbling from the U.S. State Department and "experts" alike. The smug contention that the accord is "historic" because the mighty Red Army has been "pushed back" and the present Kabul government "will come down with a crash in no time," making way for the nationalist Afghans to assume control of Kabul, has already begun to wear off. Answering a question in Geneva after the accord was signed, U.S. Secretary of State George Shultz was forced to admit that the war will not end. Poor George also had a problem answering what the State Department would say if the Soviet Union turned around and charged Pakistan with violating the accord.

It shouldn't be a surprise. The accord was never meant to stabilize the region; it was merely a "confidence-building" step leading to the Reagan-Gorbachov summit, the next high point in the current "New Yalta" game of the superpowers. Like its namesake, this round of superpower maneuvering is also laced with willful self-delusion.

Why instability?

There is scarcely a commentator on any side of the table who does not admit that Afghanistan will remain unstable. The chaos is bound to spill over to the neighboring nations—in particular, Pakistan.

Although Iran borders southern and western Afghanistan, the Afghanistan situation will not have a great impact on its domestic scene. For the last eight years, Iran has contained the 2 million Afghan refugees in its northern province. The totalitarian mullah regime did not give the Afghan refugees much scope for mischief-making. Moreover, historically, Iran has had few conflicts with the Afghans, even though a

part of Iran had earlier been claimed by the "Greater Baluchistan" secessionists.

More likely would be an increase in the already considerable Iranian pressure on Pakistan, erstwhile friend of the U.S. "Satan." In 1986, a violent confrontation between the Iran-backed Shi'ite fundamentalists and the majority Sunnis in Lahore claimed 18 lives. The Shi'ites have since formed a political association pledging allegiance to Ayatollah Khomeini. It is well known that a large number of Pakistani army personnel are Shi'ites (one of the main reasons, incidentally, why Riyadh removed Pakistani forces from Saudi Arabia last year), so the mischief potential is not inconsiderable.

But, the single most pressing problem Pakistan faces is the 3 million rambunctious Afghan refugees who have settled all over the country, busying themselves with gaining wealth and business through cash or firepower.

In spite of what U.S. National Security Council chief Frank Carlucci may say, the Kabul regime is not going to roll over and die while the Red Army sits at a distance and watches. The regime has an 80,000-plus strong army and air force, armed with helicopter gunships, and other modern weapons. The Kabul regime will act from its position of strength and is expected to rope in a few of the rebel commanders to share power—strictly on Kabul's terms.

Since there is very little likelihood that the Najibullah regime will fold up the way Vietnam's infamous Nguyen Van Thieu regime did in 1975 following the U.S. evacuation from Saigon (now, Ho Chi Minh City), it is evident that a large segment of Afghan refugees has come to stay in Pakistan. The existence of such a huge refugee population would by itself be a destabilizing factor for any nation. In the case of Pakistan, the historical enmity between Afghanistan and Pakistan adds a sharp twist.

How it works

The migration of Afghan refugees south to settle in Karachi, the most populous city in Pakistan, demonstrates the nature of the problem. Karachi is the capital and port city of Sind province, long a province beset with secessionist movements. Until the end of the 1970s, the political scene in Sind was dominated by the Muslim League, a pro-government and pro-Islam political party with a number of factions, and the Pakistani People's Party (PPP), a hodgepodge of landlords, socialists, pro-Soviet elements, anti-army liberals, and some trade union workers. The Muslim migrants from India, called Mohajirs, had settled mainly in Sind and have been the backbone of the Muslim League for decades.

In the midst of this melange, a secessionist movement, called the "Jiye Sind" movement, also exists, drawing its support from Sindhis who were upset over their diluted identity and over Punjabi domination in the army and bureaucracy of Pakistan. "Jiye Sind" also drew support from a spectrum of sectarian left forces of varying shades. In 1983, the "Jiye Sind" movement turned violent and was contained, albeit at

the expense of a good deal of bloodshed, only because the political forces supportive of a sovereign Pakistani nation did not ally with the secessionists. In this, the Mohajirs were a significant stabilizing factor.

Arrival of the Afghan refugees, flush with drug-peddling revenues and automatic assault rifles, changed the ethnic dynamics of Karachi almost overnight. Since the Mohajirs were not willing to give up their hard-earned turf, Karachi became a violent city. In fact, during the two years since this crisis has surfaced, Karachi has seen more violence than ever before. The Mohajirs, in the meantime, have formed their own political grouping, the "Mohajir Quam" movement, accusing the Islamabad government of unleashing the aggressive Pathans to take over Karachi, the traditional seat of the Mohajir community. The effect has been disastrous. Now out of the mainstream, the Mohajirs have begun courting the "Jiye Sind" movement.

The Sind conflict, in turn, provided the proponents of "Pakhtoonistan," the tribal secessionist movement in NWFP of Pakistan, a chance to show their muscle. Two Pakistani Pathan leaders, National Awami Party chief Khan Wali Khan and his father, the Khan Abdul Ghaffar Khan, who refused to condemn the Soviet invasion of Afghanistan, wasted no time in expressing solidarity with the Pathans against the Mohajirs.

The Durand Line

To add further fuel to this fire, the issue of the Durand Line has been re-opened, with the Soviets seconding Afghanistan's claim that it never accepted the present line of control as the legitimate border between Pakistan and Afghanistan. The 1893 treaty from the British Raj days, according to which the Durand Line marks the border between Pakistan and Afghanistan, has been a contentious issue since Pakistan became an independent nation in 1947. No Afghan regime—Marxist or non-Marxist—has accepted it, and it is doubtful whether any Afghan refugee, even after receiving handouts from Pakistan for the last nine years or so, accepts it today. In 1966, the Khalq—one of the two parties which form the Soviet-backed Kabul regime, the other being the Parcham—declared that the Durand Line had been imposed upon Afghanistan "against the wishes of its people, and as a result, a part of the territory of the country was detached from the body."

It was an open declaration that a part of Baluchistan and also a part of the NWFP, the two western provinces of Pakistan bordering Afghanistan, belong to Afghanistan. The dispute on the Durand Line has given rise over the years to secessionist movements for independent Baluchistan and Pakhtoonistan, supported by Afghanistan. In his first declaration of party principles, Afghan President Nur Mohammad Raraki, who was later assassinated by his prime minister, Hafizullah Amin, had called for a "solution of the national issue of the Pushtun and Baluch people." When Amin, who

later as President "invited" the Soviet Army to come in and in the process got himself assassinated by his guests, became prime minister in March 1979, his "Greater Afghanistan" rhetoric intensified and he convened a series of meetings of Pushtun tribal leaders from border areas where rebel activity was raging.

Khan Abdul Wali Khan is also a proponent of the Pakhtoonistan movement. Wali Khan spends part of his time in Kabul, and the rest in Pakistan inciting the Pathans against the Islamabad government. He never forgave the late Paki-

The single most pressing problem Pakistan faces is the 3 million rambunctious Afghan refugees who have settled all over the country, busying themselves with gaining wealth and business through cash or firepower.

stani Prime Minister Zulfikar Ali Bhutto for the latter's attempt to crush the Pakhtoon secessionists. It is widely known in Pakistan that Wali Khan played a key role at a crucial time which led to Bhutto's arrest in 1977, and eventual death by hanging.

The independent Baluchistan movement is also aided and abetted by the Kabul regime under the guidance of Moscow. Two major Baluch tribal leaders, Khair Bakhsh Marri and Ghaus Bakhsh Bizenjo, spend a lot of their time in Kabul making statements in support of an independent Baluchistan. While other Baluch leaders have also promoted an independent Baluchistan, Marri and Bizenjo are well-liked in Kabul because of their fluency with Marxist jargon.

The geopolitical game

The U.S. side of the three-way game among China, the Soviet Union, and the United States is transparent. That the United States was never serious about defending Afghanistan has been evident since at least 1954, when the allegedly anti-Soviet U.S. Secretary of State John Foster Dulles summarily turned down Afghan Prime Minister Mohammed Doud's request for military assistance. Pakistan, on the other hand, was seen to have a certain geopolitical value. Besides being a stumbling block to the Soviets' eastward march and to their direct access to the Arabian Sea in particular, Pakistan was more recently seen as a watchpost and even considered a jump-off point for the American Rapid Deployment Force in the Gulf.

But, the United States never seriously tried to make Pakistan a strong and stable economy, and the general Pakistani perception of its erstwhile ally was probably accurately reflected in the storming of the U.S. Embassy in 1979. Since the advent of the mullah regime in Iran, Pakistan lost some of its importance as the Soviet-stopper in the eyes of some in the United States. Those policymakers closely associated with Zbigniew Brzezinski and his ilk have seen in the rise of Ayatollah Khomeini and Islamic fundamentalism a flashier political weapon against Moscow. It is this thinking which led to the substantial financial support for nine years to the disparate Afghan Mujahideen based in Pakistan.

As the U.S. interest in Pakistan as a nation waned in favor of the Islamic fundamentalist card, China has moved in to develop a close bilateral relationship with the Pakistani administration. President Zia ul-Haq himself acknowledged in 1982 that Beijing's military aid to Pakistan for the Afghan Mujahideen had been as important as that of the United States.

Sino-Pak defense ties now include supply of the Chinese type-59 main battle tanks, development of advanced jet trainers, and fighter planes, among others. There has also been a frequent exchange of visits by defense personnel. Unconfirmed reports also indicate that China, a nuclear weapon state since the early 1960s, is involved in nuclear cooperation with Pakistan and has passed a nuclear weapon design to Pakistan in return for the uranium enrichment technology which Pakistan has acquired from abroad.

The close cooperation between China and Pakistan is not confined to defense ties. In the economic field, China has helped Pakistan in the construction of such vital projects as the Heavy Mechanical Complex and the Heavy Foundry and Forge in Taxila. In addition, China is also helping Pakistan to construct the Heavy Electricals Complex at Haripur. The Karakoram Highway, which links the Chinese province of Xinkiang with Pakistan, as well as the Karachi seaport, reconstructed with Chinese assistance, have considerable strategic importance for China. There are also reports that Pakistan has ceded 4,500 sq. km. of territory to China in the Pakistan-occupied Jammu and Kashmir.

The Soviets have cards of their own in Pakistan. The various secessionist movements are theirs to play. That asset and the extensive network of Afghan agents on the ground throughout the country give the Kremlin a massive capability to subvert Pakistan from within. The towns of Pakistan, particularly in the NWFP near the Afghanistan border, are experiencing bomb blasts and gunfights daily. The blowing up of several billion dollars' worth of freshly delivered American arms on April 10 at the Ojri camp between Rawalpindi and Islamabad, and the explosion of an arms depot in January outside of Lahore are clear indications of what these agents are capable of doing.

At the diplomatic level, the Soviets will continue to dangle the carrot, in the form of continued offers of large-scale economic assistance, among other things.

State Department-Moscow deals will bring genocide to Horn of Africa

by Mark Burdman

During late April and early May, London has been the scene of intensive diplomatic discussions about African regional crisis spots. On April 28-29, U.S. Assistant Secretary of State for Africa Chester Crocker and Soviet Deputy Foreign Minister with responsibility for Africa Anatoly Adamishin were huddled in talks concerning the Horn of Africa, Namibia, and Angola. As they were meeting, the British Foreign Office announced that talks on Angola would be held at a secret location in London May 3-4, involving the United States, Cuba, South Africa, and the Angolan government.

The Soviets, while not one of the parties named in the latter talks, have fully endorsed the discussions, and are attending in an "observer" capacity. Adamishin stated April 29, "After the positive achievement over Afghanistan at the Geneva talks, we have a dynamic for working toward the political settlement of the South African question, both in Namibia as well as Angola."

That statement alone should be a tip-off that the West is about to suffer a diplomatic fiasco à la Afghanistan under the propaganda cover of a "Soviet retreat." But it is the talks over Ethiopia and the Horn of Africa which even more clearly show the cynicism, absurdity, and murderousness of State Department wheelings-and-dealings with the Russians over Third World "regional crisis" spots. These discussions are providing a convenient framework for the Soviets to strengthen their presence in the Horn of Africa and for malthusian policy-planners, East and West, to carry out their plan for the radical reduction of the population of Africa.

As the Crocker-Adamishin talks were taking place, the regional wars in the Horn of Africa were significantly heating up, and European press accounts warned that as many as 9 million lives are immediately threatened by the fighting and by the disruption of international food-relief efforts in the area.

Another Afghanistan?

During the week of April 18, while in Geneva for meetings with Soviet Foreign Minister Eduard Shevardnadze, U.S. Secretary of State George Shultz announced that "famine in Ethiopia" would be one subject of discussion between President Reagan and Soviet leader Gorbachov in Moscow in May. Shultz suggested that Ethiopia be declared one of the "local conflicts" to be discussed by the superpowers, first at

preparatory meetings of experts from both countries. Then, on April 26, State Department spokesman Charles Redman declared that Ethiopia would be placed at the top of the agenda in the Crocker-Adamishin talks in London, superseding Namibia and Angola.

Adamishin himself had spent much of April in the Horn of Africa, visiting Ethiopia, the Sudan, and Somalia.

An informed British source reports that the Soviets are putting out the line, through diplomatic and other channels, that they are "absolutely seeing Ethiopia in the same light as they saw Afghanistan," claiming that they want to disengage from the area. One pro-Gorbachov source in Paris said, in a May 4 discussion, "the nature of the deal in the Horn of Africa is for the superpowers to get out. This is very much in line with U.S. policy, dictated by budgetary restraints. But it is also Soviet policy. They want to deal with all this regional crisis nonsense through the United Nations, to strengthen the U.N., and to manage crises with the Americans, but also with the other powers, Britain, China, France, etc."

At least on the U.S. side, there are signs of disengagement from the Horn of Africa. In recent months, the United States has systematically cut back aid to Somalia, which had been seen by the U.S. government as an ally since Somalia's mid-1970s shift away from the Russians.

An informed French source told this correspondent May 4, "The Soviets will hardly let Ethiopia be controlled by other hands. They have a very important base there, it is a very important country, and the most powerful state for them in Africa." What might happen, he reported, is the political demise of Ethiopian dictator Mengistu, if the Ethiopian army's planned drive against northern rebels during the next weeks fails. But that, he said, would not necessarily displease Moscow, "There are leaders of the Ethiopian ruling party central committee, who are more in favor of Moscow than even Mengistu."

In February, he reported, Mengistu took such a beating in a battle with northern rebels, that high-ranking officers in the city of Asmara revolted. At the same time, he noted, at least one significant liberation movement among the Eritreans in the north, the Eritrean Peoples' Liberation Front (EPLF), is reported to be getting most of its outside aid from the Soviets, either directly from the U.S.S.R. or through Syria. It is not to be excluded that the Soviets could have

intentionally arranged for Mengistu's embarrassment.

Now, if he falls, or is toppled, the Western media might have a field day portraying a Soviet loss, while the Soviets actually consolidate on the ground. The Soviet embassy in Addis Ababa is one of the most high-powered in Africa, and anybody looking at a map will see that Ethiopia's position near the Persian Gulf makes it crucial for Soviet strategy in that region.

'Like Treblinka'

The immediate threat is that there will be a bloodbath in Ethiopia, licensed by the superpowers.

In early April, Ethiopia and Somalia suddenly ended a 13-year border conflict. Reports are that this deal was supported, behind-the-scenes, by the U.S. and the U.S.S.R. The effect was to free up Ethiopian army units from responsibilities on the Somalia border, for action in the north. A similar border deal between Ethiopia and Sudan is reportedly in the making, which would free up yet more troops for the northern military action.

