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EIR

From the Editor

We were struck by a remark made by General Revault d'Allonnes during a presentation on Sept. 26 to the conference of the International Commission to Investigate Human Rights Violations, in Paris (page 48). The French General of the Reserves, chairman of the Commission which is probing the shocking "Affaire LaRouche" in the United States, announced that he had "good news," to wit, that the Russian authorities have decided to launch an all-out offensive against France.

"I tell you that this is good news because we know it, and it is better to be alerted than not," reported the wartime comrade-in-arms of the late Charles de Gaulle, after stating that the Kremlin has decided to punish France for not supporting the Zero Option.

We are reminded of Dante's observation in *Paradiso*, that "an arrow foreseen arrives more slowly." For the courageous, it is not only good news to be alerted to a danger, but also good news to know that one has earned the wrath of an evil enemy.

EIR is dedicated to bringing its readers that kind of "good news." In the lead article of the *Economics* section, we report on the ill-fated efforts of the U.S. Treasury to force Japan and West Germany to continue paying for the disastrous U.S. non-recovery. In the opening section of the *International* report, Lyndon LaRouche characterizes the crisis that lies ahead for Mr. Gorbachov and the INF (zero-option) treaty plans, taking very much into account the growing economic crisis. Part of the same picture is the looming constitutional clash in the United States, described in the *National* lead.

We print in our *Science & Technology* section an interview with one of our top space scientists, who urges a joint Mars mission with the Soviets—in part because the U.S. space program has been so much scaled back.

The *Feature* report on NATO exercises to rehearse the defense of Europe is exclusive—because the major media don't think Americans should read anything that contradicts the rush to appease the Soviets.

One year after the infamous Oct. 6, 1986 raids that were intended to silence the LaRouche publications, we are very much in the fight, and intend to vastly expand the reach of what we print. To judge from the growing ferocity of Kremlin-directed and appeasers' campaigns against us, that is the ultimate "good news."

Nora Hamerman

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James Baker goes to war against Germany and Japan

by Chris White

As he had promised, U.S. Treasury Secretary James Baker took the occasion of the annual meeting of the International Monetary Fund (IMF) at the end of September, to propose a broadening of the economic indicators employed by the Group of 7 industrialized countries in the coordination of financial policy. It is a thinly veiled declaration of war against the economies of West Germany and Japan.

Baker seems now to be shifting his own policy closer to that identified with the lobby for the Basel-based Bank for International Settlements in the United States—typified by aging guru Robert Mundell of Columbia University, and aspiring politicians Bill Bradley, the Democratic former basketball player, and Jack Kemp, the Republican former quarterback. That same Bank for International Settlements has, since the spring of 1985, promoted ways to bring the Comecon economies into the European Monetary System. Baker is now acting on behalf of that broader policy objective.

Baker proposed that the indicators employed by the Group of Seven be broadened to include a “basket of commodities,” such that international decisions on whether to raise or lower interest rates could be based on the price movements of those selected commodities. Higher prices would require higher interest rates, lower prices, lower interest rates. Among the commodities included in the index would be gold.

Apparently the plan presented was worked out in coordination with the British Chancellor of the Exchequer, Nigel Lawson, who alluded to a similar outline in his speech to the IMF. And the French minister, Eduard Balladur, has been quoted in press accounts, welcoming the proposal. The French are, like Kemp and Mundell, supposed to welcome the decision to include gold within the basket of commodities. The latter pair assert that the decision to include gold in the cited basket of commodities reflects movement back toward the discipline of the gold standard for the dollar, abandoned in favor of floating exchange rates by John Connally, George Shultz, and Paul Volcker in the period between 1971 and 1973.

The same proposal will increase the desperation quotient in Tokyo and Bonn.

The press outlet for this BIS gold standard lobby in the United States is often led by Lindsay Clark’s *Wall Street Journal*. On the eve of the IMF meeting, the *Journal* editorialized: “The IMF could do an enormous service, for example, simply by compiling and publishing a purchasing-power-parity index—an index of whether exchange rates reflect the same purchasing power in different currencies. . . . Just knowing what similar goods cost in different countries would throw light on the problem of floating exchange rates and a volatile dollar. It would at least give us an image of where exchange rates ought to be if we want an efficient international price mechanism and calmer financial markets.”

Calmness will probably be in extremely short supply if the proposed index is actually used for those purposes. The very floating of the proposal is sufficient to establish that when Baker told the Group of Seven that the United States continues to support the so-called “Louvre Accords” of last spring, the agreements under which the dollar’s descent has been cushioned, by Central Bank intervention, against the deutschemark and the Japanese yen, he wasn’t being truthful. Nor would the adoption of such an approach be welcome to the Third World economies, looted with increasing viciousness under the so-called “Baker Plan” for dealing with the debt crisis.

The reason is that the dollar remains vastly overvalued relative to the currencies of especially West Germany and Japan.

EIR applied some version of the standard Baker and others are now discussing to the internal purchasing power of the U.S. dollar and deutschemark in early 1985, back when the dollar was valued at more than DM 3.00 on exchange markets. Back then, one dollar in a U.S. supermarket bought roughly what one deutschemark bought in a comparable German store. Since then, both the U.S. and German economies

have continued to slide downward, with the U.S. economy declining faster. By Baker's touted standard, the dollar ought to be at parity with the deutschemark. In Britain, it is the reverse. There, the pound is as much overvalued relative to the dollar as the dollar is overvalued relative to the deutschemark.

The magnitude by which the dollar would still have to fall to come to so-called purchasing-power-parity with West Germany and Japan is sufficient to bring down everything. It's what Paul Volcker used to warn against, as "a hard landing for the dollar."

