

EIR

Executive Intelligence Review

December 9, 1988 • Vol. 15 No. 49

\$10.00

Gnostics run Colombian terror into Venezuela
Space program can't fly without industrial base
1986 Hallowe'en party key in LaRouche case

**A worldwide anti-Bolshevik
mobilization is in progress**



"The two arrested Israeli spies, Jonathan Pollard, and his wife, are merely third-level figures in a ring working under the sponsorship of Israeli bully-boy Ariel Sharon. The ring reaches high into the ranks of the Executive Branch of the U.S. government.

This is not merely an Israeli spy-ring; it is a spy-ring operating under the Israeli flag, but controlled by a network of Soviet agents. . . ."

An EIR Special Report

Moscow's Secret Weapon:

Ariel Sharon and the Israeli Mafia

In this remarkable, thoroughly researched document, you will finally learn the truth about:

- **Billionaire Soviet agent Armand Hammer**, and the complex of wealthy financial figures known as "the Trust" who are the power behind would-be dictator Sharon.
- **The role of Henry A. Kissinger** in the notorious "landscam" real-estate swindle in the Israeli-occupied West Bank territories.
- **The history of the Luzzatto family** of Venice, the Recanati, and the Syrian Jewish families of Aleppo, the Jewish fascists of the Irgun, and the noose of organized crime tightening around Israel today.
- **The plot to set off a new Middle East general war**, by blowing up the second holiest site of Islam, Jerusalem's Dome of the Rock Mosque. The facts, exposing the plot and the plotters, some never before published anywhere, are the results of an investigation covering four continents, an investigation which risked the death of the investigators.
- **The massive coverup of the Pollard case itself**—the facts which Secretary of State George Shultz, and especially Undersecretary of State Elliot Abrams, are fanatically determined to bury.
- **The anatomy of a JDL terrorist**, Mordechai Levi, and Levi's role as a joint-asset of the FBI and the Anti-Defamation League, as well as an asset of Sharon's cohort "Dirty Rafi" Eytan.

148pp.

Order your copy today!

Price: \$250

From

EIR News Service

P.O. Box 17390

Washington, D.C.

20041-

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: Joseph Freeman

Circulation Manager: Marsh Jennings

INTELLIGENCE DIRECTORS:

Africa: Mary Lalevée

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 Lalevée

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 Almaro

Bonn: George Gregory, Rainer Apel

Copenhagen: Poul Rasmussen

Houston: Harley Schlanger

Lima: Sara Madueño

Mexico City: Hugo López Ochoa, Josefina Menéndez

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) 457-8840

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

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

From the Editor

The historic dimension of the Resistance against satanic Bolshevism is portrayed on the cover through a detail of the engraving by Albrecht Dürer, known as “Knight, Death, and the Devil.” This celebrated early 16th century print depicts a Christian Knight, who sets out to do battle against evil, personified by the hideous specters of Death holding an hourglass on the left, and the Beast—the Devil—on the right.

Dürer’s masterful design gave visual form to the notion of the moral soldier developed by the Christian humanist thinker Erasmus of Rotterdam, whose short book *Enchiridion Militis Christiani (Handbook of the Christian Soldier)* was first published in 1503. Quickly translated from Latin into every living language of Europe, it became one of the most popular books of the Renaissance. Erasmus wrote at the outset, “To begin with we must be constantly aware of the fact that life here below is best described as being a type of continual warfare’—warfare against Satan. He then observed, “Since it is quite plain that all of us are engaged in a major and difficult effort against an enemy who is numerically superior, better armed, and more experienced than we are, are we not insane if we fail to take up arms against him?”

With this image in mind, I invite you to turn to Lyndon LaRouche’s detailed report on the motives, the context, and the deeper issues at stake in his recent call for a worldwide resistance against Bolshevism, in the *Feature*. In the tradition of Nicolaus of Cusa and Erasmus, LaRouche describes himself as “a leading figure of an ecumenical form of international philosophical association, which includes among its associates and friends peoples of all continents of this planet, and several religious beliefs. Thus, no man or woman in any part of the planet has any good reason to fear the author’s invoking Christian principles; rather each must recognize that such principles, so invoked, are an expression of good will toward all mankind.”

Can the battle be won? Erasmus wrote: “. . . I reiterate that the outcome of this war is not in the least to be doubted. Victory is not something that depends upon chance; it is entirely in the hands of God and, through Him, also in our hands. Anyone who has failed in this struggle was simply lacking in a will to conquer.”

Nora Hamerman

EIR Contents

Book Reviews

45 Professional insight into Demjanjuk trial

A review of *Identifying Ivan: A Case Study in Legal Psychology*.

Science & Technology

14 Space program threatened by industrial collapse

No nation can advance its technologies for space ventures and defense purposes on top of a rotting and bankrupt industrial base. Marsha Freeman reports.

18 Defense Science Board documents collapse of U.S. technology base

Departments

52 Andean Report

Colombia responds to terror.

53 Report from Bonn

A case of deep moral degeneracy

54 Report from Rio

The Uruguayan Connection.

55 Panama Report

Panama readies for long haul.

56 From New Delhi

The Gorbachov-Gandhi "summit."

57 Africa Report

Is Sudan out of control?

Economics

4 Paul Volcker puts S&L crisis at center stage

"The U.S. shouldn't allow its concern with budget deficits to prevent it from spending whatever it takes to rein in runaway thrift industry insolvencies," he told the National Economic Commission.

6 Peru battles for survival against new terrorist assaults

8 Bipartisan challenge to 'untied loans'

9 Currency Rates

10 Banking

Money laundering probed in Europe.

11 Agriculture

The new U.S.-U.S.S.R. grain pact.

12 Business Briefs

Feature



"Knight, Death, and Devil," by Albrecht Dürer, 1513, one of the most famous images of human fortitude ever created.

22 Forces rally to fight Bolshevism worldwide

Lyndon H. LaRouche, Jr. reports on the circumstances, and the effects, of his call for a worldwide anti-Bolshevik resistance. "In the smallest and greatest matters of human affairs, the moral individual who meets the challenge of the responsibility which circumstances have thrust upon him, does the Creator's Will, and becomes, in that manner and that degree, the Hand of Providence, an instrument to call into fuller play, within the consciences of men and women, those great powers of natural law, the Creator's Manifest Will, which must be served."

International

42 Soviets ratify war powers to Gorbachov in 'reforms'

The new Constitution gives the Soviet President more power, at least on paper, than Josef Stalin ever had.

44 Israel-Palestine crisis: Events outpace the scriptwriters

47 Britain's Heseltine warns: Soviets to mobilize 'Green Peace' against the West

48 Rome meeting proves case for lower tuning

A groundbreaking conference in Italy's capital hears several experimental proofs that Middle C must be tuned to 256 vibrations a second.

50 Gnostics run cover for terrorist penetration of Venezuela

On the eve of the presidential election, a small party's chief candidate has exposed the political protectors of Colombian terrorism in Venezuela.

58 International Intelligence

National

60 Will Bush renege on 'peace through strength' vow?

Demands for deep cuts in American military spending, including on the Strategic Defense Initiative, are coming from nearly every quarter.

62 Hallowe'en party key in Justice Dept. case against LaRouche

The party was held back in 1986, and federal prosecutors are now desperate to keep the lid on what went on there.

66 The Alexandria trial: Some truth comes out

From our reporter's notebook on the ongoing courtroom battle.

68 Drug war ravages nation's capital

69 Eye on Washington

Carlucci spells out agenda for NATO.

70 National News

Paul Volcker puts S&L crisis at center stage

by Chris White

Cut the budget deficit, but spend what you have to, "without respect" for the budget deficit, to deal with the crisis in the savings and loan institutions. That was the two-faced message laid before the Robert Strauss-Drew Lewis co-chaired National Economic Commission during its latest round of hearings Nov. 30.

As usual, Volcker's cigar-chewing did not pacify the bluntness with which he addressed what other of the commission's witnesses have left unsaid. He did follow what has become the party line, calling for \$30 billion in cuts from the budget, saying, "If you can do it, without tax increases, God bless you," and he did recommend his preference for a 9¢ on the gallon gasoline tax. His more dramatic intervention, however, was left for the case of the insolvent thrifts. He told the commissioners, according to the *Wall Street Journal's* account, "the U.S. shouldn't allow its concern with budget deficits to prevent it from spending whatever it takes to rein in runaway thrift industry insolvencies."

Volcker's testimony was paralleled by press conference remarks of William Seidman, chairman of the Federal Deposit Insurance Corporation, speaking at the National Press Club on the same day. Seidman demanded that the FSLIC be removed from oversight of the Federal Home Loan Bank Board, that \$30 billion be provided immediately to shut down insolvent S&Ls, and warned, "A deposit insurance system out of control has the potential to melt down and damage the entire U.S. economy."

The concerns about what might be called "the integrity of the savings and loan system" are well taken. The prescription, that another \$100 billion of taxpayers' money be poured down the sink is ridiculous. Its merit lies simply in the reality that those who call for \$30 billion and upwards in cuts from the budget, are now going to have to face the reality that, however they choose to label the action, the budget deficit is going to be increased by more than the \$70 billion that re-

mains after the \$30 billion in cuts are subtracted from the \$100 billion starting point for dealing with the S&Ls. If this crude exercise tells some people that the deficit is now going to increase more than twice as fast as it is reduced, then perhaps lessons can be learned, and the whole insane approach junked for something that will actually work.

As is well known, there is an insolvency crisis with the thrifts. That crisis, however, is not what it is usually ascribed to be. There are two features to it. One admittedly much larger than the other, both deadly, and neither can be dealt with by the kind of measures proposed.

Of equal concern, the Nov. 28 increase in the prime rate to 10.5%, rammed through by the money center banks under the leadership of Rockefeller's Chase Manhattan, as part of the international central bankers' efforts to break the will of the incoming administration, threatens to set off the chain reaction which will detonate both.

The two features are: first, thanks to Volcker's changes made while he was in office, the S&Ls, under his high interest rate usury regime, were forced into dependence on money market funds, borrowed to cover the shortfall in payments against mortgages outstanding. Now, of the \$800 billion or so in thrift deposits, a sizeable portion is made up of "parked" certificates of deposit, funds borrowed from Merrill Lynch and other money center outfits, which, when under the FSLIC's \$100,000 limit, qualify for insurance protection, just as real savers' deposits do. These funds generally find their way to where the interest return is highest. Therefore, they are a proportionally greater part of the deposits of the insolvent thrifts, which pay higher rates, to attract just such deposits. Thus the insolvent FSLIC is no longer simply insuring savings deposits of households and individuals, it also, in effect, has been put behind a chunk of the off-balance-sheet liabilities of the banking system as a whole, imparting the implicit full faith and credit guarantee of the U.S.

government thereto.

That's part of what Seidman called "the potential to melt down and damage the entire U.S. economy."

The other part is more devastating, because it threatens not only the banking and investment houses, but also the credit of the U.S. government. Under the Reagan administration, quasi-governmental agencies, such as FNMA and GNMA, have been used to securitize a major share of outstanding mortgage debt. Growing from a level \$200 billion of such transactions in 1982 to about \$900 billion by now, these securitized obligations carry the implicit full faith and credit backing of Uncle Sam. This, too, is part of Volcker's destructive legacy. Unsecured obligations were bought from the thrifts by the quasi-governmental outfits, repackaged, and sold as instruments secured against Uncle Sam's good faith and credit. In this way, bad assets were transformed into good liabilities, by a touch of a magical wand.

Beyond the deposits covered by insurance, the government is also expected to stand behind the mortgage instruments it has securitized for resale.

In part done to maintain artificially high valuations for real estate, the secured debt of these government agencies is the real bomb ticking away. What happens, in the course of the developing thrift crisis, if some \$200 billion of secured paper are presented back to the government for redemption? Does the government walk away from the obligation, print paper to cover it, or what? Hypothetical that case might be. Under the urgency now communicated by Volcker and company, the plain fact is that the thrift crisis, on its own, can pull down the foundations of the entire usury system, and blow out the credit of the U.S. government itself.

Also, the plain fact is that as part of the \$15-20 trillion debt bubble of the dollar credit system, which was punctured between August and October of last year, and threatened to explode Oct. 19, 1988, this is going to come down anyway. Some deceive themselves that they were controlling, or managing, the process over the last year, to the effect of preventing another blowout before the elections. What they were actually doing was aggravating the swollen pile of indebtedness which is the driver of the collapse process, thanks to their own obsessive stupidity and insanity. Exemplary is what the man who made himself chief instrument of the aggravation, James Baker, permitted poor Danny Wall to do with the Federal Home Loan Bank Board. It is estimated by insiders that for the \$30 billion Wall has put into the thrifts in the form of FSLIC notes, he has added 10 times that in the form of government obligations, as part of the process called "keeping the system under control."

On this, the technical managers argue, as they do on the approximately \$900 billion of U.S. faith-and-credit-secured mortgage obligations, that since such guarantees will never be called, it's not a real obligation, so it doesn't have to be counted.

That brings us back to the latest round of interest rate increases. The managers look at this collapsing system under

two aspects: the external obligations of the United States, reflected in the momentary exchange rate valuation of the dollar, and the internal credit structure of the country. They endeavor to maintain the interrelationship between the two, using crisis management methods in manipulating the dollar to force internal adjustments in credit and fiscal policy to safeguard the income stream for foreign creditors. Thus, the latest round of interest rate increases is the trade-off for central bank forbearance in dollar support agreed on by the Big Four of the Group of Seven—the United States, Japan, France, and Germany—at secret meetings in Paris on Nov. 14. Their game is to threaten the dollar to force a tightening, and further savage austerity inside the United States, and then another round against the dollar for another round of tightening and austerity.

Worse to come

As with Baker's so-called "stability" policy last year, this type of central bank-enforced "crisis management" effort will make things worse; it will also more than likely detonate the bombs that Baker and company built into the basement of the edifice of debt they attempted to shore up over the last year.

So now we hear the experts: "Bush is not going to know what hit him. . . . George Bush is going to have a financial crisis in his first six months as President and it's going to be a doozie. . . . We're a debtor nation now and there are other people calling the shots. . . . That's the reality. . . . The fact of life is out there in those foreign exchange markets, and they have changed in attitude." That was Wall Street economist David M. Jones on ABC's "Good Morning America" with Charles Gibson, on Nov. 29.

Just bear in mind that neither the ones who are pushing for the crisis, nor the ones who claim they are out there maintaining stability, actually know what they are doing, let alone what has already been unleashed. Nor do any of them as yet give any indication that they might be prepared to take the trouble to find out what it is they should be doing.

So now, they lay before us the further prospect of interest rate increases, next the Fed's discount rate, by the end of December another increase in the prime rate, as it heads back toward 13%. All this, that the Group of Seven might conclude the outline of another dollar stability pact on Jan. 20, or thereabouts.

And, meanwhile, by doing this, they are surely setting into motion the collapse of another \$7-10 trillion worth of bloated paper. And with their insane obstinacy they are helping to dismantle the means available to turn the whole thing around. The core of the S&Ls' functions, as depository and mortgage lending institutions, is a vital conveyor belt for feeding credit into actual economic recovery policies around the country. Without the S&Ls, that won't happen, but that is what these demented systems managers are walking the rest of us into. Just as the captain of the Titanic took his ill-fated vessel into the icefield to ensure that he arrived in New York on time.

Peru battles for survival against new terrorist assaults

by Liliana Pazos and Mark Sonnenblick

On Nov. 22, the 7 million residents of Lima, Peru, awoke to find no electricity in the capital city, or in half of the rest of the country. Shining Path terrorists had blown up electrical towers dozens of times before, but Peru's capacity to respond has been so worn down, that this time it took a week before power was fully restored. A few hours later, murky water with a foul stench started pouring from the faucets. Word spread that the terrorists had broken a sewer into the water system. Radio messages by local authorities urging people to boil their water only served to intensify the shock.

"They want to kill us," people said.

The aim of November's terrorist upsurge was to force President Alan García into further surrender to the Soviet-backed narco-terrorists, as well as to the International Monetary Fund's (IMF) austerity "packages" and repression. For the past 18 months, García has retreated miserably from his early reforms, which included a ceiling on foreign debt payments equal to 10% of foreign exchange earnings. With this nationalist program, García incurred the wrath of both the international bankers and the Kremlin.

With his Nov. 27 appointment of an anti-monetarist economics minister, the President has gone back on the offensive; but it may be too late for a country whose economy is virtually devastated.

The IMF shock program

The night of Shining Path's Nov. 22 assault, a stunned population listened on transistor radios by the light of kerosene lamps to Economy and Finance Minister Abel Salinas decree an "economic shock" package which raised the prices of gasoline, bus fares, rents, and utilities by 100% or more and of basic foods by 100-270%. The number of intis, Peru's national currency, it takes to buy a dollar was doubled. Salinas baldly stated that the only compensation for this hyperinflation would be a 60% increase in the minimum wage to \$48 a month and a 50% increase in the average wage. Government employees will get 40% increases.

Salinas had imposed a similar shock package on Sept. 9, also secretly drafted by the IMF. On Nov. 22, he admitted that the 60% cuts in real wages imposed then had totally failed to accomplish the ostensible purpose for such genocid-

al austerity: cutting the budget deficit. As always happens, recessionary policies reduce what the government collects from sales and income taxes.

Yet, Salinas and President García still spout the nonsense that Peru's economic crisis was caused by government food subsidies. García raised Peru's output by 7-8% yearly in 1986 and 1987, through dirigist measures to stimulate production and consumption. The result was that millions of Peruvians rose from starvation to subsistence and other millions rose from bare subsistence to adequate nutritional levels. García has been engaged in the disgusting spectacle of repudiating those accomplishments, in hopes of getting a few crumbs from the international bankers.

Peru's economy is now a disaster. Foreign currency reserves are gone, gold reserves are gone, and inflation is running at more than a 1,000% annual rate. But Salinas and García mislocated the problem and the solution. Peru's crisis does not come from García's daring to confront the IMF usury system, as his critics charge. On the contrary, it comes from other debtor countries failing to join that effort. Those who failed to fight, and left Peru isolated, are as badly off as García, who fought and then retreated.

The truth is that the Horsemen of the Apocalypse have been unleashed against the Peruvian population since Socialist International agent Armando Villanueva took over as prime minister in August and ruled in conjunction with the pro-Soviet forces. They cornered García and blocked him from fighting back against the bankers who want to make a bloody example of him.

The narco-exporter model

The IMF's Sept. 9 and Nov. 22 "packages" brought more and more economic chaos. These were followed by calls from the friends of Dope, Inc. for García to resign and let somebody the IMF likes better take over. Former Economy Minister Javier Silva Ruete, who signed the Inter-American Dialogue's proposal for "selective legalization" of narcotics, was one of the first to push for García's removal. Inter-American Dialogue staff director Peter Hakim wrote in the *Financial Times* Nov. 30 that Peru "is paying the bill" for García's efforts to buck the banks.

The international drug cartel wants a resurrection of the IMF's policies during the 1975-80 presidency of Gen. Francisco Morales Bermúdez, which opened the door to the cocaine export boom and the destruction of industry built up under the preceding nationalist military government. Morales Bermúdez, who got 4% of the vote in the 1985 elections, admitted at the end of November that he would not mind taking over as prime minister in another IMF coup. "I do not favor a coup, but a change is necessary if we are to reach 1990. . . . Otherwise we are going to live constantly between the pendulum of a coup or a civil war," he stated. The IMF wants Peru to service its \$16 billion debts by becoming one big cocaine plantation.

Peru's bankruptcy was not caused by the several hundred million dollars spent annually subsidizing food production and consumption. More than \$4 billion has been sucked out of the country in recent years through capital flight. In the month of October alone, \$140 million of the \$180 million in export income remained in foreign bank accounts, according to Congressman Freddy Ghilardi of the ruling APRA party. On Nov. 9, the president of the oligarchy's exporters' association threatened, "if a change in the exchange rate is not obtained, the problem will be much bigger and there will be greater shortages of goods than now exist."

The Sept. 9 wage-gouging package, which included a 400% increase in the price of medicine, inflamed Peru's workers and made them easy prey for communist destabilization efforts. The copper miners went on strike against wage cuts on Oct. 17, and Peru has since lost over \$300 million in income from minerals exports. Narco-terrorists have threatened to kill any miner who goes back to work.

Between the narco-capitalists and the narco-terrorists, the dollars Peru had planned to use to import food disappeared. Because of the lack of funds, 600,000 tons of food ordered was not shipped to Peru. Five ships laden with milk powder, wheat, and corn were anchored at Callao port with their goods still on board, because there were no dollars to pay freight charges.

With food imports blocked, speculators hoarded existing stockpiles, expecting to make fortunes by forcing huge price increases. Lima residents had to get on line before dawn to buy some of the meagre food quantities released daily by the government. Economy Minister Salinas claimed that his Nov. 22 price increases were to bring the hoarded food back on the market. But the hoarders wanted even more, and the endless food lines continued. Salinas had also fought to let the speculators set prices to the further detriment of the real economy, but was blocked by García. He resigned Nov. 27.

Toward a new policy?

In what observers in Lima see as an important political turn, García named Carlos Rivas Dávila as economy minister on Nov. 27. The appointment was immediately attacked by the oligarchy as "a regression," since he remained a firm

defender of García's early efforts to develop Peru and a fierce opponent of the recent backsliding toward an economy dependent on cocaine exports. The narco-capitalists charge that Rivas lacked "international connections," by which they mean the approval of the IMF and Wall Street.

But Rivas's "international connections" are to those forces working for continental integration for economic development. The Economists' Guild which he heads co-sponsored the Lima presentation of the Schiller Institute's book *Integración iberoamericana (Ibero-American Integration)*. Rivas also shared the podium with Lyndon LaRouche in Lima during an April 1987 conference in celebration of the 20th anniversary of the papal encyclical *Populorum Progressio*, and he was a member of the Peruvian delegation to an August 1988 meeting on continental integration, "Toward a Second Amphictyonic Congress," in Panama City.

Rivas has precious little room to maneuver. He comes to power in a year in which nearly every Ibero-American government will be changed. His commitment to Ibero-American integration could enable him to bring into operation food security pacts with brother countries; only through such measures can Peru finally overcome its isolation.

The pressure of economic terrorism on Rivas and García will, if anything, get worse. Business groups have called for their members to go into tax revolt. The Moscow Communist-led General Confederation of Peruvian Workers (CGTP) called a general strike for Dec. 1. Its chief, Valentín Pachó, claimed, "The strike is against the economic measures that the government has just announced." Labor Minister Orestes Rodríguez responded, "All protest is just, but paralyzing the country, without offering alternatives, will just further deepen the country's economic crisis."

Terrorism's toll

On Nov. 29, the Shining Path terrorists began a 72-hour "armed regional strike" in the jungle valleys where most of Peru's raw cocaine is produced. They proclaimed the strike to be against the new economic "package" and García's plans to use herbicides to eradicate 2,400 acres of coca bushes in the Huallaga Valley, in collaboration with the U.S. Drug Enforcement Administration. This program, called Operation Condor 8, is scheduled for December.

Starting Nov. 22, Shining Path attempted to drive the military out of the Huallaga cocaine area. At least 300 narco-terrorists ambushed a convoy on the only road up the valley, killing 22 soldiers. A few days later, the military caught up with the guerrillas, killing 100 of them. But, the terrorists then raided an air force base and destroyed a convoy of trucks carrying palm oil.

The November death toll from Shining Path's actions was close to 1,000, mostly peasants and unarmed local government officials. Almost every day, officials and APRA party activists are assassinated. Even in Lima, they have been able to launch rockets against the police station.

Bipartisan challenge to 'untied loans'

by Scott Thompson

As last week's *EIR* began to document (see "Want to buy a used perestroika?"), a faction fight has erupted against the now hegemonic policy of Western rentier-financier interests that seeks to "bail out Gorbachov" by "financing perestroika." While the Reagan administration, especially since the INF treaty, has lined up increasingly with those financial interests that seek to strengthen the Soviet Union militarily and economically, a strong counterattack has been mounted against such lunacy by a bipartisan coalition in the U.S. Congress. The flanking issue around which this coalition has chosen to fight for the moment is the issue of "untied," general purpose loans to the Soviet Union at terms that are more favorable than those available to Western farmers and industrialists.

The first major salvo in this counterattack was the Aug. 4, 1987 introduction to several House committees of the International Financial Security Act of 1987, which was drafted by the office of Rep. Jack Kemp (R-N.Y.), who was then a candidate for the Republican presidential nomination. Kemp's bill has 16 cosponsors, including Rep. Toby Roth (R-Wisc.), who has helped steer the bill through the committee process since its inception. The Kemp-Roth Bill is designed "to amend the Export Administration Act of 1979 and the Federal Deposit Insurance Act to authorize controls on the export of capital from the United States, to control exports supporting terrorism, to prohibit ownership of United States banks by controlled countries, and for other purposes."

Key passages of the proposed amendment that would hit the question of "untied loans" to the U.S.S.R. include:

"Section 2 of the Export Administration Act of 1979 is amended by adding at the end thereof the following: (14) Loans and other transfers of capital to the Soviet Union and its allies, especially untied, no-purpose loans and interbank deposits, from public and commercial sources significantly increase the ability of those countries to obtain sensitive goods and technology and to more easily divert funds to

purposes inimical to United States interests, thereby damaging the security interests of the United States and its allies."

The bill also provides that "the President may prohibit, curtail, monitor, or otherwise regulate the export or transfer, or participation in the export or transfer, of money or other financial assets, including the making of a loan or the extension of credit . . . to the government of any controlled country"—e.g., the Soviet Union and its allies.

The reason that Congress focused upon "untied loans" is summarized by a "Fact Sheet on Untied Loans to the Soviet Bloc" prepared by Congressman Roth's office. Based upon a Treasury Department estimate that the Soviet bloc received \$24 billion in medium-term loans from Western banks and governments in 1986, it appears that approximately 80% of this total, "or about \$19 billion, took the form of untied, general purpose loans—pure cash with no underlying trade transactions, projects, or jobs." The "Fact Sheet" then corroborates statements from former Reagan administration National Security Council personnel that such "untied loans" have, in reality, been used by the Soviets "for purposes inimical to vital Western security interests, such as support for Soviet client states, the KGB/GRU," and modernizing the Soviet military.

The "Fact Sheet" also notes that: "In 1986, nearly 100% of the hard currency requirements to support Soviet global commitments and activities were funded on Western financial markets [e.g., the annual \$7 billion relending to Cuba—ST], if one assumes that Soviet hard currency income was earmarked solely for the purpose of imports from the West and to service debt."

Alliance compliance sought

It soon became apparent to Congressmen opposed to "untied loans," that unilateral action by the United States against this practice, would have little real impact upon the Soviets' ability to obtain "untied loans," because 90% of all such loans are granted by banks in Western Europe and Japan. Also, roughly \$10 billion in Western bank deposits in Soviet-owned subsidiary banks are also untied credits, although these deposits/loans are not included in Western statistics as part of the total indebtedness of the U.S.S.R. Finally, there is no information whatsoever on the nature of the \$14 billion in short-term credit that Soviet bloc borrowers received in 1986. If there was to be any solution, Congress determined that compliance would have to be sought from Western Europe and Japan on the issue.

The first step in this direction was taken on June 15, 1988, when the Senate passed a non-binding resolution 96-0, which called on President Reagan to consult with allied leaders on the issue of "untied loans" at the Toronto Economic Summit.

Meanwhile, in the House of Representatives, a letter was circulated by Roth and Rep. Charles E. Schumer (D-N.Y.), which gained some 50 signatories and said: "It has become apparent that Moscow's ability to maintain costly military

commitments worldwide may, in large part, be due to the willingness of Western banks to make loans, especially untied loans, to the U.S.S.R. This, in turn, likely translates into a multi-billion dollar increase in the defense burden on Western taxpayers." The letter concluded by urging the President, at the Toronto Summit, to suggest that the Organization for Economic Cooperation and Development (OECD) "supervise and monitor the voluntary adoption of more prudent and disciplined lending practices by Western banks toward potential adversary nations."

It took some time for congressmen to drag out of the Reagan administration, whether or not the issue had actually been raised at the Toronto Economic Summit. An Aug. 8, 1988 letter from Treasury Secretary James A. Baker III in response to Representative Roth's letter, finally indicated: "We strongly believe that controls on capital movements should be exercised only in emergency situations. After reviewing the whole range of East-West economic relations, the Summit countries adopted a policy that East-West economic relations, including financial relations, can be expanded 'so long as the commercial basis is sound, they are conducted within the framework of the basic principles and rules of the international trade and payments system, and are consistent with the security interests of each of our countries.' "

Round two of 'untied loans'

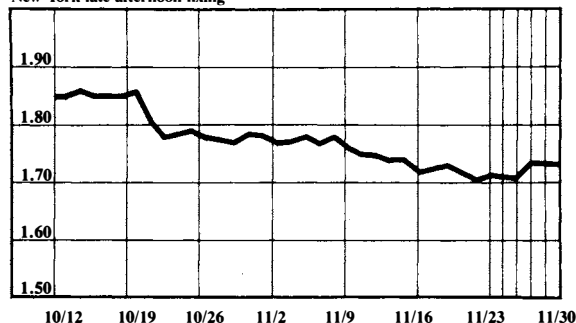
The issue appeared tabled until Oct. 7, 1988, when Rep. Robert Garcia (D-N.Y.) introduced the International Financial Cooperation and Security Act of 1988, at the height of the ten-day orgy, during which Western Europe and Japan extended \$9 billion in loans to the U.S.S.R. According to Garcia, the legislation "would require the Secretary of the Treasury to enter into negotiations with other nations belonging to the Organization for Economic Cooperation and Development to establish multilateral standards for entering into and reporting financial transactions with the Soviet Union. At the same time the Secretaries of Defense and State are instructed to hold discussions at NATO with our allies on the security implications of conducting financial transactions with the Soviet Union."

On Oct. 18, Sen. Steven D. Symms (R-Idaho) introduced amendment 3717, which passed 64-2. Its main provision states "that it is the sense of the Senate that the President of the United States should instruct the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, and the Secretary of Commerce to consult immediately with allied governments on the impact on Western security of various types of private and public sector credit flows and debt reschedulings to the Soviet Union, Warsaw Pact countries, Cuba, Vietnam, Libya, and Nicaragua, and to call for a multilateral voluntary initiative, supervised by the Organization for Economic Cooperation and Development, to end untied, general purpose lending to those countries for reasons both of national security and prudent commercial banking."

Currency Rates

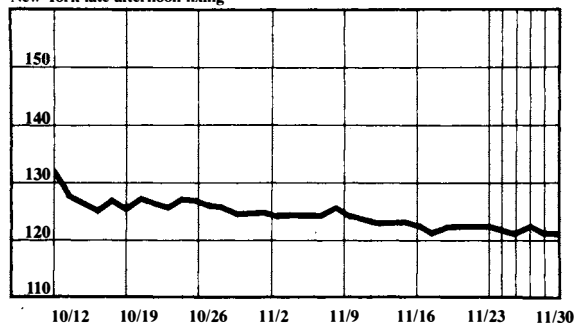
The dollar in deutschemarks

New York late afternoon fixing



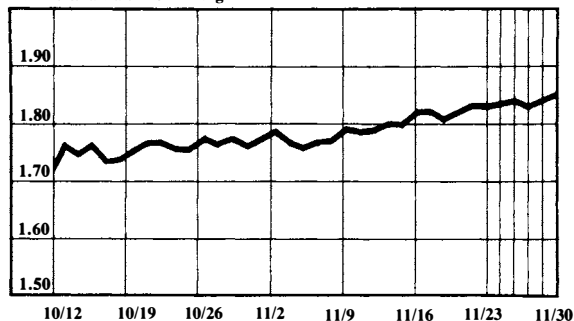
The dollar in yen

New York late afternoon fixing



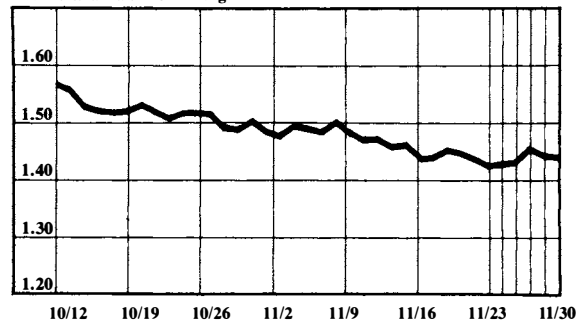
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Money laundering probed in Europe

Several major scandals are about to explode in the wake of the U.S. crackdown on BCCI.

Following October's crackdown on the money-laundering activities of the Bank of Credit and Commerce International of Agha Hassan Abedi, several major scandals are about to explode. One may involve the BCCI branch in Nigeria. Investigations to prove that the BCCI branches in Africa were also used for drug money laundering, have been ongoing since last spring under the sponsorship of a U.S. Senate subcommittee.

According to the Paris-based *Lettre du Continent* newsletter, the DEA, the Department of Justice, and the New York U.S. Attorney are looking at all drug cases involving Nigeria, suspected of being a transit point for Pakistani-produced heroin into Europe and the United States. Evidence is also emerging on links between the local Nigerian mafia and the Medellín Cartel. On Nov. 23, two Nigerian Airlines stewardesses were caught carrying cocaine.

BCCI, which has become one of Nigeria's main banks since the Biafra War, and recently extended a \$1 billion credit to Nigeria at a point when the country was in strained negotiations with the International Monetary Fund, is suspected of having played a role there, too, says the newsletter. BCCI's executive manager, Nazir Chinoy was arrested in Paris in October. From Paris, Chinoy managed the European and African accounts for BCCI's Cayman Islands subsidiary.

On Nov. 4, indictments for laundering up to \$1 billion in drug money were issued against a set of Swiss-based companies. At the center of the scandal was the Zurich trading company of Mohammed Shakarchi, deal-

ing in gold and precious metals. It had reportedly received money from drug sales in the Mideast and laundered it into the Swiss banking system through a Sofia-Zurich axis. The money often found its way back into the region in the shape of gold or other precious metals.

According to reports, the American, Italian, and Swiss investigators who had originally dismantled the Pizza Connection, collaborated in this crackdown. On Sept. 16, 1987, law-enforcement teams from the three countries met in Bellinzona, a Swiss border town and key financial center of the Pizza Connection. A few months later, U.S. Customs officers in Los Angeles arrested two Lebanese brothers, Jean and Barkev Magharian, caught with \$30 million in a suitcase. Further work led to the Shakarchi nexus.

The Swiss political establishment was reportedly shocked to discover that one of Shakarchi's board members was Dr. Hans Kopp, husband of the justice minister, Elisabeth Kopp. He had resigned from the board more than a month before.

The scandal erupted while Elisabeth Kopp was sponsoring a new law to criminalize money laundering, a law denounced as ineffective by Switzerland's leading bankers. The chairmen of Crédit Suisse, Union Bank of Switzerland, and Swiss Banking Corporation, whose banks were used by the smugglers, went on national television to complain that they could not be equated with crooks. While commenting that they could not oppose the new law, they all stressed that it would be "impractical" for any banker to

check the origins of his deposits!

In France, much attention has been given to U.S. Customs' decision to subpoena the records of the New York-based Republic National Bank of Edmond Safra, alleged to be holding a \$450,000 bank account originating from drug sales. The U.S. Customs move could not have come at a worse time for Safra. Less than a month earlier, he hit the front pages of the European financial press by announcing the creation of his London-based new bank "only for the super-rich," as the *Financial Times* described it. Safra outlined that his banking strategy aimed at making the most of the Single European 1992 Act.

Safra's name surfaced at the end of October as a shareholder in the "Marceau Investment" company managed by financier George Pébereau. It coincided with the decision of Pébereau, clearly backed by the French Socialist government and its finance minister, Pierre Bérégovoy, to launch an hostile bid for control of one of France's largest de-nationalized banks, Société Générale.

By using Pébereau and a few associates, the French Socialists want to de facto re-nationalize the bank by taking a majority control of its shares. Though Safra—decorated a few months ago with the French Légion d'Honneur at the behest of President Mitterrand—is still a shareholder of Pébereau, he is no longer mentioned as one of Pébereau's associates in the bid, which is still provoking a major upheaval in France.