Throughout the entire month of April, Mengistu made one bloodcurdling speech after another, denouncing the Eritreans and Tigreans as "bandits," exactly the denunciation used by Afghan dictator Najibullah against the Afghan resistance. The Ethiopian government-controlled media has been raving on about a coming counteroffensive into the north, and convoys of trucks and troops, including teenagers, have been flowing northward.

Whether Mengistu's heralded military drive against the rebels will actually get off the ground, the effect of all this already has been to throttle food-relief efforts. Even before April-May, the Eritrean and Tigrean rebel leaderships had been blocking relief convoys into the region; earlier, the combination of rebel *and* central government obstruction of anti-locust efforts in 1986, had prevented eradication of that special breed of "pilgrim locust" which is now threatening large parts of Africa, the Indian Subcontinent, and the Mediterranean.

In early April, as Mengistu prepared for his offensive, his first decision was to eject all international relief agencies from Ethiopia. According to the Italian daily *Corriere della Sera* May 1, Mengistu has blocked, in the port of Assab, 100,000 tons of cereal, which have begun to rot. "Seven million people in the area of the north, Eritrea and Tigre, are already in bad shape, and risk starvation," the paper notes, adding that hundreds of thousands of refugees are flowing into Sudan. The International Red Cross is labeling the situation "catastrophic." All food aid has moved into the hands of the government, and informed diplomatic circuits are claiming that Mengistu has been diverting international food aid to feed his army. In the middle of this, *Corriere* notes, the United Nations bureau in Addis Ababa called on Italy, the other countries of Western Europe, and the United States, to stop sending food aid to Ethiopia, since "we do not know

what to do with it!"

At least two bills are pending in the U.S. House of Representatives for cutting off food aid to Ethiopia.

In parallel to the atrocities in Ethiopia, horrifying stories are coming out of Sudan, where the central government has also been stepping up war against rebels, in this case Christian-animists, in the south of the country. Amazingly enough, survivors of the massacres of the south are streaming, at the rate of 10,000 a month, into western Ethiopia, at the same time that northern Ethiopian refugees are streaming into northern Sudan! The *Sunday Times* of London May 1 reports that the southern Sudanese refugees reaching Ethiopia look like "walking skeletons." One Christian missionary described the scene in one camp as "like Treblinka," and a Western diplomat said that refugees in two others camps looked "worse than Nazi concentration camp victims."

European press estimates are that up to 2 million are threatened with death by starvation in Sudan.

There is no question that there is a conscious policy of malthusians, East and West, to depopulate the Horn of Africa, which has been, relatively speaking, one of Africa's most populous regions. Expanding Horn of Africa crises could also spill over into Egypt to the north and Kenya and war-torn Uganda, to the south and southwest.

Sudan's case was high on the agenda of a meeting of the arch-malthusian Inter-Action Council of Former World Leaders, chaired by Helmut Schmidt, in Harare, Zimbabwe on March 19-21. The Council decided on the formation of an international mediation effort by Inter-Action for Sudan, under former Nigerian leader General Obasanjo. Prior to the Zimbabwe meeting, Obasanjo had been in Cuba, then in Washington, to discuss his role in mediation efforts both in Angola and in Sudan.

The "Sudan initiative" of the Inter-Action Council will be discussed at the Moscow meeting of the Council, on May 16-19 of this year. Inter-Action leaders have been quite explicit in supporting any measures that could lower population in Africa. Why not, to this end, enlist the Russians in expanded regional wars throughout the continent?

The Russians signaled their interest in an article in the April 1988 edition of the Soviet magazine *New Times* praising Canadian energy magnate Maurice Strong, recently elected president of the World Federation of United Nations Associations. *New Times* praised a plan circulated by Strong for creating a "global security system" that would "function most effectively on the basis of the U.N. Charter and within the U.N. framework. . . . He proposes that a commission on global security and multilateral cooperation be set up under the aegis of the World Federation of United Nations Associations." This commission would be composed of "outstanding representatives of different countries with vast experience in politics, economics, public relations, science and military, and other fields." *New Times* comments that Strong's plan is "welcomed in Moscow."

Iran, Saudi Arabia on collision course

by Thierry Lalevé

Saudi Arabia's decision to break diplomatic relations with Iran on April 28 may keep the Iranian regime from taking Saudi diplomats as hostages, as they did in August 1987, but will not prevent an expected showdown between the two countries. The confrontation is expected to peak during this year's Hajj, in July-August, when Muslim pilgrims from all over the world gather in Mecca and Medina.

The Saudi decision was slow in coming. After last year's clashes with Iranian pilgrims in Mecca, and the killing of a Saudi diplomat in Teheran when a mob ransacked the embassy, Riyadh only downgraded relations to the level of *chargé d'affaires*. Moreover, Iraq itself only broke diplomatic relations with Iran at the end of 1987. For the past eight years, Saudi Arabia has been Iraq's ally in the Iran-Iraq war, and its tankers have been attacked repeatedly by Iranian gunboats.

Local intelligence sources say Saudi Arabia was prompted to make its move now by three sets of events: confirmation that Iran had no wish to abide by Riyadh's decision to impose a quota on each nation's pilgrims—40,000 for Iran instead of 150,000 last year; confirmation that Iran is set on a radicalized course internally, which is expected to spill over to the region; and the fact that the Iranian *chargé d'affaires* in the Kingdom was caught red-handed trying to organize anti-Saudi riots in the Shi'ite-dominated Eastern Province.

There may be a link between the break in relations and the March 28 bombing which set the Jubail Petrochemical plant afire. First covered up, the fire was later termed "accidental" after a report mentioning a "terror bombing" was denied. If there is a link, the confrontation between the two countries could break out well before the Hajj.

Iranian terror operations are expected to escalate. On April 29, a bomb destroyed the Saudi Airlines office in Kuwait. Intelligence reports indicate that some of the Chinese-made CSS-2 missiles have been transported to the eastern coasts of Saudi Arabia, to better target Teheran and other key Iranian cities. Saudi Arabia's army has gone on alert, and its own Special Forces, under European military advisers, are rapidly being created. Saudi citizens have been warned not to travel abroad during the summer holidays.

Iran's challenge

Iran's sudden burst of militancy in the Gulf, after months of quiet but official negotiations between Iran and the Gulf Cooperation Council countries, may look strange. As recently as April 11, Foreign Minister Ali Akhbar Velayati was touring the Emirates and Oman ratifying new economic cooperation accords. A week later, Iranian gunboats destroyed an oil platform and a tanker belonging to the Emirates on the same day.

Iran's new militancy may be traced to its abysmal economic situation which dominated debate in the first round of the parliamentary elections in April. Though Iran's oil income increased from \$5 billion in 1986-87 to \$8 billion in 1987-88, it faces a \$15 billion deficit this year, and has barely \$1.5 billion foreign currency reserves. By summer at the latest, Iran may have to go on the international market to borrow, for the first time since 1979. As a result, a half-dozen food protests have already been held, and significantly, the Pasdarans (Revolutionary Guards) are reported to have made no arrests.

The new political mood was mirrored in Ruhollah Khomeini's advice to the voters: "Vote for those in favor of an Islam of the poor, not for an American-style Islam." Habib Shirazi, secretary of the central bank, announced on election day that the new parliament will vote for "establishing a socialist economy, tempered by Islamic considerations." This means the government is set on a collision course with Iran's main economic bloc, the Bazaar, a showdown barely avoided in June 1986, when Prime Minister Musawi advocated such a "socialization" of the economy. Khomeini intervened and called on the government to leave the Bazaar "free of government interference." Now, the government is already working on measures to strengthen the public sector and increasing taxes on private businesses, i.e., the Bazaar, by 50-100%.

Economic radicalization has pushed to the fore the most extreme Islamic elements. The rising star is said to be Interior Minister Hojatessalam Ali Akbar Mohtashemi, the former ambassador to Syria. He has been increasingly seen as the brains behind the hijacking of the Kuwaiti airliner, which local sources report was a joint project of the Interior Ministry, the Office of the Prime Minister, and the Ministry of Security and Information of Mohammedi Reyshahri, with the full knowledge of Ahmad Khomeini, the ayatollah's son. Parliamentary Speaker Hashemi-Rafsanjani, who was attacked during the election campaign by Mohtashemi for his own private business deals, is reported to have joined that new political grouping.

While the Bazaaris can be expected to be scapegoated for Iran's internal problems, a new crisis between Iran and the Gulf countries, internationalizing the conflict, is on Teheran's agenda. The Iranian mullahs run certain risks: They know that it was the Bazaar, not them, which actually brought down the Shah. Furthermore, Saudi Arabia, which is Iran's most wanted target, has shown its readiness to fight.

Paul Sweezy joins the Trilateral Commission

by EIR's Special Correspondent

From April 22 to 24, a gathering of 450-500 representatives of the international radical and Marxist left took place in Sheffield, England, on the theme, "U.S. Imperialism in the 1990s: Of Presidents and Present Dangers." At first glance, the conference might simply appear as the coming-together of the international radical fringe, celebrating the "crisis of capitalism" and the problems faced by "American imperialism."

What made the event curious, is that such scraggly types as *Monthly Review* magazine hack Paul Sweezy and the circle around British Labour Party socialist Anthony Wedgwood-Benn, found themselves utilizing the same premises and arguments as David Rockefeller's Trilateral Commission and the New York Council on Foreign Relations' *Foreign Affairs* magazine.

Both the radical left and the Trilateraloids have come to the conclusion that "the era of American global hegemony" is over, and that America's decline is irreversible. The main agenda items of the Sheffield meeting were keyed to the content of a recent article in *Foreign Affairs* by Leonard Silk, David Calleo, et al. The questions posed were, "Is the United States in decline? Are there other conceivable hegemonic powers? What are the parallels and the contradictions, between now and the 1930s? Is conflict between the leading capitalist nations going to grow?"

As one European participant at the Sheffield meeting said in a private discussion, "Certainly, if you look at Paul Kennedy's *Rise and Fall of the Great Powers*, you see the same concerns. But he and his co-thinkers in the American Establishment believe that the American decline must be managed as smoothly and as slowly as possible. We say, by contrast, how can America's relative decline be made most usefully creative from the standpoint of collective emancipation on a world scale? We want to mobilize the popular movements, in the Philippines, for example."

Sweezy, in his speech at Sheffield, discussed the "old left"-American Establishment convergence explicitly. In the words of one conference organizer:

"Paul Sweezy brought this question to the fore. He pointed to the permanent crisis of capitalism, and said that the Establishment in the United States is finally convinced that wars won't be a viable way out. It was most interesting to see Sweezy and others discuss the American Establishment in

this way.

"The conference discussions took place against the backdrop of the American presidential elections. Sweezy and others pointed to the reality that postwar American imperialism may be coming to an end, the postwar order is eroding. Competing states are emerging, in Europe, and there is Japan. There is a new challenge from the Third World. The U.S., of course, is still the leader of the pack, so to speak, but is nonetheless in economic decline. Obviously, certain books coming out in the U.S. reflect the mood. There is the famous Paul Kennedy book. That and others are becoming bestsellers. As Sweezy stressed, the American Establishment itself is realizing they are in a dilemma. What Paul Kennedy and others like him are focusing on, all has to do with the decline of empires: the decline of the economic base, when there are still vast military arsenals. It is a matter of being overstretched, an overstretched empire. The U.S. can't afford it. How can they come out of it? That was a major theme at the conference."

Indeed, these statements were no different than the recent discussions at the April 9-11 Trilateral Commission meeting in Tokyo.

The Soviets drop in

One special feature of the Sheffield meeting was the appearance of Soviet influential Viktor Borichuk, of Georgii Arbatov's U.S.A.-Canada Institute in Moscow. Borichuk had not been invited, but "suddenly appeared," stated one conference participant. "It was wonderful having him there, he was very sharp and very interesting."

The Soviets, of course, have their own game when it comes to the era of American decline and "superpower condominium" maneuvers. While offering "regional cooperation" and "crisis management" schemes to the United States, they intend to exploit the Americans' troubles, and to use groups such as those at Sheffield as part of their "irregular warfare" forces in the West.

One Sheffield participant stated privately, "Even if there are aspects of Soviet behavior that we can't support, and even if Gorbachov is negotiating deals with the U.S. imperialists, we look at Soviet political culture since 1917, and conclude that it is relatively progressive structurally and globally."

From around the world

The Sheffield conference was formally sponsored by the Department of Sociological Studies of the University of Sheffield, and was co-sponsored by the Bertrand Russell Peace Foundation, the Campaign for Nuclear Disarmament, *Monthly Review* magazine, and six or eight other groups.

International speakers included Sweezy and Harry Magdoff, both of *Monthly Review*; aging British-Pakistani rabble-rouser Tariq Ali; and representatives from the Philippines, South Africa, Nicaragua, Lebanon, Kuwait, the Netherlands, Palau, Vietnam, and elsewhere.

Kim Philby: The spy saga rolls on

by Allen Douglas

On April 10, *The Sunday Times* of London completed a four-part interview series with former British intelligence executive, now Soviet KGB general, H.A.R. "Kim" Philby. Conducted in January by *Times* reporter Philip Knightley, over six days of visits at Philby's apartment in Moscow, this is the first interview given by Philby to a Western journalist in 25 years. For weeks, the series has been the subject of intense speculation and gossip in Britain, Canada, Australia, and the British Commonwealth generally. Though less noticed by the general public in continental Europe and the United States, it has received the meticulous attention of a team at the Langley headquarters of the U.S. Central Intelligence Agency.

Throughout, *Times* journalist Knightley attempts to portray his meeting with Philby as the natural, casual, almost spontaneous outcome of a 20-year-long exchange of letters between the two men. Bits and pieces of intelligence matters are dropped in between descriptions of sumptuous feasts of black and red caviar, smoked sturgeon and salmon, pickled herring, vodka, several kinds of Georgian wine, and liberal doses of Johnny Walker Red. But the chat between two old friends manages to convey an enormous amount of disinformation on some of the most sensitive intelligence issues of the 20th century.

The lies

There is, first of all, the matter of who Philip Knightley is and why he was granted this journalistic coup. His pen pal relationship with General Philby began when Knightley sent Philby a copy of his 1968 book, *The Philby Conspiracy*, written with two colleagues at the *Times*, Bruce Page and David Leitch, a work widely viewed at the time as a "damage control" effort by a tainted faction of the British Secret Intelligence Service (SIS). As one American with decades of experience in counterintelligence matters put it, "I would take anything Philip Knightley says with a large grain of salt. A very large grain of salt. He is an apologist. Let me put it

this way—he shades the truth to the advantage of the Establishment. He gains access to material, and so he shades the material because of that." Apparently, Knightley's earlier "shading" was deemed insufficient for the present, because in portions of the current interviews he was willing to virtually rewrite or conceal his own earlier material on the subject.

The Knightley/Philby disinformation is of two types. On the lower level, there are the lies, or "shading," which involve specific factual material regarding "agents, sources, and methods." Important though they be, these are subordinate to the real disinformation, which is strategic in nature and bears upon the almost century-old "Great Game" conducted by the British (and American) Establishments with the Bolshevik Dynasty of Russia. These interviews open a new chapter in that game—the attempt to establish the perception of Philby as a British SIS "triple" all along. We begin with the lower level.

In *The Philby Conspiracy*, Knightley made a good case for the fact that, even after he was expelled from Washington in 1951 as a suspected Soviet spy, Philby was still employed by British SIS, working out of the British Middle East Office in Cyprus. During that period, Knightley reported, Philby's specialty was operations into Soviet Armenia, in part through Cyprus's Armenian community, where Philby had close ties. In the current interviews, the 1951-55 period is virtually blacked out, and Knightley only reports Philby's activities when he began working for the SIS again in 1956 under journalistic cover, after having been formally cleared of being a Soviet spy by Prime Minister Harold MacMillan in a speech to the British Parliament.