So much for maintaining the stability of the so-called Louvre Accords. Perhaps, then, Baker is simply trying to up the ante on the Germans and Japanese, who have consistently refused to do what the U.S. monetary policy team calls "adopting expansionist policies," by threatening to pull the proverbial plug. These demands were restated at the IMF conference by Baker, and by President Reagan. Since the U.S. dollar depends on maintaining an inflow of funds from especially the surplus nations of Germany and Japan, the differential between U.S. interest rates and those of the two other countries has to be sufficient to keep the funds coming. Since increasing interest rates in the United States is likely to have dramatic consequences, such as the collapse of whole sections of the banking system, Germany and Japan have been under pressure to lower their interest rates instead.

This demand to self-destruct was rejected by both during the ongoing proceedings. Japanese increases in internal rates show rather what Japan will do, than anything Baker and company might intend. But behind all that maneuvering, which itself may jeopardize the dollar system, and its banks, is something else.

The bubble-popping policy

It has been the policy of the financial high-flyers associated with the BIS to bring about a deflation of the bubble associated with the dollar credit system. The purchasing-power-parity index of Baker and the *Wall Street Journal*, whether they know it or not, is a reflection of that BIS bubble-popping policy.

Adopted, apparently, during the monthly BIS meeting at the beginning of August, the BIS deflationary policy has shown up in the shake-outs of stock markets around the world which ensued from the changes in credit policy adopted by central banks, pursuant to that policy. First, the Bank of England increased rates, and the London stock market fell. Then the Italian central bank did the same, and the bourse in Milan fell. The proposal under discussion stems from the same intent.

Beyond that, tying interest rate and credit policies to the price movements of selected raw materials, would tie interest rate and credit policy to the decisions of the oil, raw-material, and food cartels who determine how prices will in any case

be rigged. These are the same financial forces who have promoted the agreements with the Russians which the President espouses, prompted by his wife's desire to go down in history. Reagan's desire has become the means by which these financial circles hope to realize various of their longer-term plans.

Baker might delude himself with the prescriptions of contemporary financial thinking, that he is actually fighting to save the dollar system, by blackmailing Germany and Japan with the prospect of what has been called a "hard landing" for the dollar, into continuing to provide the funds which have supported the continuation of the present insane U.S. policies.

Instead he is acting to ensure that, out of political confrontation with Germany and Japan, an altogether different agenda is actually implemented, the deflationary policy adopted by the BIS during early August. Before the meeting, Japan signaled in no uncertain terms that there is a limit to how far Japan can be pushed in its monetary policy. The signal was the decision to increase interest rates, announced on the eve of the gathering. The increase is, of course, the very reverse of everything the United States has demanded for more than the last year, and establishes that Japan will not go along with what the United States demands, beyond a certain point.

While not so dramatic, West Germany has allowed certain secondary interest rates to rise, demands. German political leaders have made clear repeatedly that their country cannot accept the political consequences of what the United States is demanding.

It's not possible to say just where the line might be drawn. However, it's well-known that, apart from the laundered proceeds of the world drug trade, Japan is the largest source of the funds that have let the U.S. government and its banking system stay afloat. Baker is helping to create the conditions in which the BIS deflationary policy is implemented via the pullout of those funds.

It is only the Russians who can benefit from the continuance of this kind of nonsense in the name of economic policy. Except, of course, for the circumstance, that like the Gramm-Rudman "fix" Baker is said to have insisted the President support, the kind of package threatened in Baker's proposals to the IMF, will itself help to accelerate the pace of the crisis Baker and his friends are otherwise so desperately trying to delay. There could be some good in that. Perhaps under the approaching crisis that Baker and his friends are unleashing, it will be possible to do the kinds of things required to restore stability to the world financial system, and health to the economy.

Otherwise, what Baker is really proposing makes nonsense of all the platitudinous utterances about "cooperation" and "stability" that can be heard between the decadent receptions and buffets.

International AIDS seminar in Brazil sets policy yardsticks for continent

by David Ramonet and Valerie Rush

The successful conclusion of the Second International Conference on AIDS, held in São Paulo, Brazil on Sept. 25-26, has called the question on a competent AIDS policy not only for Brazil, but for the entire Ibero-American continent. "Insects can transmit AIDS" was the message conveyed to this vast tropical nation by specialists from the United States, Europe, and Ibero-America, in direct repudiation of official policy, dictated by the World Health Organization, which views the mortal epidemic as a venereal disease controllable through "safe sex."

The conference, co-sponsored by *EIR*, various districts of Brazil's Rotary, Lions, and Service Clubs, and the Brazilian Society for Infectious Diseases, was also endorsed by at least seven of Brazil's leading companies, and drew close to 1,000 participants each day, including government, military, health, and business professionals. The conference intersected an intense debate within Brazil—a country with the unenviable record of the world's second-highest reported incidence of the disease—over how to halt the epidemic.

It was no accident that on the day of her arrival in São Paulo, Dr. Caroline McLeod of the Institute of Tropical Medicine in Florida, captured the headline of São Paulo's leading daily, *Folha de São Paulo* with the title, "Doctor Says Insects May Have Transmitted AIDS in the U.S." Dr. McLeod shared the podium at the two-day AIDS seminar with Dr. Ricardo Veronesi, head of the Brazilian Society for Infectious Diseases; Dr. Jonathan Tennenbaum, European director of the Fusion Energy Foundation; Dr. John Grauerholz, medical coordinator of *EIR*'s special AIDS investigative task force; Dr. Bertha Farfán of Central Hospital in Mexico City; and Dr. Luiz Antonio Louris, of the Brazilian health ministry.

In the two days prior to the conference, São Paulo press and television, along with national media, CBS radio of the United States, and the magazine *Istoe* extensively publicized the pending event, including frequent interviews with the participants. A 90-minute television interview with the foreign participants and Dr. Veronesi had a viewing audience of over 8 million.