Several French magazines have publicized the U.S. Customs move and began asking questions about Safra's financial resources. The right-wing weekly *Minute* obviously went too far as it began linking Safra to BCCI directly and numerous other affairs. Safra is now suing for libel.

The new U.S.-U.S.S.R. grain pact

It is part of the Soviets' food buying binge in the West, which is going on, protocol or no.

The Nov. 28 grain trade protocol between the United States and the Soviet Union is just the most formal part of an ongoing food-importing binge by the Soviet Union—with or without the niceties of a treaty. What surrounds the new grain deal is more revealing than the specifics of this particular protocol itself.

The agreement extends for another two years, the terms of the last Long Term Agreement (five years) on grain, which expired Sept. 30, 1988. The new treaty is retroactive to Oct. 1 of this year, and is reported to maintain the same terms. The new treaty expires Dec. 31, 1990.

The Soviets are pledged to buy a total of at least 9 million tons of grain and soybeans each year, but could buy 12 million tons, and perhaps much more. The terms—which were not honored for two years under the expired LTA—specify that the Soviets should order 4 million tons each of corn and wheat, and an additional 33 million tons of grain, or 500,000 tons of soybeans or soybean meal.

In fact, the Soviets have already booked 5.5 million tons of corn and soybeans in the first two months of the trade year (Oct. 1 to Sept. 30, 1989)—even before a protocol was arranged.

Sources close to the trade negotiations for the new treaty, which began over eight months ago, say that the Soviets held up agreeing to a new treaty because they presented a set of demands for economic concessions by the United States, that would have gone very far toward closer integration of the respective economies. One demand was for greater access to U.S. ports and related facilities. Another

was a commitment to increase bilateral trade between the two superpowers.

On the day the grain deal was closed, U.S. officials downplayed the implications of the Soviet economic demands. Alan F. Holmer, U.S. Deputy Trade Representative, present in Moscow Nov. 28, said, "We wanted a pure grain agreement. It took a while before we realized how insistent they were that those provisions be in, and it took a while before they realized how insistent we were that they not be in."

The two-year timing of the current deal is interesting, since it expires almost exactly at the time that the Soviets will be starting their next Five Year National Economic Plan. Soviet "friends" on the U.S. side can now be expected to start lobbying and secret negotiations to have a new five-year Long Term Agreement between Washington and Moscow that will institutionalize the current flow of Western food to the East bloc.

Part of this Soviet lobby in Washington is Daniel Amstutz, a 25-year Cargill executive who served in Cargill's Brussels office, and set up Cargill's TRADAX office in Switzerland. While serving a four year stint as Undersecretary of Agriculture, Amstutz negotiated the 1983 five-year LTA. This year he has served on the negotiating team for the new grain pact, for Trade Ambassador Clayton Yeutter.

With or without a treaty, the Soviets have been ordering food like mad from the West. They may demand at least 55 million tons of grain and soybean products this trade year, because of the miserable condition of their own

agriculture sector, and the looted state of the farm and food industries of the East bloc. The issue of food, and other basics, is behind much of the unrest and demonstrations now occurring almost daily in the Soviet Union and Eastern Europe.

In addition to the orders from the United States, Russia bought a total of 1.75 million tons of soybean pellets from Argentina and Brazil the last week of September, and a record volume of tapioca (for animal feed) from Thailand.

On Nov. 28, the same day as the announcement of the new U.S.-U.S.S.R. grain protocol, the Paris trade house of InterAgra announced a sale of 2 million metric tons of French cereals to Russia. The order is to be delivered in early 1989.

These export commitments are all the more striking because of the severe grain stock shortages that exist in the West. This year's worldwide harvest of total grains is only about 1.532 billion tons, down from 1.682 billion in 1986, and 1.602 billion in 1987. Average worldwide consumption is higher than this, so there is a record draw-down of stocks taking place, yet the Soviet import demands are all being honored, no matter what.

It is expected that within a short time, the USDA will put icing on the Soviet's imported cake by offering discount prices for the remaining 4 million tons of U.S. wheat the Soviets are pledged to buy this trade year. Roger Bolton, spokesman for Clayton Yeutter, denied that there are any subsidy sweeteners in the new pact, and stressed that the same terms prevail as under the last LTA (begun 1983). However, since its enactment in 1985, the Export Enhancement Program has been used to provide the Soviets with millions of tons of cheap grain, at a discount of up to \$44 or more per ton.

Business Briefs

Debt

Kissinger speaks on Ibero-America

"It is absolutely essential that the United States' foreign policy be identified with growth in Latin America, and not with the collection of interest on debt," Henry Kissinger said in an interview published in the Nov. 20 issue of *Welt am Sonntag*, a West German weekly.

How such an identification is to be achieved under Kissinger's policies, however, is not clear, since he repudiates debt moratoria and advocates "debt-for-equity" deals that will deprive the nations of the Western Hemisphere of their sovereignty, industry, and natural wealth.

"While I have my doubts about the argument—with respect to the Soviet Union—that helping them domestically will solve all foreign policy problems, in the Western Hemisphere the United States needs to identify itself with the aspirations of the people," the former Secretary of State said.

Kissinger praised Mexico's new President, Carlos Salinas de Gortari, for being "eager to reform the economy," and expressed hope that what Salinas is doing (he is committed to enforcing the International Monetary Fund's austerity demands) "could then be a model for what we do in Argentina and Brazil as they come along."

He added, there is a "window of opportunity of about 18 months in Latin America," beginning with Dec. 1, the day Salinas takes office.

Food

Chinese have fourth straight bad harvest

Mainland China is facing a poor harvest for the fourth year in a row, Britain's *Independent* newspaper reported Nov. 25. Communist Chinese grain production will probably come in 10 million tons short of target.

Panic buying is the worst since the 1950s, as tens of millions are threatened with hunger or famine this winter, said the report.

A series of editorials in the official *People's Daily* and other press have called for a return to Mao Zedong's policies. Mao's slogan was, "Take Grain as the Key Link."

China's *Outlook* magazine recently accused "some people of believing that agriculture is no longer the foundation; they do not want to put any more effort into farming." Very low state purchase prices have driven farmers into producing "cash crops" or into rural industries. Price "reforms" were recently halted in a desperate effort to stop what *China Daily* recently called "raging inflation," but the government, which already spends a crippling 12% of its total expenditures on grain subsidies, cannot increase subsidies further.

The poor harvests have been in part due to Chinese leader Deng Xiaoping's agricultural "reforms," which led to the division of communes into individual plots, and produced so much subdivision of the land that family farms are now far too small for mechanization.

Agriculture

Heritage: Slash farm subsidies

The Bush administration should "make its top priority slashing farm programs, especially programs that reward farmers for high production," according to a Heritage Foundation report, "Mandate for Leadership III," which is to be officially issued in January.

The agriculture section of the report, written by former senior USDA official Charles Grizzle, received prominent play in an Associated Press wire carried in Midwestern newspapers the weekend of Nov. 26. Farmers, it declares, "should be forced to operate in a more competitive environment" and "break out of the cycle of dependence on federal subsidies."

Outgoing budget director Joseph R. Wright is quoted saying that a "principal

place for the new administration to look for budget savings" in order to avert a tax hike, should be the sphere of agriculture.

The Heritage report notes that Congress will soon have to deal with the "subsidy issue," because the 1985 Farm Bill expires in 1990, and the 1985 bill pushed taxpayers' costs up to a record \$25.8 billion in 1986.

"Despite media portrayal of the average farmer as hard-pressed," states Grizzle, "the farm family has had a higher net income than the median American family every year since 1980, and, more important, the net worth of the family farmer far exceeds that of the American family." Farmers who are in trouble got that way because of the "get-rich-quick land speculation" of the 1970s, and "it is unfair to expect the taxpayer to bail them out."

The Heritage Foundation is a covert operation launched by the socialist British Fabian Society at the outset of the first Reagan administration, to cloak anti-production policies in "free-market" garb, for the edification of credulous conservatives, as its founders bragged to *EIR* in 1980.

Europe 1992

Business leaders warn of shutdowns

"Europe 1992" will mean "drastic and painful restructuring," a London conference on the scheme to eliminate customs barriers among the 12 members of the European Community was told by Sir John Harvey-Jones, former chairman of Imperial Chemicals Industries.

He warned that within the next 10 years, more than half of Europe's factories would be closed and half of its companies would disappear or be absorbed by mergers.

His remarks echoed similar warnings three weeks ago from the secretary general of the Confederation of British Industry. Percy Barnevik, president of the joint Swedish-Swiss electrical group, ASEA-Brown Boveri Corp., told the London group that it would not be easy for the EC simultaneously

to restructure overcrowded sectors and to open markets to competition from other countries. "These are the hard realities behind the nice words 'higher productivity' and 'more competitive.'"

Foreign Exchange

City of London demands end of Reaganomics

In an editorial Nov. 30, titled "Reaganomics Warmed Over," London's *Financial Times* warned that there will be no support for the U.S. dollar without the enforcement of what that paper's editors deem appropriate U.S. fiscal policies.

When the Reagan era opened in 1981, the paper comments, high economic growth, combined with tight control over public expenditure, was supposed to bring about the desired result. "It did not work out then—and it is very unlikely to do so now."

"Given the growth of Japan and Western Europe this year," the paper wrote, "those countries can afford to be quite relaxed about weakness of the dollar. Certainly, dollar depreciation is more dangerous for the U.S. than for the rest of the world. So the G-7 should make it quite clear that there will be no major dollar support operations without a fully credible program of fiscal adjustment in the U.S. A repeat of Reaganomics Mark I is precisely what the world does not need. So it is up to the leaders of the other major countries to help save Mr. Bush from himself."

Energy

U.S.-China joint venture to develop gas field

Chinese and American oil companies have agreed in principle to jointly develop a large natural gas field with reserves of 100 billion cubic meters in the South China Sea. The

China National Offshore Oil Corp. (CNOOC) and Atlantic Richfield Co. are scheduled to sign a second supplementary agreement on the development of the Ya 13-1 gas field in the Ying-gehai Basin, south of Hainan Island.

Arco China Inc., a subsidiary of the Los Angeles-based Arco, holds a 34% interest in the project.

CNOOC spokesman Wu Xunduo said that the gas field will begin operation in 1993, with an annual output of 3.25 billion cubic meters.

International Credit

Central bankers hope to control the collapse

Federal Reserve chairman Alan Greenspan "is at one with his central bank colleagues to impose austerity and plunge the world economy into recession, not only the U.S.," stated a senior City of London banking source on Nov. 30. "Like with Paul Volcker in 1979, Greenspan and the Bank of England are embarking on a 'controlled disintegration' to liquidate the over-leveraged financial paper in world financial markets," he said.

The source reported that likely some time in January, with the new U.S. Congress in office, the central banks will precipitate a new, far more serious dollar crisis, which then would lead to a threatened repeat of "Black Monday" on the stock markets. Interest rates under these conditions would be sharply and steadily increased.

The expectation among City of London circles is for a U.S. prime interest rate of at least 12% by summer, and comparable U.K. interest rate levels of 16%. "Unlike before Oct. 19, 1987," said the source, "when political finance ministers were controlling the process, now the central banks are quite confident they have the process under their control. Under such conditions of economic recession, all the demands about Gramm-Rudman budget cuts would be quietly forgotten. That is just a pretext to set the stage."

Briefly

● **MIGUEL DE LA MADRID**, the outgoing President of Mexico, did the best possible job for his country, the *New York Times* thinks, even though he leaves office with real wages 40% lower than when he entered six years ago. "Most foreign bankers and economists here agree and praise Mr. De la Madrid for his willingness to absorb the domestic political costs and to take other long-overdue economic adjustments," purred the *Times*.

● **HUNGRY CHILDREN** and the elderly are rapidly growing in numbers in the state of Maryland, according to a study released by the Maryland Food Committee. It said that 25% of the families receiving food assistance at Thanksgiving were people who were never served before, two of five served were children, and one in five was a senior citizen. Forty percent of the adult clients are working poor.

● **INSURANCE** may be hard to come by for people temporarily living in or making business trips to Africa, because of AIDS, London's *Guardian* newspaper reported Nov. 26. Some British life insurance companies are also shunning business from anyone planning to live in parts of the United States, and are treating applications from regular travelers to high-risk areas with caution.

● **THE CHINESE** government will put strict controls on importing cars, electrical goods, wine, and other "luxury consumer goods," the *China Daily* reported Nov. 25. The People's Republic of China's trade deficit has been as high as \$3.8 billion over the past year, and measures to curb it began in October.

● **OIL PRICES** will not go significantly higher over the next several months, report industry traders in Western Europe, despite an appearance of a new OPEC production restraint. The Brent North Sea price is expected to hover in the \$13-14 range for several months.

Space program threatened by industrial collapse

No nation can advance its technologies for space ventures and defense purposes on top of a rotting and bankrupt industrial base. Marsha Freeman reports.

The recent good news is that the incoming Bush administration is seriously considering announcing a long-term policy for the nation's space program this summer. However, the recent shutdown and quick reopening of one of the space program's and Defense Department's critical subcontractors demonstrates that a nation cannot advance its frontier technologies on a rotting and bankrupt industrial foundation.

At a business briefing on NASA's *Freedom* space station project Nov. 1, Bush campaign issues representative Jim Carpenter stated that the President-elect is considering the occasion of the July 20 twentieth anniversary of the first manned landing on the Moon, to announce a long-term program for space. To get there, Bush will "do everything in his power to have the station operational in 1996," Carpenter stated. He acknowledged that this would have to include a fight for the \$2.1 billion NASA is requesting for the station in next year's fiscal 1990 budget.

Bush supports "manned and unmanned exploration of the Solar System," he continued, and indicated that some version of a Moon/Mars effort was being considered to bring an optimistic vision for the future back to NASA.

But, while Mr. Carpenter was briefing the aerospace industry, about 60 miles away in Front Royal, Virginia, workers were picking up their pink slips at the Avtex Fiber Company plant. This factory is the *sole* producer of a specialty rayon fiber used in the booster rocket motors for the Space Shuttle and the MX Peacekeeper missile. Without this or a similar product, there is *no space program*.

By the time he takes office, George Bush is going to be faced with the most serious monetary, budgetary, and eco-

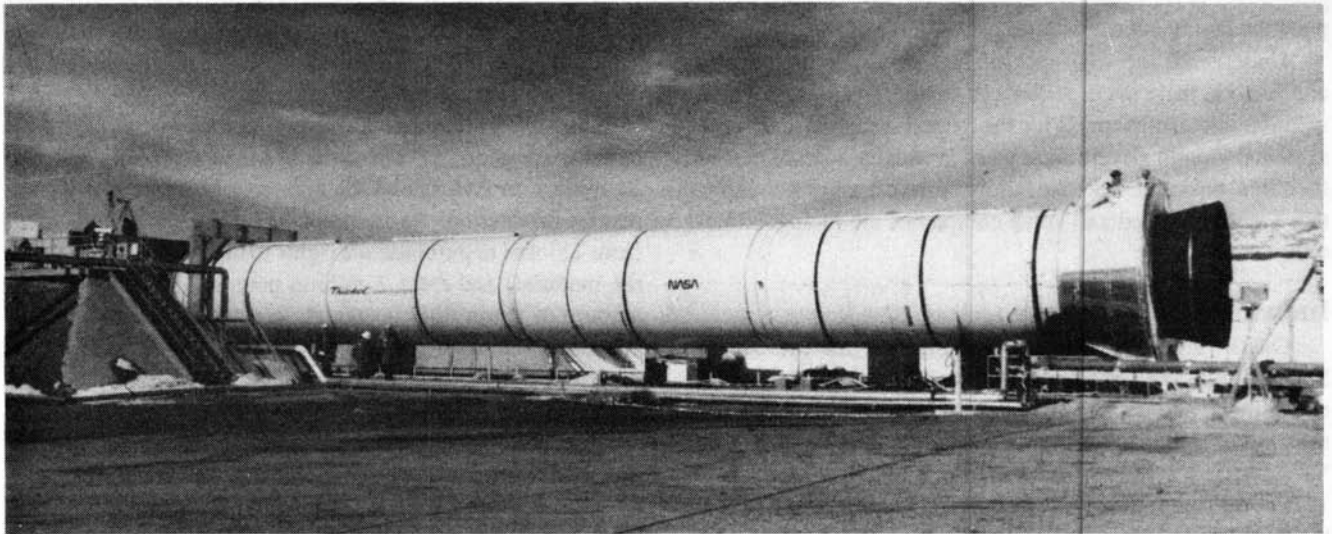
nomics crises to face any modern President. A space program with long-range goals, which thrusts this country out toward the frontiers of new technology, is the only sensible or even practical way to make sure we can produce our way out of the current crisis. But if the new administration does not completely revamp credit and investment policy for industry, agriculture, and infrastructure, no amount of long-term space plans will help.

Moon/Mars options

Engineers and managers at the National Aeronautics and Space Administration headquarters in Washington, and at the Johnson Space Center in Houston, are now engaged in an accelerated planning effort to develop a series of options for the leadership of the space agency and for Mr. Bush. By the end of January, the NASA administrator is supposed to have a first draft of possible policy options.

Four basic scenarios are being considered, though what is chosen could include any reasonable combination of these missions. The first scenario would be an unmanned mission to the Martian moon, Phobos. There is speculation that the two tiny moons of Mars contain water and other volatiles, which might provide the raw material for human consumables needed by a Mars crew. Though the Soviets have already sent two spacecraft to Phobos this year, only one is still operational.

A second possible long-term space goal would involve sending a human crew to Mars, or perhaps more than one group, but to go as soon as possible. Apparently, there are those in the space community who are worried that the Rus-



The Space Shuttle booster motor in test stand at Morton Thiokol's Wasatch Division. Without the product of Virginia's bankrupted Avtex Fiber plant, it couldn't be produced.

sians will land men on Mars before we do, and propose to go there as quickly as possible, to avoid this Soviet "first." Such a mission would most likely have to rely on technology that is near-term, or already in existence. This is dangerous.

Some of the older engineers are proposing to resurrect nuclear fission propulsion as a near-term goal, which would not have to be "man-rated" but could be employed to take separately the massive amount of cargo that is needed to support humans on Mars. When the cargo ship arrived, containing the consumables for people on Mars, and the fuel for the return trip of the crew, the much smaller manned vehicle could leave Earth orbit to rendezvous with the cargo ship.

In this general scenario, the manned vehicle would use today's chemical propulsion system, which is already used in the Space Shuttle. The idea is that this would not require any revolutionary new technology development, and could, perhaps, get Americans to Mars in the beginning of the 21st century.

The stay of the crew at the red planet, however, would be short, a few weeks, and the infrastructure needed for permanent habitation of the planet would be lacking. This mission would be akin to the Apollo program, where the American flag was left on the Moon, and some material was brought back to the Earth, but there was no long-term transport or in-orbit infrastructure to make the Moon a new home for mankind.

A third option under study is to establish a scientific base on the Moon. On the far side, away from the electromagnetic "noise" of Earth, large telescopes and other scientific instruments could be placed, for superb observation of the Solar System and the universe. This would require establishing at least a human "outpost" on the Moon, but not necessarily a large-scale manufacturing base.

The fourth, most ambitious, and actually "realist" pro-

posal, is an evolutionary approach to the colonization of the near-Solar System. This option is most similar to that recommended by the National Commission on Space in 1986, and by Lyndon LaRouche in his presidential campaign. The first step in this 30-year perspective would be a return to the Moon, for the purpose of building a scientific base, but also to take advantage of the raw materials available on this relatively large moon.

One of the most valuable materials on and near the surface of the Moon is a rare isotope of the element helium, which will be an important fuel for both space-based and terrestrial fusion energy reactors. Groups of researchers at various NASA research centers, Department of Energy laboratories, the Bureau of Mines, and in industry and universities, are studying the technologies required to mine helium-3 from the surface of the Moon.

This valuable commodity could be transported back to Earth, and perhaps become the first lunar import for our economy. Other manufacturing industries could likewise be established, to lay the basis for the Mars colonization which would follow.

The second major phase of this "evolutionary" future space scenario, would be the use of the industrial capability and experience of the lunar settlement, to send men to Mars. Over the two-decade period of lunar infrastructure development, the revolutionary technologies needed for Mars, such as fusion propulsion, would be developed and tested. Man's move further into the Solar System would be with the aim of permanently settling this new frontier.

There could be no more appropriate time for the next President to commit this nation, and the free world, to moving humanity into space, than during the celebration of what was the finest hour of this country in this century.

But some serious economic changes will have to accom-

pany the laying out of exciting goals for the space program.

Underneath the top layer of 200 or so major industry contractors, there are thousands of smaller companies which manufacture critical parts for the largest weapons and space systems, though government work is usually a small part of their total business. Like the family farms across this country, these medium-sized and small companies are facing extinction.

Industrial base collapse

One of the recent examples of the fact that the United States is quickly losing even the most basic of industrial capabilities, and what that means for our national security, is the case of the Avtex Fiber Company plant in Front Royal, Virginia.

For 50 years, the plant has been producing rayon, and is the largest rayon plant in the country. A small part of its total production, roughly 5-6%, is a base fiber for a resin-impregnated cloth used in the production of rocket nozzles that go into solid rocket booster motors. These solid-fueled boosters are used in the Space Shuttle and the MX Peacekeeper missile, among others.

On Oct. 31, John Gregg, Avtex's chief executive officer, announced that the plant was going to shut down, putting 1,300 employees out of work. The reason the company's management had made that decision, was largely because their rayon competitors were importing cheaper wood pulp from South Africa, below the cost of Avtex's Canadian and domestic suppliers.

In addition, over the past few years, Avtex management has been forced to spend millions of dollars trying to bring the plant into compliance with environmental and health and safety regulations. On Nov. 2, Virginia Attorney General Mary Sue Terry filed a \$19.5 million law suit against the company for noncompliance. This, despite the fact that ongoing negotiations between Avtex and the Environmental Protection Agency had led to a plan whereby the EPA's Superfund was slated to fund the clean-up, with the company reimbursing the government.

Only when the story that Avtex had closed its doors hit the newspapers, did booster manufacturer Morton Thiokol realize there was a problem: Without production of the specialty fiber, there would be no Shuttle boosters available after 1990. A spokesman for Avtex stated to this reporter that the company had "conversations with the government for months" about its tenuous economic situation.

It did not take too long for NASA and the Air Force to realize that they had to do something very quickly. Although Avtex had washed out the piping of the factory with water, viscous material, once frozen into the equipment, would make it economically impractical to reopen the facility once it were actually shut down.

Avtex had closed the plant when it could not meet its payroll. Management estimated that it would take \$38 mil-

lion to bring the factory back into operation—to pay employees, buy raw material feedstock, make needed improvements, and ship out product.

On Nov. 9, less than a week before the last worker was to leave for good, NASA, through Morton Thiokol, relayed \$7 million to Avtex, and the company announced it would resume production. An additional \$11 million was forwarded from Thiokol to purchase the rights to the process for making the material, and for 1.1 million pounds of the fiber. That amount of rayon fiber is enough to produce boosters for 12 additional Shuttle flights. The Air Force is in the final stages of writing the necessary documentation to assure the remaining amount of money.

The plant shipped its first product at the end of the Thanksgiving holiday week. The management of Avtex plans to keep the factory open, and restructure its product line toward specialty products, like the carbonized rayon, where it will have an assured market.

It is possible that other materials could be substituted for the rayon fiber. However, the extensive testing that would be required for such a change in the booster, especially for the Shuttle program, which must be man-rated, would mirror the two-year booster redesign and testing effort forced by the Challenger accident.

Avtex spokesman Nick Nichols pointed out that the two other companies in the U.S. that could produce the specialty material are *both* foreign owned. At least some people in the Department of Defense are alarmed at the weakness of the defense industrial base in the United States, and fear any reliance on non-domestic components for military systems.

For the past two years, the Defense Department has been developing a computer-based tracking system for defense subcontractors, called DIDNET—Defense Industrial Network. DIDNET program manager Dan Dennison stated to *Washington Technology* newspaper in mid-November that the program should allow a user to find some of the prime-contract suppliers used by companies like Morton Thiokol.

"Obviously we didn't have the capability to get all the way to Avtex," he stated. Even if they did, it does not seem that DIDNET could *do* anything, except identify possible alternative suppliers for a product *after* it becomes known that the usual supplier is in trouble. DIDNET does not seem able to do anything to ensure that economic circumstances are changed so that American companies can stay in government and commercial business.

That kind of change—in credit and investment policy—will require, for one thing, that the reality of the nation's worsening economic-military vulnerability be brought into general deliberations on overall economic policy.

One thing is clear: Without a halt to the shutting down of the workplaces that supply this country's most advanced aerospace/defense industries, we will not be able to start or finish a Strategic Defense Initiative, or a Moon/Mars mission.

Defense Science Board documents collapse of U.S. technology base

by Charles B. Stevens

It was not so long ago that, for better or worse, the primary reservoir of advanced U.S. science and technology was to be found in the so-called military-industrial complex. In October of this year, the Pentagon's Defense Science Board (DSB) issued a general report on the deterioration of the U.S. industrial and technological base, and a report on the U.S. failure to take the lead in the development of a crucial new technology, high-temperature superconductors. When combined with Marsha Freeman's report on the Avtex Fibers case, these reports and studies document both the collapse of existing technological capabilities, and with them, America's potential for future technological leadership.

In the following report, *EIR* presents an analysis of and major excerpts from the DSB report, *Military System Applications of Superconductors*, and the more general study, *The Defense Industrial and Technology Base*, together with Marsha Freeman's analysis of the Avtex case.

'The defense industrial and technology base'

The *Final Report of the Defense Science Board 1988 Summer Study on The Defense Industrial and Technology Base*, reports, "In the eight years since the last Defense Science Board (DSB) study of the industrial base, the global political, economic, and technological scenes have changed considerably. America's technological superiority has diminished. Many countries, including Japan and the Soviet Union, challenge our leadership in technologies essential to defense."

Among the principal findings of the DSB study are:

- Of greatest importance is the fact that the continued deterioration of the industrial and technology base diminishes the credibility of our deterrent. It is a national problem requiring a coordinated response by government and industry. If our nation is to ensure its security for the coming decade and beyond, it must adopt a strategy which links military strategy with a policy to ensure the availability of the industrial and technological resources on which operations plans rely. . . .

- A pattern of inadequate long-term investment by prime and subtier suppliers is a primary cause of the increasing deterioration of the defense industrial and technology base. This inadequate investment can be attributed to: . . . Pres-

sure . . . to provide short-term returns. . . . Uncoordinated effects of . . . acquisition policies. . . . Increasing uncertainties surrounding the defense budget and acquisition process. . . .

- The maritime industries have deteriorated to the point where they cannot support national security objectives. . . . Members of the subcontractor and supplier portion of industry, ranging from very large manufacturers down to small high technology companies, either refuse defense business or segregate older technology and older production lines from their commercial business to apply to defense. DoD acquisition policies engender this behavior. . . ."

In terms of specifics, the DSB gives the following cases: "Consider the examples of computer and semiconductor technology. While American computer technology is still competitive with foreign systems, we are losing out in the semiconductor field. Because of this, foreign computers could surpass us in the immediate future. Those technologies are the foundation of every defense system, either as a part of the system itself or in its design and development.

"Other critical technologies further demonstrate our loss of leadership. The numerically controlled machine tool industry is now led by Japan. Their lead in flexible manufacturing systems, a key to many complicated manufacturing tasks, is growing each year. Similarly, America has lost its leadership in precision optics in the past two decades. We cannot retain battlefield superiority without assuring we have access to technological leadership in those fields.

"This loss of technological leadership can be attributed to many political and economic factors. Too often, both government and industry ignore the effects of their own management philosophies. Recent studies, such as the one being conducted by Professor Bruce Scott, of Harvard, point out the disadvantages of those philosophies in comparison with those of countries such as Japan, the European Economic Community, and Korea.

"Professor Scott's works characterize America's loss of technological leadership in terms of competitiveness and is demonstrated in **Figure I-1**" from page 14 of the report. "The overall problem, one of short-term planning, manifests itself in emphasizing:

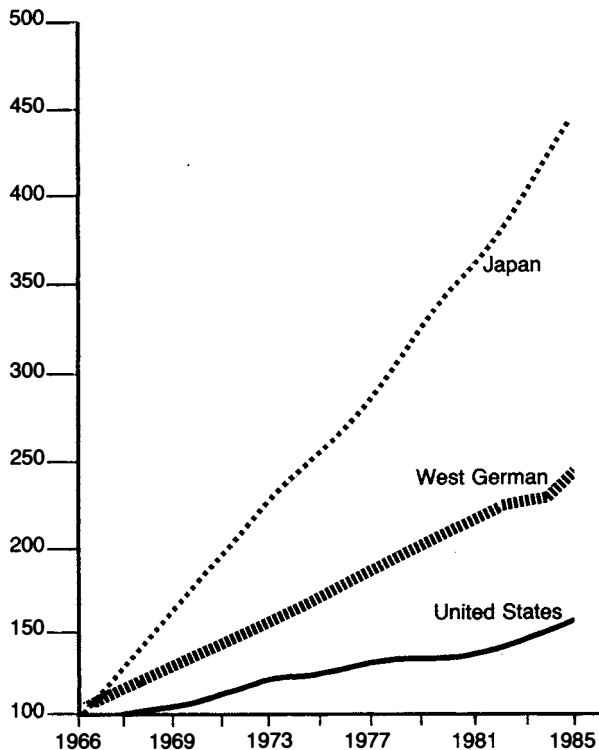
- Products over productivity

- Short-term profits over long-term competitiveness
- Return on investment over market share.

“The effect of combining the short-term planning philosophy with America’s uncoordinated policy-making mechanisms is best stated in the *Data Resources Report on U.S. Manufacturing Industries*: ‘The decline of position of manufacturing is a major industrial development for this country. . . . There are so few exceptions to the decline of the international positions of U.S. manufacturing industries that one must seek . . . general causes that act on the entire economy.’

“. . .The result is the short-term planning which now dominates industry investment decisions. With short-term planning, the DoD cannot be assured of the advancement of technology on which our deterrence depends. There is danger in the contrast with our adversaries whose stable, long-term planning may permit them to overcome technological advantages. The loss of this advantage is the loss of

FIGURE I-1
Manufacturing productivity, 1965-85
 (1965=100)



Source: Final Report of the Defense Science Board 1988 Summer Study on The Defense Industrial and Technology Base, October 1988, Vol. I, Office of the Under Secretary of Defense for Acquisition, Washington, D.C.; U.S. Dept. of Labor Bureau of Labor Statistics, Office of Productivity and Technology: 1986.

the industrial element of our deterrent.”

By contrast, the Defense Science Board reports, “The Soviet priority attached to military power has required a national commitment to a dedicated and militarily oriented industrial system. During the past 35 years, there has been a tremendous growth in all sectors of Soviet military industries and the tightly integrated national strategy of military production, from mining of raw materials to the fabrication of finished weapons systems.

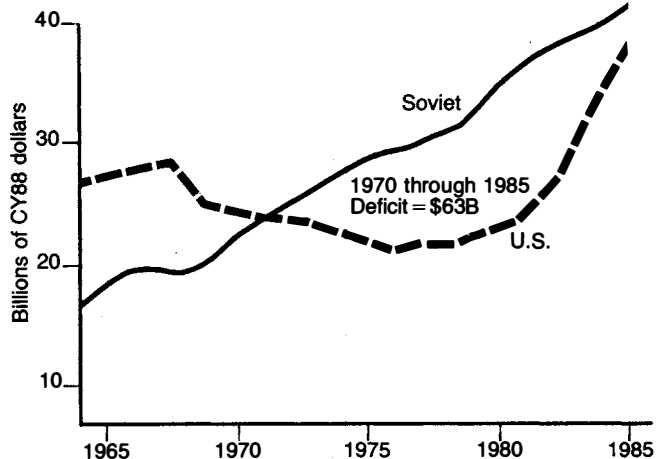
“Defense industrial requirements receive the highest priority in economic planning. . . . Soviet defense planning is based upon a strong, coordinated industrial premobilization structure.

“As a further indicator of shortfalls in DoD technology base funding, **Figure V-4**” from page 38 of the report, “compares U.S. versus Soviet military RDT&E spending levels for almost 20 years.

“This deficit can be tied to the relative trends in U.S./U.S.S.R. standing in the 20 most important basic technology areas found in **Figure V-5**” from page 39 of the report. “While the U.S. is in the lead, the arrows indicate the relative technology level is changing in favor of the Soviets.

“The importance of technology as a factor in weapon systems deployment is shown in **Figure V-6**” from page 39. “The chart indicates the relative U.S./U.S.S.R. standing in strategic and tactical forces. The arrows once again indicate significant changes in relative superiority of the U.S. versus the Soviet Union in key military systems.”

FIGURE V-4
U.S. vs. Soviet military research, development, test, and evaluation



Source: Final Report of the Defense Science Board 1988 Summer Study on The Defense Industrial and Technology Base, October 1988, Vol. I, Office of the Under Secretary of Defense for Acquisition, Washington, D.C.

The DSB report on *Military System Applications of Superconductors* gives a specific case study of how the United States is currently falling increasingly behind in the race to develop frontier technologies and industries. It is not only the fact that, given the recent realization of high temperature superconductors, which promise to revolutionize every aspect of science and technology, the United States has failed to rise to this challenge, but also, as the DSB emphasizes, the fact that this recent experimental breakthrough has uncovered the failure of the United States to vigorously pursue the immense potentials of already existing high temperature superconductors.

As documentation, we excerpt from the DSB report its "Executive Summary" and "Recommendations" together with other selections. From the body of the superconductor report, it is clear that high temperature superconductors (HTS) prom-

FIGURE V-5
Relative U.S./U.S.S.R. standing in the 20 most important basic technology areas

Basic technologies	U.S. Superior	U.S./ U.S.S.R. Equal	U.S.S.R. Superior
1. Aerodynamics/fluid dynamics	X		
2. Computer & software	X		
3. Conventional warhead (Including all chemical explosives)		X→	
4. Directed energy		X→	
5. Electro-optical sensor (including IR)	X→		
6. Guidance & navigation	X		
7. Life Sciences (human factors bio-technology)	X→		
8. Materials (Lt. Wt. High strength, high temperature)	X→		
9. Micro-electronic materials & integrated circuit manufacturing	X		
10. Nuclear warheads		X	
11. Optics		X→	
12. Power sources (mobile) (includes energy storage)		X	
13. Production manufacturing (includes automated control)	X→		
14. Propulsion (aerospace and ground vehicles)	X→		
15. Radar sensor	X		
16. Robotics & machine intelligence	X		
17. Signal processing	X		
18. Signature reduction	X→		
19. Submarine detection	X→		
20. Telecommunications (includes fiber optics)	X		

Source: Final Report of the Defense Science Board 1988 Summer Study on The Defense Industrial and Technology Base, October 1988, Vol. I, Office of the Under Secretary of Defense for Acquisition, Washington, D.C.

FIGURE V-6
Relative U.S./U.S.S.R. technology level in deployed military systems

Deployed system	U.S. Superior	U.S./ U.S.S.R. Equal	U.S.S.R. Superior
<i>Strategic</i>			
ICBMs		X	
SSBNs	X		
SLBMs	X→		
Bombers	X→		
SAMs			X
Ballistic missile defense			X
Anti-satellite			X
Cruise missiles		←X	
<i>Tactical</i>			
Land forces			
SAMs (including naval)		X→	
Tanks		X→	
Artillery	X		
Infantry combat vehicle		X	
Antitank guided missiles		X→	
Attack helicopters	X→		
Chemical warfare			X
Biological warfare			X
Air forces			
Fighter/attack and interceptor aircraft	X→		
Air-to-air missiles	X→		
Air-to-surface missiles	X→		
Airlift aircraft	X→		
Naval forces			
SSNs	X→		
Torpedoes			X
Sea-based aircraft	X		
Surface combatants	X→		
Naval cruise missiles		X→	
Mines			X
C3I			
Communications		X	
Electronic countermeasures	X→		
Early warning			
Surveillance and reconnaissance	X		
Training simulators	X→		
IR—InfraRed			
ICBM—InterContinental ballistic missile			
SSBN—Ballistic missile nuclear submarine			
SLBM—Submarine launched ballistic missile			
SAM—Surface-to-air missile			
SSN—Nuclear attack submarine			
C3I—"C-cubed-I," or command, control, and communications; intelligence			
ECCM—Electronic countercounter measures			

Source: Final Report of the Defense Science Board 1988 Summer Study on The Defense Industrial and Technology Base, October 1988, Vol. I, Office of the Under Secretary of Defense for Acquisition, Washington, D.C.

ise to revolutionize computer, electronic sensor, and electrical technology. More significant is what the report leaves unsaid. From the data presented, it is clear that low temperature superconductors (LTS) will revolutionize the recently developed radio frequency weapon technology and other types of directed energy weapons. Furthermore, there are strong indications that the U.S.S.R. has not ignored these possibilities, either in the case of the existing low temperature superconductors (LTS) or the recently demonstrated HTS.