Likewise, Philby's "escape" from Beirut to the Soviet Union receives a whole new light. In his book, Knightley argued that Philby most likely escaped overland into Soviet Armenia, using connections with Beirut's Armenian community, which he had had since his Cyprus days. Now, in response to Knightley's question, "So you left Beirut for Russia. How did you go? Sea or overland?" Philby replies, "That's a KGB operational matter that I can't discuss." Then, in a carefully staged pas-de-deux based on the date on which Philby says he arrived in the Soviet Union, Jan. 27, 1963, Knightley hastily concludes, "The most obvious theory is the most likely to be correct. The Soviet freighter *Dolmatova* was in Beirut Harbor on the night of January 23 and it is less than five days' sailing to the nearest Soviet shore on the Black Sea."

But what happened to the Armenians, both in the escape, and in the 1951-55 period? Does that question, perhaps, also touch on "KGB operational matters"—such as the KGB-orchestrated riots in Armenia and Azerbaijan in February 1988, or the current intensified campaign for Armenians in the diaspora to return to the (Soviet) Armenian homeland? Or, perhaps, the arrival in the Los Angeles area of hundreds of Soviet Armenians per month, allegedly fleeing the KGB-

directed pogroms, among whom, U.S. intelligence officials are certain, lurk highly trained KGB officers? The famous Ogorodnikov-Miller spy case, where KGB agent Svetlana Ogorodnikova recruited FBI agent Richard Miller, was reportedly run through Soviet-controlled channels in the Los Angeles Armenian community.

Knightley and Philby present a new version of what Philby (and by implication, his predecessors in the flight of spies to Moscow, Guy Burgess and Donald MacLean) did after their defections. According to previous information reaching the West, MacLean and Philby, at least, played a major role in the revamping of the Soviet secret services in the wake of Stalin's death and the 20th Party Congress in 1956. One of the major features of this reorganization and expansion was the establishment of Soviet "think tanks" on foreign affairs, such as the Institute on the World Economy and International Relations (IMEMO) and the U.S.A.-Canada Institute, presently headed by Georgi Arbatov. By the late 1950s, MacLean was a prominent British affairs specialist for IMEMO. Philby, according to reports, helped to establish "the new KGB," particularly when Andropov became the agency's KGB chief in 1967.

But now it turns out—according to Knightley/Philby—that Philby was going great guns from his defection in 1963 until 1967, at which point he "felt frustrated and fell into a deep depression, started to drink heavily again, and worst of all, became prone to doubt." Knightley jumped in to buttress his friend's remarks, "I know from other sources that Philby was not just drinking heavily, he was drinking in an almost suicidal manner." This should be compared to, among other things, former CIA counterintelligence chief James Angleton's statement when asked if Philby had stopped drinking wildly after his defection, "Yes, he stopped it from the moment he arrived in Moscow."

Another, most glaring area of disinformation in the Knightley/Philby interviews, is their defense of British Establishment figures, who have either been tainted by their association with Philby or charged outright with being Soviet moles themselves.

Most striking are the defenses in the interviews, of former Internal Security Agency (MI5) chief Roger Hollis, a Philby friend widely suspected of having been a Soviet mole; and of Lord Victor Rothschild, whose own alleged Soviet agency was the subject of a debate on the floor of the British Parliament in late 1986. In Hollis's defense, Philby reports an alleged incident in which Hollis tried to catch Soviet mole Anthony Blunt "off guard" by suddenly calling to him using his suspected cover name, "Elli." Rothschild, says Philby, tried to do the same thing to him. Also, it now turns out, according to Knightley/Philby, that it was none other than Lord Rothschild who allegedly blew the whistle on Philby as a Soviet agent in 1962, when he reported to MI5 the comments of longtime Philby friend Flora Solomon, to the effect that Philby had always been a communist. Knightley: "Do

you accept that it was Flora Solomon's statement to Victor Rothschild that finally pointed the finger at you?" Philby: "Yes." Rothschild had not only been an intelligence colleague of Philby's, but a close friend as well. Yet, when the matter came up in 1987, Lord Rothschild told the *Daily Express* of Britain that he "had met Philby once only."

Philby: 'Ours all along'

According to sources in Britain, Philby floated a trial balloon in November 1987, about the possibility of visiting Britain once again. A flurry of activity by his old friends in SIS "who had always believed in his innocence" made the matter serious enough that Tory MP Rupert Allison tabled a question in Parliament asking for assurance that if Philby did return, he would be prosecuted for treason. Yes, said Attorney General Patrick Mayhew, he would be.

Though the trip never took place, the propaganda campaign to recast Philby as a "triple," working for British SIS all along, is moving ahead, and was a prominent feature of the Knightley/Philby interviews. Knightley: "There are still those who say that one day you'll come home and reveal that you've been a double agent, or a triple agent all along, really working for Britain." This is buttressed by Philby's observation that former MI5 officer and historian Hugh Trevor-Roper noted, in a book he wrote on Philby, that "he thought I had never done England any harm. In my terms that is certainly true, but I was surprised and touched that he thought it was so in his terms, the terms of an old-fashioned Tory."

This line, that Philby was "ours all along," is also given prominent play in the recently released biography of Sir Stewart Menzies, "C," the British intelligence chief who sponsored Philby to some of the most sensitive positions in British intelligence. Anthony Cave Brown, its author, recounts the contact which "C" maintained with Philby all during his Moscow years.

There is a perverted truth to this line of argument. Philby has been and is now, a "triple," working not for the nation of Britain, but—at the same time as he serves the KGB—working on behalf of a very powerful faction of the British (and American) Establishments, to whom their own countries are mere playthings. These people have a strategic deal with the Soviets, the New Yalta scheme, which calls for ceding most of the world to Soviet domination, in order to eliminate sovereign nation states (which they hate), and establish an imperial ordering of world affairs. Philby's remarks on Andropov and Gorbachov, with whom these deals have been struck, and who are thus the heroes of the Anglo-American Establishment, bring the deeper truth of his career clearly into view. "I have told you about my doubts and there have been ups and downs. The Brezhnev period was stultifying and I had a very difficult time under his leaden influence. But Andropov was a fine man and a fine leader—a tragedy he died so soon—and in Gorbachov I have a leader who has justified my years of faith."

Drug consumption is up

If some Italian politicians are turning a blind eye, look for the answer in the 'New Yalta' negotiations.

At the beginning of 1988 the cry of alarm went up in Italy: Deaths attributable to illegal drugs had doubled over the previous year, and so had overdose cases—i.e., persons saved by the skin of their teeth in hospitals. Unfortunately, such figures have stopped surprising us since the war on drugs became a routine matter, where a few pushers—more than 19,000 in 1987—are arrested, a certain amount of heroin is seized, and a few bills are introduced into parliament, where they go moldy due to the lack of a government.

When drug deaths in Italy in 1986 numbered 262, substantially below the previous year, the experts rushed to declare that the phenomenon was on the decline, and that fear of AIDS was putting a brake on addiction. Then came 1987's figures: 440 official deaths from drugs, double the year before. But in 1987, police seized 323 kg of heroin, as opposed to 333 kg the year before; and 13,022 kg of hashish, compared to 16,039 kg in 1986. Somehow, the consumption figures skyrocketed, while seizures remained stable. It was as if the drug mafia, absurdly, calculated each year how much dope to set aside to keep law enforcement busy.

Cocaine tells a different story. In 1987, 326 kg were seized instead of the 126 kg in 1986, reflecting both the setbacks in the anti-drug fight in Ibero-America, especially Colombia, and the success of the campaign to push cocaine as the drug of the elite. Official statistics also belied the existence of the "Saturday night drug user." An

increase in drug users in the 22-27 age group, according to experts, shows that the week-end druggie has become a habitual addict.

Meanwhile, a complacent attitude toward countries implicated in the international drug trade has gained ground, and this is clearly a result of the "New Yalta" deals afoot between Reagan and Gorbachov.

On Sept. 11, 1986, the U.S. administration announced the end of economic boycott measures against Syria. American firms would no longer be forbidden to do business with the Damascus government. Yet various investigations have shown that Syria is deeply involved in financing terrorist groups and aiding the drug traffic.

The Italian government (when it exists) and Foreign Minister Giulio Andreotti (who is a standard fixture), have never made a mystery of their "special relations" with Syria's Assad regime. Hence, the Italian intelligence services have learned from our politicians to turn a blind eye on Syria.

A year and a half ago, several drug traffickers were arrested at Rome's Fiumicino airport, among them a high-ranking Syrian official and a Pugliese, Semeraro. The trail implicated then-Undersecretary to the Finance Minister Giuseppe Caroli, the head of Foreign Minister Andreotti's faction in the region of Puglia. Caroli had written a letter to the Syrian ambassador in Rome, recommending Semeraro and asking for help in setting up an Italo-Syrian friendship society.

Caroli was freed, due to the good

offices of Andreotti, even though the story did cost him reelection.

In September 1987, the Tax Police in Bari seized the Lebanese cargo ship *Boustany I*, with a weapons cargo probably headed for Islamic terrorists in Europe, 2 kg of heroin, and 23 kg of hashish: The drugs were also destined for financing terrorists, particularly, it was said, the "Abu Nidal" group controlled by Syria. The investigation brought out the fact that the traffic in illegal weapons sold to Iran goes through Spain and then through Syria.

The seizure of the *Boustany I* and the ensuing probe brought out the role of the Trapani (Sicily) mafia group led by the Minore clan. When it was pieced together with other cases, it turned out that mafia boss Antonino Minore and his cronies Felice Carrao and Guido Coduri had been charged with mafia-style criminal association, for having manipulated votes in the Trapani area in favor of the Radical Party, the parliamentary party which has led the way in liberalizing laws on abortion, drugs, and homosexuality.

In August 1987, Radical Party secretary Marco Pannella relaunched his proposal for legalizing drugs. It seems that the Radicals received a large number of votes from prisoners, particularly at Poggioreale Jail in Naples, where Radical congressmen have paid assiduous "courtesy visits."

Even more interesting, Pannella seeks the abolition of the La Torre-Rognoni law, which permits investigation into bank deposits. Although rarely applied, the law has given the magistrates one more tool to use against "Dope, Inc." Yet Pannella would like to go back to the old system of control by the Bank of Italy, through that sanctuary of monetary speculation, which is totally independent of all governmental institutions.

A 'regional crisis spot' called Europe

A broad-scale reactivation of Soviet irregular warfare against NATO has begun.

Every revival of superpower summity on the "regional crisis spots" sees a re-escalation of crises, of sabotage and assassination. This pattern can be observed in all traditional hot crisis spots now, like Central America, Angola, Afghanistan, Vietnam, Korea, and it also appears in Europe.

Suddenly, all known Soviet proxies relaunched irregular warfare throughout Europe. The closer the Moscow summit between Gorbachov and Reagan gets, the more intense the pattern of sabotage, arson, assassination. Moscow is out to expose vulnerable flanks of the West, create irritation, and increase the price the West pays for summit agreements.

This round of irregular warfare has the psy-war effect of proving that NATO's military infrastructure in Europe can be disrupted without having the regular Red Army fire a single shot, launch any missile, deploy any tanks or aircraft.

On April 26, an arson attack destroyed NATO's biggest spare parts depot in Europe at Donnington, U.K., causing damage of \$170 million. A similar fire destroyed a good part of the same depot five years ago; it happened again, flouting NATO capabilities to preempt sabotage.

On April 27, five homemade bombs destroyed railway tracks near Hedemünden, northern Germany. A U.S. troop train with 31 GIs was stopped, and the engineer injured by metal splinters. At the same site, a similar sabotage attack barely missed a U.S. train in September 1987.

In the early morning of May 1, the British Army on the Rhine (BAOR)

was hit, when three of its soldiers were killed during a weekend vacation in the Netherlands. In the city of Rörmond, one soldier was killed when his private car was machine-gunned by terrorists, and in Nieuw-Bergen, two more soldiers were killed when a bomb blew up their car.

All BAOR posts in Germany, the British embassy in Bonn, and consulates in the larger cities were put on a special anti-terror alert immediately, with additional guards and light armored vehicles deployed. These static measures provided no protection against irregular warfare, as was shown on May 2, when a routine patrol at the Bielefeld headquarters base of the British 1st Army Corps detected a suspicious car with British license plates. A check of the car by specialists produced an explosive device, which was promptly defused. "It was great luck for us to find the bomb before it detonated," the press quoted a British officer.

Indeed. But the question remains, how it was possible for terrorists to get this car into the base in the first place? Hadn't there been tight ID controls at the entrance? Apparently, the affair also had a demonstrative character, to irk the British to the utmost by involving Irish Republican Army terrorists. In the case of Bielefeld, as well as in Rörmond and Nieuw-Bergen, the IRA claimed direct responsibility for the attacks, and announced more to come.

The IRA may consist of Irishmen, but it is a Soviet front-group, infiltrated and rebuilt by the Soviet GRU in the 1960s, to be used by the Kremlin in Britain and Northern Ireland, and

wherever British troops are stationed in Europe.

German anti-terror specialists pointed out that if IRA terrorists were behind these attacks, they certainly had logistical support from German terrorist groups, like the Red Army Faction. As Heinrich Boge, the director of the German anti-terror police unit (BKA), reported on May 3, there is evidence that close contact exists between the RAF, the IRA, the Basque terrorists of the ETA in Spain, and other groups in Europe. Under whatever pretext, any of these groups can be activated alone or in coordination, against any particular member of NATO in Europe.

The current wave of "terrorist" attacks looks like a test-run of a Europe-wide capability for irregular warfare which Moscow has built up over the past few years. Moscow's role in protecting this terror network is very direct: Members of the above-mentioned groups who need to escape police search in Europe, fly to Nicaragua and other hideouts in Central America via Moscow's state airline Aeroflot, preferably leaving from East Berlin or Prague.

The lesson for NATO from the first round of "terrorist" attacks in this new phase of escalation is that static defense does not work. Unless a formal state of war against terrorism is declared, the manpower required to protect all sensitive military sites and the basic infrastructure against sabotage is not available.

But there is also a weak flank of Soviet irregular warfare: It very much depends on a broad network of political support in Europe, which performs shelter and safehouse functions for the terrorists. This dense infrastructure of extremist groups, publications, and centers can be cleaned out and disrupted—which is what NATO should do immediately.

Peruvian terrorism . . . from within

García's ability to counter the terrorist scourge is seriously hampered by pro-terrorist forces on the inside.

In the course of just one day in Peru in late April, terrorists dynamited several departmental and local post offices, a radio station, a local city council office and courthouse, blew up a major high tension tower, set off at least one car-bomb in the central plaza of a city, assassinated three mayors, and dynamited and burned to the ground Peru's most modern cotton gin mill—the second largest in all of South America. On May Day, a 200-man column of Shining Path (*Sendero Luminoso*) terrorists marched past the congressional building in the center of Lima, setting off dynamite explosions.

An "average" day for Peru, where, despite the strong commitment of President Alan García to wage war against this terrorist plague, the government has been hamstrung by a powerful pro-terrorist bloc inside the Congress, and by elements within the ruling APRA party itself that answer to the dictates of the Socialist International.

Exemplary has been the ongoing interrogation of the entire García cabinet by the United Left (IU) bloc of congressmen, where the stated purpose of the provocative grilling has been to bring about the "downfall" of the García cabinet. Interior Minister José Barsallo Burga, despite his relative ineffectiveness in waging a successful war on terrorism, was specifically targeted by the IU, and blamed for the alleged "militarization" of the country they claim has been carried out in the name of fighting subversion.