A matter of national sovereignty

The significance of the conference, while focused on the

AIDS threat, in fact went far beyond that issue. As was emphasized at the conference, any solution to the AIDS crisis must not only address the medical truths about the disease now being assiduously covered up, but also: 1) the economic devastation in, especially, the heavily indebted developing-sector nations, which has created the basis for an epidemic breakout of the disease, and 2) the scientific and technological capacity required in *both* the advanced and developing sectors to come up with proper treatment, and a cure.

These critical issues are at the center of a fierce battle being waged inside Brazil by nationalist forces in both political and military circles, who insist that submission to the debt policies of the International Monetary Fund and international financial community is destroying the nation's ability to steer its own destiny. The recent announcement of Brazil's success in mastering the complete nuclear fuel cycle, for example, was not only intended as a challenge to the science and technology "cartel" run by the economic superpowers, but also a declaration of Brazilian intent to economically catapult itself into the 21st century.

A 'criminal' argument

On the first day of the conference, the audience heard Dr. Louris, an official of the Brazilian health ministry, define AIDS as a sexual disease, and urge an "educational" approach. He argued that the epidemiological profile of AIDS had not changed in Brazil, this despite opening statements by Dr. Veronesi that the country now had an estimated 1 to 1.3 million infected. When sharply questioned on official health policy toward the epidemic, Dr. Louris admitted that his ministry had allocated a mere 16 hospital beds for AIDS patients. He stubbornly insisted, "There is absolutely no possibility of mosquito transmission."

Dr. Veronesi then took the floor to rebut the ministry epidemiologist, angrily charging, "At the Ministry of Health, there are nothing but incompetents and imbeciles. The argument that has been used to refute the possibility of mosquito infection is a criminal argument." He explained that ministry officials had determined against the mosquito transmission thesis because the incidence of AIDS in children—fully as vulnerable to mosquito assaults as adults—is quite low. *Ipsa*

facto, mosquitos can't transmit AIDS!

Dr. Veronesi then presented the audience with a series of graphs profiling, by age group infected, the incidence of a disease which he at first refused to identify. The graphs showed the lowest incidence of infection in the 1-3 year age group, and the greatest in the 30-50 year age group. He then identified the disease as *malaria*, which is universally recognized to be transmitted by the *Aedes Aegypti* mosquito.

The afternoon session, featuring Dr. Caroline McLeod, was eagerly awaited by the audience, as she—together with Dr. Mark Whiteside in the United States—has perhaps done the most extensive research on AIDS incidence in a tropical region, Belle Glade, Florida. Dr. McLeod noted that the poor and mosquito-plagued rural area they have investigated has conditions comparable to much of Brazil, with similar high rates of AIDS infection among non-high-risk groups (that is, heterosexual and non-drug-abusing). They developed their hypothesis on the mosquito, dubbed “the flying syringe.” Their research has not yet yielded laboratory proof of AIDS infection by mosquito, but they have been able to show that dengue fever, a recognized co-factor in AIDS infection, is transmitted by the mosquito.

Dr. Veronesi later referred to the Belle Glade story to present his own hypothesis on the possibility of mosquito transmission. He discounted the official claim that an American homosexual was responsible for bringing AIDS to Brazil, noting that because of Brazil's tropical conditions and the “African” characteristics of the disease, it was more likely that AIDS had come to Brazil through Brazilian workers returning from Africa. In a high percentage of such cases he was able to study, Veronesi observed the existence of a virus known as “maguari,” which is transmitted by mosquito.

“True, there are no laboratory proofs yet,” the Brazilian specialist admitted, “but neither are there laboratory proofs of sexual transmission.” He concluded that without the proper scientific research, people have been led to believe “only what they see.”

Second-day presentations at the conference offered the results of ongoing research on AIDS and related epidemic diseases since 1974. Dr. Grauerholz described the research, begun under the sponsorship of *EIR* founder Lyndon LaRouche, which foresaw that the absence of continuous scientific and technological advances *as reflected in economic and social progress* must necessarily bring about conditions for the kind of “biological holocaust” occurring in Africa, and now threatened globally.

Dr. Bertha Farfán presented data on the AIDS crisis now surfacing in Ibero-America, with emphasis on the environmental factors that are facilitating its propagation. She stressed that the role being played by World Bank and International Monetary Fund austerity programs, in collapsing investment in health, sanitation, and basic infrastructure while reducing living standards generally across the continent, has already caused the widespread return of diseases once believed con-

quered, such as malaria and yellow fever.

Dr. Jonathan Tennenbaum, who on the first day had presented a computer-assisted projection of the AIDS epidemic globally, concluded the conference by elaborating the urgency of developing new biophysical methods for finding a cure for AIDS. Coverage of his presentation in the Sept. 27 edition of *O Estado de São Paulo*, emphasized Tennenbaum's insistence that space-age research could help revolutionize AIDS tests.

He reported that the space program in the United States, for example, had suspended research on a laser system which could, in four minutes, “give the doctor, by means of a computer, a list of all the infections in the patient. Unlike existing AIDS diagnostics, lasers being developed at Los Alamos Labs in New Mexico do not depend on spotting AIDS antibodies, but rather, when the [HIV] virus infects a cell in the body, there are changes in the physical structure of the living tissue. We could measure that form of change by passing a laser through the tissues. We would look for different angles of diffraction of the light, and see the finger prints of the virus.”

O Estado reported that Tennenbaum identified another advantage of the optical biophysics approach, in that all viruses, microorganisms, and bacteria show up at once. Further, “If it operated 20 hours a day, it could perform 1,200 tests. The price of a test would be \$5, that is, the machine would make \$6,000 a day. In a year of operating, its \$100,000 to \$200,000 cost would be paid off.”

Another Brazilian daily, *Jornal da Semana*, reported that Tennenbaum called for everybody to be tested twice yearly, with quarantine of carriers. “By economizing today, governments are generating a disaster in the coming year,” he said. He ended with the assertion that nothing less than a scientific revolution could conquer AIDS, “the black death of the 20th century.”