The MHD submarine

A good case in point is that of the application of superconductors to development of advanced MHD propulsion systems. The DSB report notes:

“The quickest payoff in high-power applications will come from the exploitation of superconductor materials in rotating electrical machinery. Substantial weight savings can be realized by eliminating magnetic circuit materials and customary field windings. Already, an experimental 3-megawatt superconducting DC motor has been built for ship propulsion and tested at sea. This motor was 33% smaller than the equivalent conventionally air-cooled AC motor.

“Substantially greater motor size reductions are possible with conventional LTS materials. A superconducting homopolar DC motor of 40,000 h.p., employing superconducting shielding, could be built at about one-fourth the size and weight of a contemporary AC motor. The decreased size and weight and increased electrical efficiency reduce fuel requirements and lead to an overall reduction in propulsion system demand on the ship’s resources. A superconducting generator, which may be located remotely from the ship drive motor, will provide an efficient, flexible ship propulsion system. The effect on a destroyer-class ship’s performance would be to reduce ship displacement by 14 percent and increase its range by 30 percent. If the propulsion were mounted in an external pod, the ship’s displacement could be decreased by 25 percent and its cruising range increased by 40 percent.

“ . . . High temperature, high field materials would allow further decreases in weight and size. At this point, the propulsion system would be a negligible fraction of overall ship displacement, and multiple redundant drive systems could be installed.

“While the first high-power propulsion applications are likely to be in ships . . . high field superconductors could also provide light-weight generators and motors for armored vehicles and, more speculatively, for aircraft propulsion. It must be emphasized that if these systems are to come about, the necessary cryogenic support systems must be developed to withstand the rigors of an operational environment.

“Other superconductor propulsion systems are clearly foreseeable. In Japan, Magneto Hydrodynamic (MHD) drives have been built and tested at scale-model level by Kawasaki Heavy Industries. By 1990, Mitsubishi Heavy Industries, in partnership with Toshiba and Kobe Steel, plans to have a

120-ton ship with MHD drive in operational test. In addition to surface ships, MHD drives can also find use as quiet propulsion systems for submarines and torpedos. Speculating about further term applications, an MHD collector-diffuser and an MHD magnetic nozzle may make feasible a ‘scramjet’ propulsion system for space bodies traveling in an ionized medium.”

Do the Soviets have it?

In 1986, *Jane’s Fighting Ships* put forth the thesis that the Soviets had developed a wide range of advanced submarine systems, including super-cold, absolute-zero cryogenic electric superconducting motors and propellerless propulsion based on electromagnetic and MHD drive. Except for *EIR*, this thesis was almost universally ignored at the time. Now, with the advent of HTS, this thesis no longer sounds so wild, particularly if the Soviets had run across HTS some years before scientists in the West.

The *Jane’s* thesis was “based on a hypothesis which is, in turn, based on freely available literature published over the last 25 years. It will, inevitably, be described as muddled thinking with little, if any, basis in fact. But the truth of the matter is that there is a possibility of some of it being right. . . . In 1963, the U.S. Bureau of Ships published Friauf’s papers on magnetohydrodynamic propulsion. Nearly 30 years ago, Dr. Stewart Way suggested the principle of electromagnetic thrust and, 10 years later, produced a working model. The principles of cryogenics have been available for a long period in the West. . . . Contemporary to much of this work were efforts of Soviet scientists and engineers. . . . In 1965, a volume entitled *New Sources of Electrical Energy* was published in Leningrad under the name of A.P. Baranov, and it was then that it was forecast that magnetohydrodynamic (MHD) generators would be available for use by Soviet ships in the 1980s. About the time of publication of this book, civilian applications of the MHD principle in *Traveling Wave Pumps* had been investigated in the West and it had also been proposed as a means of torpedo propulsion. The energy required to push an object through the water is, in MHD, produced by pulsating magnetic fields causing sympathetic pulsations of ferro fluid surrounding a tube, open at both ends to the sea. Thus, a travelling wave is set up in the enclosed fluid and the water is expelled at the rear, resulting in thrust. There are numerous advantages to such a system: no radiated noise from cavitation or moving mechanical parts, improved thrust for a given power and less wake turbulence. The last of these would probably mean a reduction in detectable magnetic flux variations.”

In summary, it should be noted that these MHD applications of high temperature superconductors also have revolutionary implications for radio frequency weapons.

Next week: The Report of the Defense Science Board Task Force on Military System Applications of Superconductors.

SPETSNAZ



SPETSNAZ

In the Pentagon's "authoritative" report on the Soviet military threat, *Soviet Military Power 1988*, the word *spetsnaz* never even appears. But *spetsnaz* are Russian "green berets." Infiltrated into Western Europe, *spetsnaz* have new weapons that can wipe out NATO'S mobility, firepower, and depth of defense, before Marshal Nikolai Ogarkov launches his general assault.

ELECTROMAGNETIC PULSE WEAPONS

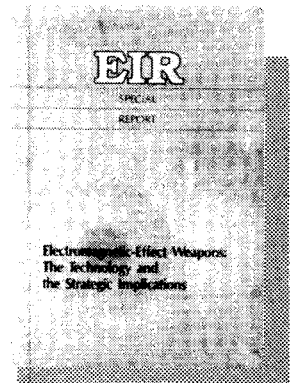
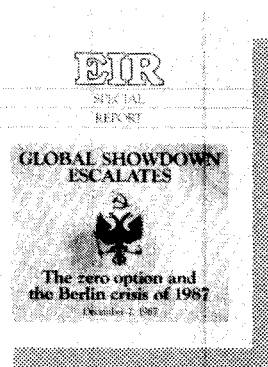
At least the Pentagon report mentions them—but only their "defensive" applications. In fact, they can be transported by *spetsnaz*, finely tuned to kill, paralyze, or disorient masses of people, or to destroy electronics and communications. With EMP, as strategic weaponry or in the hands of *spetsnaz*, the Russians won't need to fire a single nuclear missile to take Europe.

EIR

SPECIAL REPORT

WHAT THE PENTAGON WON'T TELL YOU. . .

Two EIR Special Reports will.



Global Showdown Escalates,
525 pages, \$250

Electromagnetic-Effect Weapons,
100 pages, \$150

Order from: EIR, P.O. Box 17390,
Washington, D.C. 20041-0390.

In Europe: EIR, Nachrichtenagentur
GmbH, Dotzheimer Str. 166, D-6200
Wiesbaden, FRG, Phone (06121) 884-0.

Forces rally to fight Bolshevism worldwide

by Lyndon H. LaRouche, Jr.

The memorandum printed below was issued on Nov. 18, 1988, under the full title, "A Worldwide Anti-Bolshevik Mobilization Is Now in Progress."

A call, for the rallying of groups and individuals, to form a worldwide anti-Bolshevik resistance movement, was issued internationally during the week of Nov. 13-19, 1988. A copy of that declaration's text appeared in *EIR*, Nov. 25, 1988, Vol. 15, No. 47.

The call was issued by a former U.S. presidential candidate, the author of this report. The author's actions were motivated chiefly by the following several considerations.

1) A cascading series of developments, centered around Soviet orchestration of the forced resignation of the President of West Germany's Parliament, Herr Philipp Jenninger, demonstrates that the strategic situation within the NATO alliance has deteriorated to the degree, that civilization can no longer be defended without the worldwide mobilization of an effective form of anti-Communist resistance movement.

This must be a movement prepared to resist by aid of the methods fairly described as those of People's War.

2) Some key elements of such a resistance movement already existed, but were not mobilized as an effectively unified force. The overwhelming majority of potential recruits were not actively mobilized in any form. Therefore, the call for such a mobilization must be issued as widely as possible throughout this planet.

3) It was most desirable that such a call be issued by an internationally prominent public figure of the United States. That figure should be a person whom the Communists at the highest level have repeatedly identified as their principal adversary in this world, and who is himself a target for early elimination by powerful Soviet accomplices in the West. This person must also be an internationally prominent public figure. This must be a figure associated with the fight for justice for all nations and peoples. This figure must be a person with political qualifications in insurgency and counterinsurgency.



Helga Zepp-LaRouche and the author, Lyndon LaRouche, pay their respects to the martyrs of the German Resistance against Hitler, at the Berlin memorial, in October 1988.

Dean Andromidas

4) At this moment, the author is the person who best meets those qualifications. Most notably, inside the United States, there is no other person who meets such qualifications for issuing such a call.

5) Therefore, the author issued that call.

For clarity, it is important that we make clear the author's own position in such matters. Two leading points are to be made. The presentation of the first of those two points includes a citation from the issued call. The second point, is the relevance of the fact that the author is threatened with early extermination inside the United States, by forces acting in complicity with the government of the U.S.S.R., and in accordance with instructions to the U.S. government from the Soviet government.

A. The authority for issuing this call was taken from Western Christianity. The author used the following words to clarify the nature of this authority:

"...like . . . the . . . Good Samaritan of the New Testament, I find myself in the circumstance the responsibility for a certain action falls upon me. So, as the Hand of Providence fell upon that Good Samaritan, in that fashion, it has demanded that I do an awesome deed, which I do here and now."

If man is to prevail in any awesome endeavor, man must

act in obedience to clear signs of the Creator's Will. The perception of such signs must be premised upon an intelligible form of knowledge of the natural law by which this universe is ordered. A form of action must be chosen which draws upon those powers which are greater than the powers of any man, or any government. In such matters, the individual must act not on his own behalf, but as an instrument to call into fuller play, within the consciences of men and women, those great powers of natural law, the Creator's Manifest Will, which must be served.

In Christianity, the individual confronted with such a personal call to duty, must act in imitation of Christ, with the image of Christ in Gethsemane before his eyes. He must act in great matters with a correspondingly awesome humility before the eyes of the Creator. He must act only to accept the Cup of trouble, and possibly a martyr's death, which the Creator has set before his lips. He must drink from that Cup, and drink deeply, without any mental reservation.

The Good Samaritan was confronted with the helpless man by the side of the road. No other person would assist that helpless man. The Good Samaritan acted according to the Will of the Creator, because, in that matter confronting him, there was no one else situated to do what must be done. So, in the smallest and greatest matters of human affairs, that

moral individual who meets the challenge of that responsibility which circumstances have thrust upon him, does the Creator's Will, and becomes, in that manner and that degree, the Hand of Providence.

B. The author is threatened imminently with political martyrdom. Through elements of the U.S. government, including the designated Soviet agent inside the U.S. Department of Justice, Deputy Assistant Attorney General Mark Richard, and through Soviet agents and degraded agents of influence such as Armand Hammer and the Bronfmans, the author has been targeted for immediate elimination. This grisly result is currently being sought by aid of a politically motivated effort to convict him on falsified indictments, and to effect his early death under circumstances intended to flow from such indictment.

A man, situated with the responsibilities assigned to him by the Hand of Providence, and faced with the threat of imminent political martyrdom, must face his martyrdom boldly, and arrange affairs to such an effect that his martyrdom itself might become a powerful act on behalf of victory for that great cause of God and humanity which he represents.

In the following portions of this report, it will be shown that the forces against which our cause is arrayed are the forces of avowed satanism. To fight such a foe, it is urgent that, in the minds of ordinary men and women of good will, the enemies of God and humanity wear plainly upon their foreheads the Mark of the Beast. Thus, the prospective martyr must act to ensure that his martyr's blood were written upon the foreheads of those who are complicit in murdering him, that that stain on their brows shall be known among men as a sign, the sign which is the Mark of the Beast.

Like a soldier in battle, but in a much more profound sense, no cause as awesomely sacred as that before us can prevail, unless it is led by those who respond in that spirit to the prospect of early martyrdom. If and whenever that might be the case, such persons must meet the challenge with actions which set the stain of their own blood, as the Mark of the Beast, upon the brow of the enemies of God and humanity.

For all Christians, the image of Christ's acceptance of his Crucifixion, for the sake of God's love toward all mankind, is the light which shines upon the path we must walk when facing the satanic forces of the First, Second, and, that would-be Communist world regime, Moscow's Third Roman Empire.

The author's personal position in these matters affects the published call in a twofold way:

First, as a defender of Western European Christianity, he regards those benefits which Christianity has bestowed upon the best moments and institutions of European civilization, as a gift bestowed upon those of European culture for the benefit of all humanity, to love all nations and peoples, whether they are Christian or not, for sake of the Creator.

Second, he is himself a leading figure of an ecumenical

form of international philosophical association, which includes among its associates and friends peoples of all continents of this planet, and several religious beliefs. Thus, no man or woman in any part of the planet has any good reason to fear the author's invoking Christian principles; rather each must recognize that such principles, so invoked, are an expression of good will toward all mankind.

Although powerful forces within Western European civilization have violated these principles, often with outrageous cruelty, the good which Western civilization has enjoyed from Christianity has produced cultures with the greatest power per capita of any part of this world. In the course of recent centuries, all among those peoples we associate with developing nations, have sought nothing so much as the right of choice to make the advantages of Western civilization their



Christ in the Garden of Gethsemane, by Albrecht Dürer. "In Christianity, the individual confronted with such a personal call to duty, must act in imitation of Christ, with the image of Christ in Gethsemane before his eyes."

own: as that man of Providence, Dr. Sun Yat-sen did for the people of China.

Let the object for which this call is issued be clearly seen, as a determination that our struggle shall bring forth on this planet a new justice for all nations, peoples, and individual personalities of mankind. To that purpose, the Rütli Oath from Friedrich Schiller's *Wilhelm Tell* was chosen as the proposed oath of allegiance to the worldwide anti-Bolshevik resistance. Hear that oath in its original German, and its English translation:

First, the original German:

Nein, eine Grenze hat Tyrannenmacht,
Wenn der Gedrückte nirgends Recht kann finden,
Wenn unerträglich wird die Last—greift er
Hinauf gestroten Mutes in den Himmel
Und holt herunter seine ewgen Rechte,
Die droben hangen unveräusserlich
Und unzerbrechlich wie die Sterne selbst—
Der alte Urstand der Natur kehrt wieder,
Wo Mensch dem Menschen gegenübersteht—
Zum letzten Mittel, wenn kein andres mehr
Verfangen will, ist ihm das Schwert gegeben—
Der Güter höchstes dürfen wir verteidigen
Gegen Gewalt—Wir stehn vor unser Land,
Wir stehn vor unsre Weiber, unsre Kinder!

.....

—Wir wollen sein ein einzig Volk von Brüdern,
In keiner Not uns trennen und Gefahr.
—Wir wollen frei sein, wie die Väter waren,
Eher den Tod, als in der Knechtschaft leben.
—Wir wollen trauen auf den höchsten Gott
Und uns nicht fürchten vor der Macht der Menschen.

Second, the English translation published in the twice-weekly English-language U.S. national newspaper, *The New Federalist*:

No, there is a limit to the tyrant's power,
when the oppressed can find no justice, when
the burden grows unbearable—he reaches
with hopeful courage up unto the heavens
and seizes hither his eternal rights,
which hang above, inalienable
and indestructible as stars themselves.
The primal state of nature reappears,
where man stands opposite his fellow man.
As a last resort, when not another means
is of avail, the sword is given him,
The highest of all goods we may defend
from violence, Thus stand we before our country,
thus stand we before our wives, and before our children.

Now, let us take the oath of this new league.

We will become a single land of brothers,
nor shall we part in danger and distress.
We shall be free, just as our fathers were,
and sooner die, than live in slavery.
We shall rely upon the highest God
and we shall never fear the might of men.

In the following portions of this report, we shall examine first the immediate prompting for the issuance of the call. Second, we shall examine the true circumstances which have brought upon this planet the most perilous conditions of evil against which we must stake our lives, that the hundreds of billions of people, to come after us, may live, and live in freedom. Third, we shall examine the conditions of warfare under which the worldwide anti-Bolshevik resistance must fight to win victory.

1. The Jenninger affair

The German *Vereingten Verfolgten des Naziregimes* (the Association of Victims of the Nazi Regime—VVN), also known by some German anti-Communists as the *Vereingten Verfolgern des Naziregimes*, (Association of Followers of the Nazi Regime), was established by the Soviet Chekists as the mother-organization for the recreation of Soviet Chekist operations inside post-1945 Germany.

Nominally, the VVN operates in Germany, France, and the United States, among many Western nations, as the arm of the East German Ministry for State Security (“Stasi”). In fact, the Stasi is rated by the Soviet KGB and GRU as a Soviet *Mitkämpfer* agency; the VVN operates under the screen of its connections to the Stasi, but is a direct arm of the Soviet KGB and GRU, and of the Moscow Procurator. Presently, it is under the direction of the former KGB director, Viktor Chebrikov, in his new capacity as minister of the Soviet Central Committee's Intelligence Secretariat, in charge of the Soviet KGB, Military, Interior Police, and Justice system.

Recently, under explicit direction issued openly by the Soviet and East German press, to the VVN, by name, the VVN acted in concert with other Soviet agencies to orchestrate the summary forced resignation of Philipp Jenninger, the President of the Bundestag (national parliament) of the Federal Republic of Germany. This was accomplished through a pre-planned operation conducted in cooperation with leading figures of not only the Soviet fellow-traveling Green Party of West Germany, but also leading circles of the Social Democracy and Liberals. The operation was conducted in pre-orchestrated cooperation with elements of the leading press of West Germany, and the international press.

The boldness of this Soviet-orchestrated action against

the stability of the government of the Federal Republic of Germany has the form of a pre-war political covert operation by Moscow. The extent of complicity with so obvious a Soviet KGB-staged affair, among leading Western wire services and others, shows how advanced is the deterioration of the political security of the West as a whole.

The Jenninger affair, taken in the context of other global developments in progress, warns us that this affair is the moment at which the mobilization of a worldwide anti-Communist resistance movement must have begun. In some states,

From the Soviet side, the Western liberals' world-federalist utopianism is seen as the principal opening through which Soviet influence might march to establish Moscow's world domination before the close of the century. The Soviet rulers today have the same Dostoevskian messianic goals as the steerers of the earliest phase of Bolshevik power.

where leading official political, juridical, and military institutions still resist the Bolshevik attempt at world takeover, the leading function of the worldwide resistance is to defend and strengthen those institutions. Where those institutions have been undermined to the degree that they no longer defend their nations, or become even instruments of the Muscovite assault, the resistance must take the leadership of the offensive in the appropriate manner.

In this circumstance, the logic of current history selected a former U.S. presidential candidate, the single international public figure most hated and feared by Moscow, to issue the call for the mobilization of the worldwide anti-Bolshevik resistance. That call has been widely publicized, and will continue to be published more widely into every relevant place on the face of this planet.

Some among us will require no explanation of the specifications for the principles and organization of the resistance, featured in the content of the call issued. Those among us who are familiar with the roots and history of Communism, and who have also studied the methods of Communist insurgency and have studied the problems of effective counterinsurgency in various nations, know how to use our knowledge

and experience to defeat Communism in those localities it is most unpopular: where peoples have bitter firsthand experience with the realities of Communist tyranny.

We also know how to resist in those parts of the world where the illusion of peace, and ignorance of the realities of Communism, have combined influences to make much of the populations soft-headed in these matters.

To those who understand such matters, these elements of the call are chiefly self-explanatory. What more need be said on that subject, will be treated in the closing portion of this report.

2. The global strategic assessment

To estimate the dangers and the foes against which our resistance must be mobilized, we must uncover the reality of the post-1943 period of modern world history. We must rescue that knowledge from the thick accumulation of ignorance and willful deception usually read in the Western news media and from the mouths of the politicians.

The Yalta policy-matrix

Consider first the simplest aspect of the real history of the post-1943 period: the 1943 Yalta agreements, and the process leading from that Yalta policy, to the frantic effort to set into place a "New Yalta" sort of global power-sharing agreements between the Western liberal establishments and Moscow today.

During the wartime years 1943-1945, at the Yalta and Potsdam conferences with Josef Stalin, the U.S. and British governments surrendered a great portion of Eastern and Central Europe to postwar Soviet administration. At the same time, the same Anglo-American establishment factions responsible for the Yalta and Potsdam concessions, pushed a similar policy for East Asia, with the results seen in Mao Zedong's rise to power over the mainland in China, and the circumstances of the same Anglo-American liberals' ouster of Gen. Douglas MacArthur.

The entirety of U.S.-Soviet relations during the period 1943-1988 is divided into a succession of several subordinate phases, as follows:

1. The period of close collaboration with Stalin, 1943-1945.
2. The "Iron Curtain" period, divided into two sub-periods:
 - A. The "Preventive Nuclear War" debate, 1946-1947.
 - B. The "Cold War" period, 1949-1953.
3. The "Khrushchov Period," notably the period 1955-1963.
4. The "Early Brezhnev Period," 1964-1968.
5. The "Détente Period," 1969-1982.
6. The "Andropov Period," 1982-1988, divided into two sub-periods:
 - A. 1982-1983 SDI period;
 - B. The 1984-1988 period of drive toward global power-

sharing agreements between the Anglo-Americans and Moscow.

The importance of noting these successive periods, is to emphasize the fact, that despite the secondary differences between each period and its predecessor, a continuous drift of Anglo-American and Soviet strategic policies persists through all of them. Without understanding that underlying continuity, we can not grasp many of the essential features of the strategic situation confronting the worldwide resistance mobilization.

The underlying thrust of all leading Anglo-American policy during the 1943-1988 period, has been to establish a global power-sharing arrangement between the Anglo-American liberal-financier establishment and Moscow. The method which those establishment circles have employed, is a Metternichean policy of "balance of power" diplomacy.

From the Soviet side, the Western liberals' world-federalist utopianism is seen as the principal opening through which Soviet influence might march to establish Moscow's world domination before the close of the present century. The Soviet rulers under today's Andropov dynasty have the same Dostoevskian messianic goals as the steerers of the earliest phase of Bolshevik power: to establish Moscow as the eternal capital of a worldwide empire successor to the first and second Roman empires, to establish Moscow as the eternal capital of a "Third Rome," as the satanist Dostoevsky proposed, as did the notorious Filifeos of Pskov, in A.D. 1510, long before Dostoevsky.

The differing qualities of subsidiary phases of that long process, arise from the obstacles which confront that continuing policy. These obstacles reflect a period of altered circumstances, or a change in tactics required by the maturing of the continuing process itself.

In the language of physics, all historical processes are characteristically non-linear ones. As non-linear processes, they are characterized by a succession of changes in phase-state of the process, each phase-state set off from its predecessor by what we call in physics a singularity. To understand any non-linear process, whether as a subject of physics, or as an historical process, we must shift our attention from the internal details of each phase-state, and define the process as a whole as an ordered succession of its singularities.

Commentators unfamiliar with such considerations, have attempted to explain each distinct period of Soviet history in terms of the internal evidence ostensibly peculiar to that period as such. They have failed to grasp the fact that each of these distinct periods of Soviet short-term and medium-term policy response characteristics, is no more than a phase-state expressing the essential continuity of a process begun with the Bolshevik assumption of state power.

Although Moscow's goal of world empire is a simple and consistent one throughout the recent seventy years, the path by which the Soviets move to bring that utopia into being is

a complex and hazardous one. For one thing, they must be careful to deceive the foolish liberal-financier establishment of the West, up to the point that Moscow has such overwhelming superiority that it is no longer strategically required to deceive the West. They must shape their actions according to the correlation of global forces. They must also reckon with the difficult problems of constantly reshaping the institutions of the Soviet empire, to meet the challenge of changing conditions.

Thus, while the liberal establishment forces pushing their "New Yalta" sort of world-federalist utopianism are impelled to use methods of "balance of power" and "crisis management," to cope with the external and domestic realities of their nations and their bloc, so the Soviets are faced with a different, but similar difficulty from their side.

Thus, in history generally, the major changes in the course of life of nations come about not all at once, but through a thicket of twists and turns, advances and retreats, and such difficulties. So, in all history, the connection between the adoption of a profound change in institutions, and the result toward which that policy leads in practice, occurs usually only over the course of several, or even many more generations.

In the study of real history, we must never permit the appearance of differences among successive phases of a process to distract us from the essential fact, that these apparent differences are lawful expressions of a process which continues throughout, and governs each of the shorter periods of its elaboration.

The case of Stalin is an example of this.

During the initial period of the Yalta agreements, 1943-1953, while Stalin was alive and in power, Moscow refused to accept a feature of the Western liberal-financier establishment's terms which the liberal establishment considered crucial. What the Westerners' desired, was relations with Moscow modeled upon the "Trust" arrangements of the 1922-1927 Soviet "New Economic Policy" period, the so-called "economic concessions" in trade, financing and investment, which are a leading feature of Western liberal-establishment negotiations with the ruling Andropov faction in Moscow today.

It should be recalled that the terms of trade which the Western Trust partners of Moscow imposed during the 1922-1927 period, threatened to collapse the Soviet economy, largely as a result of the collapsing prices of Soviet grain-exports. The "Third Rome" faction in the Soviet *Nomenklatura*, sometimes described wrongly as the "nationalists," reacted to this by backing Stalin's rise to power, and the systematic purging of those Left Opposition and Right Opposition factions of the Comintern which were tied most closely to Western liberal-financier interests.

Hence, as long as Stalin lived, and remained in power, Moscow would not accept any agreement conditional upon terms of trade like those associated with the 1922-1927 Trust.

This was the crucial issue of the 1946-1953 period. The Western liberal-financier interests previously associated with the 1922-1927 period of the Trust, wished to enter into a global power-sharing condominium with postwar Moscow: that was the motive for the Yalta and Potsdam concessions to Stalin. They hoped that a war-bled Soviet Union would have no choice but to accept such Western terms. When Stalin refused, and looted Eastern Europe as a way of avoiding economic and related concessions to the West, Winston Churchill's "Iron Curtain" address, and the period of "Cold War" were the result.

Initially, the world-federalist faction desiring a global condominium with Moscow thought to threaten Moscow with "preventive nuclear war," as a way of inducing Moscow to accept a global condominium on the terms the liberal-financier establishment desired. Over the 1947-1951 period, this liberal Anglo-American faction pulled back from serious ideas of such a war with Moscow; this is key to the ouster of Gen. Douglas MacArthur, as the MacArthur firing is key to understanding that travesty which was U.S. military policy in Indochina.

With the consolidation of Khrushchov's power, by the time of the 1955 London Conference of Bertrand Russell's World Government association, the liberals had found a discussion partner more or less to their liking in Moscow. By the 1958 Pugwash conferences in Quebec and Vienna, the Western liberals reached general agreement with Khrushchov's Moscow on the arms control process intended to bring the global condominium into existence during later years.

As a result of the agreements which Khrushchov reached with the Western "Trust" faction, through such channels as Bertrand Russell's, in 1955, Moscow adopted the project of Comintern leaders Otto Kuusinen and Eugen Varga, establishing IMEMO and its auxiliaries as the political form of revival of the Moscow-Western channels used by the 1922-1927 form of Feliks Dzerzhinsky's original "Trust."

The internal security problem

With the establishment of this revival of old Comintern-Trust institutions, centered around IMEMO, the old Comintern opposition organizations, the Trotskyists and Bukharinites, began to move into the KGB's camp beginning the period 1955-1958. Since many of these Trotskyists and Bukharinites had moved, as anti-Stalinists, into the intelligence and related institutions of Western governments, these old Trotskyists and Bukharinites, such as the circles of Jay Lovestone inside the United States, were enthralled by the hope that their former Soviet leaders might be rehabilitated in Moscow, and that they might resume the status which the Trotskyists and Bukharinites had enjoyed in Moscow prior to Stalin's purges of the late 1920s and the later purges of the 1930s.

The resumed role of the Trotskyist and Bukharin-Lovestone organizations as variously agents of influence, or out-

right agents of Communist states, and the Social Democracy's drift into a similar role, would not have been possible with only the resources of the Trotskyist and Bukharin-Lovestone penetration of Western governments' institutions.

These networks have maintained their position as left-wing assets of those liberal-financier establishment potencies which participated in the 1922-1927 Trust agreements with Dzerzhinsky's Cheka. It is the relationship between these ousted Comintern factions and the tradition of the Trust, which is key to the increasingly treasonous role these combined forces have played against Western civilization since the 1955-1958 interval of Pugwash and related negotiations.

This is a crucial aspect of the problem faced by the worldwide anti-Bolshevik resistance today. The case of the Lovestone networks inside the U.S. trade-union bureaucracy and U.S. intelligence community, is but one important example of this. The relationship between Lovestone confederate Leo Cherne and John Cini Train, is but one prominent illustration of the nature of this kind of internal security problem.

Through the Bukharinite and Trotskyist networks' penetration of the so-called conservative currents of the U.S. intelligence community, and the relationship of these networks to such liberal establishment sponsors as Train and Richard Mellon Scaife, "dangerous anti-Soviet figures," such as this author, are victimized by a duped U.S. government itself; and, in this and related ways, the nominally conservative flank of the U.S. political establishment is occupied by a powerful channel of covert Soviet influence.

Nonetheless, for both the Communists and their liberal banker friends in the West, the ultimate fruits of subversion and treason are not quickly harvested. The Pugwash-centered set of policy agreements met with resistance from within relevant institutions on both sides. Within each bloc, and between the blocs, a difficult period of crisis-management game-playing unfolded over the period 1958-1968.

Then, with the establishment of John J. McCloy's protégé, Willy Brandt, first as foreign minister and then chancellor of the Federal Republic of Germany, and the adoption of Brandt-linked détente policies by the Nixon administration, the period of détente proper became the new phase moving the world closer to the sort of global power-sharing arrangements in the foreground of diplomacy and strategic balance-of-power maneuverings today.

The next breaking-point came following President Reagan's March 1983 announcement of the SDI. Had this policy been implemented as originally projected, it would have ruined the grand strategic design of Yuri Andropov's and Marshal Nikolai Ogarkov's circles. Beginning April 1983, those liberal-financier establishment circles with traditional links to the 1922-1927 Trust, acted in aid of the Soviet effort to derail the SDI at the inception. Not only was a massive campaign run, on Soviet behalf, through Western liberal news media; a more effective campaign was conducted by financier interests, who used the U.S. federal budget deficits

as a way of slashing U.S. defense expenditures through the Gramm-Rudman legislation and kindred actions.

The 'Andropov Dynasty'

The most recent phase of Soviet policy began with the accession of Yuri Andropov to the position of Leonid Brezhnev's designated successor, during negotiations in Moscow during the period March-June 1982. This marks the point of Soviet adoption of the strategic war-plan jointly developed by Andropov and his partner, Marshal Nikolai Ogarkov. This strategic war-plan, which combines methods of People's War with development of war-winning first-strike regular military capabilities, represents the Soviets' adoption of a final phase of the drive toward early world conquest.

The dominant forces among those ruling in Moscow today, are a collection of persons fairly described as the "Andropov-Ogarkov Kindergarten," like Andropov's designated "crown prince," Mikhail Sergeivitch Gorbachov. This war-plan for world conquest by the end of this century, is the operative policy of Moscow today.

To the degree this war-plan has been successful over the period 1984-1988, those relative strategic successes have been made possible through Soviet exploitation of Western liberal-financier obsessions with the dream of establishing a kind of world-federalist utopia based upon turning the planet into an Anglo-Soviet condominium through global power-sharing agreements reached with Moscow. Nothing could be more pleasing, and advantageous to a hungry bear, than a family of rabbits who seek what they imagine to be the warmth and security to be found inside the bear's stomach.

Broadly, the Andropov-Ogarkov strategic war-plan is based chiefly on a doctrine of total war, People's War. Subsumed within that is the Soviet view that the success of People's War requires Moscow to possess absolute, war-winning military superiority. This latter feature of the Soviet war-plan of world conquest has two, interrelated, crucial aspects. Their bearing upon the work of the worldwide anti-Bolshevik resistance is crucial, as we shall examine this now.

As a matter of scientific principle, there could be a clear victor in a war fought between the principal nuclear powers. Nuclear and electromagnetic technologies require a higher form of physical geometry than that used in calculations of offense and defense by Vauban, Monge, et al. If we use the proper higher physical geometries, of Karl Gauss and his followers, the proper combinations of active and passive defense can achieve a devastating offset to a rocket-borne strike. The Soviets believe this result to be feasible, and they are right on that most important fact.

Modern general warfare is not "unthinkable." The same liberal establishment forces which seek a world-federalist sort of global condominium with Moscow have used the myth of the "unthinkable" to base Western doctrine on "deterrence" and "crisis management," and to throw large masses of the Western populations into a deep pit of cultural pessi-

mism respecting the need to retreat before Moscow's strategic demands. The Pugwash Conference was a pack of traitors, in fact. There is no cheaper victory, than that won against even a physically superior adversary by destroying his political will to defend himself.

If we outlaw strategic ballistic missile defense, as the Pugwash back-channels induced the U.S. to do so, then, of course, general war using rocket-borne nuclear weapons is only less horrible for the undefended power than the fanatical pacifists tell us it is. If, as Marshal V.D. Sokolovsky wrote in 1963, new technologies are deployed to eliminate a critical margin of the adversary's nuclear-tipped rocket assault, for the power so equipped, nuclear war is no longer "unthinkable." The feasibility of launched general war, with the commitment to winning it decisively, exists as soon as a major power adopts and deploys active defense suited to achieving elimination of a properly defined "critical margin" of nuclear firepower.

There are three leading features to active strategic defense policy today:

1) It is a general principle, that whichever power secures more effective mastery of the full range of the electromagnetic spectrum, including non-linear pulse-effects, dominates this planet more effectively than it was ever formerly dreamed that massed artillery fire could reshape the battlefield.

2) The firepower and mobility of strategic ballistic missile defense systems based on high-powered lasers and more advanced electromagnetic weaponry, is, per unit of effort and cost, several orders of magnitude superior to the rocket-power of the nuclear-tipped assault.

3) It is feasible, using deeply deployed Soviet *spetsnaz* troops of proper training and equipment, to conduct a first-strike against the approximately 250 strategic military and logistical targets in Western Europe without the firing of a single Soviet missile. It is technically feasible, to accomplish similar effects against the second echelon of Soviet forces.

Pre-infiltrated Soviet *spetsnaz*, equipped with compact "nuclear land-mines," a repertoire of chemical-biological capabilities, and electromagnetic anti-personnel weapons, are implicitly capable of conducting, by covert deployments, a 250-target first-strike assault against Western Europe without requiring a single Soviet missile to strike any among those targets.

More broadly, a relatively small number of *spetsnaz* brigades, in addition to pre-infiltrated *spetsnaz*, can be pinpointed into the second echelon of the NATO defending forces during hours preceding the general assault, and can be the critical margin to ensure that NATO defenses are not mobilized effectively at the moment of the assault or during a number of hours following. This requires, on the Soviet side, a change in the Soviet order of battle, and the proper training and high-technology equipping of the *spetsnaz* and supporting echelons of regular airborne units.



*The dome of Florence Cathedral, 1420-36, by Brunelleschi.
"History shows, that wherever the emphasis is upon the fostering
of the developing of the creative-mental powers of the individual
mind, . . . we need not fear we might lack technological
progress."*

Such a reshaping of Soviet forces was to have been more or less completed by approximately 1988, including the deployment of Soviet strategic ballistic missile defenses. Partly because of the unexpected death of Andropov, and the Chernenko interregnum, two years or more were lost from the Soviet scheduled buildup, to the effect that the scheduled date is now estimated between 1990 and 1992.