Behind the grilling of Barsallo, however, lies the real target: Deputy

Interior Minister Agustín Mantilla. Mantilla, an intimate of President García and a hard-line anti-terrorist, has been charged by anti-government forces with personally murdering five prisoners during the bloody 1986 prison uprisings by captured Shining Path terrorists. If Mantilla is forced out by the ensuing scandal, President García will have been stripped of one of his few remaining allies in the war against terrorism.

While the left hopes to use the terrorism issue to force the final emasculation of the García government, agents within the ruling APRA party like Senator Javier Valle Riestra have undermined the government's ability to resist such assaults by calling for open dialogue with the terrorists. Valle Riestra has consistently frustrated efforts to give the military a greater role in the war on terrorism, including preventing the creation of special anti-terrorist tribunals, and recently told the daily *Voz* that if the "militarization" of the country were to continue, "the leftist and APRA youth will march off to the mountains to join this cause."

At least one cabinet minister was not intimidated by the pro-terrorist barrage inside the Congress. When Transport and Communications Minister Gen. Germán Parra (ret.) arrived at the Chamber of Deputies, he succeeded in turning the tables on his would-be interrogators. Challenged to explain why his ministry had not made progress in building more highways and communications networks in the country, he pointed to the constant terrorist sabotage of such basic infrastructural projects. He then picked up

a copy of Prof. Friedrich von der Heydte's book *Modern Irregular Warfare* (translated into Spanish and published by the Schiller Institute), which identifies international terrorism as a form of irregular warfare, and proceeded to read to the assembled cabinet and congress from the relevant chapter on "sabotage operations," to explain his point.

Recent statements by Gen. Adrián Huamán Centeno, one of Peru's most prestigious generals and counterinsurgency specialists, reflect the anger and frustration of the armed forces at the government's failure to break out of the confines of legalistic and sociological debate over Peruvian anti-terror strategy.

General Huamán responded to a question from *Sí* magazine about whether the government was losing its war against terrorism, with the comment, "It is not necessary to be a strategist to realize that what is happening—and I'm not afraid to say it—is that we are daily worse because no one is doing anything worthwhile. The only thing being done is talk, talk, talk. . . . Some say that they are going to defeat subversion with the Constitution in hand. What are they going to do? Throw the pamphlet at their heads? It is like being thrown into the ring with hands and feet tied. If you don't do anything, and the other guy has a defined plan, he has to win."

Asked how the government should deal with the country's "emergency zones," General Huamán responded, "I think it is too late to speak of emergency zones. Sendero is all over the country."

An April 24 headline in the daily *El Nacional*, warning, "The Pope's Life is in Danger!" from a planned Shining Path assault during the Pope's May trip to Peru, suggests just how late the hour may be.

International Intelligence

London paper attacks Colombia, not traffickers

The London *Observer* newspaper has attacked Colombia as a "savage, lawless place, a country of thieves, racketeers, drug peddlers, and murderers." The April 24 editorial, entitled "Give a Savage State the Pariah Treatment," was based on the just-released report on Colombia by Amnesty International. The report blames every murder and act of violence on the Colombian military, and pooh-poohs the role of the Medellín drug cartel in violence.

The unstated policy behind the article, like the Amnesty International report, is the same as that motivating the savage U.S. attacks on Panama—to destroy Ibero-America's nationalist military institutions, precisely in order to turn their economies over to drug-traffickers on the Hong Kong model.

The *Observer's* intent in this regard is barely disguised. After accusing the Colombian army of running death squads, and the country as a whole of being responsible for the entirety of the South American drug trade, the *Observer* attacks Colombia for not legalizing drugs!

"And successive Colombian governments have done nothing effective about it [drug trafficking]. While there are powerful arguments for legalization of drugs, Colombian governments have never adopted them."

Lutherans want to halt E. German emigration

The Evangelical Church (EKD: Lutheran) of West Germany is collaborating with the church in East Germany to prevent continued migration of East Germans to the West.

The EKD, controlled by some of Central Europe's wealthiest and most powerful families, has barely disguised its pro-Soviet bias throughout the postwar period.

News reports say that the East EKD recently contacted its "Western brothers"

seeking assistance in efforts to reduce the emigration of East Germans into West Germany. The numbers emigrating have grown in the past two or three years to over 900,000 persons, of 17.5 million total population in the East, who want to leave the Soviet satellite.

To increase the "moral pressure" on the EKD in the West, the East EKD argued that if this isn't halted, East Germany would inevitably face catastrophic economic and social problems and then close the borders completely, as in 1961 when the Berlin Wall was built. A new "ice-age in German-German relations" would be the result, it threatened.

The president of the Western EKD presidium, Jürgen Schmude, is a ranking Social Democrat. He expressed sympathy, and is obtaining the assistance of West German President Richard von Weizsäcker, another ranking EKD figure.

'Anti-terror' image of Italian Reds tarnished

An Italian Communist Party (PCI) youth leader's home was searched by police investigating the March assassination of Sen. Roberto Ruffilli. On April 27, a team of policeman thoroughly searched the house of Vanna Villa, the secretary of the Young Communist Federation (FGCI) of Rimini, a city whose government is controlled by the PCI.

The search warrant was "routinely" issued by Roberto Mescolini, the magistrate in charge of the investigation into the assassination of the Christian Democrat, who was a close adviser to Prime Minister Ciriaco De Mita.

What makes the search of interest is that this is the first time since the 1960s that a magistrate has dared to take any action that might call into question the "anti-terrorism" image of the PCI.

"A Red Brigades hideout in the house of a FGCI leader? The hypothesis is incredible. . . . It is paradoxical: Villa learned about the search while at Bologna University; she

was participating in a ceremony to commemorate Ruffilli," read the angry editorial in the PCI's newspaper, *L'Unita*.

New youth riots in Berlin Soviet-inspired

Violent riots occurred in the Kreuzberg section of Berlin the evening of May Day, after an "alternate May Day festival" was organized by the East Berlin communist party, the SEW.

The mob of several hundred rioted into the early morning hours of May 2, with arson attacks on shops and private cars, and steel-pellet and Molotov cocktail attacks on select police squads. Some 134 rioters were arrested by police.

The confrontation was very violent, with many injuries on both sides.

Police are now alerted for a replay of the 1987 riots in the city. The Kreuzberg district is dominated by the countercultural riff-raff known in West Germany as *Chaoten*. Through the SEW and other agencies, the Soviet KGB is known to have infiltrated and to manipulate these violence-prone youth as part of the irregular warfare capabilities they have otherwise unleashed across Europe in the form of professional terrorism (see *Report from Bonn*, page 54).

There are indications that rather than a new mass upsurge, rioters this year are planning selected house occupations, along with arson attacks against offices of banks and insurance companies, using as pretext an ongoing left-wing mobilization against the Berlin conference of the International Monetary Fund and World Bank in October. Three arson attacks against bank offices in Berlin had caused considerable material damage April 29.

Elsewhere in Germany, the police in the state of Baden-Württemberg recorded a 45% increase in "politically motivated acts of violence" during 1987, according to Minister Dietmar Schlee in an April 28 press statement. This includes "a rise in militancy" on the part of radical groups, attacks and vio-

lence by foreign terrorist groups, as well as an increase in sabotage and disruption of the state's infrastructure, including its railway grid, highways, and electrical power installations.

Schlee predicted another increase in such violence in 1988.

Diplomatic personnel can attend Red parades

The U.S. State Department confirmed on May 2 that the presence of U.S. Ambassador to the Soviet Union Jack Matlock at Moscow's May Day parade was the result of a change of U.S. policy, in light of the Soviet commitment to withdraw from Afghanistan.

However, a State Department spokesman noted that the policy applied only to "non-military events," and involved only non-military personnel, "to be determined locally by the chiefs of mission."

U.S. military personnel will continue to boycott all Soviet events of any kind in protest over the 1985 murder of Major Nicholson by Soviet troops in East Germany.

More voices raised over Demjanjuk travesty

The British *Daily Telegraph*, as well as that nation's most prominent jurist, have attacked the state of Israel for its conviction of a clearly innocent retired Cleveland autoworker, John Demjanjuk, sentencing him to death as "Ivan the Terrible," a guard at the Treblinka concentration camp during World War II.

The conviction occurred solely on the basis of Soviet-supplied evidence against the Ukrainian-born Demjanjuk, after the U.S. Justice Department had stripped him of his citizenship and extradited him to Israel, without due process, at Soviet request!

Britain's leading jurist, Lord Denning, called the Demjanjuk trial's conduct "con-

trary to international law," in a letter published in the *Daily Telegraph* April 28. He said that Israel had no jurisdiction in the case, as the country was founded *after* the crimes alleged had been committed.

Two days earlier, the newspaper itself had editorialized against the trial as a miscarriage of justice.

One week earlier, Count Leo Tolstoy, a Russian emigré, had attacked Demjanjuk's conviction as "a travesty of justice," in another letter to the editor. Tolstoy, who had testified on KGB forgeries in Demjanjuk's defense, had witnessed much of the proceedings firsthand.

Israel-Soviet deal on Jewish emigration

As *EIR* has long predicted, the outcome of negotiations for increased emigration of Soviet Jews, featuring Edgar Bronfman and others, is not to be their free emigration in fact, but in effect, their forced deportation to Israel—where most do not wish to go.

According to a report in the *Jerusalem Post*, an unofficial deal has been reached between Moscow and Jerusalem to ship Soviet Jews who wish to emigrate to Israel. Under previous arrangements, Jews permitted to leave the Soviet Union could obtain exit visas through the Dutch embassy in Moscow, permitting them to travel to Vienna. From there, the vast majority would not go to Israel, but to the United States.

These arrangements are being cancelled. Now, Soviet Jews will be given exit visas forcing them to travel to Bucharest, where they will only be able to obtain entry visas to Israel, not the United States or any other nation.

Inside Israel, the report has already prompted a denunciation by the Council to Monitor Soviet Jewry, which called the arrangement "immoral." Inside the Soviet Union, too, sources are quoted by some news reports saying that many Jews will not leave the Soviet Union at all, rather than go to Israel.

Briefly

● **THE PENTAGON** has decided against deploying U.S. Coast Guard vessels to the Persian Gulf "at this time," a spokesman announced April 29. "It has been decided that the current strength and force mix of our task force in the Gulf is sufficient to protect U.S. interests in the region and to defend against threats to the rights of U.S.-flagged ships in distress requesting assistance in international waters of the Gulf."

● **'NATO after the INF treaty'** will be the theme of an international conference in Sussex, England, in mid-May. Co-sponsored by Wilton Park and the Carnegie Council, the conference is expected to draw 50 European and U.S. policymakers, plus assorted journalists and scholars, to discuss such topics as "alternative futures for NATO."

● **THE SOCIALIST** government of Madrid Province plans to set up a haven for the youth counterculture modeled on Copenhagen's notorious "Christiania" enclave. The head of the Youth Employment Program of Madrid municipality plans to turn over an old covered market to a huge squatters collective, which he says, has "good ideas." Christiania has provided safehousing for everything from Soviet agents to wanted criminals.

● **SOUTH KOREA'S** Kim Dae Jung, leader of the Party for Peace and Democracy (PPD), has put his party forward to undertake a similar role to that of the Japanese opposition parties, which had helped normalize Tokyo's relations with Moscow and Beijing.

● **ONE IRAQI** and one Iranian have been arrested in Manila on information provided by the Israeli Mossad. They were charged with plotting sabotage action against U.S. military bases. At the same time, Israeli intelligence is reported to be reorganizing Philippines President Corazon Aquino's personal security.

President Reagan drifts toward the falls

by Webster G. Tarpley

Nec Babylonios temptaris numeros.—Horat.

Regular readers of this magazine will recall an article contributed by Lyndon H. LaRouche to our March 18, 1988 issue, which was published under the title, "Is the President to be declared insane?" LaRouche called attention to a growing pattern of hints in the news media suggesting that "President Reagan's strange compulsion to appease the Soviet dictators may be the result of his wife's increasing reign over his waning mental powers. Former White House aide Michael Deaver and other sources insist that President Ronald Reagan never existed, except as a deck of behavioral-modification cue cards from an Alice-in-Wonderland sort of political fantasy featuring Mrs. Nancy Davis Reagan as the Red Queen. The whole business has the ominous smell of a legal coup d'état in the making."

With little time remaining before Reagan's scheduled May 25 departure for his Moscow summit, the issue of whether the President may be *non compos mentis* according to the provisions of the XXV Amendment is again on the front burner. This has been done in a way that strongly suggests that factions in the U.S. intelligence community are alarmed by the danger posed by a mentally debilitated and exhausted Reagan disappearing into the sinister KGB-controlled environment of the Kremlin fortress for talks with the Soviet leadership in which everything, including the survival of the United States, will be on the table.

The efforts of those who want no summit are supplemented by the more adventurous of the Bushmen, who, frustrated in their attempt at a cold coup against Meese and Reagan, have opted for a creeping coup to gain control of the White House—with the Vice President remaining the leading creep. One element of the ongoing exposé of the monstrous irrationality dominating the Reagan White House comes from the appearance in *Newsweek* magazine of extracts from former White House chief of staff Don Regan's memoir about

his years with the President. Regan tries to avenge himself against the Red Queen by depicting her superstitious obsession with astrology. The substance of the charges was confirmed by White House spokesman Marlin Fitzwater, who told the press corps, "Well, it's true that Mrs. Reagan has an interest in astrology. She has for some time, particularly following the assassination attempt in March of 1981. She was very concerned for her husband's welfare and astrology has been a part of her concern in terms of his activities. . . . My impression was more just that there was a friend that she knew who was involved in this and was helpful to her during that period." As for the President, Fitzwater commented, "Oh, I think his interest—I don't know that he has any at all, in fact, other than reading it in the horoscope, or something like that."

On the day after Don Regan's revelations appeared, the President asserted that "no policies or decision in my mind has ever been influenced by astrology." Yet Nancy Reagan's practice of consulting astrologers has been confirmed by Elaine Crispen, her press secretary. According to ABC News, an astrologer close to Nancy predicted, before the fact, that there would be an assassination attempt against the President on March 30, 1981, and thereafter this astrologer enjoyed special favor with the First Lady.

Regan himself is described by long-time aide Deaver as "incurably superstitious" in the latter's recent kiss-and-tell book. Most elements of the current scandal have long been known. That they now make a scandal betrays the present intent on the part of the masters of the media to put Reagan out of business. Several printed sources confirm that Regan was a friend of the late Carroll Righter, and read the latter's daily astrology column until his recent death. Regan, who was born on Feb. 6, 1911, prides himself on being an Aquarian. The President has repeatedly referred to 33 as his "lucky number," throws salt over his shoulder if he spills some on

the table during a state dinner, and carries good luck charms. According to Fitzwater, Reagan "is often telling about Lincoln's ghost in the family quarters" of the White House. Astrological considerations are widely thought to have influenced Reagan's desire to be inaugurated governor of California after midnight. Other reports have it that Reagan's press conferences are scheduled according to the phases of the moon. Still other reports suggest that Reagan has never revealed the exact time of his birth on his birthday because of his fear that those possessing that knowledge could use it to harm him.

The name of Carroll Righter, recently deceased at the age of 88, links the Reagan family circle with the 20th-century political figure who has up to now been most notorious for his obsession with astrology—Adolf Hitler. Righter studied with Louis de Wohl of British SIS, who was part of the group of astrologers maintained by Winston S. Churchill to keep a horoscope watch on the Reich Chancery. De Wohl had previously been associated with Karl Ernst Krafft, a Swiss, who was one of Hitler's astrologers.