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Peru's banks are now nationalized

by Peter Rush

After an all-night session Sept. 28, the Peruvian Chamber of Deputies passed the controversial bill nationalizing the nation's banking, financial, and insurance companies at mid-morning, Sept. 29. The bill passed by a voice vote, supported only by the APRA party of President Alan García, having passed the Senate one day earlier.

The opponents of the bill, led by Bankers Association president Francisco Pardo Mesones, immediately announced that they would physically resist the takeover of their banks, by refusing to leave their offices and sleeping in. National television was invited to film several of the bank owners with the beds they had brought into their offices for the purpose. Waxing melodramatic, Mesones told the press he was certain he would win, "although it may cost time, or even my life." He charged, "If the government approves the law, the threat of the totalitarianism foreseen by the writer Mario Vargas Llosa will be fulfilled." The head of the businessmen's association, Confiep, Vega Llona, also joined the sleep-in, as did a battery of the bankers' lawyers.

In an attempt to intimidate the government, which instituted the drastic measure in an effort to stop drug-money laundering and capital flight, the bankers have been warning that the bill is unconstitutional and that to enforce it will open up the government and the APRA party to dire legal consequences. The bankers are basing their campaign on the ruling of a lower court judge, that the bill is unconstitutional. They have warned that the banks can only be expropriated by violating the constitutional separation of powers and abrogating the power of the judiciary.

They have further threatened that passage of the bill "would cause the growth of divisions among Peruvians," in the words of an ad taken out by the Confiep, a thinly veiled threat to stir up popular protests against the bill. Confiep president Vega Llona went on to say that the nationalization puts into question whether the APRA might now go on to nationalize other private industries.

In immediate response, Attorney General Dr. Hugo Denegri pointed out that constitutionally, the government not only has the right to carry out the nationalization, but that under the constitution, it must enforce the bill passed by the legislature, until and unless it might be overturned in the Court of Constitutional Guarantees. In a statement released Sept. 29, he said that for the government not to enforce the

bill "implies sowing disorder, inciting anarchy, and disorganizing the republic." He added that precisely because the bill is now law, "the strange and absurd doctrine that incites people to disregard the law is foreign to the democratic regime and merits legal means to combat it, both preventive and repressive." He said the only legal avenue of challenge to the bill was in the Constitutional Court, and that until a ruling from that court is handed down, the government will carry out the letter of the new law.

The United Left (IU), which had supported the bill in debates, also turned at the last moment and voted against it, charging that changes voted in the Senate version vitiated its positive content. Following the vote, IU congressman Carlos Malpica, an early advocate of the nationalization, said, "It is not revolutionary, since it doesn't democratize anything, contrary to what the government says." He said, "What will occur is that the banks . . . will pass under the power of the members of the Executive Committee of the APRA."

While the Senate did reduce the government's percentage of shares owned from 85% to 70%, the changes do not appear to modify the operative portions of the bill. The left's opposition is no doubt intended to make it difficult to carry out the law, for fear its successful implementation would boost the political appeal of the APRA government, as its positive effects become visible in the economy.

The bill itself calls for the 33 nationally owned banks, financial houses, and insurance companies to be "statized," whereby the government will own 70% of the shares of the banks and between 51% and 70% of the shares of the insurance companies. The remainder may be held by the general public, but no one person may own more than 1%. That Vega Llona's "fear" of further nationalizations is a red herring, is demonstrated by other provisions of the bill, which mandate that the nationalized banks will lend to small- and medium-sized businesses for the first time, providing credit to the very enterprises Vega Llona claims are in jeopardy. The bill also sets up regional banks in every department of the country, charged with providing credit to the peasants and rural enterprises that have never had such access before, except through private usurers at ruinous rates.

In fact, the real issue is the effort of a tiny oligarchy of landed and banking families, who have heretofore operated the nation's banking system as their private preserve, laundering billions in drug money annually and lending money back and forth to a small circle of favored companies, to hold on to their power. Against them are ranged President Alan García, backed by most of his APRA party, and by millions of Peruvians mobilized by the President through more than 50 speeches across the country since Aug. 1, who want to democratize the economy as well as the political arena, and to unleash a new era of economic growth. The sleep-in bankers are terrified of nothing so much as the effective "democratization" of credit and the shutdown of the laundering of cocaine dollars the nationalization will ensure.

Mexico's inflation plan sure to fail

by Carlos Cota Meza

Mexican President Miguel de la Madrid has announced that his government will shortly be launching a new anti-inflation program. If his government's previous experiments in that area are any indication, the President's promised plan condemns the Mexican population to yet another series of austerity measures, which will introduce yet more chaos to the generalized disorder of the national economy.

In the little time that remains of de la Madrid's six-year term, those who ran his economic policy, like the Gods of Olympus, are now looking around for someone else to blame for the scourge they have brought upon the country. In 1982-83, it was said that inflation was caused by "excess demand." So, they brutally slashed wages to reduce inflation. Then they said it was due to a "supply shock," blamed the businessman, and imposed a merciless policy of credit restriction through high interest rates.

The inflation ignored both kinds of measures, and simply continued.

Now they say that the previous measures "were insufficient, because inflation presents a severe problem of inertia," provoked by the so-called "rigidity of the economy," as exemplified by workers demanding more wages and producers and retailers responding with price hikes. They argue that inflation is a "vicious circle" to be fought by "modifying relative prices": freeing up interest rates, more devaluations of the peso, and increasing prices for goods and services. All of this, of course, hikes the cost of production. . . and yields more inflation.

What next?

What is now undeniable is that each of these "anti-inflationary" zigs and zags has driven the economy deeper into the abyss. The June 1986 announcement of the government's economy strategy, known as PAC (*Plan de Aliento y Crecimiento*), defined the goal of keeping inflation under an annual 100%. It is now running at 140%, and rising. Another objective was to achieve a growth rate of between 3% and 4% in the GNP; nothing remotely like that has been achieved.