By inducing the West to disarm politically and otherwise, the Soviet military buildup according to the Ogarkov Plan was to achieved a net condition of effective war-winning superiority of Soviet over disarrayed and demoralized Western forces. This capability was either to be used for launching a first-strike attack, to cover a Soviet overrunning of Western Europe within approximately 72 hours, or the threat that such a capability existed, and could be used, was to induce the West to submit by other Soviet means.

In principle, this war-plan is not a new one. It is the old Soviet Tukhachevsky European Plan of the Offensive technologically updated and extended to global application. It is the combination of People's War and military *blitzkrieg* seen in the old Tukhachevsky Plan, adapted to a modern environment.

This Soviet buildup is being accomplished at a terrible price to their system.

Throughout the postwar period, the functioning of the U.S.S.R.'s economy has depended absolutely upon a critical margin of looting of the wealth of occupied Eastern Europe. Soviet military expenditures, including those for Admiral Gorchkov's fleet, were increased to no less than 17% above official Western estimates, already during the Carter administration period. Beginning 1982, the rate of Soviet military expenditures, in real, physical terms, was accelerated to much higher percentiles of total Soviet and East bloc physical expenditure.

What was done in both Eastern Europe and the Soviet economy itself, to support this buildup, was what Soviet economist Evgenii Preobrazhensky, during the 1920s, defined as "socialist primitive accumulation." Except for the machine-tool sectors of East Germany and the Bohemian region of Czechoslovakia, Eastern Europe was looted to the degree that the affected economies reached the threshold of a downward, physical breakdown spiral during 1988.

This reporter had predicted such a 1988 downward-turning point in the Soviet sector's economy during early 1985. This forecast was based upon knowing the physical-economic half-life of vital Soviet capital investments in agriculture, industry, and basic economic infrastructure. The use of extreme measures of "socialist primitive accumulation" for such military mobilization, meant that at the end of an approximately five-year half-life cycle, beginning with the Andropov mobilization of late 1982, the Soviet and East bloc economies must have reached a point of singularity in the physical-economic process, with precisely the results seen in those sectors during 1985.

As a result, the Soviet bloc economy as a whole has now entered into a spiral of physical-economic collapse, a collapse which is irreversible as long as the Andropov-Ogarkov plan for world conquest persists.

Mainland China compared

A parallel state of affairs is appearing on the China mainland, and is spreading into Vietnam, for example.

In the case of mainland China, the included problem is the resistance to the development of China's basic economic infrastructure in depth. In the past ten years, the conditions of life in rural China generally have fallen behind rural conditions in the poorer regions of India.

By 1986, Japan's representatives engaged in heated debates with representatives of the Beijing government over this issue of basic economic infrastructure. Japanese representatives rightly observed, that without development of basic economic infrastructure in depth, foreign industrial technology supplied to Beijing would not realize scheduled objectives.

To a physical economist, the relevant calculations are elementary. It is a matter of correlating the occupational division of labor within the mainland's population of family households, with both land use and energy per capita unit of population-density for each class of land-use (agriculture,

industry, and so forth). Good rough estimates can be made by measuring energy-density per per-capita unit of population-density in kilowatt-hours per year. These correlations are compared with yields of physical product, measured in standard per capita "market-baskets" of producers' and households' goods.

Given the approximately 1 billion population of mainland China, a small percentile of the total labor force employed in urban industrial and related occupations is a very large urban labor force relative to any nation of Europe. Wishful thinkers among Westerners drooling over prospects of economic concessions in the "many Hong Kongs" of the mainland coast and, prospectively, Hainan, see only what they wish to see, "many Hong Kongs"; they do not see that the small percentile of the industrial ration of the labor force, averaged with the pitifully low per capita output of the rural population, and the growing mass of an army of permanently unemployed, means a mainland China sliding into the pit of economic crisis.

As the Republic of China's experience has demonstrated, the use of the kinds of "protectionist" measures specified by such American System economists as Treasury Secretary Alexander Hamilton, Friedrich List, and the two Careys, for agrarian reforms, combined with a state emphasis upon building up basic economic infrastructure, is the foundation of prosperous growth in the urban sector. If we could apply this lesson to the entirety of mainland China, we can define rather readily the massive infrastructural development projects in water-management, mass transport, and energy production and distribution needed to effect a significant growth of productivity in the rural sector, and to provide also the indispensable base for successful development of urban economy.

A study of the physical-economic geography of mainland China as a whole, with a view to emphasizing a critical lack of sufficient density of modern basic economic infrastructure per square kilometer of territory, and per per-capita unit of population-density by economic class of land-use, shows us immediately the general, and catastrophic nature of the economic problems of mainland China as a whole.

Here, we have touched upon one of the two principal reasons, that as economies, Communist systems do not work. The first of those two reasons, emphasized for the case of China, is the role of development of basic economic infrastructure in overcoming otherwise narrow, and tight constraints for general increase of productive powers of labor in the society as a whole.

A kindred problem arises in India. The Indian bureaucracy, which controlled the subcontinent during the period of the Moguls, and under the British, has continued to be the center of government power in India under post-colonial government. This bureaucracy ensures that fixed percentiles of development funds are used to allot development funds to pre-existing categories of application of funds, to such effect that no matter how much the development budget is expanded in total amount, no percentile of significance is allowed for

urgently needed water-management, rail rehabilitation, and energy programs.

Formally, this India bureaucracy is not Communist, although the Soviet influence through Evgenii Primakov's Oriental Institute agents, as well as the various Communist political organizations, and the Bertrand Russell-style Fabians are effectively Communist forces by tests of practice. The bureaucracy's mentality has a marked kinship in philosophy of social and economic practice, to the Soviet bureaucracy and that of Beijing.

The second crucial factor causing the axiomatic tendency for failure of Communist economies, is the collectivist mentality.

In part, this collectivist mentality prevents the healthy development of those usually small-scale machine-tool shops which are the transmission belt by which technological progress is delivered to larger-scale industries. This is an important secondary result of collectivism, but it is not the most fundamental one.

From the standpoint of Leibniz's economic science, the science of physical-economy, the fundamental functional difference between man and beasts is man's manifest capacity for the increase of the productive powers of labor through efficient generation and assimilation of scientific and technological progress.

In the hypothetical "primitive hunting-and-gathering society," an average of approximately ten square kilometers of Cenozoic wilderness land-area were required to sustain an average life in miserable conditions, with very low life expectancies. That would place a ceiling on the planet's human population at approximately 10 million miserable persons.

Today, this planet sustains 5 billion persons, most badly sustained; however, with full-scale use of technologies already available in industrialized nations at the beginning of the 1970s, we could sustain a world population of between 15 and 25 billion at a European standard of living, including 2 billion or more in mainland China. That represents more than 1,000 times the population-density for "primitive hunting-and-gathering" modes of existence.

Under healthy economic conditions, scientific and technological progress already under way, by two generations ahead, will tend to write terawatts where we write gigawatts today. This increase in energy-density and energy-flux density, together with related advances in technology as such, means an increase of mankind's potential population-density by approximately a factor of ten relative to today's.

No animal could effect willful modifications of its behavior to the effect of doubling its species' potential population-density.

Thus, the functional difference between man and beast is centered in the development of the individual person's creative powers of reasoning, as these powers may be typified by valid fundamental discoveries in physical science. It is the generation and assimilation of those ideas which are the fruit of creative reason, rather than mere logic, which is the motor

of technological progress. Technological progress is the motor of increase of a society's potential population-density. In all of this, the generation and transmission of the ideas which are technological progress, it is the creative powers of the individual mind, and nothing but the individual mind, which are the means by which human development is accomplished.

For this reason, Communist societies, like the most oppressive forms of so-called "traditionalist society," are axiomatically economic failures. Not accidentally, in the portion of the Soviet Union with the highest incomes, and the greatest political privileges, Moscow, each year, there are more abortions than births.

It might be observed, that in these respects, Communist nations impose upon their populations conditions resembling the economic and related cruelties which we associate rightly with nineteenth-century colonialism. Communism in Russia was imbued with the ideas of a worldwide empire, of many subject nations and peoples, under the rule of a Moscow master-race. Among the rulers of Communist Beijing, and in the role of Beijing in Pol Pot's massive genocide against the Cambodians, we see what might be thought a natural tendency of Communist Beijing to converge upon a Communist's parody of Middle Kingdom policies.

Collectivism, by rejecting the sameness of all human beings before the Creator, a sameness of all nations and so-called races in the potential creative powers of the newborn individual, is inherently a racist society, which like the Soviet Russians, believes that differences between national cultures are matters of racial and kindred distinction. So, all imperialist powers, by seeking to justify the assumption that some peoples are racially superior to others, denies that which makes all persons equal in their natural individual human rights, the creative powers of reasoning, which are a potential to be developed in every newborn child.

In the practice of moral nations and moral political forces, the progress of society, as far as we can trace the history of civilization, back to the fertile region of Central Asia during the millennia before 4000 B.C., is associated with two leading results.

On the one side, there is technological progress. This includes the development of science, as typified by the existence of an excellent solar astronomical calendar based on the very long equinoctial cycle, in Central Asia before 4000 B.C. There is the development of spoken language as an instrument of more refined reasoning and communication of reason among persons. There is, associated with the development of science and literate forms of language, the development of classical poetry, and the development of classical music on the basis of polyphonic singing of classical poetry.

Parallel to this, but also caused by this, there are advances in the technology of production, by means of which the average physical income and life expectancies are increased, at least potentially, and the amount of land-area required to

sustain an average individual human life with improved incomes is also increased potentially.

The question is posed to the science of physical economy: Does the development of the creative powers of the individual mind exist, to make possible technological progress and its benefits; or, is it not the purpose of technological progress to foster the development of the creative powers of the individual mind? History shows, that wherever the emphasis is upon the fostering of the development of the creative-mental powers of the individual mind, and also fostering the opportunity for the individual's use of those developed powers, we need not fear we might lack technological progress. The true purpose of the good society is the development of those powers to do good, which are the creative-mental potential setting all individuals, of all mankind, apart from, and above the beasts.

On this account, Communist society has features in common with the most backward of primitive and barbaric societies. Even when it professes to promote scientific and related progress, its intrinsically racist characteristic rejects the idea that the quality which sets persons apart from the beasts as human, is the essence of human nature, and of human needs. In Russia, the social base for the Bolshevik party was the *raskolniki*, the most fanatically backward layer of the Slavic populations of Czarist Russia. There, as elsewhere, Communism bases its mass appeal on the bestiality of man's ideas about man, which is endemic among the most backward peoples.

Communism resembles barbarism on these accounts, because Communism is a parody of barbarism.

On this account, those Western liberal-financier interests which are associated with eighteenth- and nineteenth-century colonialism, and whose wealth flows largely from original fortunes accumulated in the East India Company's China opium trade, such as the circles of Lord Palmerston in Britain, have the greatest affinities for creating an East-West power-sharing agreement with Moscow as a basis for their dream of a world-federalist, global condominium, in which the sovereignty of nation-state republics is outlawed.

The convergence of such liberal-financier interests with Moscow, in common promotion of so-called neo-malthusian ideas, is typical of the mutual ideological complementarities between the old opium-trafficking colonialists' descendants, and the Communist regimes.

So, as Soviet economist Evgenii Preobrazhensky wrote with such insight, back during the 1920s, Bolshevik economy is based upon the practice of "socialist primitive accumulation," the looting of production to the advantage of the Communist state's increase of its physical power. All Communist states, as soon as they begin to consolidate their rule, adopt policies like those which Preobrazhensky identified as "primitive socialist accumulation."

This policy of "primitive socialist accumulation," and its correlatives and effects, is the premise for the effective con-

duct of People's War against internally rotting Communist states.

The Communist society denies its subject individuals the natural rights of each and every human being. It denies those qualities of the individual which set mankind apart from and above the beasts. By failing to promote the individual's effective role in scientific and technological progress, and by the practices of "socialist primitive accumulation," Communist society creates, over a span of two or three generations, the kind of economic instabilities which energize more and more of the population to hate the regime more or less as much as they fear it.

The tasks of the worldwide anti-Bolshevik resistance are manifold. However, among these manifold tasks, one fundamental task is the most essential one.

For what cause will a man or woman lay down his or her life, that the hundreds of billions of persons in generations to follow might be free? Much more than the soldier in regular warfare, the individual resistance-fighter, who lacks the psychological benefits of being a member of a regular armed force, who is a vulnerable isolated figure of total war, must look deeply inside himself, to discover there something so precious to him, that he will gladly sacrifice his life for that cause.

In every person, potentially, that great source of moral strength is to be found. This strength is of a twofold nature. Most immediately, it is the quality which sets every individual of mankind apart from and above the beasts, that development and exercise of the powers of creative reason which is the right name for the term "individual freedom." At the same time, each individual has a second fundamental idea which is potentially a great source of his courage as a fighter. He knows that the individual life is brief, and that the important thing to be obtained from the opportunity to live a mortal life is the good which that life may transmit to the advantage of present and future generations.

So, as a parent lays down his or her life for the sake of children and grandchildren, the highest cause is to defend the principle of individual creative personality for the benefit of the hundreds of billions of human beings whose future lives we fight to secure.

It is on this level of insight into oneself, that the true resistance fighter finds the source of moral strength to do what must be done in the total war facing us all today.

The global aspect

This spiral of economic breakdown within the leading Communist nations coincides with, and interacts with a general economic breakdown now occurring in most nations of the non-Communist world, and within the non-Communist world taken as a whole.

The chief cause for the present breakdown in the non-Communist economies generally, is the combination of three policies which have taken control of the policy-shaping of

Western Europe and North America over the recent twenty-five years, the recent twenty years most emphatically. These three factors are the combination of skyrocketing rates of financial usury with "post-industrial" utopianism and the spread of the anti-Judeo-Christian, radical counterculture.

While financial aggregates in the hands of a diminishing number of financial interests increase astronomically, the physical basis for economy has been collapsed. Agriculture, industry, and basic economic infrastructure, are in a state of collapse throughout Western Europe, North America, and most developing nations. In real terms, as measured by the physical content of a standard market-basket of producers' and households' goods, the physical productivity of the populations of Western Europe, North America, and the developing sector as a whole, has been collapsing.

In other words, the potential population-density of this planet, under present economic and related policies, has now fallen significantly below the level of 5 billion living persons. Under the financial, fiscal and economic policies which continue to prevail in North America, Western Europe, and supranational monetary agencies today, this collapse would accelerate over the two and more years ahead.

On the surface, what threatens us is a worldwide financial crash, or series of such financial crashes, continuing that of October 1987, which now threatens to plunge the world as a whole into a worldwide economic depression far worse than that of the 1930s. In reality, the danger is much worse. What looms before us, is the plunge of this entire planet into a New Dark Age. It is a New Dark Age in the sense of the collapse of Europe during the fourteenth century. It is much worse than that Europe experienced then, and this time on a global scale, rather than a regional disaster.

So, in every nation throughout the world, what is at stake in the fight of the worldwide anti-Bolshevik resistance movement, is the rescue of all mankind from the immediate threat of the worst global disaster in the known history of the human species. The defeat of Communist imperialism and subversion, is an indispensable, crucial element of this total war we must wage. Nonetheless, for reasons to be made clear on the basis of the following evidence, the fight against Communism can not be won, unless we destroy those policies which are Communism's allies in the West, the policies of unchecked usury, "post-industrial" utopianism, and the radical counterculture.

On a global scale, and in every small corner of individual life throughout this planet, we face three sets of leading adversaries. The first, is Communist imperialism and subversion as such. The second is represented by those in the West whose zeal for global power-sharing with Moscow impels them, whether they are fully witting of this or not, to adopt policies which, in fact, are treasonous aid and comfort to the Communist cause. The third is represented by those who perpetrate the three wicked policies which we have just introduced to this report: rampant usury, "post-industrial"

utopianism, and the radical counterculture.

Of these three adversaries of civilization, the following must first be said. The third adversary overlaps the second, and is supported by the Communists as the best weapon of subversion for destroying the West from within. It must also be said, in the second instance, that all three policies have the same mother. So, if we understand the connections among these three adversaries, each of the three adversaries is but a different mask worn by the same, single, common adversary. Once we understand these connections, and understand the historical setting in which they presently confront us, we understand more clearly who we must fight, why we must fight at all costs, and how we must fight that adversary.

The looming disaster, this onrush of a New Dark Age, is not unintentional. During the last quarter of the nineteenth century, there arose an avowedly satanic movement, centered around the writings and other influence of such figures as Oxford University's John Ruskin, Fyodor Dostoevsky, Friedrich Nietzsche, Aleister Crowley, and Bertrand Russell. Dostoevsky, Nietzsche, and Crowley, were explicitly committed, as Nietzsche emphasized so famously, to unleashing the Anti-Christ against Western European civilization and its influence.

This was not merely the work of some morally degenerate individuals. These ideologues were the creatures of a faction in Europe's life which had been known as the "Venetian party" during the early eighteenth century, and were also the forces behind the creation of that Holy Alliance which established the Russian Empire as "the policeman of Europe," from 1815 through 1849. In the English-speaking world, these were the same forces associated with the colonialism and opium-trading of the Anglo-Dutch East India Company during the eighteenth and nineteenth centuries. The center of radiation of the power of this faction was the collection of *fondi* associated with the great reinsurance financial cartels of Venice.

During the second half of the nineteenth century, this faction which had been known as the "Venetian party" during such periods as the early eighteenth century, unleashed three movements to the purpose of destroying the institutions, and even the memory of Western European Christian civilization from this planet.

The first, and primary movement was the theosophical movement associated with John Ruskin and Aleister Crowley in the English-speaking world. This was an occultist movement based explicitly on gnostic and overt forms of Satan-worship. This satanist movement is that described by such as Nietzsche and Crowley as the "Age of Aquarius" movement. This movement, whose occultism impelled it to use astrological symbolisms to express its dogmas, stated that its purpose was to end "the Age of Pisces," which it associated with the images of Socrates and Jesus Christ, and to bring the planet under the rule of "the Age of Aquarius." The "Age of Aquarius" signified the Age of the Anti-Christ. For Nietzsche,

the preferred name of the Anti-Christ was "Dionysos." For Crowley, the preferred name of the Anti-Christ was "Lucifer."

This satanic movement was the mother of two radical political movements, the one Communism, and the other fascism. During the 1930s, Benito Mussolini once identified Bolshevism and fascism as the twins of the twentieth century, and claimed that the Romulus, fascism, had triumphed in its competition with the Remus, Communism. By the close of World War II, it was Remus, Bolshevism, who emerged as

So, Communism is the enemy, and yet is not the real enemy. If an enemy sends an assassin to destroy our home and family, that assassin becomes also the immediate enemy we must fight, even though the assassin is not our ultimate enemy.

victor in the sibling rivalry between these two children of Satan.

So, Communism is the enemy, and yet is not the real enemy. If an enemy sends an assassin to destroy our home and family, that assassin becomes also the immediate enemy we must fight, even though the assassin is not our ultimate enemy. The ultimate enemy is the force which sends such assassins of nations as Communism, fascism, the World Council of Churches, the circles of former U.S. Attorney General Ramsey Clark, the Socialist International, and so the list goes on.

In Central and South America, for example, where Communist insurgency appears in the forms of narco-terrorism, such as the Sendero Luminoso of Peru, or the Communists and other narco-terrorists of Colombia, the Socialist International and its arm, the ICFTU, are, day to day, the comrades in arms of the Soviet Andean Spine project. Often, the organization built up inside the U.S. trade union movement and the U.S. intelligence community by "former" Cheka agent Jay Lovestone and circles, supplies political protection to both Soviet and other narco-terrorist factions. "Project Democracy," which President Reagan, and many in the U.S. Congress were duped into supporting and adopting, is a vehicle for projects which do nothing but support Soviet subversion efforts in various parts of the world.

It is possible to show close, direct cooperation between such agencies as the World Council of Churches and Mos-

cow. The ecumenical agreements reached recently between the Soviet Cheka's Russian Orthodox Church and the leadership of the Church of Scotland, is merely one example of the connections.

The same can be said of former U.S. Attorney General Ramsey Clark and his pro-Soviet International Association of Democratic Lawyers. The international federations of the West German Green Party, with which Ramsey Clark is directly allied, are another example of organizations which were created, and to a significant degree controlled by Moscow, and by arms of the Soviet Cheka such as the West Germany-based VVN. The international "human rights lobby," including France's Cheka asset Jacques Vergès, is another such example.

Some of these are directly controlled assets of the Soviet Cheka or military intelligence, or of the special intelligence unit associated with the Secretariat of the Soviet Central Committee. Some are only partly controlled by Moscow; in many cases, it is only an influential segment of the leadership of these associations which uses the other members of such associations as mere dupes. Essentially, the relationship of these networks based outside Communist territory, to Moscow itself, is of the nature of a joint-stock ownership. Moscow controls these jointly with complicit elements of the liberal-financier establishment in the West.

This is not a new type of arrangement.

The 1905 and 1917 Revolutions in Russia were controlled jointly by certain elements inside Russia, and by powerful agencies outside. Inside Russia, the sundry radical movements of the 1882-1917 period were created by, and controlled by the Czarist regimes secret political police, the Okhrana. The Okhrana, in turn, was controlled by the most powerful aristocratic landowners of Russia, such as the powerful Vorontsov family, families which hated the memory of Czar Peter the Great and the Westernizing reforms of social life, economy, and religion, which Peter instituted. They were determined to destroy the form of state established by Peter, and worked with powerful forces in Venice and elsewhere, to organize the assassinations and revolutions by which the Romanov dynasty might be overthrown.

The mass-based social force which these revolutionary Russian aristocrats used to create the revolutionary forces, were the same dissident religious movement, called the *Raskolniki*, which had been the force commanded by the eighteenth-century insurgent Pugachov. As Lenin himself admitted, the Revolution of 1917 was largely a *Raskolniki* insurgency in the footsteps of the Pugachov revolt.

The only complicating feature of the Bolshevik Revolution, was that it was created by a Venetian agent, the famous Alexander Helphand, also known as Parvus, who operated with funding and other backing from the German Kaiser's military intelligence services. The British military intelligence services, and the circles associated with President Theodore Roosevelt inside the United States, which were

also leading accomplices in arranging the 1917 Revolution, had a different choice of revolutionary assets, centered around forces such as the dupe Kerensky.

However, as Germany was defeated in World War I, the Anglo-American supporters of the 1917 Revolution soon reconciled themselves to the victory of the Bolshevik horse from the Okhrana's stable. These powerful Western financiers split the Social Democracies of the non-Communist nations, and fused the so-called leftist split-wing of the Social Democracy with anarchist and anarcho-syndicalist elements, to create the member parties of the Communist International. So, over the period until 1927, the Communist International was a joint-stock company of Moscow and these powerful Western financier interests.

So, when the break between Moscow and these Western financier elements occurred, beginning 1927, the Comintern factions largely controlled by the Western financier interests emerged as the smaller Trotskyist Left Opposition, and the larger Bukharin-Brandler-Lovestone Right Opposition.

The period of the Soviet New Economic Policy, from 1922 until 1927, has many similarities to the Western factional support for Mikhail Sergeivitch Gorbachov today. The Western financiers view Gorbachov as almost a reincarnation of their former asset, Bukharin, and seek to establish economic concessions and global power-sharing arrangements of the sort reached with Bukharin's Soviet dictatorship of the NEP period.

During the period until near the close of 1927, this arrangement between the Western financier joint owners of the Comintern and Moscow, was known as the "Anglo-Soviet Trust." The powerful faction in the West which is pushing for "New Yalta" forms of global power-sharing arrangements with the circles of Andropov and Ogarkov today, is composed chiefly of financier interests which were part of the old "Anglo-Soviet Trust" during the period 1918-1927. The return of anti-Stalinist Trotskyist and Lovestonite elements to cooperation with Moscow today, reflects the new joint-stock arrangements reached, beginning 1955, between Moscow and these Western financial potencies formerly associated with the Trust.

This same kind of arrangement is key to the role of institutions such as the World Council of Churches and Socialist International today. Some are purely Soviet assets; most are Soviet accomplices under the terms of a joint-stock arrangement, like that governing the pre-1928 Comintern.

Thus, most of the best-informed anti-Bolshevik fighters throughout the world have often described the highly placed Western accomplices of Moscow as "Communists in deed," or have simply called these Communist fellow-travelers "Communists" in the same sense as members of Communist parties. Since the joint-stock arrangement places the Western financiers involved in the position of being promoters of Communist interest, it is not unjust, and somewhat useful to lump both sets of members of the joint-stock company under

the single name of "Communists." Since, to defend ourselves from the scourge of Communism, we must fight both, it is proper and necessary to view both as wearing the same enemy's uniform.

However, from the standpoint of the strategy and tactics of that form of total war called People's War, it is of great practical importance to a fighting worldwide anti-Bolshevik resistance, that we also take into account the important distinctions among the various members of this joint-stock arrangement.

For example, one of the most powerful figures inside the U.S. intelligence community today is a longtime accomplice of Comintern Right Oppositionist Jay Lovestone, Leo Cherne. Cherne was formerly associated with the late CIA director William Casey, is linked to the bankers' circles of John Cini Train and Richard Mellon Scaife, with close ties to former Trotskyist Albert Wohlstetter, was formerly an official of the President's Foreign Intelligence Advisory Board, and has been a de facto coordinator of President Reagan's Foreign Intelligence Advisory Board. Effectively, Cherne, like Deputy Assistant U.S. Attorney General Mark Richard, is a witting agent of Soviet influence highly placed within the U.S. government and intelligence community.

A section of the U.S. Catholic hierarchy is also a witting accomplice of Soviet interests. This faction is centered in the American Catholic Bishops' Conference, and includes Philadelphia-based Cardinal Krol, and interests such as former CIA director William Colby, General Rowny, and others. Krol is nominally an American Catholic priest of Polish extraction, and is a key figure in the Catholic Church's policies toward Poland today. Yet, at the same time, he works openly and closely with Quaker and Jewish accomplices of Soviet interests, and is the titular leader of the Vatican adversaries of Cardinal Ratzinger and Pope John Paul II, and, to this reporter's somewhat detailed knowledge, works closely with leading circles of today's reactivated "Trust" inside the U.S.A.

The fact which the worldwide anti-Bolshevist resistance must understand, if it is to do its work effectively, is that although Communism as such is the chief strategic assassin sent against us, in the deeper and higher scheme of things, Communism is merely one of the instruments of policy sent against us by those who are partners of Moscow in a Trust-like joint-stock company arrangement. It is the policies and intentions of those Western financier elements which must be understood if we are to aim our efforts efficiently at victory.

It is for such reasons that the earlier international anti-Communist effort, such as that of the World Anti-Communist League (WACL) failed. It was not wrong, that WACL drew such a varied assortment of forces into its cause. The problem was, that WACL's leadership became so fascinated with building up its "united front" in this way, that, for the sake of that "united front," it traded away elements of policy which were absolutely crucial in determining the success or defeat

of that movement. It sought to represent the allies of Soviet interests as controlled by Communism, when, in fact, it was Western financier interests which had created and used Communism as a banker might hire and deploy a pack of assassins.

The issue is not simply that some powerful bankers, such as the Warburgs, have funded Bolshevik causes, such as L.D. Trotsky. That is too simple. It should be obvious that they did not become joint-stock partners with Bolshevism because bankers are inherently pro-Communists. They did so, because they were something other than typical, powerful bankers.

The Warburgs, for example, are a Venetian banking house which moved to Northern Europe, and North America, and changed its name in the manner immigrants often do. It was part of that special collection of powerful financier families which represented what had been termed the "Venetian party" during the early eighteenth century.

This is the same "Venetian party," then known as the Lombard bankers, whose usury and subversive operations plunged Europe into the New Dark Age of the fourteenth century. This is the party which the Americans fought in the 1775-1783 War of Independence, and which has worked to subvert and destroy the United States ever since. This is the force, represented by the Venetian Count, John Capodistria, which Venice appointed as Czar Alexander I's foreign plenipotentiary, and who ran that 1815 Congress of Vienna which established the Muscovite hordes of Alexander I and Nicholas I as the "policeman of Europe" through Kossuth's Hungarian uprising, through 1849.

These fellows view Bolshevik Russia as an instrument by which to eradicate from this planet, those ideas and institutions associated with the influence of St. Augustine, of Charlemagne, and of the A.D. 1439 Council of Florence. Their objectives, for which they have chosen Communism as a preferred instrument of policy, include the destruction of the following features of the traditions of St. Augustine and the Council of Florence in Western European civilization:

- 1) The institution of the sovereign nation-state republic, as typified by the constitutional form of federal republic established by Benjamin Franklin, George Washington, et al. in the United States.

- 2) The policy of fostering technological progress and development of basic economic infrastructure, as the means for promoting the increase of the average productive powers of labor.

- 3) The principle, affirmed by the 1776 U.S. Declaration of Independence, that the affairs of mankind are properly ordered by a body of natural law higher than that positive law adopted by any state, or any law dictated by any ephemeral majorities of capricious popular opinion. For example, the principle that any peoples and individual persons are endowed by the Creator with certain natural rights, and that such natural law is intelligible to rational men and women.

The mentality which these enemies of modern civilization continue, is that of the ancient empires of Mesopotamia, and of the establishment of such Mesopotamian forms of imperialism as the model for the empire of Rome's Augustus Caesar.

From the time of the ministry of Jesus Christ, the progress of Western European Christian civilization was based upon resistance to the evil Mesopotamian culture represented by the empire of Augustus and Tiberius. That was the issue in the conflicts between the Christians and the Emperor Constantine at the Council of Nicea. This was the issue between the Augustinian West of Charlemagne and the Second Roman Empire of Byzantium until the ecumenical agreements reached at the 1439 Council of Florence. The characteristic feature of the Venetian party, during the eighteenth century, was the revival of the traditions of Roman Law against Christian law.

In the eighteenth- and nineteenth-century history of Britain and France, the emergence of the notion of empire was premised explicitly, as in the case of the Code of Napoleon Bonaparte, upon the revival of Roman Law as the model to replace Christian law. The idea of establishing empires like those of ancient Mesopotamia and Rome, was shaped by studies, such as those of Montesquieu, which argued for the replacement of Christian law by the Roman model.

The idea of making Moscow the eternal capital of a new worldwide Roman Empire, which has been Muscovite policy officially since A.D. 1510, and since the reign of the self-appointed Caesar, Czar Ivan Grozny, was adopted by the nineteenth-century Venetian party in the West, as a suitable choice of instrument for eradicating the institutions of the Council of Florence from this planet.

From such sources of evil as today's Cini Foundation based at Venice's San Giorgio Maggiore, there is a continuing war against Western European culture, and against anything which resembles its secular institutions in the portions of the world which are nominally non-Christian. The leading expression of this, as directed from San Giorgio Maggiore's Cini Foundation today, is the radical rock-drug-sex counterculture.

Communism is but a political movement of subversion and conquest, like fascism; these were both created as but an instrument of the forces behind today's radical counterculture. That radical counterculture was conceived, designed and steered by circles which based this dogma upon an elaboration of the particular form of a doctrine of the Anti-Christ as seen from the writings of John Ruskin, the theosophists generally, Fyodor Dostoevsky, Bolshevik cultural high priest Maxim Gorky, and Aleister Crowley.

From the late nineteenth century, into the early twentieth century, the ideological center of the avowedly satanist leadership of today's radical rock-drug-sex counterculture was the Isle of Capri. This island had been the place where the agreements were reached between Augustus Caesar and the

Syrian priests of the Cult of Mithra, known as the Magi. This island had been made the hereditary property of the Roman emperors, and was the location from which the Emperor Tiberius had ordered the trial and crucifixion of Jesus Christ. It was the Cult of Mithra which created the doctrine of the Anti-Christ, and the offshoot of that doctrine known as Gnosticism.

At Capri, Maxim Gorky trained the leaders of the future Bolshevik state in the doctrine of the Anti-Christ, and laid down the principles of cultural warfare against the West which Communism has followed to the present day. Here, Hermann Göring appeared, attempting to buy the site of Tiberius's palace, arguing that Adolf Hitler was the reincarnation of Tiberius and the living incarnation of the Anti-Christ. This island and the cult of Tiberius were the cynosure of the Aleister Crowley who created that radical rock-drug-sex counterculture which has ruined the United States and Western Europe from within over the course of the postwar period to date.

This radical counterculture is the official cultural dogma of the Soviet appeasers controlling the U.S. Democratic Party's leadership since 1972. This same radical counterculture is the dogma of the so-called libertarian faction of the Republican Party. This is a doctrine which is supported by the liberal-financier establishment of North America and Western Europe. This radical counterculture, the mask of the Phrygian Satan, Dionysos, is the true face of our ultimate enemy. This is the force which has pushed all of humanity, inside and outside the Communist world, to the brink of a global New Dark Age.

As we have noted, there are two dangers immediately before all humanity. The most obvious, immediate danger, is that the self-induced moral and physical weakness of the West might permit Communism to establish a global empire during the years just ahead. The great danger of such Communist victory, is that a world dominated by Moscow, a Moscow using the Western liberal-financier interests as its satrapal agents, is one in which it becomes impossible to avoid a further danger, the danger that nothing will prevent the collapse of the entirety of this planet into a New Dark Age.

That is the deeper significance of the fact, that financial and economic collapse of the West is approaching at approximately the same rate, and with greater maturity of its process of internal political decay, than the internal economic collapse of the Soviet Empire and mainland China.

Yet, despite the top-down political decay of most among our political institutions, in the other institutions of Western Europe, North America, and friendly nations of Asia, Africa, and Central and South America, as well as Australia and New Zealand, we have still living institutions and traditions which are adequate to defeat Communism, and to make those urgent changes in policies, away from the radical counterculture, "post-industrial" utopianism, and rampant usury, by means

of which changes the New Dark Age can be prevented.

Our main adversary is the joint-stock company arrangement between Moscow and those liberal-financier factions which represent the tradition of the pre-1928 Anglo-Soviet Trust. In fighting against that choice of single adversary to be defeated, we must be aware that the radical counterculture is the policy we must eradicate. Victory in cultural warfare against the radical counterculture, is the day-to-day struggle against the essence of that joint-stock company.

Majority rule in Moscow prevails in but one ironical sense, that the number of abortions occurring each year in that city, exceeds the number of human births. This phenomenon is a characteristic feature of the most privileged strata in the capital city of every empire sinking into its ultimate doom.

The key to the decay of the Roman Empire in the West, is the correlation between the notorious Roman orgies of the privileged elite and the collapse of the internal population and physical productivity of the population of Italy. Moral degeneracy rampant in the secular establishment and clergy of Byzantium, was the sign of doom written upon the forehead of the second Empire of Rome. The same Mark of the Beast is written on the forehead of the rulers of the Soviet Empire, and also the jet-set of the rich and celebrated in Western Europe and the United States today.

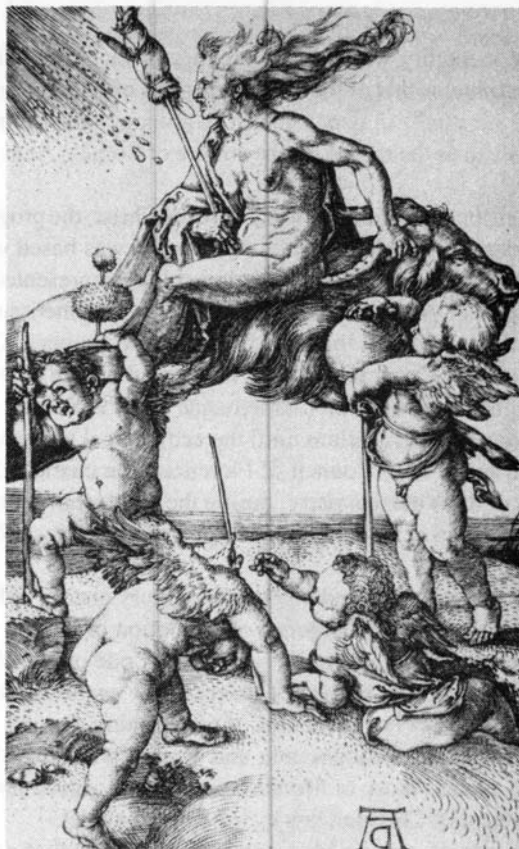
Example: 'the authoritarian personality'

The effort to eliminate this reporter physically from the surface of this planet is led by Soviet appeasers centered around Deputy Assistant Attorney General Mark Richard in the U.S. Department of Justice, in the U.S. liberal news media, in the leadership of the U.S. Democratic Party, and among the libertarian faction of the Republican Party. The explicitly adopted dogma for these legal operations and correlated libels, is the same dogma employed to similar purpose among the Soviet assets and Soviet appeasers in today's Western Europe.