Another question raised in the White House briefing of May 3 was whether the timing of the signing of the INF treaty had been dictated by astrological criteria. Fitzwater's answer, "Well, I don't know in any detailed sense." The following day, President Reagan journeyed to Chicago for a speech to members of the National Strategy Forum. The fifth and last question posed to the President there was, "What do you consider to be the most important need in international relations?" According to the official White House transcript, the President answered, "Oh, my goodness. (laughter) I would—that is quite a question, and how to get at it? I think the need is—well, just actual frankness and a desire for a peaceful solution. I think maybe I'd answer it this way: I keep—in my frustration sometimes—you know, actually, if you count some of the things going on in smaller countries and all, there have been about 114 wars since World War II. But I've often wondered what if all of us in the world discovered that we were threatened by an outer—a power from outer space—from another planet. Wouldn't we all of a sudden find that we didn't have any differences between us at all, we were all human beings, citizens of the world, and wouldn't we come together to fight that particular threat? Well, in a way we have something of that kind today—mentioning nuclear power again. We now have a weapon that can destroy the world and why don't we recognize that threat more clearly and then come together with one aim in mind—how safely, sanely, and quickly can we rid the world of this threat to our civilization and our existence (Applause)." Reagan had earlier referred to the Earth uniting against alien invaders during the November 1985 summit with Gorbachov in Geneva.

Reagan's Russian environment

If there is a summit, it is clear that the Russians intend to shape a controlled environment around Reagan in order to seize hegemony over his thought processes. After Reagan's

May 25 departure from Washington, he is to go to Helsinki, where he is to speak at the Finlandia Hall, the place where the 1975 Helsinki CSCE Treaty was signed. He will be officially welcomed by Gorbachov in the vast St. George's Hall in the Kremlin Palace on Sunday, May 29. Negotiating sessions with Gorbachov will be set in Catherine's Hall. On Monday, May 30, Reagan is committed to visiting the Danilov Monastery on the outskirts of Moscow to watch Russian Orthodox monks in the process of restoring icons inside a 700-year old monastery building. After visiting several of the chapels in the monastery, Reagan is scheduled to converse with several selected young monks. Otherwise, Reagan will be treated to proceedings in Vladimir's Hall and the Winter Garden of the Kremlin, a state dinner in the Hall of Facets, and a ballet evening at the Bolshoi Theater.

Reagan was urged to cancel his visit to the Danilov Monastery by the Ukrainian Congress Committee of America and the Ukrainian Helsinki Group, who warned that the site is "a Potyomkin village." Ukrainian spokesmen said the President was in danger of becoming "a Soviet propaganda tool." When Cardinal Myroslav Lubachivsky, the primate of the persecuted Ukrainian Catholics, met privately with Reagan, the President reportedly told him that it was too late to call off the Danilov visit.

For two weeks before his departure, the President will be subjected to an intensive series of "briefings" by an as-yet-undisclosed list of Sovietologists and Kremlinologists. Although the White House refuses so far to name names, it is assumed that some of these briefings will be in the hands of Suzanne Massie, who is known to peddle the line that the Soviet military buildup is purely defensive.

Perhaps the superstitious President has already noticed that the monthly trade figures, the latest in a data series that has proven the nemesis of Wall Street, are due out on Friday, May 13, at the end of a week marked by three auctions of Treasury securities for a total of \$26 billion, upon which the short-term fate of the dollar and much else will depend.

The second crash cannot be far off. In the meantime, the Howard Baker White House is close to the point of absolute policy breakdown, in a frozen tableau of evil intentions. The INF treaty, upon which Reagan's travel plans largely depend, is bogged down. The trade bill is a mess, whether Reagan's veto is overridden or sustained. Even the Brady commission is complaining that none of its recommendations to avoid a second crash have been adopted.

Is there anything else that could go wrong for Reagan? Perhaps one more thing. White House astrologer Joyce Jillson claims that it was she who cast a horoscope to show the zodiacal compatibility of George Bush with Reagan, thus clinching the latter's bid for the vice presidential nomination. Bush is now under investigation, not just for Iran-Contra crimes, but also for his role in CIA network going back to his stint as director at Langley. Not surprisingly, Reagan is now about to give Bush his official endorsement for the presidency.

LaRouche scores a victory in mistrial in Boston

by Jeffrey Steinberg

The headlines said it all. From the *Boston Herald*, "LaRouche Jury Would Have Voted 'Not Guilty' "; from the *Washington Post*: "Mistrial Seen as Triumph for LaRouche"; and from the *Boston Globe*'s editorial column: "Biting Off Too Big a Trial."

After 92 days of the prosecution's case, and with no end in sight until well into the autumn, Federal District Judge Robert E. Keeton sent five jurors home and declared a mistrial in the federal government's obstruction of justice and credit card fraud prosecution of Democratic presidential candidate Lyndon H. LaRouche, Jr., six associates, and five organizations. Keeton's May 4 action came after five jurors told him that the unanticipated length of the trial, caused in part by a seven-week delay for an evidentiary hearing into government misconduct, was creating severe personal hardships.

Even as the mistrial order itself was sending shockwaves through the American legal community, government prosecutors were treated to a second blow. Just hours after the Keeton order, Boston's local ABC television affiliate carried a lead news item reporting that an informal poll taken by the just-dismissed jurors themselves revealed a 14-0 vote for acquittal on all 124 counts of the indictment.

The Justice Department and FBI's three and a half year blood vendetta against LaRouche, which had included a full-scale armed assault by 400 government agents against the offices of *EIR* in October 1986, had suffered its first major setback. And while the prosecutor, John Markham, was putting up a good facade by vowing that he would seek a speedy retrial, the editorial board of the prestigious *Boston Globe* was advising in no uncertain terms that such a move would be a grave error.

In an editorial published on May 6, the *Globe* commented, "Although Keeton placed some blame on both prosecution and defense lawyers, the major responsibility lies with the U.S. Attorney's office. Prosecutors went to trial without being fully prepared. Worse, they violated disclosure rules by withholding evidence. Obviously, the government could not have had much of a case if it had to resort to disreputable tactics. The government wants a retrial. We hope the prosecutors learned a lesson. The only certainty at this point is that justice was not done for the people, the accused, or the taxpayers who paid more than \$1 million for the trial."

Nor was the political impact of the mistrial order missed.

The *Washington Post*, covering a May 5 press conference by candidate LaRouche at the National Press Club, attended by over 30 reporters, proclaimed, "Although lawyers for . . . Lyndon H. LaRouche, Jr. say that nothing short of acquittal is a victory for the defense, it is clear that the mistrial declared in Boston Wednesday by U.S. District Judge Robert E. Keeton was a flat-out triumph for LaRouche."

Jury found government misconduct

From the very outset of the trial, LaRouche defense attorneys had emphasized to the jury that the prosecution was simply a political vendetta by elements of the Reagan administration and the FBI, and that there was no evidence warranting the criminal case. In opening statements, defense counsel had provided the jury with evidence of a 20-year FBI harassment campaign against LaRouche and his political associates, involving illegal infiltrations of scores of agents provocateur into the U.S. Labor Party, the National Caucus of Labor Committees, and other LaRouche-tied groups, illegal break-ins, and financial warfare. In short, the key to the LaRouche defense was to show the jury that it was the government, and not LaRouche, that was really on trial.

That message clearly remained with the jury throughout the 92 days of trial. In an interview with the *Boston Herald*'s Shelley Murphy immediately after the case was halted, juror Roman Dashawetz, expressing the sentiments of all 14 jurors, stated, "We would have acquitted everybody at this point, and that's based on prosecution evidence. There was too much question of misconduct in what was happening in the LaRouche campaign. . . . It seemed some of the government's people caused the problem [for LaRouche]."

Dashawetz added that the government's own evidence showed people working on behalf of the government "may have been involved in some of this fraud to discredit the campaign. It certainly throws a lot of doubt into the government's evidence. . . . There was a question as to how many of the actual alleged wrongdoers were government people and how many were overzealous LaRouche people."

Anatomy of a mistrial

As Dashawetz's remarks would indicate, the LaRouche trial, which began after over 14 months of pretrial hearings and motions last December, was well on the road to an acquittal of all the defendants when evidence of the govern-

ment's misconduct began literally spilling out of the file cabinets of the National Security Council and the FBI.

The first big development came when Irangate Special Prosecutor Lawrence Walsh, in response to a Freedom of Information Act request filed by defense attorney Daniel Alcorn, representing Paul Goldstein, discovered a document that his office had seized from the safe of Lt. Col. Oliver North. That May 5, 1986 document, sent to the Marine by Air Force General Richard Secord, referenced efforts to gather information "against LaRouche" by an individual later identified as Sgt. Major Frederick Lewis, a retired Green Beret who was involved with two Midland, Texas-based government agents provocateur in a two-year effort to infiltrate LaRouche-tied groups for both the FBI and the CIA. When prosecutor Markham released the Secord-to-North cable and then turned over a redacted version of a May 1, 1986 FBI memorandum on Lewis and his two cohorts, Gary Howard and Ron Tucker, and admitted to defense counsel that FBI Deputy Director Oliver Revell was involved with the trio, the FBI threatened to indict Markham for espionage for passing classified government documents.

On the 55th day of the trial, Markham suddenly turned over to defense attorneys a series of FBI files on yet another agent provocateur who had been asked by the FBI to infiltrate the staff of this magazine. That man, Ryan Quade Emerson, turned out to be a career paid FBI informant since the mid-1960s. He had also been investigated by the FBI for a string of suspected crimes over an equally long period of time.

When defense attorney William Moffitt demonstrated to the court that Emerson had been used by the government to plant evidence that was subsequently used by Markham in his opening statement to the jury, Judge Keeton felt obliged to send the jury home in order to convene an evidentiary hearing to determine the extent of prejudice caused by the government's conduct in the Emerson affair, in the Howard-Lewis-Tucker business, and in other actions that amounted to withholding of crucial evidence damaging to the government's already dubious case.

Seven weeks into that hearing, Keeton determined that it was essential to bring the jury back to poll them on the impact of the trial delay upon their personal lives. It was at that point, on May 2, that Keeton was initially confronted with the five jurors' hardship dilemmas.

Secret government on trial

Even as *EIR* goes to press, Judge Keeton continues to preside over the evidentiary hearing, which could last for weeks. Before dismissing the jury, he had told counsel that he would conclude the hearing in order to make a full determination of the level of government misconduct. If Keeton finds that that misconduct warrants a dismissal of all charges, he could still change the mistrial into an acquittal.

It is no coincidence that at the very moment that the jury was being dismissed, the three immediate trial issues before Judge Keeton were: motions to quash defense trial subpoenas

for Oliver North, Adm. John Poindexter, and Oliver Revell; defense motions to have all the defense attorneys and defendants granted security clearance to enable them to access classified government documents that Keeton had found to be relevant under guidelines of the Classified Information Procedures Act (CIPA); and defense motions to extend the evidentiary hearing to incorporate the Howard-Lewis-Tucker infiltration effort.

Ultimately, the jury, on its own, began to see the heavy hand of the government all over the alleged crimes. It was the most astonishing thing in the entire case, and the only real story to come out of the entire trial.

The latter motion would have opened the entire Irangate "secret parallel government" to scrutiny and would have likely turned up new and startling evidence of the Revell-North-Secord "Enterprise" having run an illegal domestic espionage and active measures campaign against American citizens— simply because they politically opposed the Reagan administration's Central America "Contra" program.

Reflecting on the 19-month case, defense attorney William Moffitt pondered the implications of the LaRouche mistrial. "Sometimes the system works. The government was caught manufacturing evidence through an elaborate ruse implicating prosecutors, FBI informants, etc. It is not very often that a defense can muster enough resources in a courtroom to catch the government cheating. The scary thing is that the government was attempting to win a conviction by a fraud. How many times don't people have the resources to catch them. It is always a fight to equalize the situation in the courtroom and that is the most insidious feature of these kinds of cases. I am very pleased with the results, but the government frightens me with its capacity for evil. My biggest fear is that out of this case, they will only learn to cover up their fraud more efficiently so they don't get caught next time."

Odin Anderson, LaRouche's attorney, added, "What goes around comes around. My client has spent the last 20 years of his life inside an environment shaped by FBI harassment and other forms of government abuse. Ultimately, the jury, on its own, came to share in that sense and began to see the heavy hand of the government all over the alleged crimes. It was the most astonishing thing in the entire case. It was inevitable that the truth finally won out. This is the biggest story, really the only story to come out of the entire trial."

LaRouche outlines plans to D.C. press

by Nicholas F. Benton

Noting that a poll of the jury confirmed that he was “cheated out of an acquittal” by the mistrial of the court case against him declared in Boston May 4, Democratic presidential candidate Lyndon H. LaRouche told a jammed Washington, D.C. press conference that he is still very much in the race for President, and has an indispensable role to play in the crisis-ridden months ahead that will leave the nation with little choice but to catapult him into the White House.

Appearing publicly in the nation’s capital for the first time in two years, LaRouche told reporters at the National Press Club May 5, “Had the problems imposed on the campaign by the trial not occurred . . . we would not now be faced with the horrible non-choice between two front-running zeroes now contending for the Presidency.”

“Now,” he said, “I don’t know what the chances are for me to make much of an impact on the counting aspect of the campaign, but considering the crisis the United States is entering—we’re headed now for a Hoover depression breaking out in 1989, we’ve got a strategic crisis, we’ve got epidemic diseases—as a patriot with all his limitations, being the only person running who’s qualified for the position of President under these conditions, I’m just going to keep on running.”

Questions put to LaRouche by the assembled journalists focused on his role in the 1988 presidential campaign from now on.

Asked if he felt he had “any chance whatsoever” of winning the presidency, LaRouche responded, “Yes. If you say, does it look probable, then, of course, no. But remember that we’re now coming into a critical period from the middle to the end of May, and possibly a slightly longer period, during which it is extremely likely that another shoe is going to drop on the process which broke out on Black Monday last October.”

The double zero option

“Add the story about astrology in the White House and George Bush’s problems, plus people beginning to look at that zero in Massachusetts, Dukakis, taking a second look at him and saying, ‘Hey, we didn’t know what we were voting for.’ Under these conditions,” LaRouche said, “If the American people and some political bosses around this country realize we’re in a crisis and they say, ‘We’re not going to turn this country over to a choice between two zeroes,’ at that

point my significance becomes twofold. One, there will be a number of people . . . who will push to somehow get me in the picture in a brokered convention. . . . Secondly, if they don’t consider me as a likely winner of the nomination . . . they will say, ‘OK, you’ve got to be a power broker behind the scenes. You’ve got to be the brains behind the Democratic Party campaign, and the next presidency. In either case, I think we’d see our country safely through this crisis.’”

LaRouche was questioned about his heavy attack on the two frontrunners. He quipped, “The best argument for either is the other one.”

Asked “what’s wrong with Bush and Dukakis?” LaRouche responded, “What can you see in George Bush? Who is George Bush? This is one time I agree with [cartoonist] Garry Trudeau. There is a spot where you say George Bush is there, but what is there?”

“As for Michael Dukakis,” he continued, “almost no one in the country knows who he is. People in Massachusetts know he’s almost nothing. He’s a wholly-owned property of a group in Boston which is identified with a law firm called Hill and Barlow, and a financial interest called The Vault. These interests have run both his governorships, which have been catastrophic failures, in fact. Governor King’s governorship in between is the thing that Dukakis is bragging about, in terms of results. He now faces a half-billion deficit in a budget which he’s been bragging he balanced. The man, in the two times he’s been governor, has done nothing. He is simply a figurehead. He has no record.”