After one year of applying the PAC (which in fact was

stillborn, a victim of Finance Minister Petricioli's rhetoric), anxiety seized hold of President de la Madrid, and since July of 1987, he has been trying to fight inflation by braking the devaluation of the currency and reducing interest rates, thus inverting his own economic policy:

1) Letting the peso slip below the inflation rate goes against the "export or die" dogma. The exporters have responded by saying, "The slide of the peso does not correspond to inflation. . . . A very dangerous signal is being sent to the export sector."

2) The artificial reduction of interest rates immediately sent a flood of speculative capital onto the stock exchange; other capital bought dollars in anticipation of further devaluation, and the nationalized banking system continued to be decapitalized.

Well-informed sources say that members of the economic cabinet are now asking themselves, "What do we do now?" A shock program is now out of the question, they say, because the President has already put his foot in his mouth by pledging that he will not go that route. To do so now would be to discredit the government even further.

So, a new proposal has emerged from the inner sanctum of the central bank. In a confidential document already circulating within the economic cabinet, the Banco de Mexico proposes that "accumulated international reserves be returned abroad in the form of payment for imports of merchandise. This will not be one more inflationary source of pressure for the creation of new money. . . . One could think that the increase of the GNP will be based on imports, on returning foreign exchange abroad."

This new "anti-inflation strategy" will be accompanied by the final stages of an anti-protectionist "commercial opening," which will include the elimination of restrictive "prior import permits" as well as a further reduction of import tariffs. According to the plan's authors, the cheaper international merchandise that will enter the national market will put a "ceiling" on prices of local products, thereby "combating cost inflation." Much of the new import strategy will focus on food, and already suffering beef, grain, and other agricultural producers are screaming that they will be wiped out by the increase of cheap, low-quality imports.

This plan, discussed behind closed doors, has another major problem, however; namely, that the devaluation of the peso has been so severe that it has practically annulled the possibility for expanded imports. According to private analysts, this problem will be "artificially obviated" through creation of a kind of export trust that would give subsidized dollars to certain importers, while maintaining the devalued peso.

Economic disintegration

This is no anti-inflationary program, but rather, the culmination of the process of deindustrialization and denationalization of the Mexican economy. Specialists who have

analyzed the statistics given out by the central bank, the finance ministry, and the planning and budget ministry, reveal that the country is undergoing a process of accelerated disintegration.

The per capita industrial gross national product for the first five years of de la Madrid's government registered an annual 2.3% decline. The value of total production fell 8.2% in 1983, and another 5.7% in 1986, something not seen since 1940. The physical volume of industrial production, even if it grows 4% this year, will not surpass 1978 levels. Central bank claims of a 4% increase in manufacturing production in the first half of 1987 are provably purely for export, pure looting.

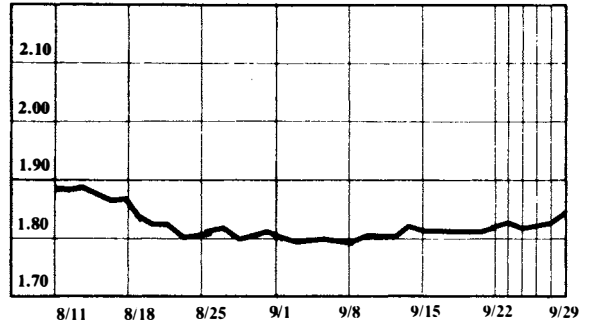
In other words, the economy that supplies the internal market will continue at zero growth, or worse. The new "anti-inflationary" plan, which would finance the import of consumer goods, and not durable goods to supply industry, will assure the absolute denationalization of the economy by simultaneously stripping it of both its industrial infrastructure and its food-producing capacity.

And, with the exhaustion of its international reserves through a combination of increased debt service and this newest "anti-inflationary" strategy, Mexico's economy will reach rock-bottom—neither industry, nor employment, nor production.

Currency Rates

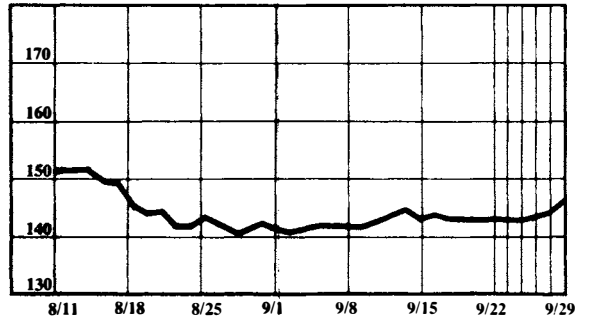
The dollar in deutschmarks

New York late afternoon fixing



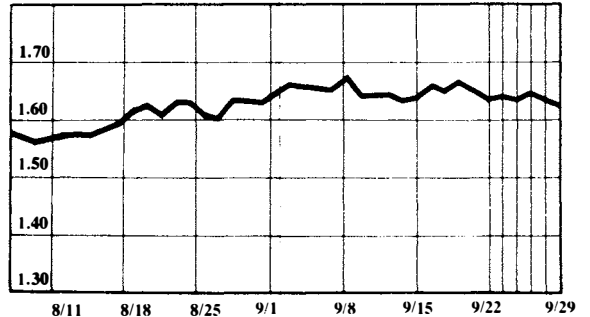
The dollar in yen

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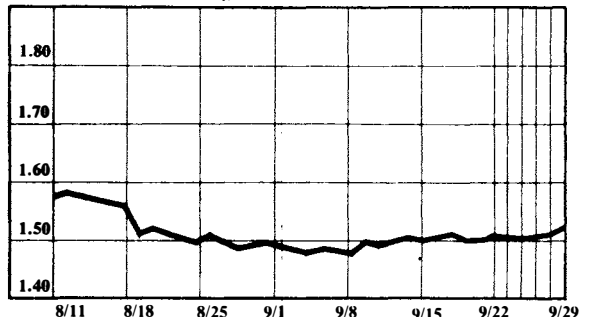
The British pound in dollars

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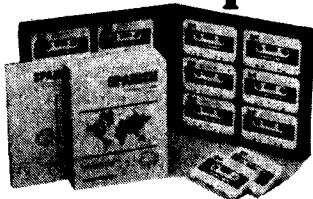
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FSLIC rescue plan sinks

Depositors and savers will be left holding the bag, as the government underwrites the most bankrupt sectors.