That dogma is known as the "Frankfurt School's" doctrine of "the authoritarian personality."

This doctrine was presented originally by Hungarian Georg Lukacs during the period that veteran of Hungary's Bela Kun Communist dictatorship was still, together with Yuri Andropov's later cosponsor, Eugen Varga, a leading official of the Communist International.

As a student of Max Weber's circles, and a Communist specialist in cultural warfare, Lukacs's function within the intelligence apparatus of the Communist International was to explain the reasons the 1917-1921 attempt to spread Bolshevism throughout Western Europe had failed. Lukacs's work to this effect was his role in shaping the founding of what became known officially as the Frankfurt-based Institute for Social Research, the institution which came to be better known, to the present day, as "the Frankfurt School," one of the leading institutions, over the course of the 1920s and 1930s, into the present day, in serving the cause of Moscow's



An image of witchcraft by Albrecht Dürer. "The pagan dogma of earth-mother, lunar goddess worship, believes the 'soul' of a race is a collective soul, the soul of the earth-mother goddess, flowing from the soil, into the blood of the members of that race."

world conquest.

In a famous address setting down the tasks for which that "Frankfurt School" of Marcuse, Wittvogel, Korsch, Horkheimer, Habermas, and Adorno was created, Lukacs argued that the Bolshevization of the West could not be accomplished until what he termed the "cultural matrix" of Western European Christian civilization had been destroyed. He defined the task, to be that of identifying, and subverting those cultural characteristics of the Western European Christian which represented the "immunological factor" preventing the successful spread of Bolshevism in Western civilization.

Out of this came the Frankfurt School's dogma of "the authoritarian personality."

The development of this dogma was begun before World War I, in the circles of Adam Smith's disciple, Max Weber. The Frankfurt School also drew upon the work of such New Age existentialists as Karl Jaspers, Martin Heidegger, and Martin Buber. The form in which the present version of this "authoritarian personality" dogma came to the surface in 1945, was the lengthy treatises of cultural-warfare specialist Teodoro Adorno and the popularized parody of Adorno's dogma offered by Buber disciple Hannah Arendt.

Presently, this dogma is the philosophical standpoint of a U.S. operation called "Project Democracy." Project De-

mocracy and its philosophical co-thinkers among the Socialist International, the Social Democratic trade union international, the World Council of Churches, and so on, is the faction within the U.S. establishment which is conducting actual or planned destabilizations of various sovereign governments of Central and South America, and of such nations as South Korea, the Republic of China, the Philippines, Burma, Malaysia, Singapore, Thailand, and Indonesia, among other targeted Asian states. Among the cronies of Soviet fellow-traveller and U.S. Rep. Stephen Solarz (D-N.Y.), and among these destabilizers generally, the word "democracy" is used to signify a dogma based upon the Adorno-Arendt version of "the authoritarian personality."

In the modern history of Western European civilization, the forerunners of this "authoritarian personality" dogma are the axiomatic features of the philosophical dogmas associated with the rise of British empiricism and liberalism, as the latter is associated with the work of Francis Bacon, Bacon's secretary and reputed male lover, Thomas Hobbes, Locke, Hume, and the British East India Company's "philosophical radicals" such as Jeremy Bentham, Thomas Malthus, James Mill, John Stuart Mill, John Ruskin, the theosophists, and Bertrand Russell.

St. Augustine, Thomas Aquinas, Nicolaus of Cusa, and other leading thinkers of Western Christianity had fought against occult mysticism, by insisting that all of the Creator's Law bearing upon the moral behavior of the individual in society, and of society itself, is intelligible for human reason. ("Mystery," in Christianity, is focused upon the Resurrection of Christ, and is essentially limited to that subject.)

Thus, the characteristic of the superior, matured representative of Western European culture, is the governance of individual behavior by a conscience which is informed of the intelligibility of a body of universal law of higher authority than any constitution or positive law of governments, higher than any merely ephemeral majority of popular opinion for support of some capricious whim of taste. This type of mature personality, is what Adorno and Arendt, among others, define as the "authoritarian personality."

The characteristic opposition to this moral principle of Western European civilization is that of existentialists such as Jaspers, Heidegger, and Buber. These existentialists, and most modern sociology argue for what they identify as "inner personal freedom." That "inner personal freedom" is the same doctrine argued by the irrationalistic hedonist David Hume, and by Hume's disciple Adam Smith, and Smith's disciple, Max Weber.

Smith, in his 1759 *Theory of the Moral Sentiments*, argues that the human individual is obliged to limit his concerns in practice, to "original and immediate instincts. Hunger, thirst, the passion which unites the two sexes, the love of pleasure, and dread of pain, prompt us to apply those means for their own sakes, and without any consideration of their tendency to those beneficent ends which the great Director of nature intended to produce by them." This became, later, the

basis for Smith's famous, irrationalist dogma of "The Invisible Hand."

So, for example, Dr. Sun Yat-sen's famous Three Principles are hostile to British Liberalism, and to the Bolshevik dogma of "the authoritarian personality." For that reason, really consistent British and kindred philosophical liberals who follow Hume, Smith, Bentham, and John Stuart Mill in their outlook on public affairs, are of one mind with the Soviets in their determination to exterminate the influence of Dr. Sun Yat-sen from this planet. That is exemplary of the way Bolshevism, such as that of Georg Lukacs and the "Frankfurt School's" Adorno and Arendt, finds allies among Western liberals in cultural warfare against Western European civilization.

The Three Principles oblige the person and the state to consider the natural rights of the individual as a matter of rational form of intelligible, and moral relationship among persons, and in the relationship between the individual and the society as a whole, including the self-government of that society. These are also the proper principles governing the relations among nations and peoples, as much as they must govern the internal ordering of each society's affairs. We are each and all bound to act only in such ways as are consistent with that principle, as Christian solidarity demands this, too.

In practice, the liberal's, and Frankfurt School's notion of individual "freedom," is a self-contradictory and evil notion.

The characteristic of ancient Mesopotamian society, is a racialist dogma of "blood and soil." For example, the Russian *raskolniki* worship the mythical earth-mother goddess, the "Harappan" *Shakti*, the Chaldean *Ishtar*, the Canaanite *Astarte*, and the Phrygian *Cybele*, in the guise of *Sophia* or *Matushka Rus*, as the pagan goddess *Rodina*. This pagan dogma of earth-mother, lunar goddess worship, believes the "soul" of a race is a collective soul, the soul of the earth-mother goddess, flowing from the soil, into the blood of the members of that race.

Mesopotamian, and Russian forms of imperialism are based upon this racialist dogma. Such dogmas require that races are as distinct culturally as different species, or, at a minimum, varieties of species, among the beasts. The idea of some moral, natural equality among the nationalities is alien to such dogmas. For them, one race must rule, and the others must be subject races, arranged in some hierarchical ordering of relative inferiority and superiority of one race with respect to another.

To us, all persons are equal in natural rights, by virtue of the same potential for creative reason. All peoples need the same rights. For us, the division among nations, into respectively sovereign nation-states, is a necessary precondition of self-government. For, to be self-governing, a people must deliberate its nation's policies by means of a common form of literate use of language, and according to principles of self-government embedded in the use of that literate form of language. As these nations are equal in their right to enjoy

sovereign self-government, they are morally equal within the community of nations in every other respect. The individual nations of this planet are as nation-personalities, which must share the same equality among them otherwise accorded in any good society to the relations among equal persons.

If I am moral, as Friedrich Schiller emphasized this point, I must be both a patriot of my own nation, and also a world-citizen. My nation is the institution through which I make my individual contribution to the well-being of mankind as a whole; that defines for me the true purpose of the existence of my nation. I must act as a patriot in fully efficient consciousness of that purpose of my own nation's existence.

As President Charles de Gaulle sought to re-dedicate a demoralized France of the Fourth Republic, into a moralized Fifth Republic dedicated to France's proper service to the cause of civilization as a whole, each nation must find for itself, in every period, some higher purpose which defines the necessity of the existence of that nation, at that time, in the history of mankind as a whole. To be a patriot-citizen of a nation so dedicated, is a source of great happiness; one knows that one's contribution to one's nation is a contribution to the world-purpose-mission which that nation is serving. Such a patriot of the nation is justly also a proud citizen of all humanity.

Such is the beauty one moral person finds in the soul of every other moral person. Such is the beauty, the true patriot of each nation seeks to discover in the character of every other nation. Such is the love of each moral person for every soul of humanity at large; such is the love each moral patriot of each nation feels toward every other people.

What best binds the individual to the nation, are two obvious things. Immediately, the individual loves his or her nation as that society is committed to serve the natural rights of each person within the society. That society is to the individual as loving parents are to the child. So, the good king was beloved of the people in former times. Also, the patriot admires and loves his or her nation for the good purpose it is serving respecting the condition of humanity as a whole.

Communism, as liberalism carried to racialist, immoral extremes, is incapable of justifying such love of persons toward governments, or of justifying pride in the role of that government among nations. Thus, although there is Communist partnership against civilization by Moscow and Beijing today, there is also hatred between them. So, there is natural enmity among the peoples of the Soviet Empire, for the same reason.

We know very well the nature of the motivation of the Communist movements. It is hatred, it is rage. It is not love of humanity.

This is shown by observing, in relevant regions of West Germany, the television broadcasts of East Germany. This is shown most clearly in what East German television presents as serious drama. The idea of noble passion simulated by the

actors in those performances, is the stereotype of an address by a Robespierre, Danton, or Marat, before the rabble of the left-wing Jacobins of the French Revolutionary parliament, or some street mob. Rage and hatred are what that television mistakes for heroic qualities, the vengeful rage of the down-trodden beast, is held up as the highest emotion. Their dramatic culture is very tiresome, boring and ugly; it reveals the characteristic degradation which Communism has superimposed upon a distorted form of German culture in that unfortunate semi-country.

The beautiful soul of the true martyr is something alien to Communist culture. In Communist drama, one may pity the victim, as one pities the cruelly tortured and slain dog, but there is nothing shown for which it is worthy to weep tears of joy respecting the beautiful soul all humanity has lost in the death of a noble martyr for the cause of humanity. There is not even those tears of joy we may weep over the memory of a loyal dog who faithfully sought to defend us, to maintain our company, or to play joyfully with us as a dog's intelligence permits it to do so.

It is for the beautiful soul existing, or waiting to be awakened within each and all newborn children of humanity, that we must fight a terrible form of total war against our common adversary. It is the evil dogma of the "authoritarian personality," which we must regard as exemplary of that evil we must destroy wherever it arises. We make war for the sake of our love of the Creator and of all humanity.

3. The great works of mankind

Great soldiers, preparing the defenses of their nation, take up the maps, to plan the logistical infrastructure of water-management, transportation, urban centers, and so forth, needed for deployment of forces, and efficient depth of logistical resources, in case of war. This sound military planning follows naturally the basic principles of sound physical economy. Thus, the strength of nations for times of peace, and their capacity of defense for time of war, are two sides of the same coin.

It is the natural function of the military departments of government, to be at the same time an effective combat force, and also a great civil-engineering force of national infrastructural, agricultural, and industrial development. These latter are logistical skills and resources required for time of war, and the proper civil function of military forces during times of peace. If a military force is so occupied, and imbued with a sense of mission and moral principle consistent with Dr. Sun Yat-sen's Three Principles, a nation may trust and admire its military as a patriotic force serving the true interests of the people in every way.

Let us so regard the world as a whole. Wherever there is economic injustice, the natural inclinations and skills of such a patriotic military force are the proper view of an essential

national interest of one's own nation, and of all friendly nations. The dedication of this military viewpoint to fulfilling the common aims of mankind, for our own nation and for other nations, is the road to true peace.

A crucial water-management project here, a transportation project there, a communications grid here, the development of production and distribution of power there, and the development of the proper site of future urban centers here and there, are the indispensable infrastructural development, by aid of which the foundations for prosperity of agriculture and industry are prepared.

The development of the conditions of life of the family household and the individual, require increases in productivity through technological progress. This requires the development of the creative powers of reason, and associated moral qualities of the young individual. This also requires a form of self-government committed to service of these circumstances for the higher level of development of every individual in every nation.

We must base our resistance not only upon that which is good within each of our respective nations, but on a sense of common moral purpose, and a necessary division of labor in service of this common purpose, respecting the improvement of the conditions of life in every nation.

The true purpose of the existence of the United States,

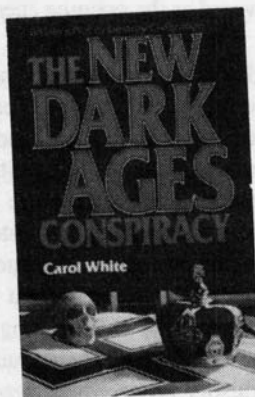
was widely recognized among all informed persons of good will, to be a temple of liberty and beacon of hope for all mankind. This was reaffirmed in an important way by U.S. Secretary of State John Quincy Adams, in his writings on the subject of the U.S. government's unilateral declaration of the 1823 Monroe Doctrine. Secretary Adams emphasized that the United States must affirm a *community of principle* of the United States with the aspirations for sovereignty and development among the new republics of Central and South America. He also emphasized, that the United States must affirm that principle even though it lacked the means to enforce that principle against the combined might of Britain and the Holy Alliance; the United States must be committed to enforce that principle whenever it had the power to do so, as the United States did in expelling the French occupation forces from the Mexico of our ally President Benito Juárez, at the close of the U.S. Civil War.

The idea of community of principle was that affirmed by President Lincoln in his Gettysburg address: that the system of government of the people, by the people, and for the people must not perish from this Earth. The United States will find its path back to greatness by reaffirming those three principles again, today. Those principles are no different than the three principles which must unify our worldwide anti-Bolshevik resistance effort now.

If a black death could spread throughout the world once in every generation, survivors could procreate freely without making the world too full. The state of affairs might be unpleasant, but what of it?

—Bertrand Russell

This evil is from the father of the peace movement—find out what the rest of them think.



The New Dark Ages Conspiracy

by Carol White

Order from: **Ben Franklin Booksellers, Inc.**
27 S. King St. Leesburg, Va. 22075 (703) 777-3661

\$4.95 plus \$1.50 shipping (\$1.50 for each additional book)
Bulk rates available MC, Visa, Diners, Carte Blanche, and American Express accepted.

In Defense Policy
and as a
Military Phenomenon

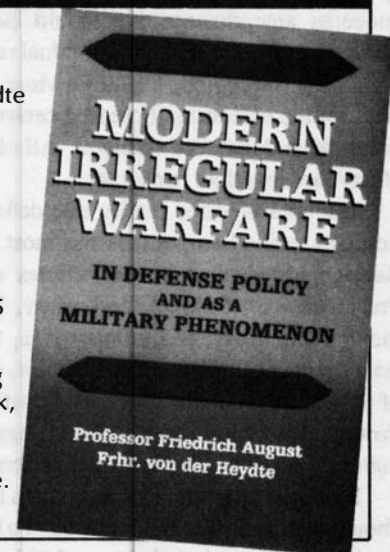
Modern Irregular Warfare

by Professor
Friedrich August
Frhr. von der Heydte

Order from:

Ben Franklin
Booksellers, Inc.
27 South King St.
Leesburg, VA 22075

\$9.95 plus shipping
(\$1.50 for first book,
\$.50 for each
additional book.)
Bulk rates available.



Soviets ratify war powers to Gorbachov in 'reforms'

by Konstantin George and Chris White

On Dec. 1, the U.S.S.R. Supreme Soviet's extraordinary session ratified by, according to Radio Moscow, "an overwhelming vote," a series of amendments to the U.S.S.R. Constitution.

Drafted by the former KGB chief Victor Chebrikov, who now heads a special central committee section on legislative and administrative organs, the reforms, through draft Article 119, give war powers to the new executive body of the Russian state, to deploy armed forces, whether internally or externally, in "defense of the socialist brotherhood."

The coverage in the Western media on this subject has fallen for the noise created by Soviet propaganda, which has spread the line that the supposed "central" issue involved concerns amendments that would increase the powers of Moscow at the expense of individual republics. The Western media then accepted, gullibly, Moscow's propaganda that some of the offending increased centralization passages had either been deleted or changed. All of these nominally true "facts" are less than irrelevant.

The cold-blooded reality that defines the new Constitution just ratified as perhaps the most hideous document in Russian history lies in the Articles which grant the State President, i.e., Mikhail Gorbachov, far greater powers, in the spirit of Russian absolutist rule, than ever enjoyed, at least on paper, by either Josef Stalin, or for that matter, any of the pre-1917 Czars. The new Constitution is in fact a War Powers Act which establishes the legal framework for one-man rule under Gorbachov as a modern-day Stalin.

It is clear why the Western media had to censor the truth about the new Soviet Constitution. To have honestly covered it would have exploded the myth they have created of Gor-

bachov the "liberal reformer," and would have exploded it on the eve of Gorbachov's big December swing West to the U.S. and Britain.

Gorbachov sets the stage

The stage was set for passage of the "reform" package on Nov. 26 in Moscow, when the Presidium of the Supreme Soviet convened in the midst of the latest violent uproar in the Transcaucasian republics and the growing movement for autonomy in the Baltic republics. Gorbachov's Saturday speech, carried over Soviet television, presented the reformer beloved by his Western sycophants, as a snarling, abusive bully of the recalcitrant. According to wire service reports, the same blunt message was delivered as the opening speech to the Supreme Soviet session.

On Saturday, Gorbachov singled out the Estonians, whose Soviet had recently passed a declaration of independence from Moscow. Gorbachov pointed to Aarno Ruutel, head of the Estonian Soviet, to attack vote "illegality."

If reportedly in lower key, the message laid before the Supreme Soviet ought to be more bloodcurdling to Western ears not seduced by the siren song of perestroika, glasnost, and democratization. Gorbachov told the delegates that the bloody developments, whose latest phase is unfolding in Armenia and Azerbaijan, are the result of his perestroika. "Perestroika breaks up a false illusory peace which people had believed in during the period of stagnation," is the way he put it, elaborating on a theme struck during a French television interview aired on Nov. 26, in which he identified his perestroika restructuring as the cause of the recent renewed bloodbath in the Transcaucasian republics.

The new Constitution

Under the new Constitution, the U.S.S.R. Supreme Soviet will rubber stamp Gorbachov's continuing as President, in the form of the new State President, who will chair the National Defense Council and be commander-in-chief of the Soviet Armed Forces, with the power to declare a national mobilization, and to declare war.

Under the new Constitution, the President, again Gorbachov, can individually order the "deployment of contingents of the Soviet Armed Forces to fulfill international treaty obligations." No General Secretary has had this scope of power on paper, and in reality, only Stalin had such a capability.

The extent of Gorbachov's domestic powers under the new Constitution is no less awesome. For example, the Constitution's Article 119, paragraph 13 gives him the power to, "for the protection of the Soviet Union, declare martial law or a state of emergency in individual regions, or in the entire country, and as required, impose extraordinary administrative measures."

Here one sees the full scope of the fraud presented to the West concerning the Soviet "debate" on the "rights" of the Republics. Under Article 119, whatever paper "rights" are granted national republics elsewhere in the Constitution, can be taken away at a stroke by Gorbachov. For that matter, with his power to "impose extraordinary measures," not only can a Republic's government be dissolved, but the Republic itself, if absolute ruler, "Czar" Mikhail so desires.

Military rule in the Transcaucasus

This picture of emerging brutal absolutist rule is not some future horror. Moscow has used the latest crisis of ethnic conflict between Azerbaijanis and Armenians in the Transcaucasus to begin the first de facto implementation of Article 119, *before* the new Constitution was ratified. Azerbaijan and Armenia are under *military* rule. Both Republics are under martial law, with troops patrolling city streets, curfews imposed, and with the troops having orders to shoot violators on sight. Roadblocks exist on all the roads, and airports, train and bus stations, telephone exchanges, other utilities, and government buildings are occupied.

The huge military deployments into the Transcaucasus, however, are not merely for the purpose of "maintaining order." Under martial law, the permanent institution of a military government for the region is being established in the following way.

Each of the main cities of the two republics, as well as whole regions, are directed, since Nov 24, by *military commandants*, the exact same model employed by Moscow in the past when it occupied *foreign* territory. In Azerbaijan, there is a military commandant for the capital of Baku, for the city of Kirovabad, for the Agdam District, for the Nakhichevan region on the border with Iran, and for the Armenian-inhabited region of Karabakh. For Armenia, the capital

of Yerevan is under a military commandant, as are the other main cities. The military, besides its patrol duties, physically runs all communications and utilities.

Article 119 can now be invoked to make permanent and give legal cover to the "extraordinary administrative measures" already imposed on Azerbaijan and Armenia. The same measures can, and will if required, be extended when expected eruptions strike in other Captive Nations, whether in the Baltic Republics, the Ukraine, or the Muslim Turkic republics of Central Asia.

The "reform" package and the accompanying military crackdown show how the Kremlin has chosen to deal with unrest within the enslaved nationalities of the Soviet empire and the prospect of difficulty in ruling the even larger empire they envisage: by imitating the imperial model that goes back to ancient Mesopotamia and was copied, subsequently, by the Romans and then the Byzantines. This is to enflame racist hatred among the various subjugated peoples, so that they hate their neighbors more violently than they hate their oppressors in Moscow.

It would be wrong to only stress the new powers granted Gorbachov by the new Constitution. The articles from which we have quoted above also vastly increase the powers of the *military* and the KGB, the pillars of internal security within the Russian Empire. The vast increase in powers for the KGB was already manifested by the personnel decisions taken at the Sept. 30 CC Plenum, which made "former" KGB boss Viktor Chebrikov a virtual "czar" for internal security, by promoting him to the powerful CC Secretariat, with responsibility for internal security.

The added powers for the Military High Command are clear from the new Constitution's emphasis on the extraordinary powers of President Gorbachov in his function as head of the National Defense Council, which means a War Powers Act "executive" composed mostly of Gorbachov and the military leadership. The on-the-ground situation in the Transcaucasus we described earlier, further attests to the growing political-administrative role of the military in the Soviet Union.

There is yet another striking demonstration of the high profile of the military now surfacing. Since the Azerbaijan-Armenia crisis began, the most detailed and informative coverage of what happened there can be read in *Krasnaya Zvezda*, the Defense Ministry daily. In total contrast to the central Soviet civilian media, which during the week of Nov. 19-26, carried stock phrases of "clashes between Azerbaijanis and Armenians," *Krasnaya Zvezda* graphically portrayed the hand grenade attacks by Azeris against soldiers. While Moscow's Foreign Ministry was issuing tortuous denials of martial law, *Krasnaya Zvezda* was detailing how rule by military commandant had been established in the cities and regions of Azerbaijan and Armenia. While the civilian Soviet media was describing the situation as "tense" and "complicated," *Krasnaya Zvezda* emphasized it was "alarming."

Events outpace the scriptwriters

by Jeffrey Steinberg

The headline-grabbing veto by Secretary of State Shultz of Palestine Liberation Organization chairman Yasser Arafat's visa to come to New York to speak before the United Nations, temporarily drew the spotlight from even more ominous developments that threaten to hasten Israel's delivery into the hands of Mikhail Gorbachov.

On Nov. 29, Dov Eytan, one of Israel's most respected attorneys and a former senior military judge, was murdered on the eve of his representation, before the Israeli court of appeals, of John Demjanjuk, the former Cleveland auto-worker falsely accused of being a Nazi war criminal. Eytan's death, immediately labeled as a "suicide" by the Israeli government and press, was, according to Israeli military sources, a case of cold-blooded murder, aimed at blocking the release of critical information that would have likely blown the lid off a vast Soviet-Israeli treasonous arrangement linking the Demjanjuk frame-up and the espionage efforts of accused KGB spy Shabtai Kalmanowitch to ongoing joint Moscow-Tel Aviv machinations.

According to these Israeli sources, Dov Eytan's recent joining of the Demjanjuk defense team signaled that an entire faction of Israeli military and intelligence seniors traditionally opposed to the Ariel Sharon hard-core "crazies" had determined to break up the Soviet-Israeli operations.

According to U.S.-based representatives of Demjanjuk, Eytan was optimistic about the pending appellate hearing, in discussions just hours before he plunged from the 15th floor of a Tel Aviv building.

As if the Eytan assassination were not sufficient to warn his collaborators to back off from the planned exposé, on Dec. 1, at the funeral for the deceased attorney, a second Demjanjuk attorney, Yoram Sheftel, and a female companion, were attacked with battery acid by an assailant described as a "deranged" Holocaust survivor.

Israeli sources emphasized to *EIR* that it was unclear

whether the authors of these two terrorist attacks were Israeli nationals or, alternatively, Soviet agents of some stripe acting to cover up the same jeopardized structure of operations.

The murder of such a respected public figure as Eytan is a measure of the intensity of the factional warfare now gripping Israel as the Likud and Labor blocs continue to jockey for control for control over the still-unformed Israeli government. Eytan resigned from the military court in 1979 in protest over continued atrocities against Arabs by Israeli Defense Forces soldiers in the occupied territories. In 1982, while serving as a High Court judge, Eytan signed a public statement denouncing Israel's Ariel Sharon-ordered invasion of Lebanon, even though he knew that it would mean his automatic firing from the court. His death is not expected to deter the release of the documentation of the Israeli-Russian perfidy.

Shultz, Arafat, and the Bush transition

Nor is George Shultz's veto of Yasser Arafat's visa expected ultimately to deter the PLO chairman's presentation of the Palestinian case for statehood before the world body. As one Palestinian spokesman in Washington, D.C. put it, Shultz's action was read by many as being directed as much against President-elect George Bush as it was against the PLO.

According to one version of the Shultz action, the outgoing secretary of state did not wish to deliver the global spotlight to Arafat while Israel had still not resolved its government crisis. Shultz reportedly threatened Israeli Prime Minister Yitzhak Shamir that he would grant Arafat the visa unless Shamir agreed to invite the rival Labor Party into a new coalition government that would either diminish or eliminate altogether a role for the religious fundamentalist or right-wing fringe parties that scored impressive electoral gains on Nov. 1.

Shultz then reportedly went to President Reagan—after the fact—seeking his backing by explaining that to give Arafat the red carpet treatment at the United Nations would have driven the Sharon faction inside Israel to go for an immediate war confrontation and mass expulsion of all Palestinians from the Israeli-occupied territories.

In short, Shultz sought to play out the same "crisis management" games that have doomed the Middle East since the heyday of Henry Kissinger, and once again painted a picture for all to see of a U.S. government bowing to the suicidal whims of Israel.

Events at this point, however, are out-racing all of the scenarios and scripts. As the consequence of Shultz's outrageous moves, the entire moderate Arab world is united behind Arafat and the Palestinian statehood cause. Iraqi President Saddam Hussein's trip to Cairo in the immediate aftermath of the Shultz move, was unprecedented, as was Saudi Ambassador Prince Bandar's reported walkout from a private discussion with Shultz when he learned that the secretary of

state was about to veto the Arafat visa after Saudi Arabia, Egypt, and Jordan had placed immense pressure on the PLO to wrestle the recognition of Israel's right to exist from the Palestine National Council meeting in Algiers.

An Arafat appearance before the United Nations is now all but certain. Whether it takes place in New York City or in Geneva, the event will be spotlighted worldwide.

Perhaps the greatest toll has been levied against the incoming administration of George Bush. Shultz's shameless pandering to Israel's intransigence on the Palestinian statehood question, and his ignoring of CIA and other U.S. intelligence estimates that Arafat is not linked to Palestinian terrorist circles, casts Washington as a slave to Tel Aviv, and throws new impediments in the way of a Bush administration seeking to chart a new policy course in the Middle East.

Shultz and Bush have been at odds for several years on a range of policy issues, especially revolving around Middle East policy. Shultz made it a point on several occasions in recent years to ignore Bush policy suggestions. When the vice president announced his choice of James Baker III as his secretary of state hours after his election last month, few people missed the message to Shultz: Pack your bags now and make way for the new team.

Chaos back in Tel Aviv

As this issue of *EIR* goes to press, Prime Minister Shamir is faced with a 72-hour deadline for putting together a new government coalition. At that point, he must either win an extension from President Chaim Herzog, or the mandate to attempt to create a new cabinet may be passed to Labor. On Dec. 1, the executive council of Labor voted 61-57 against joining a new coalition with Likud. Such a government would have retained Yitzhak Rabin as defense minister and would have given Shimon Peres either the finance or foreign ministry portfolio. While Labor is horsetrading with the religious crazy parties in an effort to form a coalition free of the Likud, the entire political process in Israel is rapidly devolving into chaos in which all serious policy issues are ignored.

Ultimately, whatever governing combination takes charge in Israel, it will be immediately confronted with a string of pressing decisions: how to handle the mounting pressure to reach an agreement for a Palestinian state; how to respond to Moscow's accelerating efforts to stake out a major role in all future Eastern Mediterranean matters by, among other things, reaching a series of bilateral deals with the government in Tel Aviv; how to resolve the social decay that has unleashed a growing wave of Jewish fundamentalism.

How Israel handles these crises will itself be in large measure determined by the kind of Middle East policy crafted by the incoming Bush administration in Washington, and how that policy is conveyed to the new government in Israel. Astute observers will keep close tabs on the Demjanjuk front, where some startling developments may figure prominently in the playing out of all these crises.

Book Review

Professional insight into Demjanjuk trial

by Mark Burdman

Identifying Ivan: A Case Study in Legal Psychology

by Willem A. Wagenaar

Harvester Wheatsheaf, Hempstead,

Herefordshire, U.K. 1988

£14.95 hardbound, 187 pages with index.

In June 1989, the Israeli Supreme Court is scheduled to hear the appeal of John Demjanjuk, the man who has been sentenced to death in Israel, after being convicted in April 1988, of having been the infamous "Ivan the Terrible," the guard at the concentration camp Treblinka who committed mass murder and acts of vicious sadism. Demjanjuk, a retired Cleveland autoworker, was illegally deported to Israel for the trial. It is almost certain that Demjanjuk's appeal will be denied.

Whatever verdict is given, the newly issued book, *Identifying Ivan*, should be required reading internationally, to give a sense of what kind of frameup and legal travesty the Demjanjuk case has been. It gives the reader a precious insight, from one useful standpoint, into how the Soviet Union, the U.S. Office of Special Investigations, and complicit elements in Israel can manufacture a frameup. It is chilling reading, and therefore all the more necessary, especially as this combination of forces is also behind the ongoing frameup of Lyndon LaRouche and of others.

Author Willem A. Wagenaar, a Professor of Experimental Psychology at the University of Leyden in Holland, was a witness on behalf of the defense, an act which in and of itself took courage, given the enormous hysteria built up around this case, and given his own hints that he was subjected to pressure not to testify on behalf of Demjanjuk. He does not write with the prose of a crusader, but rather adopts the understated tone of an accomplished, but humble, professional, doing his job. His professionalism extends to refusing to make an explicit condemnation of the Israeli court verdict, since that is not his brief. He lets the facts speak for themselves.

Professor Wagenaar is an expert in what is called "identification" procedure, i.e., what are the rules, or methods, by

which legal authorities can ensure that a witness is giving adequate, honest, and usable testimony, in identifying the culprit in a crime, whether it be from a photographic mugfile, or from a police lineup. This reviewer is not competent to judge some of the more technical aspects of Wagenaar's account of the overall methodology of the profession of "identification." But he leaves little room for doubt, even for the layman in law and experimental psychology approaches, that every usual rule or norm of "identification procedure" has been violated in the Demjanjuk case.

This is vitally important. Although the facts have been tremendously distorted in the international media, the issue in the case was *not* that horrifying crimes were committed at Treblinka. That is universally accepted, and has been documented in many published accounts, including one international best-selling book. (in which, by the way, an account is given of the murder of "Ivan the Terrible" by courageous Treblinka camp inmates). The issue is: Is Demjanjuk "Ivan?"

This question is crucial for three reasons.

First, obviously, if John Demjanjuk is *not* Ivan, then an innocent man has suffered unbelievable humiliation, and will now likely be executed, unless an international mobilization could cause Israeli justice authorities to show clemency.

Second, if the kinds of perversion of usual and accepted procedure that have gone on in this case are allowed to bring about Demjanjuk's death without challenge, then the ideas of justice on which Western civilization has been built, will be damaged dramatically, and Israel will not be the only party to blame. On this perversion of practice, we invite the reader to plow through some of the technicalities of Wagenaar's presentation. We only mention some of his more interesting points of detail, some of them only reported by him en passant, without his further comment.

Presumption of guilt

Wagenaar notes, for example, that the Soviets were the first to accuse Demjanjuk, in 1976. Further, an alleged I.D. photograph, purporting to show Demjanjuk to have been at the Trawniki center where concentration camp guards were trained, was Soviet-supplied. He also reports, without further comment, that Mrs. Radiwker, the policewoman from the Israeli Nazi Crime Investigation Division who originally interrogated Treblinka survivors in 1976, had practiced law in Poland and the Soviet Union, until she emigrated to Israel in 1964. Obviously, she learned her lessons well in the U.S.S.R. From the outset, she worked from the premise that Demjanjuk was presumed guilty, rather than presumed innocent, and almost certainly "suggested" to the survivors that they identify Demjanjuk in a certain way.

Through the antics of Mrs. Radiwker and others, results were brought about where, by any objective standards, the witnesses' reliability is dubious at best. The most egregious of such cases, Treblinka survivor Eliahu Rosenberg, had testified *as early as 1945*, that he had seen "Ivan" being

killed, and had given a second, somewhat modified, account of "Ivan's death" to investigators in Vienna in 1947. Suddenly, by the late 1970s and early 1980s, Rosenberg has become one of the star witnesses for the prosecution, claiming his earlier testimony on "Ivan's death" was only a wishful "dream," and that Demjanjuk is without question the real "Ivan"! Even so, his accounts on various occasions during the last ten years have often differed from each other!

That leads to the third problem: the presumption of collective guilt of Ukrainians. In some senses, this is the key *strategic* issue in the Demjanjuk case. The Soviets, OSI, U.S. networks associated with Armand Hammer, and complicit Israelis want a Ukrainian innocent humiliated and fried, as part of a general effort to defame Ukrainians, at a time when the U.S.S.R.'s suppression of "captive nations" has become an explosive international issue.

In describing the pressure on experts like himself *not* to testify on behalf of Demjanjuk, Wagenaar writes on p. 148: "Another argument put to me by many people is that if Demjanjuk is not Ivan, he is still a Ukrainian, who probably served the Germans in another way. Therefore, it would not be a terrible mistake to convict him, and any effort to defend him would be a waste."

Wagenaar comments: "This argument has nothing to do with scientific viewpoints. It simply reflects a prejudice that runs counter to my most basic beliefs about justice, fair trial, and human rights. One cannot convict a person because, if he did not commit the crime he was charged with, he probably did something else."

Here, we come to the deeper reason why Wagenaar's book is important, even in some sense precious. At a time of growing anti-science irrationalism and media manipulation of truth, he is, in his way, asserting the importance of *scientific truth* itself, above and beyond the particularities of Demjanjuk's guilt or innocence.

As he reports, in his usual understated way, the presumption of guilt of Demjanjuk, and the hysteria accompanying that presumption, were so strong, that important potential defense witnesses dropped out of the case, fearing for their professions, their families, etc.

Wagenaar says, of himself, that he decided to be a witness out of "personal choice." But he adds: "After a careful study of the immense file, I chose to act as an expert witness summoned by the defense of John Demjanjuk because I felt that some matters had to be presented in court. No individual scientist could be forced to testify in this case. But what about the obligations of science as a collective? What if all psychologists, for personal reasons, refused to say the things that had to be said? . . . Would not the basic right of the accused to their defense be endangered?"