LaRouche’s base of support

When asked where his support at a brokered Democratic convention will come from, he said, “We’re heading for a depression. I’ve laid this out with people around the country, with state officials at the highest level—Democratic Party and Republican leaders, most on the state level—and we’ve been talking about this problem. . . . What does this mean on a state and local level? . . . State and local governments cannot, by law, have deficits. There is going to be approximately a 50% drop in the tax revenue base of federal, state, and local budgets during the coming period. You cannot cut the operating budgets of state and local government by 50%.

“Therefore, going into Atlanta, the people coming there as super delegates, not from the Washington crowd . . . but the state officials and key local government officials, know they’re going into such a crisis. . . . They’re going to come in, closing down hospitals, closing down schools, all the other horrors that go with this kind of thing, with talk from Bush’s crowd about shutting down Social Security and halving Medicare, putting a 15¢ tax on gas at the pump. They’re going to go in there mad. And they want a package. They don’t want a personality, they want a package. . . . In that circumstance, there is nobody going in there . . . capable of dealing with this problem. I am. And the state and local people know it.”

'Soviet Military Power 1988': Frank Carlucci's little fraud

by Leo F. Scanlon

A 161-page analysis of Soviet military capabilities which does not contain the word "spetsnaz" in its index could be considered a suspicious type of fraud. If that same document is released to the public by the Secretary of Defense of the United States of America, one's assessment must be very measured, and very grim.

Soviet Military Power: An Assessment of the Threat (SMP), is this year's revised title of the annual report which had become the hallmark of the Weinberger administration of the Department of Defense. Produced under the direction of Secretary Frank Carlucci, the latest edition is described by its authors as "an administration document, issued by the Department of Defense" and sports a new title, and a changed style.

It is not a change for the better.

The original editions of this document were produced and designed to present a maximum amount of unclassified information about the Soviet military, in a format accessible to the citizens, friends, and allies of the United States. The straightforward nature of the publication made it a valuable document to military analysts, educators, and writers all over the world.

The latest edition still contains an enormous amount of material otherwise not accessible in popular form, but it is a "consensus document" and is no more than an argument for the insipid compromises which define the current defense budget proposal, and the administration's negotiating posture toward the Soviet Union. In those areas where the picture of Soviet might presents a compelling argument for current policy—such as the post-INF strategy of pressing the European allies to modernize and expand their conventional defense capabilities—the picture is drawn starkly. On matters which are politically sensitive—such as the Soviet deployment and use, in combat against American forces, of weapons based on advanced physical principles—there is little or no useful information.

The fundamental difference between the outlook presented in this issue of *SMP*, and previous editions, can be seen in the introduction. The 1987 edition states in its very first paragraph, "The major task assigned to the Soviet military . . . is to achieve a force posture for the Soviet Union that provides for absolute security as it continues to seek world domination" (page 7). Now that the INF treaty has been signed, we find this definition of Soviet national security priorities: "To strengthen the Soviet political system . . . to extend and enhance Soviet influence worldwide. To defend the Soviet homeland and state against potential aggression. To maintain dominance over the land and sea areas adjacent to Soviet borders." In the summary of the 1988 edition, the assertion is made, "We believe that the strategic balance today is essentially stable"—a utopian assessment which is controverted by the material which is otherwise presented in the preceding pages!

Some graduate of Gorbachov-endorsed programs to eliminate the "enemy image" was apparently put in charge of the new book's graphic design: The charts that used to show Soviet forces in bright red and the West's in blue, are now done in soothing earth-tones of maroon and green!

War plans versus net assessments

A change in outlook as dramatic as that illustrated above may be attributed to an effort to propitiate a real or imagined Russian ukase, but there is a method behind these statements which is more powerful than simple fear—it is the system of thinking which bureaucrats call "balance assessment." Like its cousin, the geopolitical "balance of power" analysis, the "balance assessment" presents itself as a conclusion drawn from facts unprejudiced by the truth. It is characterized by *Pravda*-like equivocal formulations of the type: "on the one hand . . . then, on the other hand . . ." and is the preferred means of expression in any bureaucracy.

A clever bureaucrat can structure such a document to

produce a useful conclusion in spite of the vehicle—and there are a few of these to be found in the *SMP* assessment. For example, we find remarks at the beginning which situate the current strategy of the Russian *Nomenklatura* as a direct continuation of czarist imperial policies, policies shaped by a society which “has not assimilated such basic Western concepts as constitutionalism, democratic government, the rights of the individual . . .” and so on.

This useful observation is then obviated by the assertion, “The Soviet Union and the Czarist system that preceded it have justified their expansionist policies over the past three centuries by asserting—often falsely—that Russian history is a repetitive story of invasion and occupation” (page 8)—a piece of “glasnost” palaver worthy of Comrade Gorbachov’s campaign to “fill in the blank pages of history.”

The process of war planning, done by a trained general staff, and explained to an educated public, is the *sine qua non* of a republican military system, such as that on which our nation is based. In its simplest approximation, the principle of this system is summed up by the statement on page 159 of *SMP*, “We must ensure that we have the means to meet the Soviet threat as manifested by their actions and their capabilities, not their words.”

There may yet exist war plans based on such a principle, the specifics of which are necessarily classified. Unfortunately, the public’s perception of U.S. military policy is shaped by the rigged debate over “military spending.” In previous years, the defense budget was at least broadly motivated on the basis of the present threat, and *SMP* helped explain why the DoD’s proposals were reasonable and necessary. The current budget begins with the need to impose fiscal austerity, and secondarily proposes to represent “an acceptable level of risk” in its defense posture. Thus, the purpose of this edition of *SMP* is to present the risks which are acceptable—not “the face of the enemy.”

Actual Soviet aims: global showdown

The most glaring deficiency of the *SMP* assessment has been cited—the word *spetsnaz* (special forces) and its cognates, are absent from the book entirely. On that basis alone, this exercise is a fraud. The discussion of the critical role these units are playing in current Soviet operations can be found on page 89 of last year’s edition. It is immediately followed by a dramatic picture of the proven operational capabilities of the chemical warfare troops of the Soviet army, the combination being an effective picture of the brutal threat posed to the populations of Europe by the Red Army.

In this year’s edition, the discussion of Soviet chemical warfare capabilities is to be found on page 78, and advises, “In a war with NATO, the Soviet Defense Council decision to employ chemical weapons would be weighed against the consequences of U.S. retaliation. If the Soviets calculate that they could achieve significant benefits at what they considered an acceptable risk, they *might* employ chemical weap-

ons. If such a decision were made, the Supreme High Command would execute the decision and integrate” and so on (emphasis added).

This formulation is typical of the gratuitous assumptions which abound in this edition of *SMP*. It is inserted to deflect the reader from the facts of this matter, which were presented clearly in previous editions, and are scattered but present even in this one. Those facts are that the Soviets have upgraded the capabilities and training of their chemical warfare troops—including the only live training ever conducted, at Chernobyl. Simultaneously, they have restructured these units into smaller, mobile strike forces. “At the front level, the chemical defense brigade has been augmented by a variety of independent battalions. Units at all levels are being fully equipped and continue receiving new and more modern equipment” (page 78).

This is a pattern characteristic of the reorganization of the Soviet forces conducted under the direction of Marshal Nikolai Ogarkov and his colleagues in the above-mentioned Supreme High Command, or *Stavka*. (Unfortunately, the pictures of these notables which graced former editions of *SMP* have also disappeared from this issue; in the bureaucracy, one doesn’t wish war to get too personal.) This reorganization has the aim of eliminating cumbersome logistics and administration functions from the combat line troops, and maximizing the speed and flexibility of the assault forces, which are assumed to be operating in an environment of full spectrum combat (page 74ff.).

These small, mobile forces are organized to be able to carry out a war plan which has been previously assimilated by the unit commanders. Modern combat being what it is, the Soviets are not foolish enough to think that there will be reliable communications throughout the chain of command. Whatever capability exists—chemical, electromagnetic, or nuclear—*will* be used. *SMP*’s formulation, “might be used,” in this context is not an equivocation, it is a lie.

In a discussion of the related issue of mobilization of manpower (page 90), the authors point out that in this area as well, the Soviets are making aggressive improvements in their capabilities. After admitting that NATO forces rely heavily on support units drawn from reserves which have a small chance of arriving at mobilization centers, it pointed out that the Soviets can “gradually, sequentially, and covertly raise the readiness of selected elements of the armed forces. The Soviets thus can maintain a large degree of secrecy while preparing their forces for war.”

This brings us face to face with the criminal nature of the decision to avoid discussion of the *spetsnaz* capability. The authors are under orders to downplay the realities which quantify or make corporeal the intentions of the Soviet state. The ongoing military actions of *spetsnaz* units in Western Europe and elsewhere are well known and documented. Why then, do they remain unacknowledged? Why no mention even of their role in the Soviet order of battle?

EIR has produced several authoritative studies which prove that the Soviets are engaged in the early phases of fielding a new generation of weapons based on the control of coherent electromagnetic pulses. These include, but are not limited to, lasers and radio frequency weapons, and have been referenced in previous editions of *SMP*.

The reference to these weapons in *SMP*, 88 is limited to a description of defensive applications, *in spite of the fact that a Soviet ship-mounted laser, pictured in last year's edition, was subsequently used to blind the pilot of a U.S. surveillance plane which was monitoring a series of Soviet missile tests which included flights targeting the Hawaiian islands!* Is this a case of *maskirovka*? In a very real sense, the answer is, yes. This edition of *SMP* is edited with an eye to protecting the mythology surrounding the signing of the INF treaty. The weapons systems described in the *EIR* reports are designed to make certain categories of nuclear weapons archaic, and render them suitable for use in public relations bargaining sessions. (Even in Washington, very few are credulous enough to believe that the Soviets will actually destroy any significant number of SS-20s.) If the INF treaty is a hoax, the current defense budget is an irresponsible fraud—a charge which has been leveled publicly by several DoD officials. That fact cannot be recognized by the DoD, however, since the budget proposal is locked in by prior agreement with the Congress. Thus, by extension, *SMP* cannot discuss any aspect of military reality which contradicts current policy.

Conventional modernization

The one apparent exception to this rule is the sections of the publication which describe the current status of Soviet conventional forces. The authors are shameless enough to prove the INF treaty a joke, when they point out, “The Soviets began modernizing other missile systems, such as replacing the SCUD with the SS-23. . . . Compared to NATO’s 88 operationally deployed LANCE missile launchers, the Warsaw Pact deploys about 1,400 FROG, SCUD, and SS-21 missile launchers. . . . These missiles are not constrained by the INF treaty. The refires for these launchers are estimated to have been increased by between 50 and 100 percent over the past several years. Consequently, the Pact has been able to plan on using these missiles armed with non-nuclear warheads, to strike NATO air defenses, airfields, and command-and-control nodes without sacrificing their ability to plan on using the same missiles, if needed, in theater nuclear strikes.”

Notice that there are few equivocating qualifiers in this assessment. The same is true of the extended treatment given to the ongoing process of modernizing all basic Soviet weapons systems, from tanks to attack fighters, with electronic weaponry equivalent to the latest fielded in the West. This transformation of a quantitatively superior but qualitatively inferior force, into an overwhelmingly superior force is proceeding at a rapid pace.

Further, it is documented that this is occurring because of a long-term investment strategy in both basic industrial capability and advanced R&D in the Soviet economy. The benefits of this policy are paying off for the military in spite of the otherwise well-known limitations of the Soviet economy. The most immediate effect is to help contribute to increases in mobilization capability and sustainability.

The document goes so far as to admit, “Under some scenarios, the Pact would have an advantage in sustaining combat operations since NATO may not have time to activate and put in place an adequate support infrastructure.” Not surprisingly, *SMP* does not come to the same conclusion as former NATO commander Gen. Bernard Rogers, who pointed to this reality, and denounced the INF treaty for the sellout it is.

The reason that straight talk is tolerated in this limited area, is that the policy of the leading circles in the West is to use the discussion of the need to modernize conventional forces—an undeniable necessity—to impose austerity on the European economies. This strategy has been outlined in numerous documents produced by leading think tanks here and in Europe. This edition of *SMP* stays well within the bounds of that controlled debate.

The regional assessment fraud

If one can analyze the Soviet military without mentioning spetsnaz, one can surely present an assessment of the “balance” in Europe and other major theaters without mentioning low-intensity warfare. *SMP* does just that,

This is a particularly ironic gesture, since one of the most significant developments in the U.S. military bureaucracy this year was the formation of an entire command dedicated to coordinating military activities in areas of low-intensity conflict. Thus, we have a new command which apparently has no threat facing it!

The simple explanation for this runs along these lines: “These matters cannot be discussed in a forum like this, since most of what we are dealing with is Soviet proxy actions, and the proof of Soviet origins would require disclosure of classified methods and sources—besides, in most cases, the Soviets are only exploiting problems we create, and no one is going to touch that.” There is much truth in this statement, but there is still more to it.

The Soviets are not “planning war”—they are refining elements of an evolving war plan, and by their own statements, and the assessment of previous editions of *SMP*, consider themselves to be in a condition of “low-intensity warfare” with the Western Alliance. The Soviets are openly funding the rioters in West Berlin, and the organizations which support the bombings aimed at NATO troops and their dependents in Europe—these are facts, deliberately excluded from a supposedly authoritative publication of the DoD.

We must agree with the officer who said, “This is just another administration document.”

Elephants & Donkeys

by Kathleen Klenetsky

Dukakis and the 'Massachusetts miracle'

Michael Dukakis' victories in the May 3 Indiana and Ohio contests were offset by the prospects that his vaunted "Massachusetts miracle" was about to go up in smoke. The news came out that the state budget was careening out of control, and, though Dukakis insisted that nothing was amiss, his strategists and he were deeply troubled that the development could harm his presidential ambitions.

Dukakis has predicated his presidential bid on his alleged "managerial competence" as Massachusetts governor, and particularly the "economic miracle" the state has supposedly undergone as a result of his wisdom. If the Massachusetts economy continues to blow apart, Dukakis fears, he can kiss the presidency good-bye.

EIR has elsewhere reported on the millions in speculative real estate bucks that Dukakis's friends managed to make while he was governor, and they were serving as aides in the state house. Nothing very miraculous about that.

So, questions about the Massachusetts miracle, and what role Dukakis played in it, are not new. How deep the skepticism runs is evidenced in a recent Dukakis biography, which, though written by two reporters for the avidly pro-Dukakis *Boston Globe*, still reports on some of the criticisms of Dukakis and his "miracle."

Obviously intended as a puff piece, *Dukakis: An American Odyssey*, by Charles Kenney and Robert L. Turn-

er, (Boston: Houghton Mifflin, 260 pages, \$16.95), nonetheless contains some revealing information—for example, the relationship between defense spending and the state's economy. Dukakis has been highly critical of military spending, and has pledged to sharply reduce the Pentagon budget. Yet, as the book's authors point out, defense spending was the *sine qua non* of whatever growth Massachusetts achieved during Dukakis' tenure.

The authors cite a 1986 study by the Kennedy School of Government's Ronald Ferguson and Helen Ladd, which, while otherwise friendly to Dukakis, takes issue with his claim that it was he who revived the state's economy. "A plausible competing hypothesis," says the report, "is that rising defense-related activity along with other exogenous forces that sustained rising incomes in Massachusetts in the early 1980s account for the state's outstanding performance."

Another study, published by the liberal Economic Policy Institute, reached similar conclusions. It "praised Dukakis for working to improve the business climate and create jobs," they report, "but it claimed that the governor played only a limited role in the revival. The study attributed the growth to the expansion of high-technology industry, the concentration of prominent universities, and ballooning military spending.