The much-touted congressionally approved, administration-backed rescue of the bankrupt Federal Savings and Loans Insurance Corporation (FSLIC) was launched during the first week of October, when the financing corporation, established by law to borrow to replenish the insurance fund accounts, floated its first 30-year bonds.

The good news, for some, was that the bonds were marketed successfully. The bad news was that the thrift system's losses continued to grow in the second quarter. The net loss of \$1.6 billion for that three-month period is almost as much as the FSLIC has been empowered to borrow for the whole year.

Thus the rescue plan, part of a political package designed to try to keep the crumbling financial system together through the elections in 1988, sank before it even left the wharf.

The plan gave the thrift system a credit line of about \$750 million with the Treasury, and empowered the Federal Home Loan Banks to raise about \$2 billion a year for the next four years, by borrowing on the financial markets and hocking their memberships' assets as collateral on the loans. Implicitly the arrangement is backed by the faith and credit of the U.S. government. Though it is stated in the act authorizing the arrangement, that the Financial Corporation, under which the Home Loan Banks can borrow funds, is not an agency of the U.S. government, it is nonetheless assumed by those who are encouraging the borrowing spree, that the govern-

ment will stand behind the indebtedness incurred.

This has hair-raising implications: It means that the U.S. government is guaranteeing the right of the creditors of the thrift system to take over the remaining assets of the system as a whole. What will be left for the depositors and savers, as their banks are stripped clean, is by no means clear, but won't be too much.

This is evident from the simple discrepancy between the magnitude of the FSLIC loss problem, and how much Congress and the administration are prepared to finance that loss.

Even the governors of the Federal Reserve System now warn that the thrift system's losses are much greater than anything Congress or the administration have publicly taken into account. The figure bandied around by the Fed is in the range of \$40 billion, about five times greater than the Congress and administration agreed to provide over the next few years.

However, the Federal Reserve estimates that the \$40 billion would be required now to liquidate the more than 500 member-institutions of the thrift system which are *already insolvent*. The Fed's estimate is shared with thrift system insiders and others.

Thus, as we have warned before, the "rescue plan" is nothing of the sort. It is too little, and too late, to stem the collapse of the system. Therefore, it isn't intended to. Mortgage debt, backed by the earnings of Americans, accounts for about one-third of the debt outstanding in the economy. The debt is of a different quality than other in-

struments held by financial institutions, since it is backed by the earnings of households. As long as the earnings last, the debt will be honored. The same cannot be said of many of the other types of instruments held by the banks and their financier friends.

Of the total mortgages issued in 1986, the thrift system issued 40%. This means that fundamentally, the thrift system, because of the earnings of its depositors, and because of the collateral against its loans outstanding, say 40% of the mortgage market, is in much better shape than any other sector of the financial system: a dependable income stream set against a long-term asset-building capability.

The thrifts were wrecked by former Federal Reserve chairman Paul Volcker's high interest rate policy of the early 1980s, as the cost of borrowing new money rose above the interest payments on earlier mortgages. The system was financially bankrupted, as it was encouraged to play the margins on international financial markets, to cover the difference.

Now, it looks as if the so-called rescue package is simply a scheme to have the U.S. government back the transfer of the relatively healthiest parts of the financial system to the most corrupt and bankrupt part. The lenders to FSLIC will get a first lien; depositors and savers have been set up to be swindled.

The Fed brought up the actual magnitude of the FSLIC crisis, to justify the reorganization of the banking system. That reorganization would rip off depositors and savers, in favor of concentrating financial power in a mere handful of super-banks. It should be stopped, by reorganizing the financial system to protect the relatively healthier and stronger, not by feeding the cancer which threatens to destroy everything.

IMF's 'magic formulas' are a fraud

The debt crisis has reached the point that 40% of export revenues go for debt service.

Various schemes were put forward at the annual meeting of the International Monetary Fund (IMF) and the World Bank in Washington at the end of September, to try to keep the debt crisis of the developing sector under control. Specifically for Africa, British Chancellor of the Exchequer Nigel Lawson put forward a three-point plan, involving the conversion of aid loans into outright grants, longer repayment periods, generous grace periods for other government-to-government loans, and a reduction in the interest rates payable on these debts to below market levels.

At the Commonwealth meeting in Barbados on Sept. 24, Lawson urged Commonwealth finance ministers to back his plan for the indebted nations of sub-Saharan Africa, saying, "This is not some kind of optional extra. It is absolutely essential. The heart of the problem for the poorest countries is that, without some relief, they cannot even meet their interest payments."

However, just like IMF loans, the plan would only apply to countries pursuing "satisfactory economic policies," which presumably means only those countries which apply IMF austerity policies, such as drastic cuts in government spending on health and social services, which have led to increased malnutrition and infant mortality rates in many countries.

Right now, the IMF is a net receiver of funds from Africa, and while IMF managing director Michael Camdessus has proposed tripling the IMF's

Structural Adjustment Facility to about \$12 billion, theoretically to provide additional finance for sub-Saharan African nations, this amount would probably be earmarked for repayment of loans from the IMF and World Bank. Few dollars would actually be transferred to Africa.

The other "magic formula" being discussed is the "debt-for-equity" swap, described by one African minister at the meeting as "the latest form of colonialism," according to the French daily *Libération*. He said, "Now we will have to give up the few enterprises we have set up, just to pay the bill."