We have to be thankful to Professor Wagenaar for raising such questions, and for having had the courage to buck the tide on behalf of Demjanjuk, and for having written this useful book.

Britain's Heseltine warns: Soviets to mobilize 'Green Peace' against the West

by Mark Burdman

On Nov. 23, former British Defense Secretary Michael Heseltine made a surprising speech in London. Usually regarded as what, in Britain, is called a "wet," or someone with soft-liberal views toward the Soviet Union, and speaking before the arch-liberal Royal Institute of International Affairs, Heseltine delivered a toughly worded speech, warning that the Soviets were trying to undermine the defenses and political structures of the West, by exploiting and manipulating environmentalist and "Green" movements in the West.

Heseltine warned that the Soviets would use the concept of "ecological security," to "hijack the environmental agenda . . . for ulterior purposes." Soviet initiatives on "the environment," he said, would be aimed at energizing "Green Peace" movements, especially in the Federal Republic of Germany, that will demand the *démontage* of Western defenses. Heseltine also warned that the Soviets would use the idea of "international cooperation in the ecological field," as a sly means of procuring from the West, advanced technologies with potential military applications.

The former defense secretary linked this to the new "sophistication" of Soviet policy since Gorbachov came to power, which, rather than furthering the cause of peace and cooperation, might soon create a "more dangerous, less predictable world, in which a new ingredient of instability re-injects something of yesterday's dangers into the continent of Europe. . . . Mr. Gorbachov has a new approach. And as yet little appreciated in the West, Green Peace is to assume a new and potentially dangerous significance. . . . You do not have to be a cold war warrior to recognize that a new arena has been opened in which to fight some of the old battles."

In crucial features, Heseltine's speech echoed *EIR*'s published warnings about Soviet-green cooperation. Most recently, and exclusively in the West, this magazine had published excerpts from the July, 1988 speech by Soviet Col.-Gen. Vladimir Kryuchkov, prior to Kryuchkov's Sept. 30-Oct. 1 appointment as head of the KGB. Speaking before an internal Soviet Foreign Ministry conference, Kryuchkov declared that Soviet policy toward the West, especially but not only toward West Germany, would be to "orient to the Greens and the peace movements to put these people in the forefront." (See "The Soviets play their 'green card' to destabilize the West," *EIR*, Vol. 15, No. 45, Nov. 11, 1988.)

Heseltine's warnings coincide with a growing alarm in British military and intelligence circles about intensified Soviet spying operations against the West. On Nov. 27, the mass-circulation *Sunday Express* weekly ran a front-page article, under the banner headline, "Call off your spies, Mikhail," reporting that British Prime Minister Thatcher is under intense pressure from the heads of Britain's MI5 and MI6 intelligence services, to "order Mr. Gorbachov to clear out the red spy network in Britain." The paper reported that the mastermind of this spy offensive was none other than Comrade Kryuchkov, the man "handpicked by Gorbachov to head the KGB."

A political storm in Italy

Heseltine's RIIA address was not an isolated event in Europe. On Nov. 24 and 25, the Italian Catholic daily *Avvenire* published a two-part, detailed exposé on the international controllers, East and West, of the Greens.

Journalist Maurizio Blondet reported on Comrade Kryuchkov's July speech, and other features of Soviet pro-green propaganda. But whereas Heseltine neglected to mention those Western interests whose patronage of the "green" movements opens the door to Soviet subversion, Blondet mercilessly went after the Western oligarchical control points over the "green movements," ranging from Prince Philip in Britain and Prince Bernhard in the Netherlands, to such multinationals as Shell, and such age-old European noble families as the Caracciolo.

Blondet reported that leading Green spokesman in Italy, especially in and around the Radical Party, had begun to echo the propaganda and ideology of the Nazis. As a prime source for his information, he cited "the dossier of *Executive Intelligence Review*, an American group whose expertise is looking at the occult lobbies."

This has provoked a storm of controversy in Italy. Italian Green city councilman Alexander Langer, from the area around Bolzano, is threatening to sue Blondet because of his exposure of Langer's relationship to Libya's Colonel Qaddafi. The tobacco conglomerate Philip Morris is threatening a suit, over Blondet's claim that the company had helped finance the Italian Radical Party's campaigns in favor of legalization of drugs. Perhaps the fact that, in recent years,

Philip Morris chairman Joseph Cullman III, had been the effective coordinator of the activities of the U.S. branch of the World Wildlife Fund, may have something to do with the company's reaction.

'Green perestroika' and 'Eco-Nazis'

In mid-November, French Communist Party head Georges Marchais was invited to West Germany by the West German Communist Party, the DKP. According to the French CP daily *L'Humanité*, a central purpose of the Marchais visit was to hold strategy sessions with the German Greens.

Then, on Nov. 26, the liberal London *Guardian* reported one case study of how the Soviets work with the greens. Since *Guardian* correspondent Walter Schwarz is devoutly sympathetic to gnostic "green" ideologies, in their Eastern and Western forms, his account is all the more revealing. Schwarz reported on a recent East-West ecological conference that was held sailing up the Danube River. Calling this event a prime example of "green perestroika, ecological awareness that is breaking out all over Eastern Europe," he reported that "even official Russians can sound like deep greens . . . [and] deep ecologists. . . . In Moscow's cauldron of ideas, deep ecology is being mixed in with refurbished Marxism."

"Deep ecology" is a specific term, used by followers of the Norwegian gnostic philosopher Arne Naess (known among ecologists as "the father of the 'deep ecology movement' ") to connote a radical challenge to the very premises of the Judeo-Christian belief in scientific and technological progress. One of Naess's pet ideas is that global population must be drastically reduced, to a level perhaps as low as 100 million people. In pursuit of such policies of mass murder, certain Naess followers who write for the American magazine *Earth First!* have praised the AIDS virus, as a means of population reduction. It is to Naess and followers that the Italian newspaper *Corriere della Sera* was referring in June of this year, when it coined the term "eco-Nazis."

Naess is linked to those Norwegian circles who hosted a meeting of the Soviet-front "World Peace Council" July 2-4 of this year, on the subject of "ecology." This was one of the signal, if little publicized, events of the year, in bringing the "peace" and "green-ecology" movements together under Soviet patronage.

The group that sponsored the Danube conference was the "Eco-Forum for Peace," founded in the mid-1980s by Eastern and Western gnostics and officially headquartered in the Bulgarian port city of Varna. The "Eco-Forum" has also been known as the "Varna Group," or the "Club of Varna." Its past president, who participated in the Danube meetings, is Ivan Frolov, recently appointed one of the select few in the inner advisory "cabinet" of Soviet leader Gorbachov. Frolov is quoted by Schwarz, declaring, "The problem of peace and the problem of preserving nature are dialectically interrelated."

Rome meeting proves case for lower tuning

More than 90 people, including famed musicians and government officials, gathered in Rome Nov. 24 to attend a conference on the theme, "Let's Keep Bel Canto Alive in the World." Bel Canto, or beautiful singing, was the method of teaching voice developed during the Italian Renaissance. The conference was sponsored by the Schiller Institute, which, in Milan last April, launched an international campaign to restore the original lower tuning of the great classical composers, pivoted on middle-C at 256 vibrations per second ($A = 432$), as against the current orchestral practice of tuning to $A = 440$ or higher. The lower tuning is deemed essential not only to preserve the human voice, but to render truly the intended registration of great musical compositions.

Conference spokesmen said they were confident that this and other events on the same theme were helping to forge what Giuseppe Verdi called an *Esercito di Prodi*, an army of fighters for culture, freedom, and justice.

The Italian Ministry of Culture's auditorium in the State Recording Library was filled with people representing important parts of the music world. Two officers were sent by the General Staff of the Italian Army, one the conductor of the Army Military Band, and the other representing the historical office, where the War Ministry Decree of 1884, inspired by Giuseppe Verdi, establishing tuning at $A = 432$, is kept. The two reported that they would write a report for the General Staff recommending the acquisition of $A = 432$ wind instruments.

Among dozens of singers attending, there was a baritone who chairs the Lauri Volpi Singers Competition, and who said that, beginning with his organization's Dec. 6-8 competition, Verdi's scientific tuning would be used. Presidents of cultural associations were also in attendance, including the prestigious Academia Filarmonica Romana and the Perosi Center.

Two singers from the National Soloists Association announced that they will organize an $A = 432$ concert inside the Italian Parliament in December. The Parliament is about to consider legislation that would make tuning at the lower pitch the law in Italian concert halls.

An alto *lieder* singer of English origin, now living in Rome, was so enthusiastic about the tuning campaign that she telephoned the editor of an important British music magazine, who not only asked her for an article about the Schiller Institute initiative, but also volunteered to organize a confer-

ence on the subject in London. She reported to the conference, to much laughter, that an attack on the institute and its initiative by critic Stefan Zucker in *Opera News*, reprinted in *Professione Musica* in Italy, was not very effective, because "Zucker is a notoriously incompetent musician, who claims he is a tenor, but has such a hoarse voice that nobody can imagine he's a singer."

Also attending were instrument makers and instrumentalists, including the famous harpsichordist Egilda Sartori, who conducts harpsichord tuning classes at the Cini Foundation in Venice, and reported that a Venetian tuner had almost destroyed her harpsichord by trying to tune it to A = 440.

An official envoy of Italian Education Minister Giovanni Galloni attended, as well as the conductor of the Rome Opera Choir.

The conference was covered by three national radio programs and Radio Vatican, all of which recorded interviews with the famous baritone Piero Cappuccilli and Bruno Barosi of the Cremona Violin-Making Institute, as well as Schiller Institute leaders Liliana Celani and Fiorella Operto. The press agency ANSA reported on the proceedings, as did the dailies *La Stampa* and *Il Popolo*.

Polemical tone

The three main speakers were Piero Cappuccilli, Arturo Sacchetti, artistic director of Vatican Radio and a well-known organist in Rome, and Prof. Bruno Barosi, who chairs the physics laboratory of the Cremona Institute.

The conference was opened by Liliana Celani, who thanked Lyndon LaRouche for launching this initiative three years ago in defense of voices and of natural law. She emphasized that Verdi and LaRouche were right in defending the connection between science and music, and that this was the reason so many people had become upset by the initiative. She read Verdi's letter to the War Ministry in 1884, which was welcomed by a round of applause, and reported the endorsements of the Schiller Institute initiative since the April conference, reading telegrams which had been sent to the conference by Renata Tebaldi, Luciano Pavarotti, Carlo Bergonzi, Rolando Panerai, and Gardar Cortes, head of the Island Opera.

Maestro Sacchetti then spoke, thanking the Schiller Institute for its initiative. On the "A = 440 mafia," he had harsh words: They are "prejudiced" and say absurd things, such as that violins cannot play under A = 440, which only shows their ignorance. He insisted that it is a moral obligation of the performer to respect the will of the composer. He gave two examples of the difference made by the two tunings. One was a recording of two pieces played on a modern organ tuned to A = 440. The other was a recording of the same pieces played on two old organs which are located in two Rome churches. The latter were built in 1881 and 1885 at A = 415, half a tone lower than A = 440. The sound of these

lower-tuned organs was noticeably better.

Bruno Barosi then gave a scientific demonstration of C = 256 for Cremona violins, using in particular the groundbreaking results of an experiment conducted there. Before showing a videotape of Maestro Norbert Brainin, former first violinist of the famous Amadeus Quartet, playing a Bach piece at A = 432 and A = 440 on his Omobono Stradivari violin, Barosi showed the oscillographic graphs done at the Cremona laboratory on each open-string note and its octave, first at A = 432 and then at A = 440. This demonstrated visually how the sound of the violin at A = 432 is much richer in harmonics and more consistent in tone than at A = 440.

Barosi then showed the result of another experiment: Brainin's violin was put in the frequency box, where it underwent frequencies from 20 to 20,000. The resulting "electrocardiogram" showed the highest peak at exactly C = 256, "to the joy of the Schiller Institute and Mrs. Celani," he said.

When Brainin played Bach at A = 432 and A = 440, explaining that the sound of violin is "more brilliant, but shorter and drier" at A = 440, the audience immediately perceived the difference. "With A = 432, it sounded like a human voice!" said a singer.

Sacchetti asked to comment on the video, indicated that not only was the sound much warmer, but also, Bach's counterpoint was much "cleaner" at A = 432. Barosi also explained that with A = 440, the bow jumps more on the strings, which is the reason that many violin players use a lot of rosin on the strings.

Then, Cappuccilli took the floor to ridicule conductors who oppose A = 432, because "they fear they will not be gods any longer." He said that many people endorsed the Schiller Institute initiative because Verdi was right. The key issue for the voice, he stated, is the register shift. He demonstrated this with two pianos, one tuned at A = 432 and the other above A = 440, singing the Marquis of Posa's aria, "Per me è giunto il dì supremo" from Verdi's *Don Carlos*, and "Ah dei verd'anni miei" from Verdi's *Ernani*. Both have a register shift at the E-natural for the baritone. He demonstrated that he has to shift registers too early with A = 440, and the color of the voice thus changes at the wrong point.

The audience was moved by his performance of Posa's aria, one of Verdi's most beautiful. The difference the tuning makes for the register shift could not have been clearer. A woman commented, "I do not know music, but God gave me ears, and I can say that when Maestro Cappuccilli sang the aria at A = 432, it touched my heart; when he sang it at A = 440, it disturbed my ear, although he sings so beautifully, because the human ear is disturbed by brilliant frequencies."

Later, members of the the Senate Commission considering legislation to reinstitute the Verdi tuning reported that they are open to discussing and approving the law, and were especially interested in seeing the video recordings and scientific proofs.

Gnostics run cover for terrorist penetration of Venezuela

by Valerie Rush

The issue of the narco-terrorist threat to national sovereignty exploded in Venezuela, in the last days of its presidential campaign leading to Dec. 4 general elections. A months-long propaganda and organizing drive by Venezuelan Labor Party (PLV) candidate for President Alejandro Peña Esclusa, to turn the national limelight on the Soviet-sponsored, narco-guerrilla subversion of the strategically critical Andean region, and on the political and financial patrons of that subversion, has finally awakened leading layers in Venezuela to the danger, all the way up to the presidency itself.

The PLV exposés have, in particular, honed in on the satanic Gnostic sect, whose influence extends both through political networks in the region and through control of the interconnected terrorist movements that are wreaking havoc in Ibero-America, such as the Colombian M-19. A key figure inside Venezuela, whose subversive activities have been highlighted in a series of nationwide ads and interviews put out by the PLV's Peña, is congressman and Gnostic "bishop" Walter Márquez, who maintains political links to the presidential candidate of the ruling AD party, Carlos Andrés Pérez, also known as CAP.

Role of the military

On Nov. 25, Venezuelan President Jaime Lusinchi told a military audience that he feared imminent narco-terrorist penetration of Venezuelan borders, under the sponsorship of forces both within and outside the country, who were determined to "internationalize the subversive process" now ripping apart neighboring Colombia and Peru. He placed his total confidence in Venezuela's National Armed Forces (FAN) to contain and combat the drug trafficking-terrorist combination which he described as "grotesque, inconceivable, and demoniacal," and warned against those who are lending themselves—wittingly or merely as "useful idiots"—to the plot against Venezuela's democratic institutions.

In this last reference, Lusinchi was implicitly indicting CAP and Márquez, both of whom have played an up-front role in the latest anti-military scandal shaking Venezuela's

institutions. The scenario began on Oct. 29, when Venezuelan security forces sustained an armed confrontation with suspected terrorists in the border municipality of El Amparo, killing 14 of them. Although the zone's cattlemen have been the repeated targets of cross-border kidnaping sorties by Colombian terrorists, making the military's charges of an encounter with guerrillas more than probable, a motley crew of leftist and opposition politicians immediately raised a national hue and cry over the incident, claiming the dead were "innocent fishermen," and accusing the military of "dirty war" tactics.

The government ordered an immediate investigation of the incident, simultaneously ordering the detention of the two surviving "fishermen" for interrogation. Lo and behold, the two had been sequestered by none other than Congressman Walter Márquez. When ordered by the Venezuelan courts to surrender the two terrorists, Márquez used his parliamentary immunity to flout the law, delivering the two instead to the residence of the Mexican ambassador in Caracas, where they applied for political asylum. Unjust laws were made to be broken, said the self-proclaimed socialist congressman.

Carlos Andrés Pérez, who first made a fool of himself by claiming that the dead terrorists were his own campaign workers, later changed his story to coincide with Márquez's. His next political *faux pas* was to claim insider knowledge that the "unjust" detention orders against the two survivors had been revoked, only to learn that the judge had reconfirmed the arrest warrants, with the public backing of President Lusinchi.

Said the President in his Nov. 25 speech, "Some gentlemen have presented themselves to the public as virtual Robin Hoods, bearers of the truth, without realizing that their behavior places them outside the law." Lusinchi insisted that El Amparo was no bucolic fishing village, as Márquez, CAP, and others would have it, but a battleground: "Although it is difficult to say so, this is a war zone, despite the fact that some candidates don't wish to believe it, who perhaps because of intellectual errors would serve as useful idiots.' "

The Gnostic serpent

In an interview published on Nov. 26 by the *Diario Católico* of San Cristóbal, Venezuela, Márquez responded to PLV charges on his Gnostic affiliations by insisting, "I am a Christian, not a guerrilla." And yet, Márquez's position in the upper hierarchy of the Universal Christian Gnostic Church suggests otherwise. A closer look at the Gnostic "church" goes a long way toward explaining who Márquez really is.

In a Nov. 28, 1983 interview in the Peruvian magazine *Caretas*, the then leader of the Colombian M-19 narco-terrorists, Jaime Bateman, explained what made his movement tick: "Look, the bottom line is that my mother is Gnostic. She was responsible for the organization of gnosis in Santa Marta [Colombia], and every Saturday, they made a chain to protect us, the organization. . . . Those they make a chain for are made immortal. . . . Their leadership regularly sent us congratulations." Bateman's chain of protection failed him in 1984, when he met his demise in an airplane crash.

Gnosticism was not a matter of Bateman's individual preference, but rather is an essential part of the internal ideology and recruitment mechanism of the M-19 today. Current M-19 leader Carlos Pizarro Leon-Gómez declared in his book, *Guerra a la Guerra (War on War)*, which came out in July of this year, that "Bateman was like the chief warlock. . . . Look, for example, at the anguish and the effort made for us by the mothers of Corinto, the number of candles they lit for us. . . . This doesn't have a name, and that force is the chain of love of which Bateman spoke."

Gnosticism is not only responsible for swelling the ranks of the narco-terrorist armies with ignorant, superstitious, lumpenized youth, but has made a major assault on the very foundations of the Judeo-Christian tradition. As Peña wrote in a Nov. 21 political statement, "Gnosticism is not only explicitly based on perverse sexual rites, but the founder of the Universal Christian Gnostic Church, the late Colombian Samael Aun Weor, openly confesses it. In his book, *The Perfect Marriage*, (Venezuela: 9th edition), he asserts, 'All religion has a sexual origin. . . . The Four Gospels can only be understood with the key of Sexual Magic and the Perfect Marriage. . . . There exists an intimate relationship between the Word and sexual forces. The Word of the Great Master Jesus has been Christified by drinking the Wine of Light of the Alchemist in the Chalice of Sexuality.' Can this be called Christianity?" asks Peña.

Peña continues, "In the cited interview in *Diario Católico*, Márquez claims to believe in the Virgin, but he doesn't say which. However, his patriarch Samael explains: 'There exist two serpents: that which rises through the marrow and that which descends. . . . The serpent rising through the marrow is the Virgin. The serpent descending from the coccyx toward the atomic hells of Nature is the Holy Mary of Black Magic and Witchcraft. Here you have two Marys: the White and the Black.' (*The Perfect Marriage*, p. 119)"

Although these statements can easily be dismissed as the

ravings of a psychopath, Gnosticism cannot be taken lightly, for its ranks are growing in Colombia, Venezuela, Mexico, and other countries. Its initiation rites, as described by "Master Samael" in his book *Keys to the Mental Dynamic*, are classic recipes for brainwashing through what he calls "annihilation of the personality." His book is dedicated to Colombian Gnostics José Vicente Márquez and Julio Medina Vizcaino, who helped found the Venezuelan chapter of the Universal Christian Gnostic Church, together with none other than Congressman Walter Márquez.

Once the ideological roots of the narco-terrorist enemy are laid bare, it is not difficult to understand the role of a Walter Márquez in orchestrating his two-pronged assault on both the Armed Forces and the Catholic Church, two major obstacles to the advance of the narco-guerrillas in the Andean region as a whole. The bigger question that is raised, is why the likes of Carlos Andrés Pérez, possibly the next President of Venezuela, would be found in such close proximity to Márquez. Could his close friendship with former Colombian President Alfonso López Michelsen, known as the political "godfather" of the devil-worshipping drug mafia in that country, have anything to do with it?

Documentation

The following are excerpts from the Nov. 25 speech given by President Jaime Lusinchi to the Tachira Army Garrison:

In the sister Republic [of Colombia], there exists—and we deeply lament this—a subversive process in which the guerrilla and the drug trade are especially involved. It is a process in which Venezuela cannot intervene, but against which we must remain on the alert, precisely because it is a neighboring country which is affected. . . . Some sectors participating in this internal confrontation in Colombia do not seem to understand that Venezuela is interested in the political and social peace of its neighbor. And since they don't understand it, they are trying to internationalize that fight, making our country one of its immediate objectives, which we cannot permit.

Given this situation, it is up to the Armed Forces to avoid the transfer and contamination of the subversive process in Colombia into our country. The FAN should remain alert not only against subversion, but also against the drug trade, whose tentacles could corrupt the Venezuelan social body. It is undeniable that it exists, and this I should say with all conviction because I am not inventing anything, there is a grotesque, inconceivable and demoniacal alliance between subversion and the drug trade, which would bring serious consequences to our country should it penetrate our borders.

Colombia responds to terror

President Barco backs military, decrees life imprisonment for narco-terrorists, in a major policy reversal.

After the Nov. 22 near-miss assassination attempt against Colombian Defense Minister Gen. Manuel Jaime Guerrero Paz, President Barco went on national television to decree "a state of siege to establish the punishment of life imprisonment for the authors of massacres and homicides committed in terrorist assaults against officials and leaders." He further authorized the re-supplying of the Armed Forces, to ready them for battle status.

The President's abrupt change in line, from a policy of "dialogue" and virtual coexistence with Soviet-sponsored irregular warfare troops, to one of long-overdue wartime measures, was especially urgent in view of the dramatic renewal of narco-terrorist violence in the country. Considered the most experienced irregular warfare force in Ibero-America, the Colombian narco-guerrillas are the spearhead of Soviet strategy for seizing control of the geopolitically strategic "Andean Spine." Thus, the importance of President Barco's speech for all of Ibero-America.

Several retired Colombian generals had recently expressed their fury that while guerrilla groups like the Revolutionary Armed Forces of Colombia (FARC) had the political support of the Colombian Communist Party (PCC) and the Patriotic Union (UP), the Armed Forces had been left virtually bereft of the support of the country's traditional political parties and of the government itself, because of the announced policy of pursuing

"dialogue" instead of confrontation with subversion.

Among the measures which President Barco announced in his Nov. 25 speech was "a mechanism to expedite the apprehension and jailing of persons against whom there is serious evidence of their assaults on the public peace." He also reported to the nation that a meeting of the top military command "has agreed to carry out an emergency plan for increasing the troop strength of the military forces and military police. . . . We are going to demonstrate that we are not a terrorized and silenced majority, but a vibrant nation that does not surrender to terrorism."

The next day, on Nov. 26, the government's long-standing truce with the FARC not to touch its headquarters, known as the Green House, was shattered when combined Army/Air Force troops assaulted the security detachment charged with guarding the FARC command. A vast arsenal was seized. At the same time, Army Commander Gen. Nelson Mejía Henao announced that from here on in, the Army would no longer wait for the guerrillas to ambush them, but would take first-strike action against known terrorist concentrations. "We have to win, and that's it," he said.

In his speech, Barco made a point of warning the Communists and the UP, the latter created as a legal front for the FARC, that it would no longer be permitted for "someone to still have the audacity to say that terrorism or

violence are the path for change or for the reforms most needed by the country."

Barco was specifically referring to the fact that for its upcoming year-end congress, the PCC has already announced plans to present its thesis that "the combination of all forms of struggle," presumably including armed struggle, are permitted. In documents already in circulation for discussion at that congress, the PCC states that it will no longer be limited to "legalized mass action, whose range is increasingly more restricted. . . . We should take what might be called informal actions."

That the Communists are prepared to move openly into violent action was made clear by their first-ever acknowledgement of their links to such "armed branches" as the FARC: "Armed struggle has gone through different phases of development. In the last period, it has acquired much greater political importance. . . . The openness to mass action, the conquest of new political space, and the left's escape from outcast status were all decisively influenced by the . . . armed movement and its impact on political life and the social movement of the working class."

Barco's response to the Communists was his strongest ever: "It is completely inadmissible for one to argue that progress and well-being can be won through violence." Barco also addressed those pro-terrorist forces who would straitjacket the government with pious "human rights" appeals, such as Amnesty International, which has repeatedly accused the government and military of running a "dirty war" against the citizenry: "We are not going to allow, under the fallacious pretext of purifying our democratic credentials, that society and its institutions be left defenseless."

A case of deep moral degeneracy

The election of the new German speaker of parliament Süßmuth helps Moscow and its protégés, the Greens.

The German minister of public health, Frau Rita Süßmuth, left the ministry on Nov. 24 to become the new speaker of the parliament. A liberal member of the Christian Democratic party (CDU), she replaced CDU conservative Philipp Jenninger, whom an internationally concocted phony scandal over his parliamentary speech on Kristallnacht Remembrance chased out of office Nov. 11.

Leading the campaign against Jenninger, with support from the Bronfmanites in the German Jewish community, were the opposition Green and Social Democratic parties, and influential factions in the governing bloc of CDU and liberal FDP party.

Rita Süßmuth was elected to her new post with two-thirds of the votes in the parliament. Ironically, quite a number of CDU deputies voted her in to get her out of the health ministry. Her record as health minister is scandalous, indeed. On the AIDS issue, she defended a letting-things-go approach, spending budgets primarily for marginal interest groups like the "drug-scene" street workers and various prostitute (both sexes) initiatives, rather than for in-depth research into medical counter-measures.

The LaRouche-inspired campaign for an effective war on AIDS, for regular screening of the population, massive funding of research and medical treatment, and isolation measures to protect the uninfected, was vigorously opposed by Rita Süßmuth. Copying the slang of the Green party and related rock-drug counterculture groups, she slandered all efforts leading toward an effective combat of AIDS as

"policies leading to a loss of civil rights."

Frau Süßmuth also made herself an advocate of drug legalization. After a recent U.S. tour, she announced an official inquiry into whether consumption of "soft drugs" like hashish should be legalized. "In practice," there was "already something like tolerance of hashish smoking in society," she said; the government should not prosecute what society had accepted long ago.

Reporting on her findings in the United States, she also argued for making the heroin substitute methadone more easily available. She suggested that laws be changed to permit doctors to give out methadone if "no other life-support" was possible, and called for an end to police prosecution of drug addicts for possessing needles. Distribution of disposable needles in the drug scene was termed by Rita Süßmuth a way to "contain the risk of infection with AIDS." For ministry programs supporting the drug addicts through their own initiative groups, Süßmuth allocated an average of 10 million deutschmarks over the 1988-90 three-year period.

Officials of her ministry called the "drug street worker scene," a "most useful ally in the fight against AIDS." This fantasy-ridden policy shocked many, especially among the conservative Christian Democrats, but earned Süßmuth applause from the Green party, which has its main voter base in the counterculture. The Greens also voted for her as new parliament speaker, and she returned the favor by stating, in her first parliamentary speech

in her new office, that she very much favored the idea of seating a Green party member on the parliamentary presidium board. She expressed deep regret that a parliamentary motion to have the Greens seated was defeated this time, but after the next national elections (in late 1990), she thought the seat should be given to the Greens.

What gives this endorsement of the Greens, the first-ever in public by the formal head of the German parliament, a special political weight, is the fact that it was given at a point that the Soviets are reactivating their contacts to the Green movement for the purpose of upgraded subversion and irregular warfare operations in the radical environmentalist cause.

This new activity on the part of Moscow, which maintains, through a newly created Soviet "council on environmental affairs," very close relations with the German Greens, is proceeding under the command of the new head of the KGB, Vladimir Kryuchkov. In a speech before a select audience of senior Soviet intelligence and government officials in July, Kryuchkov mentioned the German Greens as an "efficient way to influence the minds of the governing politicians."

Endorsing the Greens in this context, as Rita Süßmuth did, is the same as encouraging Moscow to "go ahead" with its subversion. Is she, who always kept a low profile on foreign affairs, a secret member of the "CDU Moscow Faction," which wants Germany to opt for deals with the Soviets, rather than the Americans, in the 1990s?

Recently, at a German-Soviet seminar on youth problems, she called on German youth to spend their summer holidays doing farm labor in the Soviet Union. This would help to build confidence between Germans and Russians, and help Gorbachov's reforms, too, she said.

The Uruguayan Connection

Uruguay has gone into money laundering, with the help of the world's biggest banks and Brazilian "debt reduction" schemes.

The Uruguayan government of Julio Maria Sanguinetti has taken the opportunity offered by the crackdowns against dirty money laundering, particularly in Miami and Panama, to turn his country into South America's money-laundering champion. The Brazilian daily *Gazeta Mercantil* reported at the beginning of November that Uruguay had come to that point, thanks to its 1976 financial sector deregulation. It stressed that the opening to dirty money was substantially widened when Sanguinetti came to power in 1985.

By now, 80% of the total banking deposits in Uruguay are in foreign currencies. The equivalent of about \$4 billion is stashed there.

The Uruguayan banking system's "new clients," *Gazeta Mercantil* reported, "are Brazilian businessmen who since last year have been making informal conversions of Brazilian foreign debt [into equity assets] and the narcotics-trafficking chiefs who are under pressure from the U.S. government on several investigative fronts in Florida, in Panama, and in the traditional Caribbean tax 'paradises.'"

The linkage made between laundering narcotics dollars and informal conversion of Brazilian debt is not mere conjecture, as was demonstrated in the mid-October indictment of the Bank of Credit and Commerce International (BCCI) for its involvement in dirty money laundering. "The Uruguayan Connection was recently employed to recycle U.S. Treasury certificates, bought by BCCI branches in

the Caribbean," *Gazeta Mercantil* reported.

The president of the BCCI Brazilian subsidiary's board of directors is ex-minister Ernane Galvêas. And Sergio Côrrea da Costa, the former Brazilian ambassador to the United States and current Kissinger Associates, Inc. partner, is also a senior partner in BCCI's Brazilian operation. The Brazilian branch was planning large-scale foreign debt conversions.

J. Carlos de Assis, an economic adviser to the National Confederation of Industries, charges that those operations were being aided by Finance Minister Maílson da Nóbrega, whose career was promoted by none other than Galvêas. Assis emphasized, "Minister da Nóbrega lacks character and he defends the interests of people who are linked to him and who are involved in debt conversion."

The list of international banks and companies under investigation by the U.S. government on suspicion of laundering narcotics money correlates closely with the biggest players in exchanging Brazilian debt for equity. Such is the case with Deutsche Sudamerikanische Bank, Barclays Bank, Security Pacific Bank, Manufacturers Hanover Trust, Morgan Guaranty Trust, and most notoriously, Safra Bank. The owner of the last, Edmund Safra, was implicated in the Irangate arms-trafficking scandal; he is also a major gold operator; 30 tons of gold were smuggled out of Brazil last year. Gold is the metal preferred by the biggest drug dealers for laundering nar-

co-dollars.

Gazeta Mercantil described the following procedure: Brazilian "businessmen" deposit dollars in Uruguay "by means of a shell company (which can be opened in Uruguay for \$1,500) or directly in an international bank, which immediately sends it to its Grand Caymans branch" or to another "tax paradise" in the Caribbean or beyond. "The Grand Caymans branch buys Brazilian foreign debt paper on the secondary market at a discount of more than 50% from its nominal value." The "businessman" then brings the paper to the Brazilian debtor who negotiates to buy it from him at a lower discount. That lets him launder his money in the stock market or other assets.

Standing out in the eight foreign debt conversion auctions which have taken place in Brazil are companies based in the various "tax paradises": Netherlands Antilles, Bahrain, Bahamas, Gibraltar, Cayman Islands, Virgin Islands, Liechtenstein, Luxembourg, Panama, Switzerland, and Uruguay. Such companies perform a quarter of the conversions; only U.S. firms do more. This is not counting the more than \$2 billion of "informal conversions," which are not registered with the central bank.

The entire Uruguayan narco-dollar-laundering operation would not function without the toleration and complicity of the Sanguinetti administration, including Finance Minister Horacio Zerbino. The Montevideo daily *La Hora* wrote in a recent editorial, "So long as there are Zerbinos in the world, there will be financial markets for 'laundering' capital." The entire economic strategy on which Sanguinetti's political stability depends is based on the implicit commission his government earns by incorporating narco-dollars into the worldwide integrated capital market.

Panama readies for long haul

The nationalists do not expect a change in policy from the incoming Bush administration.

President Manuel Solís Palma of Panama denied Nov. 21 that the U.S. had sought to reopen talks to settle the dispute between the two countries. "Officially, we have not received anything," said the Panamanian leader, replying to reports from an American TV network that U.S. officials are seeking a resumption of talks with Panama to propose negotiations. According to the U.S. government's Foreign Broadcast Information Service, he added, "We have always been open to any understanding with the United States government," but any negotiations must be based on "respect for the Panamanian government, our sovereignty, and our dignity."

It is by no means clear that the United States is prepared to do that. President Reagan is reportedly preparing an offer to Gen. Manuel Antonio Noriega, the head of Panama's Defense Forces (PDF), to drop trumped-up drug charges against him, in exchange for his giving up command of the PDF. According to *Newsweek*, which reported the story in its Nov. 28 issue, Reagan is willing to take the blame for this deal in order to clear the decks for the Bush administration.

To soften up Noriega, the magazine reported, his Panamanian opponents are being put up to stage a new wave of "destabilization," including street demonstrations, which will be steered from Washington by ousted PDF Col. Eduardo Herrera Hassan and other opposition leaders on the payroll of the State Department and the so-called Project Democracy, the government-within-the-government that

runs U.S. foreign policy.

Joining Project Democracy in the war on Panama is the Socialist International and, for its own reasons, the U.S.S.R. The Panamanian government dismissed its ambassador to Venezuela, Marcel Salamín. Salamín, the reputed "adopted son" of Venezuelan presidential candidate and Socialist International bigwig, Carlos Andrés Pérez, had unsuccessfully tried, on Pérez's orders, to prevent a conference on Ibero-American unity—known as the Amphictyonic meeting—from taking place in Panama last August. He was also known to favor a plan to oust Noriega prepared by Panamanian Benedict Arnold, José I. Blandón, now on the Project Democracy payroll.

The Soviets, who want the U.S. out of Panama in order to take over the Panama Canal, signaled that they were willing to help Washington get rid of the Panamanian government and nationalist military as a step toward their goal. Their plan, as revealed in the August issue of *América Latina*, the journal of the Soviet Academy of Sciences Latin American Institute, is to "internationalize" and "demilitarize" the Panama Canal. Security for the canal would be provided by "international peace-keeping forces."

This sent the local communist party—called the People's Party—into conniptions, since they nominally support the government. Moscow had to send Soviet Communist Party International Department honcho Karen Brutents to Panama in September to cool things off. So when *EIR* exposed

the Soviet plot, the local communists responded by trying to kill the messenger. In mid-November, the Panamanian communists devoted a full page of their newspaper *Unidad*, to attacking "the LaRouchites" and *EIR*, accusing this publication of distorting the Soviet position and of taking quotes out of context. When confronted with actual copies of the Soviet publications that retailed the State Department's line against Panama, the Panamanian communists sputtered: "Well, that is the personal opinion of the writers. It does not represent official Soviet policy."