"Even as Dukakis was criticizing President Reagan for increased defense spending," Turner and Kenney note, "Pentagon dollars were contributing to the prosperity of Massachusetts. Dukakis's own budget proposal recognized as much in March 1983: 'As the federal government implements its planned defense preparedness program, the economic impact on Massachusetts will be highly stimulative.'"

One can only conclude that Dukakis is not only lying about what helped get Massachusetts out of its decades-long economic sinkhole, but that his promised presidential policies would put it right back in. Indeed, the emerging crisis in the state can be traced in part to deep cuts in the military budget over the last two years.

Another important insight—and portent of the future—provided by Kenney and Turner, is Dukakis' handling of the state's fiscal crisis when he first took office in 1975. Though he ran as a liberal, he promptly imposed an austerity regime that made Republicans cringe. He called it his "meat cleaver" approach to budget problems.

He instituted a budget freeze, which deeply affected programs for children and the handicapped, and suspended cost-of-living increases for state employees and welfare recipients, even though the official rate of inflation was 14%. His fiscal 1976 budget called for removing 18,000 men and women from the general welfare rolls and laying off thousands of state workers. He also tried to institute a "workfare" program, which would have put welfare recipients to work in jobs of laid-off state and city employees at below minimum wage.

If Dukakis becomes President, Americans as a whole can expect the same treatment—especially since his Treasury Secretary would almost certainly be Felix Rohatyn, the "pain and agony" advocate who masterminded the mid-1970s "Big Mac" bankers' dictatorship in New York. As witnessed by the recent closing of the Williamsburg Bridge—victim of the delayed maintenance program mandated by Big Mac—Rohatyn's "rescue" of New York was as big a scam as Dukakis' "Massachusetts miracle"—and every bit as mythical as the Reagan recovery.

Inter-American group plugs drug legalization

It is getting to be an old theme with former U.S. Ambassador Sol Linowitz and his banker friends on the so-called Inter-American Council, but their annual report again this year calls for considering the legalization of the multibillion-dollar drug trade.

Former U.S. Secretary of State and Attorney General Elliot Richardson, speaking at an April 28 press conference, said it is simply a matter of "cost benefit analysis." He said, "You have to be willing to face the facts if the cost of the effort to cut off supply becomes excessive."

This, he said, is one of the central points of the Dialogue's 1988 report. The other, he added, is that the United States must work to limit the power of the militaries of Ibero-America, because they—and not Soviet-run narco-terrorism—are the biggest threat to democracy in the Western Hemisphere!

In its totality, the report is an apology for the Medellín drug cartel and the New York banks which run it. Ignoring such things as the Colombian military's 70-plus raids against the cocaine czars' bunkers and plantations so far this year, the report says that all efforts at interdiction "have failed," and calls for a shift of emphasis from law enforcement efforts against the pushers to "educational efforts" aimed at decreasing the demand among users

in the United States.

Former Colombian Attorney General Rodrigo Botero, at the press conference with Richardson and Linowitz, said, "There is no Al Capone figure you can point to in trying to stop the drug problem."

When this reporter pressed him on how he explained the testimony on the Medellín Cartel's activities recently presented to Congress, Botero refused to answer, to the shock of the press.

Sprinkel-mania gets dampened

The White House's infamous "Good News Elf," Beryl Sprinkel, bounded onto the press briefing room podium April 26 to announce that the modest 2.3% growth rate in the economy for the first quarter of 1988 was more proof that the 65 months of unbroken economic recovery of the Reagan administration was going to continue.

However, Sprinkel, the head of the President's Council of Economics Advisers, ran into some difficulty when this reporter compared his optimism to that of economists in the first months after the crash of 1929 (see "1930, 1988: a first time as tragedy, a second time as cataclysm," by Webster Tarpley, *EIR*, April 29, 1988, page 6).

After Sprinkel rattled off all his statistics to prove his case for a continued strong economy, I asked:

"Within the last couple of weeks, the *Wall Street Journal*, *Business Week* magazine, and most recently, Louis Rukheyser have displayed what they've called 'nail biting similarities' between the behavior of the stock market since Oct. 19 last year and the behavior of the market in 1929-30. They point out that at precisely this stage in 1930, for example, economists were saying exactly what you're

saying here today. What's your reaction to what they consider to be a very ominous trend?"

Sprinkel resorted to the usual evasion, namely, asserting that the response to the 1929 crash was to tighten money, whereas this time the money supply was loosened. This answer is simply false, as the cited *EIR* article documented. In reality, interest rates came down and money flooded the market in reaction to the 1929 crash, just as they did this last fall. Secondly, he cited the role of the Smoot-Hawley tariff of June 1930 in deepening the crisis then. There is no comparison to that now, he argued.

But then I asked him whether the current Omnibus Trade Bill, which has passed both Houses and the President promised to veto, "will have an adverse effect on Japanese participation in the next Treasury bond and Treasury bill auction on May 10."

To this, he conceded, "Well, the worst part with respect to that [the so-called Bryant amendment] was removed. . . . That would have had a very serious cooling effect, in my opinion, on the willingness of foreigners to invest in the U.S. But . . . there are some remaining aspects that we would like to see changed."

So, in admitting to the existence of "remaining aspects" in the bill that may dampen foreign investment, Sprinkel conceded that the trade bill, irrespective of the domestic plant-closings provision, contains elements which could have the same impact on the U.S. economy that the Smoot-Hawley bill did in 1930!

Finally, Sprinkel admitted that there will inevitably be a recession, sooner or later, but that his job was only "to see to it that it doesn't happen on our watch." He wouldn't comment on whether he thought this was important to George Bush's presidential aspirations.

The Soviets begin to renege on INF agreements

On April 27, the *New York Times* reported that a rift had occurred between American and Soviet officials concerning treaty verification procedures. The Americans charged that the Soviet Union backed away from some of its verification obligations under the accord during recent technical talks over how verification was to be put into effect.

The specific question was whether the Americans would be allowed to look inside Soviet structures and vehicles big enough to conceal small rocket stages, but not large enough to hide entire SS-20 medium-range missiles. The Americans insist that they won this right during the hectic final hours of treaty talks, when treaty negotiators were rushing to meet the deadline of the Reagan-Gorbachov summit. Maj. Gen. Vladimir Medvedev, a Soviet negotiator of the agreement, claims that this right was not granted.

Differences also cropped up concerning inspection rights outside the Soviet missile-assembly installation at Votkinsk, and over how much access American inspectors should have to other Soviet facilities.

During the talks, the Russians initially insisted that they should be able to look inside American structures that could hide individual rocket stages, since the Pershing II missile is transported in such stages and assembled on its launcher. They argued that the Americans should not have similar rights, as the Soviet SS-20 missile is transported as a complete missile in canisters. U.S. negotiators rejected this argument and demanded reciprocity.

American officials claim that the Russians finally agreed and that the American view is therefore supported by the treaty's inspection protocol.

The Soviet back-pedaling, even before ratification discussions have begun in the U.S. Senate, has served to strengthen the skepticism concerning Soviet willingness to live up to the agreements which they so eagerly signed. That air of doubt on Capitol Hill has contributed to the slowing down of the pace of the ratification process, and may help to derail the treaty entirely.

Can Gorbachov sign the INF treaty?

A juridical problem is brewing which may cause more problems for the INF treaty. Mikhail Gorbachov, in his position as General Secretary of the Communist Party, is not an official head of the government. The head of the government is Andrei Gromyko, and under international law, treaties must be signed by heads of state. Leonid Brezhnev turned over a written statement from the Supreme Soviet authorizing him to sign the 1972 SALT I arms treaty and the ABM treaty. According to one Foreign Relations Committee aide, "This could make the INF Treaty null and void. The treaty may need to be re-signed and then new hearings would be required."

Democratic senators move to delay ratification

Sen. Robert Byrd (D-W. Va.) together with the chairmen of the three committees dealing with the INF treaty, Sen. Sam Nunn (D-Ga.), Sen. David Boren (D-Okla.), and Sen. Claiborne Pell (D-R.I.) held a press conference at the end of April to present four outstanding questions which have to be resolved before the INF treaty can be ratified.

Senator Byrd said that he would

delay bringing the INF treaty to the floor until May 11, during which time the administration must present a written agreement with the Soviets on the question of "futuristic weapons." If such an agreement is not forthcoming by May 11, Senator Byrd may further delay calling up the treaty. The senators say that they want to ensure that the Soviet Union will abide by the same futuristic weapons ban as the administration.

Furthermore, Senator Nunn said that he wanted to know exactly what type of futuristic weapons were to be included in the treaty. Senator Boren, chairman of the Senate Intelligence Committee, wanted a precise definition of what was considered a "weapon" in the treaty, as that is decisive for what may and what may not be mounted on INF-range missiles.

Senator Boren has also had problems concerning the funds necessary for assuring adequate verification of the treaty. According to government sources, the surveillance improvements requested by Senator Boren would require about \$500 million in the coming fiscal year, and \$5 billion to \$6 billion spread over the next five to six years. The White House had apparently agreed to Senator Boren's request, although nothing has been done to meet those requirements. Senator Boren has threatened to filibuster the new treaty unless the White House requests this money.

The many question marks concerning the treaty and the initial phases of Soviet balking on INF requirements bodes ill for the treaty. Even though the administration is willing to bend over backward to push the treaty through the Senate, INF ratification is beginning to look more and more like a lost cause. As a recent *New York Times* editorial laments, "If the Senate does not approve the treaty before the Reagan-Gorbachov summit meeting, it's likely not to happen under Presi-

dent Reagan—and then perhaps never.”

Committee probes Drexel Burnham securities violations

The House Energy and Commerce Committee continued its investigations into Drexel Burnham's "junk bond" operations. Although junk bond manager Michael Milken invoked his Fifth Amendment right not to testify, Drexel Burnham's chief executive officer, Frederick H. Joseph, did not. Mr. Joseph testified before the committee on April 29, defending his firm against allegations that its junk bond department repeatedly shortchanged its bond-buying customers in order to enrich its employees.

His arguments did not seem very convincing to the panel members. As Rep. Dennis Eckart (D-Ohio) expressed it to Joseph, "The public perception is that what you have done doesn't pass the smell test."

Much of the day's questioning concerned dealings by the so-called insider accounts in Drexel-managed offerings by Textstyrene Corp. and the Beatrice Cos. unit of BCI Holdings Corp. Partnerships, including Drexel employees, bought more than \$235 million in Beatrice's April 1986 offering of notes, according to the subcommittee. Within three months, the partnerships had resold \$44 million of those notes for a profit of about \$2.2 million. Certain Drexel institutional customers couldn't get all the bonds they wanted to buy, even when Drexel employee partnerships were getting big blocks of bonds. In other instances, Drexel paid higher prices when repurchasing junk bonds from its employees than when buying from outside clients.

Committee Chairman Dingell (D-Mich.) said that there may be viola-

tions of securities regulations and laws governing underwritings, particularly rules governing "hot issues," i.e., those which are in great demand by investors.

Bill on AIDS passed by Senate

After a heated debate on the Senate floor, the AIDS Research and Information Act was passed 87-4 on April 28. The bill authorizes \$685 million for AIDS research and education, an amount vastly insufficient considering the magnitude of the spread of this deadly epidemic.

The most heated debate concerned an amendment proposed by Sen. Jesse Helms (R-N.C.) in which funds would be withheld from programs that "promote or condone" homosexual behavior. The amendment was approved 77 to 23, although Senator Kennedy was able to counter it with an amendment which said that the government would not restrict the ability of any AIDS education program to "provide accurate information" about the risk of AIDS infection, thus creating a bone of contention for future interpretation.

Amendments were also approved which called for mandatory AIDS testing for all persons convicted of drug- and sex-related crimes and, in a rather ambiguous formulation, banned programs giving clean needles to drug addicts to combat the spread of AIDS "without the approval of the surgeon general."

Another very significant amendment proposed by Sen. William Armstrong (R-Colo.), stipulates the withholding of funds from any state or local government entity which "requires, encourages, or permits any health care facility within the State to deny nutrition or hydration to any eligible individual who has been duly

admitted to that health care facility." The amendment was passed, after some debate, 60-36, although here again, Senator Kennedy (D-Mass.) succeeded in adding a proviso which would place this measure under review by the congressional Biomedical Ethics Board.

Nevertheless, an important clause against euthanasia was included in the bill.

This is the first comprehensive legislation on AIDS passed by the Congress. The rapid spread of the AIDS disease in ever newer variants will, however, soon reveal that the insufficiency of the funds allotted and the nature of the compromises of which the bill consists are totally inadequate for dealing with undoubtedly the most dangerous disease mankind has ever faced.

House rebuffs permanent ban on ASAT testing

In heavy partisan debate over the Defense Authorization Bill, the House rebuffed the Democratic leadership on an arms control vote on Thursday, April 28, narrowly defeating an effort to permanently prohibit testing of an anti-satellite weapon. The House did, however, by a vote of 214 to 186, approve a one-year ban on virtually all tests of nuclear weapons, as long as the Soviet Union also refrained from such testing.

The Senate version of the defense bill differs from the House version in some key areas. The Senate measure would provide \$4.55 billion for SDI, compared to \$3.5 billion in the House bill. The Senate bill contains \$700 million for the mobile MX, compared to \$500 million in the House bill, and a mere \$50 million for the Midgetman, compared to \$500 million in the House measure.

National News

Bowen says war on drugs is being lost

Health and Human Services Secretary Otis Bowen issued the text of his remarks to President Reagan in late April, in which he stated that he was pessimistic about the effectiveness of the administration's much-touted anti-drug effort. The administration's "War on Drugs" is headed by Vice President George Bush, the GOP presidential candidate, and the President's wife Nancy plays a significant role.

"Generally, speaking, Mr. President, I prefer optimism as you do," Bowen told the President. "But today, I don't know how I can honestly be very optimistic about the war on drugs."

The Secretary also took a swipe at Nancy Reagan, saying that her "Just Say No" campaign was being used by "some" as a "political football" and an "empty slogan."

Although Bowen's criticisms are to the point, his proposals—stressing expanded treatment facilities, rather than a more aggressive attack on the dope cartel itself—are hardly an improvement over the Reagan-Bush policy.

More calls for drug legalization

After Baltimore Mayor Kurt Schmoke used the U.S. Conference of Mayors in Washington April 26 to issue a call for a "debate" leading to drug legalization, the Baltimore *Sunday Sun* featured more than six articles—including two on the front page—arguing for "decriminalization" of drugs.

The paper published excerpts from Schmoke's remarks and, in its lead editorial, argued for drug decriminalization, saying: "Decriminalization could in fact take the profit out of drug sales. . . . Drug treatment must become as pressing a national priority as enforcement. Treatment programs that obtained drugs from controlled, government laboratories and put abusers on

prescriptions could dry up the street crime that disrupts neighborhoods, for there would be no reason to pay street dealers' exorbitant prices. Moreover, treatment specialists would be better able to attack the problems that cause people to seek solace in drug highs if the pervasive street drug culture were dampened."

Earlier, both "conservative" William Buckley, a confessed pot smoker, and "free marketer" Milton Friedman, a heroin-legalization advocate, had expressed support for Schmoke's idea.

The Baltimore mayor, in his statement, said, "One way [to take the profit out of drug trafficking] is to heed the lessons of prohibition and treat drugs as a health problem, not a crime problem, and decriminalize narcotics."

"Stop and think what could be achieved if we redirected billions of dollars from interdiction of a small percentage of illegal drugs to fighting the problem of addiction as a public health matter. Let us not be timid in thinking about a new and possibly more effective approach to fighting the scourge of drugs," he concluded.