The failure of IMF and World Bank policies in Africa is obvious and hideous: They have been applied for the last 20 years, and the situation has steadily worsened. The World Bank itself has written, "For the first time since World War II, an entire region has regressed during one generation." And the situation is not improving, the World Bank writes. "In the long term, the situation is going further downhill."

But the truth is, World Bank and IMF bureaucrats, malthusians to the core, quietly view their policies as a success, on those very counts.

Since the beginning of the decade, per capita income has fallen by 12% in the 29 poorest African countries, and in some countries like Chad, Niger, Tanzania, and Togo, per capita income has actually fallen by 30%, a drop similar to what occurred during the 1930s depression in the United

States. This is largely due to the fall in commodity prices, whose export is the basis of most African economies. In the last three years alone, commodity prices have fallen by 30%.

On average, Africa has to pay almost 40% of export revenue for debt service alone; many countries have to pay over 50%. Sudan is theoretically supposed to pay 140%, \$1 billion per year—obviously impossible. Ghana, which has strictly applied IMF measures and devalued its currency to the point that it is only worth 1.8% of its 1983 value, has to pay over 60% of export revenue for debt service. Ghana has managed to increase cocoa production, but now the price has collapsed, showing once again that the World Bank's policy of obliging African countries to concentrate on commodity production for export is an intentional recipe for disaster.

The Organization of African Unity is to hold a special summit on debt in December, and Zimbabwe Finance Minister Bernard Chidzero told the Commonwealth meeting that African countries were considering freezing interest payments on the debt. "We are simply saying that we cannot pay."

Criticism of current World Bank and IMF policy came from an unusual source Sept. 29. The director of West Germany's Deutschebank, Alfred Herrhausen, told a press conference in Washington that large-scale debt cancellation for the Third World was better than a crisis of the world banking system. Echoing French Agriculture Minister François Guillaume's call for a "Marshall Plan" for Africa, Herrhausen referred to the generous arrangements of the Marshall Plan of 1947 and the 1952 debt settlement between Germany and its former enemies, calling this an historic model for a modern-day debt cancellation policy (see *Business Briefs*).

A marriage of necessity?

Venezuela's government is honeymooning with New York bankers, but back home no one likes the groom.

Wearing a broad smile, Venezuelan Finance Minister Manuel Azpúrua returned to his country Sept. 22, after signing a debt refinancing "amendment" in the United States, and informed the press that "confidence has been reestablished," and therefore, "now the new money is going to start flowing toward our country."

Azpúrua has said the same thing many times before. The difference is that this time, it would appear only New York's bankers are buying it.

The president of Chase Manhattan Bank, meeting with Venezuelan President Jaime Lusinchi in New York on Sept. 21, told him: "Many people think that not paying is good business, but this is not a healthy path to follow. . . . Other countries have begun to understand that Venezuela's path is the correct one," a reference to ongoing debt negotiations with the banks by Mexico, Argentina, and Brazil.

The banker went on to promise "different treatment for Venezuela," and announced a package of voluntary credits. According to the official news agency Venpres, Chase's William Butcher also praised Lusinchi's austerity policies, and spoke to the Venezuelan head of state about the "feeling of satisfaction from doing things well, as you have been doing."

The other meetings that Lusinchi held in New York followed suit. The president of Morgan Bank committed his institution to working with Venezuela for access to the international financial markets, and said that Venezuela should be taken as a model by other countries. Morgan announced that it would soon be renewing an old

offer to expand aluminum plants in Venezuela, and to place \$100 million of Venezuela's public debt on the bond market.

The majority of Venezuela's population, however, is less than enthusiastic with the banks' stamp of approval. The labor wing of the ruling Democratic Action party organized an extraordinary national labor plenum Sept. 22, at which the official policy of paying the debt "at whatever cost" was explicitly rejected.

One of the fiercest attacks on the Lusinchi government for failure to address the needs of the workers, was from Venezuelan Labor Federation (CTV) President Juan José del Pino, who declared that "since 1959, there has existed the ill-fated custom of delivering the economic management of the country to the oligarchy." He added that the finance minister has acted "like the errand boy of the economic groups."

The final document of the labor plenum emphasizes that the greatest threat to Venezuela's national sovereignty is "the effects of the foreign debt, the pressures of the international financial institutions, and the manipulations of the industrialized countries."

The CTV announced at the plenum that it would be presenting the nation with a strategic alternative to paying the debt at all costs. Its document describes how the country's investment programs were cut, while debt service and operating expenses together went from 80.3% of the national budget in 1985, to 90.5% of the 1986 budget.

Among the concrete proposals the CTV has already offered are: strict exchange controls, a program for constructing works of social interest, diversification of the economy based on productive investment, construction of economic infrastructure for the countryside, and the recovery of both public and private companies driven into bankruptcy.

There are also many worried members of the Venezuelan business community, for whom the bankers' praise sounds like a death knell. The sector of small- and medium-sized industry gathered in Fedeindustria, demanded at its Sept. 25 annual congress the replacement of an economic model "which favors speculation over honest labor, and usury over real production." Its president, Carlos Betancur, denounced as a "gambling den" the central bank's lending window which, on instructions of the latest International Monetary Fund mission to Venezuela, is speculating with the private banks under the pretext of "eliminating inflation," such that there are no credits available for industry or trade.

The director of the Federation of Chambers of Commerce (Fedecámaras), a fierce defender of the government's debt payment policy, has nonetheless been forced to protest the drastic lack of monetary liquidity which is asphyxiating the real economy, and whose purpose is to shrink imports so that the country has more foreign exchange for servicing the debt. Said federation chairman Fonseca Viso, the lack of credit "is becoming a truly dramatic situation. We have learned that many companies have reached a state of paralysis; this will pose an immediate problem with the agricultural harvest . . . which will require resources of 7.5 billion bolívares, and we don't have it."