Although there is the hope, as Solís Palma has said, that the new U.S. administration will have "the good sense" to change "its Panama policy, because it is not what it should be," there are no illusions. "Panama must not expect a change in U.S. policy," stated Foreign Minister Jorge Ritter after Bush's triumph. "The new U.S. administration will not change its fundamental policy toward Panama because it has a strategic interest in remaining in Panama beyond the year 2000," he said, referring to the deadline set by the Carter-Torrijos treaties for Panama to take over the Panama Canal, and the U.S. to leave its military bases.

In a speech Nov. 24, Noriega said: "Our people are not enemies of the American people. We want the American people to know that while they celebrate Thanksgiving—a celebration that represents the determination to build a free and sovereign nation, which was the inalienable right of the Pilgrims, who in 1620 abandoned the British Crown in search for their freedom, because they did not want their freedom to be like the British version of freedom—the Panamanian people are being besieged by hunger," brought on by the U.S. economic sanctions against Panama.

The Gorbachov-Gandhi 'summit'

The Russian was seeking Indian support for his Afghan move, and he got it—in the short run.

Mr. Gorbachov took the opportunity of his Nov. 19-20 visit—scheduled months ago to confer the Indira Gandhi Peace Award on the Soviet President—to further the Kremlin's Vladivostok initiative. In particular, he sought Indian support for a new line on Afghanistan and tried to smooth over the Soviet rapprochement with China, India's adversary for more than two decades.

As the joint blast against "certain forces" violating the Geneva Accord issued by Gandhi and Gorbachov on Nov. 20 indicates, he was successful—for what it is worth—on the first account. Whether the effort to reassure nervous nannies in South Block (Foreign Ministry), on the China matter will prove successful in the long run, remains to be seen.

Extensive private talks with Prime Minister Gandhi—as much as nine hours in two days—gave Mr. Gorbachov the chance to convey the Kremlin's views and desires on a broad range of issues. He made clear that Afghanistan is the single most important focus of Soviet concern in South Asia right now, and undoubtedly confided that grave difficulties were being encountered in keeping the pro-Soviet government in power there.

In the event, Rajiv Gandhi joined Gorbachov in charging Pakistan and the U.S. with violating the Geneva Accord and in calling for the United Nations to convene an international conference on the matter. India is frantic that no pro-Pakistani regime be consolidated in Afghanistan, but lacks the credibility or political leverage to do much about it independently.

Cheerleading Soviet bluster on this

score is reassuring to South Block, and at least temporarily wards off the suspicion that perhaps the Kremlin's stated intention to improve relations with a democratically elected Pakistani government may be the seed of a change of heart in Moscow on this axiom of Indian foreign policy.

Though no hard information is available, Prime Minister Gandhi's report to the parliament Nov. 23 on the Gorbachov visit points to the fact that most of the private discussion was devoted to what Gandhi describes as the two leaders' agreement that "a new era is emerging in international relations." Gandhi told parliament that the Soviet Union is highly appreciative of India's constructive role in the Non-Aligned Movement and India's effort to promote peace, disarmament, and development. All of this, including the joint call for a new and just international economic order, was codified in the joint statement issued at the end of the visit.

Mr. Gorbachov's wish to have India play a more decisive role in his Vladivostok initiative for Asia-Pacific security was most probably a prominent theme. That means patching up with China, among other things, a timely topic in light of Mr. Gandhi's December pilgrimage to Peking.

There is every indication that Mr. Gorbachov's assurances on the China matter were taken to heart. Mr. Gandhi was not bluffing when he told the parliament that China was "unimportant" as far as the ties between India and the Soviet Union were concerned, and, interestingly, seconded M.P. Samar Mukherjee's proposal for a wider debate on the emerging relations be-

tween India, China, and the Soviet Union.

Indeed, the fuss that has been brewing here, nominally over the Sino-Soviet relationship as a whole, is actually a kind of shadow-play rooted in South Block's Pakistan fixation and the resulting paranoia that colors India's entire strategic outlook. Mr. Gorbachov took the unusual step of addressing the issue publicly at the outset—if only to keep the private agenda for talks clear for more important matters.

Otherwise, the visit consisted in the standard, pre-cooked fare that is obligatory when a superpower visits an underdeveloped nation, that, too, one with which it boasts a "model" relationship. The accord to supply two 1,000 MW nuclear power reactors had been finalized some months ago, and work on one of the plants has already begun. The announcement of a \$4 billion financing package was a flashy addition to the signing ceremony, though fine print of the credit deal was not revealed. The power plant is a solid anchor for still somewhat airy if enthusiastic talk of joint ventures and other possibilities tied to efforts to upgrade the two economies. Two-way trade now amounts to the equivalent of \$3.3 billion annually.

Lastly, the cultural agreement, including unveiling a statue of Pushkin in Delhi. These ties have a long background, given that the Russians' own research-backed claims to insight into the Aryan secrets and the overlap of Central Asian populations with those of the subcontinent makes it a practical matter. But they are clearly getting a new push under the baton of Raisa Gorbachova, who was featured in Delhi as the co-pilot of a joint Hindu-Russian magazine for women sponsored on this side by the Congress high command.

Is Sudan out of control?

A hit attempt on the defense minister is being blamed on the prime minister, and things may not cool off.

The Nov. 19 assassination attempt against Sudan's defense minister, Gen. Abdel Majid Hamid Khalil, and the Chief of the Army, Gen. Fathi Ahmed Ali, was not just one more incident in Sudan's ever troubled political life. The attempt took place when a SAM-7 ground-to-air missile was fired at Khalil's plane, just after take-off, in the southern region of Bahr al Ghazal.

Though hit, the plane was able to land safely.

Intelligence provided to *EIR* indicates that the assassination attempt was initiated and planned by Sudan's Prime Minister Sadiq al Mahdi, with the help of the National Islamic Front of Hassan al Turabi, the present justice minister.

Yet, as soon as news of the attempt began spreading, al Mahdi didn't hesitate to put out an official statement blaming the southern forces of rebel John Garang as the culprit, underlining that this showed that "Garang does not want peace."

Why did the Sudanese prime minister want to kill his own defense minister, who was only appointed last spring? Could he not just decide to fire him?

Apparently Mahdi had a plan to kill two birds with one stone. The attempt took place after weeks of negotiations in Addis Ababa, between emissaries of John Garang of the Southern Sudan People's Liberation Army (SPLA) and Mohammed Osman el Mirghani of the Democratic Unionist Party (DUP), which is a member of Mahdi's coalition government.

A mutual agreement was then ratified, stipulating that, provided the

government in Khartoum would review the implementation of the Sharia (Islamic Law) in Sudan, Garang would go for a ceasefire and political negotiations.

Behind these provisory commitments stand several layers of pressures. First, the obvious fact that years of civil war in the south has exhausted the entire country from the north to the south, and has aggravated Sudan's problems in the wake of this fall's severe floods in the region.

Second, there are international pressures from both East and West to reach a regional package which would see the solution of the southern Sudanese war and the wars between Addis Ababa to the Eritrean and Tigres rebellions, as well as the still-existing tension between Ethiopia and Somalia.

A panacea being mooted under the rubric of these New Yalta-style "regional deals," would be the establishment of federated systems in which the rebel minorities would be called on to participate.

Yet the terms of the agreement between Mirghani and Garang were unacceptable for Hassan al Turabi, who wants the Islamic fundamentalist Sharia to be implemented and imposed on all Sudanese citizens, regardless of their religion. Likewise, Turabi's party has been campaigning actively for an actual partition of the country, arguing that Southern Sudan has become an "economic burden to the rest of the country."

On Nov. 22, Turabi's followers organized a mass demonstration in Khartoum, quickly degenerating into

a riot, to protest the agreement.

Though sabotaging an embarrassing agreement, which would go to the credit of his potential rival al Mirghani, was certainly one consideration in Mahdi's mind, this was not the only one. The real motivation is Khalil's determination to reassert the control of the Sudanese national army over Sudan's western province, the Darfur.

Since Mahdi's arrival in power with the overthrow of longtime Sudanese leader Gaafar Numayri in 1986, the Darfur has become, in all but name, a Libyan province. As previously documented in *EIR*, this was the result of a deal made in Paris in 1980 between al Mahdi and Qaddafi.

In exchange for Libyan financial support, while he was an opponent in exile, Mahdi offered to "lease" the Darfur for Libyan military operations against Chad.

To renege on his agreement now would mean his downfall.

However, how long can Sudan's national sovereignty be "leased"? Khalil's decision converges on a growing concern in neighboring Egypt over Sudan's rapid collapse.

Egyptian leaders are having nightmares at the sight of Sudan, whose western province is under de facto Libyan control, a southern province close to secession, and a central government in Khartoum ruled by Islamic fanatics of the ilk of al Turabi, even though his main supporters are to be found in the U.S. State Department and the Faisal clan in Saudi Arabia.

The targeted Defense Minister Khalil, a former military aide to ex-Sudanese leader Gaafar Numayri, shares such concerns, as does al Mirghani, who has been traditionally close to Egypt. The events of the last two weeks of November indicate that Khartoum is now about to witness a showdown on those issues.

International Intelligence

Soviet forces in Germany on alert

Units of the Soviet Armed Forces in East Germany have been put on special alert, according to source reports from West Berlin which were covered front page in the Nov. 26 *Frankfurter Allgemeine Zeitung*. Reporting on mass arrests of oppositionists in East Germany, the West German daily stated that the command of the Second Soviet Guard Army, one of five stationed in East Germany, ordered servicemen and officers to stay in their barracks for the time being.

The specific reason for the alert is not clear, but may be related to the upcoming extraordinary Soviet party Central Committee plenum in Moscow, or to the situation in East Germany itself, which, with party boss Erich Honnecker ill, is characterized by intensifying succession fights inside the SED party organization.

Then, there is the unstable situation in Poland; the Group of Soviet Forces in Germany (GSFG) is not confined to East Germany, but also has strong forces stationed in the western parts of Poland. Fourth, is the possibility of military action against Western Europe. The GSFG exists first and foremost for offensive action against the West.

Informed of the report of a state of alert, a senior British expert on the U.S.S.R. made the background evaluation that the Soviet army is in a "jittery" state after the deaths of Soviet soldiers in the Transcaucasus (Georgia, Armenia, Azerbaijan).

"The army would be jittery, and, considering that the Soviets may have to be using troops soon in the Baltic states, for example, this could be an occasion to test out the alert, down to the barracks level. . . . The army has been in difficulty in the Transcaucasus, and an alert in East Germany might have the dual purpose of dealing with the psychologically jittery feelings, diverting attention in a certain way, while also testing out the alert in case of an actual movement of troops. They want to know the state of readiness of units, formations, and

headquarters, on a spot alert basis. The alert has been decreed in the GSFG, on the front line, so to speak, but it could also be involving other commands, inside and outside the U.S.S.R."

He suggested investigating parallels between patterns of alerts now, and patterns of alerts in the period leading up to the Soviet invasion of Czechoslovakia in 1968.

Europeans mend fences with Mideast radicals

West German Foreign Minister Hans-Dietrich Genscher, a Soviet asset, arrived in Teheran, Iran Nov. 27 to further economic ties between West Germany and the mullahs' dictatorship. Only one day earlier, Libya's number-two, Abdel Salam Jalloud, arrived in Rome for a series of high-level political meetings, possibly including a short audience with the Pope.

Both diplomatic events are consistent with all of the European countries trying to mend fences with the radical Mideast countries.

Along the same lines, the Archbishop of Canterbury, Robert Runcie, began a series of denunciations of Iraq in the House of Lords on Nov. 23, particularly on its alleged use of chemical weapons, as a further goodwill gesture toward Teheran. This was followed by a series of articles in the *Financial Times* denouncing Iraq. On Nov. 23, a commentary said, for example, that Iraq's support for a Palestinian state was "obscene" in light of its treatment of the Kurds.

Foreign Minister Genscher was expected to focus his talks in part on the issue of Western hostages in Lebanon, in the hands of gangs effectively controlled by the Iranians. He has already announced that a German-Iranian joint economic commission will meet in both December and February.

Economic issues are also at the top of the agenda in Jalloud's visit to Rome. Libya may seek to use the leverage of its sizeable investments inside Italy to receive privileged trade treatment.

Chinese minister visits Moscow

Chinese Foreign Minister Qian Qichen began an official visit to the Soviet Union Dec. 1-3 at the invitation of Foreign Minister Eduard Shevardnadze, the *China Daily* reported Nov. 26. Talks will focus on Kampuchea and other issues of Sino-Soviet bilateral relations, a Foreign Ministry spokesman said Nov. 25.

"If the talks go smoothly, then it should be possible to arrange a meeting between the top leaders of the two countries [Mikhail Gorbachov and Deng Xiaoping] at an earlier date than previously thought possible," the spokesman said.

Chou En-lai was the last mainland foreign minister to visit the U.S.S.R., in 1957. Andrei Gromyko, accompanying Nikita Khrushchov, was the last Soviet foreign minister to visit China, in 1959.

Thousands may have been killed in Sri Lanka

About 400 people have been killed by the ethnic Sinhalese extremist JVP organization, and their opposite numbers, the Tamil guerrillas, in Sri Lanka in one month's time, the Minister of Parliamentary Affairs, Vincent Perera, announced in Parliament Nov. 24.

According to Britain's *Guardian* newspaper, the latest official figures are 439 killed in violence in the 30 days before Nov. 15, and 70 killed in the following week. But rumors say that thousands have died.

During 1988, some 700 government officials and ruling party supporters have been killed by the JVP in the country's south. The terrorist organization is a majority-Sinhalese racial chauvinist party.

Parliament overwhelmingly approved a request by Perera to extend the country's state of emergency by one month.

A new dimension to the terror war opened

Briefly

when three foreigners were killed by 25 JVP terrorists in military uniform who raided a sugar factory the night of Nov. 23.

Most of the island nation is now a disaster area, a source in the capital city, Colombo, he told *EIR*. The Northern and Eastern provinces, where a majority are Tamils, that is, of Indian extraction, have somewhat stabilized, with the separatist Liberation Tigers of Tamil Elam (LTTE) having reduced to 1,000 fighters by an Indian peacekeeping force. Vital infrastructure like water supplies and transport are being restored, he reported.

But the south is under constant attack from the the JVP, whose model for bringing down the government of Junius Jayewardene is the 19th-century "Narodnik" anarchists of Russia. They are destroying bridges, railway tracks, the water supply system, transport, and communications to the point that it is a rare occurrence to receive or make a telephone call, said the source.

People are hungry, even starving, in the southernmost part of Sri Lanka, the *Guardian* reported. The paralysis imposed by the JVP is so complete that food supplies are short and gasoline not obtainable. Buses run only with large groups of guards to keep the drivers from being shot. Banks are only open an hour at a time. Government officials must be driven to work by the army to protect them from assassination.

In one case in Hambantota, JVP guerrillas ordered that the widow of a police officer they had killed should not bury her husband for five days. When she went ahead with the burial, the JVP dug up the decaying body a few days later and dumped it on her doorstep.

Salinas pledges return to growth

Incoming Mexican President Carlos Salinas de Gortari told his nation in his inauguration speech Dec. 2, "The priority will no longer be to pay [foreign debt], but to return

to growth. . . . We are transferring abroad 5% of our national product each year [which] is unacceptable and unsustainable.

"I will avoid confrontation [with creditors], but I declare emphatically and with conviction that the interests of Mexicans are above the interests of creditors."

The *Wall Street Journal* commented that the new President's "rhetoric was tougher than anticipated, though his proposals weren't specific." It reported that U.S. bankers were split over whether this was just rhetoric, or whether political pressure might push Salinas to take real action.

"His aims don't make a whole lot of sense to me," said one banker, noting that Salinas wants to reduce the transfer of resources, reduce the debt, and still get banks to lend new money.

Salinas and his technocratic colleagues "have got a lot to prove politically. That could be really dangerous," commented another banker.

Indian, Pakistan expel diplomats

India arrested Pakistan's military attaché in New Delhi Nov. 30, on charges of spying. The arrest was reportedly the result of a months long investigation. The Indians claimed they had caught the attaché, Brig. Zhair-ul-Islam, red-handed with a sensitive defense document as he was meeting with his Indian contact point.

The attaché was declared *persona non grata* and put on a plane for Pakistan. The Indian Foreign Office refused to contact the Pakistani ambassador, who is being informed of events surrounding the arrest only through the TV news.

In retaliation, Islamabad Dec. 1 expelled Indian diplomats from Pakistan.

The incident comes at an awkward point—given the creation of a new government in Pakistan by Benazir Bhutto. Pakistani fears of Soviet-instigated Indian aggression were already at a high point.

● **MOSCOW'S** new ambassador to Dhaka, Vitali Stepanovich Smirnov, has expressed his government's extreme displeasure at the way the Bangladesh official media "engage freely in anti-Soviet propaganda." The envoy noted with "pain and concern" that while his country's relations with the U.S. and China are improving, "Bangladesh perhaps has not taken into account or appreciated the changed Soviet policy."

● **BANGLADESH**, reeling from the worst floods in history, has now been hit by drought. There has been almost no rain since the floods. Water available from surface sources is full of salts. Containers in which villagers traditionally collect and preserve rainwater for storage under the earth were destroyed by the floods. Drinking water is scarce everywhere, including the capital, Dhaka, a city of 6 million.

● **REAGAN** administration officials are attempting to help the Soviet Union gain the release of over 300 troops believed to have been captured by mujahideen resistance fighters in Afghanistan. The State Department welcomed a Nov. 27 meeting between Soviet diplomats and resistance leaders to discuss a prisoner exchange.

● **A WEST GERMAN** parliamentarian privately reported that, when he was in Moscow recently, he spoke with laser scientist Yevgeni Velikhov, vice chairman of the Soviet Academy of Sciences, who said, "I know you have been a good friend of America for many years now. But just think of all that which unites us with you—a common culture: Dostoevsky, Tchaikovsky, Beethoven. And what kind of culture do the Americans have? McDonald's hamburgers!"

Will Bush renege on 'peace through strength' vow?

by Kathleen Klenetsky

President-elect George Bush is going to have a very difficult time fulfilling his campaign pledge of "peace through strength," in light of the myriad pressures that are being exerted upon him to overhaul U.S. strategic policy so that it conforms to so-called budget realities.

Demands for deep cuts in American military spending, for the wholesale cancellation of key weapons programs including the Strategic Defense Initiative (SDI), and for a dramatic scaling back of U.S. defense commitments abroad, are coming from nearly every quarter, ranging from the bipartisan National Economic Commission, to Wall Street bigwigs, to key members of Bush's own camp.

Congress, whose irresponsible attempts to dictate U.S. arms control policy and savage assaults on the Pentagon over the past several years have made that body one of the worst domestic threats to national security, has already let it be known that it has no intentions of permitting defense spending to increase at all.

If the House and Senate hold fast to this vow, it will mean that an incredible \$400 billion worth of cuts in the Reagan administration's projected military budgets will have to be made over the next five years.

Despite the chummy atmosphere which Bush has tried to engender through his meetings with assorted congressional leaders in recent days, there is no evidence that Capitol Hill intends to soften its commitment to a zero- or negative-growth Pentagon budget.

Senate Armed Services Committee chairman Sam Nunn (D-Ga.), that great representative of the self-avowed "responsible, centrist" wing of the Democratic Party, made that clear when he announced Nov. 30 that the United States must undertake a sweeping review of its defense programs, because the exigencies of deficit reduction demand a minimum

of \$400 billion in military-spending reductions within five years. "We need to have a review of all the hardware programs, including those that have already been started," he said, acknowledging that this will mean canceling weapons systems already begun.

It will also almost certainly mean the abandonment of America's commitment to Europe, and its withdrawal from other key strategic arenas, including Korea. Although such moves will be justified by claims that the United States can no longer afford to bear the burden of defending other nations, and that America's allies should shoulder more of the costs, they will make America's own defense much more difficult, if not impossible.

Nunn implied that the decoupling of U.S. defenses from its allies is the wave of the future when he went on national television Nov. 27, on CBS-TV's "Face the Nation," to tell Bush that the first place he should look to save defense dollars is in "our relationship with our allies." Dismembering NATO, under the guise of encouraging greater European "independence," has been one of Nunn's favorite obsessions since at least 1984, when he introduced his infamous amendment to slash U.S. troop deployments in Western Europe by 50%.

It was left to Reagan Defense Secretary Frank Carlucci to make Nunn's threat explicit. In remarks to a conference on NATO and Europe's defense, which took place in Washington Nov. 28, Carlucci said that the United States will be forced to reduce its overseas deployments if Congress doesn't grant a 2% real increase in the Pentagon budget. America will have to make cuts in "deployable battle groups and some force structure overseas," Carlucci told the conference. Although he didn't specify where these reductions would take place, the *Washington Post's* coverage of his remarks correctly observed that "Europe is a leading candidate."

Pragmatic compromise

Although it is too soon to predict with any real certainty exactly what course Bush will follow in dealing with the range of defense and related policy issues before him, several recent developments, especially his appointment of Brent Scowcroft as his national security adviser, and his hints that he may not even ask Congress for any real growth in the defense budget, suggest that Bush's well-known tendency toward pragmatism may override his expressed concerns about U.S. military strength.

And pragmatism is just about the worse possible approach Bush could take. With the Soviet Union becoming increasingly dangerous as a result of its own internal economic and political crisis, as well as Gorbachov's proven ability to seduce various factions in the West, the new President needs to take a series of bold initiatives that will send a clear signal to Moscow that any aggression will be met with a swift and firm response. Such initiatives should include a sufficient increase in military spending to permit the rapid development and deployment of precisely those "exotic technologies" such as radio-frequency weapons and the x-ray laser which the pragmatists find so offensive, and which the Soviets, at least, recognize as the new frontier in military technology.

Taking these steps now, before Bush's Dec. 7 meeting with Mikhail Gorbachov, would go a long way to rectifying the Munich-like appeasement which Moscow has now come to expect from Washington.

Unfortunately, the one major public step President-elect Bush has taken so far in defining his administration's likely strategic policy outlook, the Scowcroft appointment, reeks of pragmatism.

The appointment, announced Nov. 24, was not unexpected. Scowcroft and Bush have been friends for some time; the retired Air Force General headed up the Bush campaign strategic policy advisory committee. But it is definitely a bow to the policy circles represented by Henry Kissinger, which are committed to a global power-sharing arrangement with Moscow, even if they do disagree with their more liberal confrères in believing that the United States should retain some military clout to enforce the arrangement.

Scowcroft has been allied with Kissinger since the latter hired him as his deputy at the National Security Council; he currently serves as a partner in Kissinger Associates, Inc. Like Kissinger, Scowcroft firmly believes in the doctrine of deterrence, and consequently has had almost nothing good to say about the SDI. In fact, ever since President Reagan unveiled the program in March 1983, Scowcroft has been among its most outspoken "conservative" opponents, insisting that the goal of defending the populations of the United States and its allies from Soviet missile attack was "impossible." Scowcroft, along with the superliberal arms-control lobby and the Kremlin, also supports the so-called "narrow reading" of the 1972 ABM Treaty, which has placed killing restrictions on the SDI program.

Less than two weeks before the presidential elections, he

told the *Washington Post* that Bush is "clearly aware" that the SDI cannot continue to take an increasingly large share of the defense budget, adding that "it's impossible" for SDI to "continue along the lines that Ronald Reagan wanted it to."

Scowcroft was also affiliated with a package of recommendations to the new President, issued by the Center for Strategic and International Studies in early November, which asserted that "it is against the national interest to adopt deployment of SDI as a goal at this time," and also recommended partial withdrawal of the U.S. military presence in Western Europe and Korea.

More damning evidence comes from the paper on defense and arms-control policy which Scowcroft authored, together with retired Adm. James Woolsey, for the American Agenda, a private transition group headed by former Presidents Ford and Carter. The paper demands a comprehensive review of U.S. national security policy and defense priorities, and a "major restructuring of the defense budget," premised on a minimum of \$300 billion in defense cuts over the next five years. "The only way to make substantial early savings in the defense budget," authors Scowcroft and Woolsey argue, "is to cancel major programs and to reduce the size of the armed forces—to cut divisions, air wings, and carrier battle groups—and to reduce readiness and sustainability." (If this sounds remarkably like Sen. Sam Nunn's prescriptions cited above, it should: Nunn and Scowcroft are part of the same incestuous policy grouping, centered at CSIS.)

With Scowcroft as national security adviser, and ultra-pragmatist James Baker running the State Department, the need to have someone heading up Defense who is a staunch anti-accommodationist and willing to fight for adequate military resources, becomes more urgent.

That does not appear to be in the cards. Despite the slew of personal scandals that have come out about him recently, former Sen. John Tower still appears to be Bush's first choice for Pentagon chief. The Texas Republican, who chaired the Senate Armed Services Committee and then went on to become the Reagan administration's chief strategic arms negotiator at Geneva, is campaigning for the job by assuring liberal outlets like the *Washington Post* that he won't insist on annual defense budget increases; will withdraw U.S. troops from Western Europe; will crack down on defense-procurement "corruption"; and won't make the same "mistake" he did in the early 1980s, when he went to bat for Reagan's military buildup. This is definitely not the message which Washington should be sending to Moscow.

The one bright spot in the picture is that the number-two slot at Defense may go to Martin-Marietta CEO Norman Augustine. Augustine, who met with Bush Nov. 28, helped author two recent reports (one issued by the Defense Science Board, the other by the Air Force Association) which warned that the erosion of the U.S. industrial base is already wreaking havoc with military preparedness, and called for the Pentagon to have greater input into economic policy.

1986 Hallowe'en party key in Justice Dept. case against LaRouche

by EIR News Service

You might say that the U.S. Department of Justice is spooked.

Earlier this year, in a Boston trial against U.S. Democratic presidential primary candidate Lyndon LaRouche, federal prosecutors were desperate to keep the relevant doings of U.S. government spooks from coming to the surface. That case ended in a celebrated mistrial, in which the discharged jury voted that they would have acquitted the defendants on all counts.

A ghastly gathering

Following that mistrial, the inter-agency governmental task-force behind the legal harassment of LaRouche et al. shifted tactics. They attempted to retry what is substantially the same case, using the same key witnesses, in an Alexandria, Va. federal court. Now, with that second trial in progress, spooks are back in the picture again. This time, the ghastlies in question are of a different variety than those featured in Boston. Prosecutors are trying desperately to keep the lid on the facts of a certain Hallowe'en party, back on October 31, 1986.

That Hallowe'en party is a featured part of the entire federal case against LaRouche et al. That curious festivity comes into the center of the prosecution's case in the following way. We identify the principal forces behind these legal frame-ups. We then identify the nature of the general charge on which all of the cases are based consistently. We show how the prosecution in both federal cases has conspired with a circle of left-wing LaRouche-haters, centered around the 1986 Hallowe'en party, to construct both the Boston and Alexandria cases.

The 'Get LaRouche Task Force'

The legal targeting of LaRouche and his associates by both the federal government and several Democratic Party state attorneys general, is the work of a federally-coordinated, national inter-agency task-force, composed of several federal agencies and sub-agencies, sundry state agencies, and an assortment of private associations and even business firms including such as the so-called Anti-Defamation League (ADL), a syndicate of private banking officials, and Federal Express. The political direction of the prosecution comes from left-wing elements, such as former Boston U.S. Attorney William Weld, from elements of the U.S. Department of Justice which work in close cooperation with the Soviet KGB,

and from such as Deputy Assistant Attorney General Mark Richard and the OSI.

The principal direction of the legal frame-up from other parts of the Reagan administration comes from the circles of long-time Jay Lovestone crony Leo Cherne. Lovestone is the former Soviet Chekist once appointed by Soviet dictator Nikolai Bukharin to head the Communist Party U.S.A. After being dumped from the U.S. Communist Party leadership by Stalin, the Lovestone intelligence network continued to cooperate with both Stalin's intelligence service and the U.S. State Department until approximately 1938, under the cover of the International Rescue Committee. The Industrial Engineering Department of the New York City-based International Ladies Garment Workers Union, was the Lovestoneite base of intelligence operations inside the U.S.A.

After 1938, but especially during the post-war 1940s, Lovestone and his crony Cherne rose to a powerful position inside the labor-centered operations of the U.S. intelligence community. In recent years, Cherne became a leading figure of President Reagan's President's Foreign Intelligence Advisory Board, and a guiding hand behind covert U.S. government operations conducted under the cover of such Reagan Executive Orders and Directives as Executive Order 12333 and 12334. This complex associated with Cherne is the political center of legal harassment operations from inside the Reagan administration's intelligence community.

The role of Cherne and his accomplices overlaps a similar role by Project Democracy, an official arm of the U.S. government. Some of the most direct targeting of LaRouche and his associates for legal harassment has been coordinated through an ostensibly unlawful domestic covert intelligence operation known as the Office for Public Diplomacy. The latter operations against LaRouche et al. have been associated since no later than mid-1983, with former CIA official Walter Raymond, and crony of long-standing Soviet agent Armand Hammer, Charles Z. Wick, Director of the U.S. Information Agency.

According to Vatican sources, this cabal of Soviet appeasers also includes the circles of former CIA Director William Colby and U.S. Ambassador to the Vatican Frank Shakespeare. The circle of liberal Catholics associated with Colby in this enterprise, are otherwise distinguished by their posture of appeasement of Moscow, as is merely illustrated by Colby's recent statement in support of negotiating a blend-

ing of operations of the U.S. Central Intelligence Agency and the Soviet KGB.

Most of the legal harassment since approximately October 1983 has been done on direct orders of the Soviet government at the highest level. There has been no legal harassment of LaRouche et al. by the U.S. Department of Justice during this period, which was not taken in obedience to prior demands for such actions issued from the highest level of the Soviet command, and published in the leading Soviet press. Everything done against LaRouche et al. was done as part of the Reagan administration's 1984-1988 pattern of appeasement of Moscow.

On the Justice Department prosecutors themselves. This operation has been centered in a collection of documented left-wingers inside the Criminal Division of the Justice Department. These left-wingers have included former head of the Criminal Division, Stephen Trott, whose singing career with a "Weavers"-modeled group, the "Highwaymen," was managed by the same agency which directed the "Weavers" and Pete Seeger from the 1940s onward. According to his own written admissions, Trott's subordinate, former Boston U.S. Attorney and later Criminal Division head William Weld, was associated with left-wing causes from no later than the mid-1970s onward, with business investments in production of Communist propaganda films by Beijing military intelligence.

Apart from their targeting of LaRouche et al., Trott and Weld are on the sworn *Congressional Record*, as cooperating with Senator Grassley (R) of Iowa and others to destroy the Defense Department's fragile system of procurement, an operation in which Alexandria U.S. Attorney Henry Hudson, a member of the federal "Get LaRouche Task Force," has played a key role.

The official liaison with the Soviet KGB and Moscow Procurator Pustogarov within the Criminal Division of the Justice Department is Deputy Assistant Attorney General Mark Richard, the official responsible for the Soviet official channel within Justice, the OSI (Office of Special Investigations). The OSI has the official responsibility for using forged evidence manufactured by the Soviet KGB and the office of the Moscow Procurator, to persecute U.S. citizens targeted for elimination by the KGB. So far, it has performed that service to Moscow faithfully.

To assist the OSI, the Justice Department relies upon other Soviet channels, including one Charles Allen and the Anti-Defamation League. Typical of the ADL's sources are Beate Klarsfeld and the West Germany-based VVN organization (*Vereinigten Verfolgten des Naziregimes*). Both are formally agents of East Germany's Ministry of the Interior, the dreaded "Stasi." The VVN was created by Soviet intelligence during the immediate post-war period as the mother-agency for creating the post-war Communist parties and their networks of accomplices inside West Germany. Beate Klarsfeld is an asset of this network. So is the West German Green

Party, which was brought into the West German parliament through aid of Secretary of State George Shultz's policy of "dialogue with the Greens."

However, the evidence does not show that all of these elements of the "Get LaRouche Task Force" operations were simply the work of Soviet assets inside the U.S. government. Although many of the hard-core adversaries of LaRouche inside the Reagan administration have backgrounds as former Trotskyists or Lovestoneites, they are not simply long-term Soviet intelligence penetration-agents into our Justice and Defense Departments' administration and intelligence services.

At the highest level of political control, the "Get LaRouche Task Force" is composed chiefly of a combination of two elements with common and conflicting interests and objectives.

On the one side are purely Soviet assets, such as the cronies of Armand Hammer, the Bronfmans, and the complex of official and private-consulting agencies around Mark Richard and the OSI.

On the other side, are high-ranking Anglo-American financier interests associated with the "save Gorbachov" effort, whose political representatives are typified by Lloyd Cutler and the Peace Links, World Wildlife Fund, and Club of Rome cabals within the U.S. Congress. By standards of the Cold War period of the 1950s, all of the latter circles would be classed as "Soviet fellow-travelers," as ineligible for a federal security clearance. Former CIA Director Colby's current appeasement antics would not have been tolerated then. By today's standards, these circles have been elevated from the indignities of the term "Soviet fellow-traveler," to the esteem of "back-channels to Moscow."

Typical of the forces used by former CIA official Walter Raymond, in setting into motion the covert Public Diplomacy operation against LaRouche, during the summer of 1983, is one Roy Godson. Godson is a second-generation Lovestoneite, who had been a virulent LaRouche-hater since approximately the time LaRouche's associates beat off Communist hooligans, back in 1973. What Raymond and USIA Director Charles Z. Wick did, through what became Executive Order 12333's Office of Public Diplomacy operation, was prompted chiefly by President Reagan's March 23, 1983 nationally televised announcement of the Strategic Defense Initiative. What the President did then was to adopt a project on which LaRouche had been working with Judge William Clark's National Security Council for more than a year prior.

Ironically, what Walter Raymond, Roy Godson and others did, from inside the National Security Council, was to spread a forged charge that LaRouche was a secret asset of the Soviet government, to drive a wedge between LaRouche and Judge Clark. Then, approximately October 1983, Raymond, Godson, et al., with backing from Leo Cherne's cronies inside the President's Foreign Intelligence Advisory Board, unleashed the current Justice Department operations

against LaRouche, in coordination between NBC-TV news and other assets and accomplices of Cherne and Godson. As part of the same operation, they secured the ouster of Judge Clark as National Security Adviser.

The clincher was the leaking of what is known today as the Oleg Gordievski report. This leak alleged that Moscow was ready to go to war against the U.S. during late 1983, and that LaRouche must be eliminated as a virtual *casus belli* between the two superpowers. The Gordievski leak was a Soviet-concocted hoax, run into the U.S. through complicity of a corrupt section of British intelligence.

So, although LaRouche et al. were already hated and under attack by bankers' and other circles which the Cold War period would have classified as "Soviet fellow-travelers," the "Get LaRouche Task Force" was set into motion by the Reagan administration, and Reagan's cowardly abandonment of a leading architect of his SDI policy out of fear that Moscow viewed LaRouche as a *casus belli* for nuclear war between the two superpowers. By 1985, the administration line became, "Keep away from this man; he is dangerous."

This is exactly what the Soviet government demanded at the highest level, already during mid-1983, but most emphatically during the period January-March 1984, the period of the covert operation run through NBC-TV News. In the later period, the Soviet press published statements from the highest level of the Soviet government: the Reagan administration must break openly and definitively with LaRouche, "or else."

It was this Soviet policy, aided by corrupt accomplices in the highest levels of British and U.S. intelligence, which was used, with assistance from the cronies of Armand Hammer, Edgar Bronfman, and Charles Z. Wick, to bend President Reagan's will, to induce him to make the vast concessions to Moscow he has made during and since 1984.

This pattern of behavior by the "Get LaRouche Task Force" continues to the present day.

It was this cited complex of Cherne associates which initiated the 1984 legal actions against LaRouche et al. During the period from the summer through the end of September 1986, Raisa Gorbachova's Soviet Cultural Fund, funded prominently by Armand Hammer, called repeatedly for what became the Weld-Hudson Leesburg Raid by a joint federal-state task force on October 6-7, 1986. That raid was done as the fruit of an understanding between Moscow and Washington, an agreement directly related to the October 1986 Reyjavik "summit" between President Reagan and General Secretary Mikhail Gorbachov.

If Gorbachov wears what the New Testament identifies as the Mark of the Beast, so does each and every member of the "Get LaRouche Task Force."