Schmoke's remarks followed the presentation of the latest Inter-American Dialogue report on the question by Elliot Richardson, Sol Linowitz, and Rodrigo Botero, Colombia's former finance minister. The three advocated "selective legalization" of drugs.

New York paper attacks McKay on Meese probe

The *New York Daily News* in its May 1 edition accused Special Prosecutor James McKay of botching the case he was supposed to build to indict Attorney General Edwin Meese.

"Special prosecutor James McKay may have botched his own probe of Attorney General Edwin Meese through 'unusual' actions that critics say reflect his lack of experience in criminal investigations," the *News* claimed.

It accused McKay of sidestepping rules of grand jury secrecy and showing "an un-

usual willingness to make public disclosures of the investigation's progress."

McKay is especially criticized for issuing a press release saying he had no plans to indict Meese, shortly after the resignation of Justice Department officials William Weld and Arnold Burns, who both stated at the time that their boss should be indicted.

"The grand jury decides whether or not to indict, not the special prosecutor," the *News* quoted a Washington attorney.

A former government prosecutor is quoted saying, "What we've seen here is on-the-job training. [McKay] is a decent human being whose shortcomings are a lack of criminal experience and layered on top of that, a lack of good gut instincts in this type of case."

Jackson linked to IRA terrorists

Democratic presidential hopeful Jesse Jackson has met with leaders of the IRA-linked NORAI organization, and said that those who support the "fight to liberate Northern Ireland," should be brought together in a "rainbow coalition" with human rights activists in Latin America, South Africa, and elsewhere.

As part of that "fight to liberate northern Ireland," IRA terrorists murdered three British soldiers in the Netherlands in late April.

According to the *Sunday Times* of London May 1, Jackson pledged "absolutely" to end the present American policy of refusing to grant visas to IRA spokesmen, and said he wanted to visit Northern Ireland to meet all political parties, including some closely linked to the IRA.

WHO scored on AIDS policy in Africa

Kenneth Adelman, writing a guest commentary in the *Washington Times* May 2, attacked the World Health Organization

(WHO) for lack of seriousness in the fight against AIDS. Adelman was the former head of the Arms Control and Disarmament Agency in the Reagan administration.

EIR has charged that the WHO, controlled by Soviet health officials, but with the full connivance of U.S. officials at the Atlanta-based Centers for Disease Control, had been conducting a cover-up of the AIDS threat to Africa, where it is reliably estimated that there are already tens of millions of AIDS cases.

Adelman's commentary included some devastating statistics:

- In 1989, "WHO planned a piddly 0.3 percent growth [in spending] for countries in Africa, the world's AIDS den, though a whopping 65 percent boost for Europe."

- WHO will spend \$2.7 million on its two-week conference in Geneva in May, but has budgeted less than half that amount on treating malaria in Africa.

Bush aides had large role in Central America

Testimony and documents newly presented in the lawsuit of the Christic Institute against Lt. Col. Oliver North and 20-odd associates, show that aides to George Bush were deeply involved in operations in Central America, the *Washington Post* reported May 1.

The evidence shows that Bush's chief of staff, Donald Gregg, was not being exactly truthful with congressional investigators during earlier stages of the Iran-Contra affair. Documents date his and the vice president's involvement in the affair, a full six months earlier than he had previously admitted.

One piece of evidence is a Gregg memo to Bush on June 3, 1986, advising him of the Salvadoran Air Force's need for spare parts for its helicopters and new helicopters equipped with armored pilot seats. The memo said these were needed "soonest" because "we may be at a turning point that could win the war for Duarte."

Bush scrawled the word "Good!" at the top of the memo.

Gregg was in contact as early as March 17, 1983 with NSA chief Robert McFarlane, endorsing the plan for a "small elite strike force" to destroy Salvadoran guerrilla units.

Bush's deputy national security adviser, Col. Samuel Watson, testified that he saw two warehouses full of weapons and ammunition during a visit to Contra base camps in Honduras in January 1986, and that, several days later, he got close enough to a combat operation to observe a rocket near-miss on a helicopter carrying CIA man Felix Rodriguez (a.k.a. Max Gomez) into action.

Telephone logs and testimony provided at the Christic Institute trial by Gregg and Watson also make it clear that both men were in frequent contact with Rodriguez in 1985 and 1986, when he was working for Oliver North in Contra supply operations.

The documents and testimony were presented by Christic Institute lawyers in order to establish a pattern which shows that Bush's office was in charge of the Contra supply and combat effort.

Army data show teen spread of AIDS

Data from the U.S. Army's testing of all personnel for the presence of AIDS antibodies show a higher-than-expected incidence among the nation's teenagers, the *Christian Science Monitor* reported May 2.

Incidence is reported to vary from as few as 1 in 20,000 teens in some non-urban areas of the central United States, to 1 in 200 in cities like New York or Baltimore.

Both male and female teenagers are affected, with a slightly higher percentage in males.

Another statistic uncovered by the Army is that the incidence of AIDS in black officers and enlisted men is about 5 of every 1,000—three to four times as high as that found among whites.

The ugliest fact, however, is that this information was disclosed 10 months ago at an international conference on AIDS in Washington, but has still not been published by the Army.

- **THE PENTAGON** has failed to brief President Reagan on the need for an emergency \$6-12 billion for the Indigo-LaCrosse spy satellite, essential in treaty verification efforts. Columnists Evans and Novak now report that if the President isn't persuaded to find the money, "he can abandon whatever hopes remain for his strategic treaty."

- **SPECIAL FORCES** units will undergo a new "cheap" deployment, which treats them as "the front line of defense in skirmishes between the superpowers," Jack Anderson reported on May 2. "Congress . . . recognizes that we are far more likely to use front-line elite forces in coming years than nuclear weapons, tanks, 'Star Wars' and many of the other budget-breaking items in the Pentagon arsenal."

- **NUCLEAR TESTS** in the Nevada desert and similar tests last September in Russia were labeled a success May 1 by American and Soviet scientists from the Natural Resources Defense Council and the Soviet Academy of Sciences. The tests used sensitive seismographs. Their purpose was to prove that a test-ban treaty is verifiable.

- **THE PROSECUTION** finished presenting its case against top Medellín Cartel drug-runner Carlos Lehder Rivas in Florida, having called 115 witnesses during 22 weeks of testimony. Defense counsel will now try to portray Lehder as a flamboyant businessman framed by angry drug smugglers whom he ejected from his Caribbean island.

- **JAPANESE TERRORIST** Yu Kikumura had the United Nations building and New York's garment district as targets, according to the May 2 *Wall Street Journal*. He was arrested on the New Jersey Turnpike in late April.

Gorbachov's East bloc crisis

International channels are currently saturated with scenarios respecting near-term developments in Poland and other crisis-ridden Eastern European states. All of these involve estimates of the effects of Soviet, Vatican, or other interventions into the currently erupting crises. In all instances heard thus far, such interventions will have no net effect at all.

The essentials are that a combination of events has brought the economy of the East bloc as a whole to the verge of a *general physical-economic breakdown*. The "final straw" bringing those already savagely looted economies to this state of affairs, was the addition of IMF and kindred austerity measures upon nations such as Poland. These measures were part of the East-West trade policies associated with Gorbachov's "glasnost" opening to the West.

Moscow is now faced with two scenarios. Either it halts a physical breakdown of these economies, which can be done only by scrapping IMF-style austerity measures, or, if it continues that austerity for the sake of East-West trade deals, the physical collapse of the East bloc economies sets off a chain-reaction threatening a serious degree of collapse of the Soviet economy itself. To avoid the latter, Moscow must choose the former immediately. Otherwise, an early and savage economic crisis erupts in the Soviet economy itself, with incalculable international consequences.

For these reasons, Lyndon LaRouche has described the Western Establishment as a pack of contenders for the title of the most stupid fools in the known history of mankind. In the U.S., for example, these idiots are drooling so euphorically in greedy lust over the prospect of perhaps \$100 billion in annual trade with the East bloc, that they will not permit anyone around them even to think of the possibility that anything might occur in Moscow to upset such business plans.

In turn, the second rank of policy-shapers, including officials of governments, view Reagan's astrological, if not yet astronomical, appeasement of Moscow as "set in concrete." They limit their assessments of problems to scenarios which do not imply a catastrophic failure of everything the poor U.S. President hopes to

effect on his trip to Moscow.

They have two problems. First, they either have no grasp of economic science, or worse, accept "conventional economics," to the effect that they can not grasp the notion of a physical breakdown process in Eastern Europe.

Second, they have a mechanistic sense of the way that external interventions into Poland, for example, will tend to work. When a process enters a boundary area, a limiting condition, no ordinary sort of action will have any effect but to supply added energy to the unfolding of a predetermined result. This is broadly analogous to the "bouncing ball" pattern in the U.S. monetary crisis.

At the limits of a process of physical-economic breakdown, massive repression of populations revolting against these conditions will have no effect but to accelerate the process of economic breakdown. Similarly, any political concessions to the striking Poles excepting immediate repeal of the austerity conditions imposed, will have no ameliorative effect on the economic crisis.

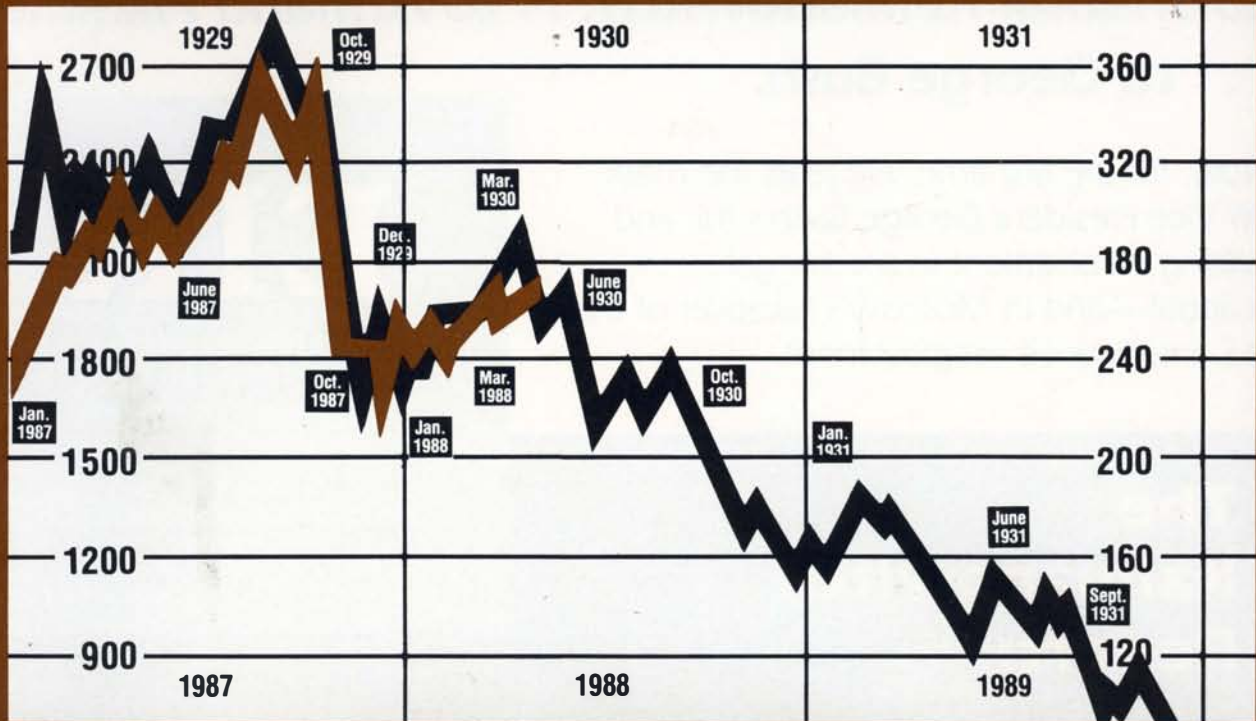
So, if Moscow elects to avoid a chain-reaction leading quickly into a major failure within the Soviet economy itself, austerity will be lifted and the present East-West deals will be largely scrapped. Glasnost will be scrapped. If Moscow tries to play out its "Reagan card" by not lifting austerity, the Soviet economy will soon be impelled into a set of circumstances most likely to bring the world to the brink of thermonuclear warfare. That is, a situation in which Moscow's economic desperation will impel it to seek the "military alternative."

So do "peaceniks" cause general wars.

We do not assume that Moscow is less insane than the present leadership of the West. They are an oligarchy which will not necessarily respond even to a clear crisis of this sort in a rational way.

Policymakers, East and West, must come to recognize that their only rational option is to dump glasnost and austerity immediately, which might require a symbolic dumping of Gorbachov, and scrapping of the "Reagan card."

Do you still believe 'the worst is over'?



EIR readers know **why** the Dow Jones Industrial Average of 1987-88 has an uncanny similarity to market trends of 1929-30—and what must be done to **stop** the slide into history's worst Depression today.

Executive Intelligence Review

U.S., Canada and Mexico only

1 year\$396
6 months \$225
3 months \$125

Foreign Rates

Central America, West Indies, Venezuela and Colombia: 1 yr. \$450, 6 mo. \$245, 3 mo. \$135

South America: 1 yr. \$470, 6 mo. \$255, 3 mo. \$140.

Europe, Middle East, Africa: 1 yr. DM 1400, 6 mo. DM 750, 3 mo. DM 420. Payable in deutschemarks or other European currencies.

Asia and Oceania: 1 yr. \$550, 6 mo. \$300, 3 mo. \$150.

I would like to subscribe to
Executive Intelligence Review for

1 year 6 months 3 months

I enclose \$_____ check or money order

Please charge my MasterCard Visa

Card No. _____ Exp. date _____

Signature _____

Name _____

Company _____

Phone () _____

Address _____

City _____

State _____ Zip _____

Make checks payable to EIR News Service Inc., P.O. Box 17390, Washington, D.C. 20041-0390. In Europe: *EIR* Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, 62 Wiesbaden, Federal Republic of Germany, telephone (06121) 8840.

The trail leads from Russia's KGB . . . to Shabtai Kalmanowitch. . . to Armand Hammer . . . to George Bush.

Now, for the first time, *EIR* tears the mask off Vice President George Bush's full and witting involvement in the Irangate scandal—and in Moscow's takeover of the U.S. intelligence establishment.

EIR

SPECIAL

REPORT

The Kalmanowitch Report:

Moscow's Moles in the Reagan-Bush Administration

with a preface by Lyndon H. LaRouche, Jr.

On December 23, 1987, some were shocked at the news that Israeli playboy and arms trafficker Shabtai Kalmanowitch had been caught working as a top agent for the Soviet KGB. But it was no shock to George Bush's "secret government," which had just finished brainwashing President Reagan into accepting Moscow's phony "peace" treaties.

For more than 20 years Moscow has been using the Israeli intelligence services as a conveyor-belt to place its agents high within the U.S. government. And although "little fish" Jonathan Jay Pollard was caught passing U.S. secrets to Israel—and from there to the KGB—the man who recruited Pollard still walks free at Tufts University in Massachusetts.

The threads of the Kalmanowitch story lead into the most sophisticated sorts of Soviet warfare against the West: from the brothels and casinos of Bophuthatswana in South Africa, to the burgeoning Russian mafia in the United States, to the "State Department socialist" Roy Godson, to Soviet agent Armand Hammer, and directly into the Reagan-Bush White House.

120 pages Price: \$150

Make checks payable to:

EIR News Service, Inc.

P.O. Box 17390

Washington, D.C. 20041-0390