The prosecution itself

The "Get LaRouche Task Force" is run through the indicated left-wing channels of the Justice Department, in collabora-

tion with the Armand Hammer-linked Raymond-Wick Public Diplomacy covert operations, and in close collaboration with elements of the Democratic Party centered around Democratic National Chairman Paul Kirk, Senator "Pat" Moynihan (D-N.Y.), and New York's Governor Mario Cuomo. The legal harassment by combinations of state Democratic Party attorneys general and certain networks of private attorneys, is coordinated by a national, multi-agency task-force centered in the Criminal and Civil Rights Divisions of the Justice Department.

This task-force uses complicit elements of the news media, such as AP wire services, Reuter's, etc., to try the legal cases in the press by aid of such means as the oft-repeated piece of gibberish, "political extremist Lyndon LaRouche." Various private agencies, including Federal Express, and a network of former FBI agents operating as security officers within banks, are an integral part of this operation.

The purpose of the operation is twofold: 1) to eliminate LaRouche, including arranging circumstances for his assassination, to the degree possible; 2) to shut down the business operations and flows of revenue associated with persons actually or suspected of being linked to LaRouche in some sympathetic way. For this reason, the type of "financial warfare" developed by the war-time Special Operations Executive is a leading feature of the legal and extra-legal operations coordinated through the Justice Department. Every effort is made to discredit LaRouche's security problems, thus to create the circumstances in which he might be assassinated by a disavowed "lone assassin" or a group of terrorists.

The targets of the "Get LaRouche Task Force" itself, are LaRouche personally, foremost, and the philosophical association of which he is the leading intellectual figure, the National Caucus of Labor Committees (NCLC). It is on these accounts that the Justice Department has reached down into the political sewer for its key charges and key witnesses in both the Boston and Alexandria cases.

The 1986 Hallowe'en party enters the trial in the following way.

In the Alexandria federal frame-up case, there are three charges, of which two are the specific criminal charges: The premise on which the entire case depends, is the charge that the National Caucus of Labor Committees (NCLC), is a specific sort of conspiracy, in and of itself. The second charge, which covers twelve of the thirteen charges of the indictment, is that the defendants were each and all Labor Committee members engaged in a loan-scheme conspiracy. The third charge, the thirteenth count of the indictment is weird: That is the allegation that, while Lyndon LaRouche is not charged with evasion of taxes, he is charged with a conspiracy to conceal income which might have been subject to taxes.

The charges are so constructed, that if the NCLC is not the kind of conspiracy the prosecution alleges, then there is no conspiracy on any of the thirteen counts of the indictment. Throughout the indictment, at all times the prosecution al-

leges a conspiracy on the counts of an alleged loan-scheme, or tax-conspiracy; the prosecution's alleged evidence of the existence of a conspiracy on those counts, is the allegation that the NCLC is a conspiracy of the sort it alleges.

It is formal deductive logic; the connection is of the sort termed "the hereditary property." The prosecution's premise is that the NCLC is a conspiracy of a certain sort, and all charges against the defendants in the Boston and Alexandria case are simply "hereditary" extensions of that premise.

This is where the Hallowe'en party comes upon the scene. It is a group of actual conspirators, associated with that Hallowe'en party, who invented the fairy-tale which the prosecution employs as the basis for its misrepresentation of the NCLC as a conspiracy. The fact of that connection is already in evidence on the legal record.

The Bardwells celebrate the raid

Following the news of an armed raid, in battalion strength, on Leesburg, Virginia, on October 6-7, 1986, a certain Steven Bardwell and his wife Gail organized a Hallowe'en costume party to celebrate the government's action. A printed invitation was issued, avowing this to be the purpose of the party.

The two hosts, and all but one of the core of featured guests invited to that party, were already scheduled as prospective prosecution witnesses against the defendants in the Boston "LaRouche trial." The one featured guest not on that list, was a self-professed sewage engineer from Florida, Costas Kalimtgis, who is the political leader, so to speak, of that tight little, LaRouche-hating cult centered around the Bardwells. According to eyewitnesses at that party, Kalimtgis delivered a guest of honor's address to the party, in which he stated that his purpose in traveling from Florida to attend that party was to "send LaRouche to jail."

Behind Kalimtgis and the Bardwells, stands the Soviet KGB.

According to his own repeated information, two of Kalimtgis's uncles, on his mother's side of the family, are high-ranking operatives of the Soviet KGB. One uncle, who Kalimtgis has stated trained him, is based out of Varna, Bulgaria; the other is based out of East Germany, and is a high-ranking official in the Greek seamen's section of the KGB. Kalimtgis's mother's first husband was a high-ranking official of the Greek Communist organization, the KKE. According to Kalimtgis's own account, it was his mother, in 1977, who turned Kalimtgis to work against LaRouche.

Bardwell is a former nuclear-plasma physicist, turned computer programmer. He was worked over by the Soviets beginning a science-trip to the Soviet Union in 1978, and was worked over by Kalimtgis later. He was recruited to his present role beginning approximately 1980, when he struck up a secret love-affair, which he continued behind the back of his wife and two children over approximately four years, until breaking from his wife to marry that woman, his current

wife Gail. It was during the final phase of this secret love affair, during 1982-1983, that Bardwell's degeneration was accomplished.

He turned against the Labor Committees openly during January 1984. The specific issue was President Ronald Reagan's characterization of the Soviet shooting of Korean Airlines Flight 007 in September 1983. The fact that the Soviet pilot and his control-base had acknowledged the craft to be displaying civilian airliner lights prior to shooting the craft down in cold blood shortly after that, was the feature of President Reagan's and LaRouche's reports to which Bardwell objected, and that hysterically.

Bardwell left several of his secret organization's adherents in the Labor Committees until August of 1984, when the last of them was pulled out. He soon developed a significant income as a computer programmer and part-owner of a software firm. He built up a cult-following among a small circle, a cult based upon Teodoro Adorno's "Frankfurt School" dogma of the "authoritarian personality." Hannah Arendt's popularized account of Adorno's dogma is the text referenced by Bardwell.

This Bardwell-centered cult of hatred against LaRouche, is the chief source of the federal prosecution's key witnesses in both the Boston and Alexandria cases. Not only has the prosecution relied upon that stable of perjured witnesses as its key witnesses against the NCLC. The federal prosecution's indictments and direct examination of these witnesses, have been based upon the prosecution's adoption of the Adorno-Arendt "authoritarian personality" dogma.

Not all those invited to the Bardwell's 1986 Hallowe'en party are accomplices of Bardwell's little "Get LaRouche" cult. A significant number of the guests, some of whom walked out in disgust, had simply responded to the invitation to a party with old acquaintances. All those whom the federal prosecution has tapped as listed prospective witnesses in the Boston and Alexandria cases, are hard-core members of that left-wing cult.

The federal prosecution has not been deceived. By arrangement, Bardwell wrote a document for the federal prosecution, purporting to show that NCLC is a conspiracy by the standards of Hannah Arendt's version of the "authoritarian personality" dogma. That is the dogma which the prosecution adopted as the construct used to charge that the Labor Committees are a conspiracy in that sense.

The only fly in the prosecution's ointment on this count, is that the Bardwells made the tactical error of holding a 1986 Hallowe'en party to celebrate the October 6-7 Leesburg raid. Worse, a printed invitation was issued by Steve Bardwell. According to Bardwell co-conspirator Charles Tate, this invitation was composed by Bardwell personally, on the premises of a New York firm, Lewis Business Machines. The invitation "spills the beans"; as a result of the issuance of that invitation, the federal prosecution has reason to regret that its key witnesses lost control of themselves to the point of calling

that party at all.

The 'authoritarian personality'

Briefly, the "authoritarian personality" dogma is the result of a project set into motion during the early 1920s, on the initiative of a Georg Lukacs, then a leading official of the Communist International. Lukacs, a key figure of Soviet cultural subversion against the West, explained the project in the following terms of reference.

The Bolshevik revolution had failed in its effort to spread into post-1917 Western Europe. Lukacs attributed this failure to what he defined as the Judeo-Christian "cultural matrix"

of Western civilization. He argued, that to prepare the way for the "bolshevization" of the West, work must be done to undermine the Judeo-Christian "cultural matrix." The development of the "authoritarian personality" dogma by the so-called "Frankfurt School" (Frankfurt *Institute for Social Research*) and its Marcuse, Horkheimer, Habermas, and Adorno, was Lukacs' proposed project of subversion of the West.

At the close of World War II, the Allies were at some pains to cover up the truth about Adolf Hitler and Western bankers' roles, in ordering Hitler placed in power back in 1933, and continuing to support Hitler against the German anti-Nazi resistance through 1938. For this and other reasons,

The Alexandria trial: Some truth comes out

In week two of the trial of *U.S.A. v. LaRouche*, ongoing in federal court in Alexandria, Virginia, the government brought on about a dozen witnesses, four of whom were compelled to testify under grant of immunity, to try to prove their conspiracy case. Defense cross-examination succeeded in knocking some big holes in the prosecution's conspiracy theory, especially by discrediting the testimony of the government's star witnesses. Some progress was also made in establishing the defendants' clear intent to repay their loans and the financial warfare they faced in trying to do so.

LaRouche and six associates are charged with a loan fraud conspiracy, and LaRouche alone is charged with a one-man conspiracy to commit tax fraud. On trial with the former presidential candidate are Michael Billington, Paul Greenberg, Joyce Rubinstein, Dennis Small, Edward Spannaus, and William Wertz.

Here are some highlights of the week's proceedings:

Nov. 28: Christian Curtis, a dropout from the National Caucus of Labor Committees (NCLC, the philosophical association founded by LaRouche), was exposed as having embellished his testimony against defendants, in order to avoid being indicted himself. Curtis regaled the jury with tales about how the defendants allegedly conned lenders out of money, with no intent to repay. Curtis, obviously hostile toward his former associates, even contradicted his previous interviews with the FBI, and his testimony in the Boston LaRouche trial. Whereas there Curtis had said that he believed fundraisers were acting in "good faith" when they took loans, he now claimed that they never had the intent to repay.

Curtis was also revealed to be acting under threat of indictment himself, when defense attorney William Moffitt brought out that it was he, and not defendant Dennis Small, who actually closed the deal on one of the loans in the indictment. While Curtis denied he had been threatened or pressured, he several times showed that he was primarily concerned with "what was going to happen to me," especially after the Oct. 6, 1986 federal raid against companies associated with LaRouche in Leesburg, Virginia.

In a blatant effort to emotionally sway the jury, the prosecution brought 80-year-old stroke victim Audrey Carter to the witness stand. She had suffered a stroke *after* the period in which she lent money to Caucus Distributors, Inc., the firm which distributed publications of the LaRouche political movement. She was brought up from Florida by the government and wheeled to the stand, despite her ill health and great difficulty in speaking.

Nov. 29: Richard Welsh, a member of the NCLC who went on the stand as a compelled government witness, testified to extensive loan repayment plans by the defendants, and the partial success of those plans, until government harassment and other financial warfare made repayment impossible.

Welsh, who has headed accounting efforts for the company which manages various publishing corporations associated with LaRouche, and acted as assistant treasurer for LaRouche's 1984 presidential campaign committees, testified that in September 1986, he had launched an "Apollo project," to get on top of the loan situation. There were two objectives to this effort, he said: 1) to contact all lenders in person, and through a mailing, in an effort to get them to forgive or restructure their loans; and 2) to update the records of the corporations involved by sending out a statement of account, to be verified or challenged by the lender.

Over 3,000 lenders were scheduled to be contacted under this plan—a most unusual undertaking if the defen-

Adorno's myth of the "authoritarian personality" was used as the basis for the mythical argument, that Nazism was a product of German rationalist culture. Beginning 1945, the left-wing of the Anglo-American occupation forces joined with Moscow in equating Hitler to Adorno's myth of the "authoritarian personality."

This Allied occupation's brainwashing of the German population in this pro-Soviet myth, was used to create the German branch of the New Left during the second half of the 1950s, and to spread the same New Left into the United States during the early 1960s. This myth was used as the premise for promoting the radical counterculture in Europe and North

America. Herbert Marcuse's radical cult-text of the late 1960s, his *One-Dimensional Man*, is directly representative of the Lukacs-Adorno-Arendt cult of the "authoritarian personality," by a Marcuse who was an integral part of that project.

Thus, what the federal prosecutors have done borders upon outright treason. Not only have they acted as hod-carriers for the Soviet government, in conducting the legal frame-ups and related harassment against LaRouche et al. The exotic "conspiracy theory" which they have adopted for this prosecution, is the theory on which Soviet cultural warfare against the West has been based since the early 1920s.—*November 23, 1988.*

dants were, as the government has accused, attempting to run out on their obligations to repay loans.

Before the project could be carried out, however, on Oct. 6, 1986 a host of government agencies, along with the Virginia state police, carried out a massive raid against the offices of the corporations. The raid resulted in the confiscation of every financial record which the government could find. This seizure greatly hampered the Apollo project effort, Welsh testified, although efforts to solve the loan problem continued.

Then, the federal government moved to put three corporations into involuntary bankruptcy, freezing their funds, and making it impossible to repay any lenders. Under an order from presiding Judge Albert V. Bryan, Welsh was not permitted to be questioned about the government's role in the bankruptcy.

Welsh rejected the government's theory that LaRouche and others sought to cover up illegal activities, and to avoid income tax liability. He reported, for example, on his near seven-year history of efforts to implement several memoranda by LaRouche on improvement of accounting systems. The memoranda, he said, had two purposes: 1) to organize a chart of accounts according to the actual economic activity of the corporations; and 2) to create a clear audit trail so that embezzlement and fraud could be prevented. He testified that former NCLC member Costas Kalimtgis, and other employees of the computer firm Computron, had carried out such embezzlement, which led LaRouche to insist on such a reorganization in 1981.

Welsh's testimony also contradicted the impression which government witnesses had attempted to convey, that LaRouche runs every aspect of the NCLC. Even during the 1981 period, when LaRouche was taking an active role to straighten out the problems, Welsh testified, LaRouche was not involved in day-to-day operations, as far as he could tell.

Nov. 30: Welsh's continuing testimony established

that the corporations had made substantial progress in repaying loans and reducing the ratio of loans to income, before the October 1986 raid and involuntary bankruptcy.

Concerning the political and financial harassment against LaRouche's movement—an issue which the prosecution has fought hard to keep out of the trial completely—Welsh was able to point out that Henry Kissinger had sent a letter to then-FBI director William Webster, demanding an FBI investigation of LaRouche. That letter was entered into evidence.

In other testimony, compelled government witness Kathy Magraw, also an NCLC member, rejected the prosecution's hype about "LaRouche's lavish lifestyle," his "estate," and his alleged effort to avoid income tax payment. She reported on the actual purpose of Ibykus Farm, where LaRouche and his wife live when they are in Virginia. She testified that the farm was a "safehouse," used for a variety of guests as well as the LaRouches, and for meetings and cultural events.

Retired accountant Murray Altman testified briefly for the defense, saying that his recollection was that LaRouche had no tax liability for the four years for which he had prepared tax returns.

Dec. 1: Attempts by prosecutor Kent Robinson to make it appear as though Lyndon and Helga LaRouche have lived a "lavish life-style," while LaRouche allegedly evaded taxes, fell flat, during examination of the head of physical security for the NCLC, Richard Magraw. Magraw described LaRouche's life as a "virtual captive" in the "safehouses" which have been set up for him and other guests of the NCLC. Speaking of LaRouche's life in New York City, Anderson asked how often Mr. LaRouche could go out and take a walk? Not one time, Magraw answered. How often could he go to a movie? Never. To a symphony? Never. To an opera? Never. To McDonald's? Never. In other words, Mr. LaRouche was a virtual captive in this house, Anderson asked. Yes, said Magraw.

Drug war ravages nation's capital

by Nicholas F. Benton

A Washington, D.C. city councilwoman has called on President Reagan to declare a state of emergency and deploy the National Guard in an effort to stem the record homicide rate in the nation's capital, which has resulted from an escalating drug trade.

District of Columbia Councilwoman Nadine Winter said Nov. 21 that she fears for the safety of the hundreds of thousands of participants in the presidential inauguration next month, because of the level of lethal violence now occurring in the shadows of the White House.

So far, President Reagan has given no response to the call. As for Washington Mayor Marion Barry, according to an aide in Councilwoman Winter's office, he "does not want to admit there is a problem serious enough to warrant measures of this kind."

However, the cold statistics indicate otherwise. Through November, there have been 331 reported homicides in the District in 1988 alone—a rate of almost exactly one per day and already far ahead of the total of 277 last year, and the previous all-time record of 289 set in 1969. The one-per-day murder rate is phenomenal, given the population of the District, which is only 600,000. Officially, 165 of the murders this year remain unsolved.

The rate of homicides is also rising, with the total of 43 in November setting an all time one month record (averaging out to a annual rate of 526). In October, the total was 42, and in September, 41.

Clearly, the biggest cause of the homicides is drugs. The District police department estimates that 60% of the murders are "drug-related," although other sources say the percentage is over 70%.

The most alarming factor in the drug-related homicides is the evidence of a growing turf war between competing gangs or drug networks. Police spokesmen deny that gangs are a factor in drug trafficking in the District, but other sources point out that the notorious Los Angeles drug-trafficking gang, the Crips, are "well established" in southeast Washington, where many of the murders have been occurring. These sources point to a pattern of "execution-style" murders since the first of the year.

The most that a police department spokesman would admit in a Dec. 1 interview with *EIR* was that "competing drug-trafficking networks" are battling over turf, but he denied there are gangs as such, and said that there was no breakdown of homicide statistics to reflect what percentage of the deaths have been related to such warfare, compared to deaths resulting from individual drug deals gone sour, or from persons under the influence of drugs.

However, a member of Mayor Barry's Youth Leadership Institute was quoted in the Dec. 1 *Washington Times* that gangs are burgeoning in the District due to the influence of the Crips, who, he says, are "much more sophisticated in their organization" than anything previously in the District.

As a result of their influence, however, local youth are engaging in a deadly drug-trafficking turf war called "Gangster Rock." The object of the "game" is to sell "rock," or cocaine crystal, which is smoked in the highly addictive and dangerous form of "crack," on another dealer's territory, or "turf."

What results, according to Mario Perez of the federal Drug Enforcement Administration, is "urban guerrilla warfare." He said, "They are still using semi-automatic and automatic weapons. There are still firefights."

The *Times* article quoted a 24-year-old drug dealer saying, "The war on the streets is between the New York boys and the California boys. When one particular dude gets iced, you know it was done on the say so of a New Yorker or a California dude because they are the major suppliers in the area."

According to sources, New York drug suppliers used to dominate in the District—which has been ravaged with some of the highest unemployment and poverty levels in the nation.

However, the Los Angeles Crips arrived in the District in January, and began offering 50-50 cash splits to local dealers, as well as providing them with guns. It is reported that 30 to 40 Crips are headquartered in the southeastern quadrant of the District, and one Crips member was arrested across the Potomac in Northern Virginia last September.

Perez said the DEA is "bracing for an all-out war between the different drug factions," although there are many indications the war has already begun.

In her Nov. 21 announcement, Councilwoman Winter called on President Reagan to redeploy military police divisions of the National Guard to immediately supplement the District's police force effort at intelligence gathering and enforcement to put a stop to the war and drug trafficking altogether.

She also called for police reservists to be called up to take on administrative functions in the department. This, she said, would free up 50 or more police officers for redeployment onto the streets. She said that Mayor Barry's proposal to hire 200 new police officers would take too long. The time consumed in their recruitment and training cannot be lost, she said.

Carlucci spells out agenda for NATO

Defense Secretary Frank Carlucci discussed the Soviet threat at a conference of leaders from NATO countries, called "The Atlantic Alliance and Western Security as NATO Turns Forty," held in Washington Nov. 28-29.

He spelled out a six-part agenda for NATO, making it clear that NATO should respond to Soviet actions, not words. This was in contrast to the remarks by Gen. Brent Scowcroft, George Bush's choice to become national security adviser, who claimed that the Soviets are in "a benign mode."

1) **Threat assessment.** "A firm sense of realism about our major potential adversary will be especially important now that we face a more sophisticated Soviet leadership under General Secretary Gorbachov," he said.

"Kremlin leaders will continue to try and persuade us of their benign intentions, and to exploit the trusting idealism of democratic peoples.

"Consider, for example, Moscow's recent claim that it has adopted a 'defensive doctrine.' The fact is, we have not yet seen any change in the arms or the positioning of Warsaw Pact forces now capable of massive offensive operations deep into Western Europe. In my discussions with the Soviet defense minister, I repeatedly asked for evidence of this new doctrine. But all General Yazov could cite

was the inclusion of defensive operations in military exercises.

"That is hardly convincing evidence when, for example, Warsaw Pact bridging equipment remains positioned well forward, and every month Soviet factories turn out enough tanks to equip an entire armored division."

He cautioned, "In NATO let us continue to base our defense preparedness on actual Soviet military capabilities. It would be ironic and dangerous if so-called Soviet reforms ended up affecting NATO forces more than the Warsaw Pact's. Kremlin intentions could change overnight, but it would take years for NATO to recover from defense neglect. The prudent course is to base our security on facts. Moscow still devotes 15-17% of its gross national product to the military. Under Gorbachov, defense spending has continued to increase at 3% a year.

"All indications are that Moscow still seeks to increase its foreign influence, at least until confronted with formidable resistance. Nor has the Kremlin abandoned its central security aim: to foster the disintegration of NATO and induce Western nations to relax their defense efforts.

"The key to interpreting changes in the Soviet Union is to recognize the motivation behind them. Gorbachev has correctly analyzed that the Marxist economic system is a failure.

"Let us make sure we are not inadvertently helping Moscow build a more productive military industrial base, which would hardly be in our interest."

2) **Modernization.** NATO must "maintain modernized military forces sufficient to deter Soviet military power, whatever its future character or disposition," Carlucci said. "We must not neglect our forces in anticipation of a diminished threat."

"Each of our nations face major

budgetary obstacles. Moreover, there is no denying the serious political and public sensitivity about needed nuclear modernization. Today I bring no secret formula to breach these obstacles. The key remains for us to stress the sound basis for our security prescription: that Soviet military power remains a formidable threat, which we can only deter with modern nuclear and conventional forces."

3) **Arms control.** We must ensure that any agreement in arms control "enhances regional stability and preserves NATO's ability to execute its strategy of flexible response," Carlucci said. "In the arena of public opinion, we must justify our proposals convincingly, especially if the Soviets are pushing appealing, but ultimately dangerous alternatives."

4) **Burden sharing.** "For our part, we in America should approach the burden sharing issue with an appreciation that our own security, not philanthropy, justifies our forward deployments in Europe, Japan, Korea and elsewhere," he said. "The goal here should be for all members to fulfill collective security roles commensurate with their evolving military and economic potential."

5) **Armaments cooperation.** "The aim here is to buy more defense for our money," he said, adding, "For NATO nations, armaments cooperation is becoming less an option, and more an imperative."

6) **Public support for NATO.** This, he said, "is really the foundation for all the others."

"As free governments, we can move forward only with the public behind us. Ultimately our assessment of the military threats we face and our prescription for countering them must be accepted by our citizens. Above all, we must continue to avoid exploiting NATO for internal political purposes."

National News

Dukakis asked Noriega for dirt on Bush

The head of Panama's Defense Forces, Gen. Manuel Noriega, said in a speech Nov. 24 that during the U.S. election campaign, he was approached by aides to Michael Dukakis, whom, he said, "asked us, through his election advisers, to tell him something about his opponent, even if it were a lie."

The request was rejected outright, he said. "We not only regarded it as blackmail, but as an insult to Panama's intelligence." He added: "We do not meddle in the election campaigns of other countries."

Noriega's refusal to go after George Bush during the campaign, led some American media to speculate that a deal had been worked out between the incoming Bush administration and the Panamanian government.

In an article Nov. 22, the *Miami Herald* went so far as to say that Noriega "may have damaging information on Bush, which would possibly give the general some leverage in future dealings with the U.S. President."

President cites Soviet ABM Treaty violations

President Reagan on Dec. 2 submitted to the Congress a report, prepared by the State Department's Arms Control and Disarmament Agency (ACDA), which criticizes "continuing violations" by the Soviet Union of the ABM Treaty. It cites in particular the Krasnoyarsk radar installation in Siberia. The report falls short, however, of charging Moscow with a "material breach" of the treaty, as some critics have demanded.

U.S. experts believe the radar is designed specifically to track the new D-5 submarine-launched ballistic missile scheduled for deployment late next year. The report suggests three possible proportionate responses to the violation including the testing of space-based interceptor missiles as part of the Strategic Defense Initiative. A Pentagon study outlining possible military re-

sponses was sent to the White House in mid-November.

With the ink barely dry on the Intermediate Nuclear Forces (INF) Treaty signed last December, nine compliance issues were raised on this treaty by the report, including Soviet rejection of the use of U.S. equipment at a missile plant in Votkinsk to check the inside of missile cannisters.

Pentagon prepares SDI anti-satellite role

The Pentagon will soon move to demonstrate the feasibility of an "anti-satellite mission" for the Strategic Defense Initiative, according to a report in the Nov. 27 *New York Times*.

"Defense officials are under mounting pressure to demonstrate payoffs from the more than \$16 billion spent to date on Star Wars research," according to the article. After a January review by the Pentagon's Defense Acquisition Board, the Pentagon is expected to formally restart work on developing an anti-satellite weapon so that it would be ready, if policymakers conclude it is needed.

The *Times* quotes Lt. Gen. Robert Hammons, Commander of the Army's Strategic Defense Command, who asserted last week that the nation "badly needs" an anti-satellite weapon, and that his command "stands ready" to build one from any of a variety of anti-missile technologies now under investigation.

Paul Stares, a senior fellow at the Brookings Institution, commented, "With a new administration, a new Congress, and the military services concerned about trimming the budget, the SDI program is at a critical juncture. Anything that maintains momentum will be keenly pursued, and the development of anti-satellite weapons is clearly one possible source of momentum."

The Soviet Union has already demonstrated a capability to cause major structural damage to satellites in low earth orbit, and damage components of satellites in higher earth orbits, using lasers and other ground-based directed energy weapons systems.

Mitchell wins Senate Majority Leader post

Sen. George Mitchell (D-Maine) defeated Sens. Daniel Inouye (D-Ha.) and Bennett Johnston (D-La.) as Senate Democrats elected a new Majority Leader Nov. 28. Mitchell replaces Sen. Robert Byrd (D-W.V.), who stepped down from the leadership post to chair the Senate Appropriations Committee.

Mitchell is the most liberal and had the lowest seniority of the three candidates but was, by public accounts, chosen for his photogenic qualities as a nationally televised spokesman, and his restraint against upstaging other senators. A strong environmentalist, Mitchell both pledged to work closely with the Bush administration, and said that Democrats will prepare their agenda for the incoming 101st Congress. The deficit, health care, day care, and the environment are among their top priorities, he said.

Sen. John Breaux (D-La.) was chosen to head the Democratic Senate Campaign Committee. Breaux had the backing of Pamela Churchhill Harriman, guru and chief funding conduit for the party.

Devastating North profile revealed

A new book by Constantine Menges, a former National Security Council staffer for Latin American affairs, paints a devastating profile of the psychopathology of former NSC staffer Oliver North. According to Menges, North was unable to distinguish truth from his own fantasy life.

Excerpted in the Nov. 27 *New York Times*, Menges says North claimed to have had dinner with Jeane Kirkpatrick, and a score of private meetings with President Reagan, when he hadn't had either. North disobeyed orders, and did things for which he falsely claimed authorization. He saw himself as justified in manipulating the President.

Menges says he once challenged North

on his favorite statement, "We must cause this to happen," pointing out that the President is the one who must decide what will happen. "No, you're wrong. We have to box him in so there's only one way he can go—the right way," was North's chilling reply. Yet, National Security Adviser Robert McFarlane, and after him John Poindexter, continued to promote North.

Menges reveals that in 1974, North was admitted to Bethesda Naval Hospital for a mental breakdown. It was not until McFarlane accompanied North to Iran in 1986, that he realized that North was sick. North at one point got up at 4 a.m. to secretly open negotiations with the Iranians, in defiance of McFarlane. On his return, McFarlane sent Poindexter a note saying North should be removed from the NSC staff immediately, and suggested "disability leave" at Bethesda again.

It should be noted that in "The Mind of Ollie North," written on July 15, 1987, Lyndon LaRouche identified North's psychological profile as that of the patriotic, gung-ho military grunt who finds himself hamstrung fighting "limited war" with both hands tied behind his back, as all U.S. servicemen and officers did in Vietnam, and then again in the debacle in Lebanon.

Health programs targeted for brutal cuts

The outgoing Reagan administration plans to propose brutal cuts in the federal health care budget for FY90 which it will submit to Congress in January, and which will reportedly include a \$5 billion cut in Medicare alone.

A spokesman for the Department of Health and Human Services insisted to reporters on Nov. 28 that Medicare recipients won't have to pay more, or receive fewer benefits, because the intended cuts will supposedly come from the health care providers—surgeons, radiologists, and hospitals. According to an HHS summary of the cuts, "They will feel the pain."

The "liberal" *Washington Post* on Nov. 28, editorialized that further Medicare cuts by the Bush administration are "a good idea."

The *Post* suggested that the next HHS Secretary work on developing a consensus among physicians about eliminating "unnecessary" and "ineffective" medical procedures, and finding a way to reduce doctors' fees.

Incredibly, over 15% of all the money spent annually on health care and health-related research in the United States is already devoted to the "study" of how to make medical care more "cost-effective."

HHS Secretary Otis Bowen objected to a proposed \$1.1 billion cut in Medicaid program payments to states, and proposed cuts in Public Health Service programs to combat AIDS, as "unjustified and unsupported" in a letter to Office of Management and Budget Director Joseph Wright on Nov. 30. "It is unrealistic to expect states to be able to absorb additional reductions in federal support of the magnitude proposed," Bowen said.

Environmentalists push austerity in Bush meet

Representatives of the elite environmentalist organizations emerged ecstatic from their meeting with President-elect George Bush on Nov. 30, after presenting him with a list of 700 recommendations compiled in a report called, "Blueprint for the Environment."

"It's night and day," said Jay Hair, president of the National Wildlife Federation, in comparing Bush's openness to Reagan's attitude. "Read my lips. Protect the environment," Hair said, reporting what he had told Bush. Hair said that Bush replied, "I will."

Bush, however, never specifically committed himself, according to press accounts, to more than being open to listen, and seemed to reject a proposal to make the Environmental Protection Agency a cabinet-level post.

But the real thrust of these oligarchic organizations, is to propose austerity and reduced living standards. While rejecting nuclear energy, these groups recommend mandating increasing car mileage to 45 mpg by the year 2000; a significant increase in gasoline taxes; and acid rain controls, i.e., industry shutdowns.

Briefly

● **THE NEW JERSEY** Right to Life Committee has called on the state Attorney General to investigate whether "vulnerable patients" are being quietly murdered in New Jersey hospitals. The Committee is charging that patients may be being denied "ordinary medical treatment such as antibiotics and basic needs such as food and water, sometimes to the point of death by dehydration and starvation."

● **A SATANIC HIDEOUT** containing satanic symbols, an altar, animal skulls, and wax doll figures nailed to a cross was discovered near Fall River, Massachusetts, by a hunter. Police said they believe both the huts and the theft of a 120-year-old body may be related to satanic activities in the state forest.

● **HARVARD UNIVERSITY** held a mid-November meeting to counter the "enemy image" which Americans hold of the Soviet Union and turn it into one of peaceful competition. The Italian Communist Party daily *L'Unita* reported Nov. 18 that the 1,500 participants focused on "the role of anti-communism in life, culture, and politics in the U.S."

● **THE GENERAL** Accounting Office, sticking its nose into ever wider domains, said that George Bush should rethink U.S. military commitments, strengthen federal regulation of banks and stock brokerages, and provide new federal incentives for private investment in low-rent housing for the poor. Comptroller General Charles Bowsher criticized the DoD handling of an "unprecedented peacetime buildup of defense," and for more "burden-sharing" by U.S. allies.

● **OF ONE THOUSAND** "street children" in major American cities, 74, or over 7%, tested positive for the AIDS virus, according to an ABC national news commentary Nov. 30. Most such children fighting for survival on the streets have had numerous sexual encounters.

Editorial

Stop playing the perception game

The weakness that has brought the United States and the world to the brink of a planetary New Dark Age, is an erosion of both material and spiritual-political strength, such that we are lacking the raw power, and, more significantly, the political will needed to use that power effectively. One sign of this is the willingness of major players in the *political game* to manipulate popular opinion, rather than to present serious policy issues for discussion.

The drift into a *post-industrial* utopia, in which the direction of popular-opinion-shaping is largely defined by a radical counterculture, has destroyed the economies and the military potential of nearly all non-Communist industrialized nations. These economic constraints are variously the cause or the rationalization for the lack of military means to defend our civilization. Large sectors of the population increasingly have lost any hope that things can be different. Cultural pessimism grips the citizens of the West, destroying the essential quality which has differentiated us from Soviet culture.

The quality of decision-making by leaders of government has been correspondingly affected.

The actions taken to delay a financial crisis until after the November 1988 election, may perhaps have seemed a welcome respite, but they have in fact aggravated the crisis enormously, relative to what it would have been had it occurred during the first half of 1988.

A financial bubble has been created which rivals the worst period of the Weimar Republic's hyperinflation. The apparent relative health of the economy is a case of the perception game run amok. In fact, as the latest statistics show, the GNP is growing because of increased business inventories and food-price hikes.

There is no way that the financial bubble, sometimes known as the Reagan recovery, which was generated beginning in October 1982, can be brought under control without wiping out one-half or more of the nominal financial assets accumulated in this way. The

same measures that have postponed an eruption of the crisis, will make it far more severe when it occurs—as inevitably it must.

The problem is that those who wished to play the perception game, using GNP statistics to bolster their claims of the health of the economy—despite evidence to the contrary in the decline in industrial production and increase in the number of farmers driven off the land—these same people have convinced themselves of the magic of GNP.

As long as GNP increases, Washington and other relevant locales pronounce the process one of economic expansion, so that the realities of per capita and per hectare energy available, or the rate of investment in advanced technology, or the number of babies born drug-addicted, are cheerfully ignored.

It appears that the Reagan administration sees an economic priority in preserving financial institutions, rather than in protecting the real economy and living standards. Even when it comes to saving financial institutions, they appear to have made the choice of sacrificing troubled savings and loan institutions, in favor of bailing out the large banks such as Continental Illinois. The problem here is that it is the savings and loan institutions which can act as a conduit of credit into the real economy where it is desperately needed.

We cannot tolerate the continued collapse of farms, industries, and basic economic infrastructure. We must maintain and expand the levels of employment in both the production of useful physical goods and development and maintenance of basic economic infrastructure, using investment tax-credit incentives and competitively low borrowing costs for such investments, as an instrument for fostering stability and growth in per capita physical output.

This is the basis for our present and future economic strength, including the real strength of the dollar. If we succeed on this account, we have the means to succeed on all fronts.

IS THIS WHAT YOUR SON OR DAUGHTER IS LEARNING IN SCHOOL?



Then you need EIR's Special Report:
The Libertarian Conspiracy to Destroy America's Schools
 by Carol White and Carol Cleary
 with an introduction by Helga Zepp-LaRouche
 and a special appendix "Saving our children:
 reintroducing classical education to the
 secondary classroom."
 by Lyndon H. LaRouche. 150 pages

Order from **EIR** News Service, P.O. Box 17390,
 Washington, D.C. 20041-0390. \$250

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.

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.

All other countries: 1 yr. \$490, 6 mo. \$265, 3 mo. \$145

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.

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

EIR

Confidential Alert

In the period of fast-breaking crisis coming after the U.S. elections, it will be invaluable to get *ahead* of the news.

When you subscribe to the EIR Confidential Alert service, you get stories on what's happening on the economic and strategic fronts, before the crises break in the regular press, or down on your head.

Every day, EIR gets news dispatches from our bureaus all around the world. As an Alert subscriber, you get access to the inside story on the most important trends among policy-makers and governments. Much of this material will never be published anywhere else!

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.