Business Briefs

Infrastructure

Peru, Argentina map railway project

Argentina and Peru agreed on Sept. 25 to accelerate consultations on a project for a trans-oceanic railroad, and to coordinate with Bolivia a meeting of foreign ministers on the matter.

Argentine Foreign Minister Dante Caputo and Peruvian Foreign Minister Allan Wagner met at the United Nations to discuss the issue, and their governments have pledged to come up with a plan before the end of the year.

The railroad would go from Matarani, in Peru's south, to Buenos Aires, Argentina. Wagner told UPI: "In general we would take advantage of the already existing railroad networks. We have to program the links and some improvements in the networks. We have decided to continue ahead with this project, and another aspect to consider is the preparation of regulations for the transport of cargo." Wagner stressed that "this is a great project of horizontal integration."

Raw Materials

Malaysia hits ban on palm oil sales

Malaysian Prime Minister Mahathir Mohamad has called U.S. and European Community (EC) plans to restrict palm oil imports from Malaysia an attack on "free trade," the *International Herald Tribune* reported from Trolak, Malaysia on Sept. 28.

Edible palm oil is Malaysia's third most valuable export, after crude oil and gas, and timber, and accounts for 30% of Malaysian land under cash crop cultivation.

The EC has proposed to raise an existing 12% import duty on vegetable oils, and a U.S. congressional committee has begun hearings on a bill to label palm oil and coconut oil as "saturated fats," and hence a danger to health. The U.S. bill was introduced by Rep. Dan Glickman of Kansas, who said the legislation would cut tropical oil sales in favor of soybean oil produced in

Kansas.

Indonesia and the Philippines will also be badly hurt by the measures. proposals. Seventeen million Filipinos—many who live in areas under assault from communist rebels—are involved in the coconut industry.

Health

Soviet Union to work with Japan on AIDS

The U.S.S.R. is seeking cooperation with Japan on AIDS research, according to Sept. 18 reports in the Japanese news service Kyodo, citing Soviet diplomatic sources.

The Soviet Union is working to inaugurate joint research efforts against AIDS, and is offering the Japanese government a cooperation pact similar to agreements already signed with West Germany and Italy, authorizing the exchange of information and expertise on AIDS. The Soviets also are engaged in joint AIDS work with the World Health Organization.

Banking

Deutsche Bank head warns of debt crisis

Alfred Herrhausen, director of West Germany's Deutsche Bank, criticized the hard-line policy on debt repayment of the International Monetary Fund, at a private press conference in Washington, D.C. on Sept. 28. Large-scale debt cancellation is preferable to a full-blown crisis of the banking system, he said; it should be coupled with new credits to the debtor nations, to allow their economies to recover.

Herrhausen said that debt cancellation would be painful for the creditor banks, but the only other alternative, continued insistence on debt repayment and increasing defaults of the Third World over the next few years, would lead into a big banking and world monetary crisis.

Herrhausen referred to the precedents of the Marshall Plan of 1947 and the 1952 Lon-

don Conference debt settlement between Germany and its former wartime enemies.

His remarks were rated as "unprecedented" in German media commentaries, and other bankers rushed to distance themselves from his view. Deutsche Bank president Wilhelm Christians said that Herrhausen had only voiced "his personal opinion," that it was "not the general opinion that there should be debt cancellation for the Third World." Karl Otto Pöhl, chairman of the Bundesbank, hailed the IMF and called for more "discipline and muscle" in the international debt negotiations.

The Debt Bomb

Ex-Treasury official: 'Baker Plan' a fraud

Robin Broad, a former official of the U.S. Treasury Department who now works at the Carnegie Endowment for International Peace, charged that the much-touted Baker Plan for easing the pressures of the Third World debt, was never intended to solve the problem, but was "simply an attempt to steal the thunder from the newly inaugurated Peruvian President Alan García, who had the gall to unilaterally implement his own formula for cutting back Peru's unsustainable debt service without consulting the U.S."

According to Broad, the plan was "pasted together in breakfast meetings" between Treasury Secretary James Baker III and Federal Reserve Chairman Paul Volcker.

Protectionism

India worried over U.S. textile ban

A bill passed by the U.S. House of Representatives on Sept. 16, strictly limiting imports of textiles, clothing, and shoes, will seriously threaten India's exports to the United States, the *Hindustan Times* reported Sept. 18.

An earlier bill had targeted Taiwan, South Korea, Singapore, and Hong Kong, but the new bill covers imports from all

countries, including European. The bill could affect the textile agreement between India and the United States of February 1987, which allows for five-year expansion of India's garment exports, and puts hand-loomed textiles outside the quota limit of Indian textile exports to the United States. These constitute 18-20% of total Indian textile exports.

Development

Japan to invest in Ibero-America

Japanese Finance Minister Kichi Miyazawa announced in a press conference in Washington, D.C. on Sept. 26, that Japan intends to increase its investments in Ibero-America by \$4 billion over the next three years, above the \$1 billion it annually invests now. "This was what Prime Minister Nakasone meant when he expressed interest in construction of a second Panama Canal," during a recent visit to Washington, Miyazawa said.

Japanese Foreign Minister Todashi Kuranari, meanwhile, said in a speech in Venezuela that his country was ready to contribute \$2 billion to solving the continent's debt problem. He met with President Jaime Lusinchi and others, and said: "Our government is very much concerned about the foreign debt, which is the major problem faced by Latin America, and wants to contribute as much as possible."

'The Recovery'

IMF projects bigger deficit for U.S.

The International Monetary Fund, in its new annual report, projects a U.S. federal budget deficit next year that will be \$50 billion higher than the White House expects.

According to a report in the *New York Times* on Sept. 28, for short-term interest rates, the IMF sees 7-7.5% next year, compared with 5-5.5% envisioned by the Reagan administration.

The report notes signs of weakness in private consumption in the United States. Despite the weaker American economy, the IMF cheerfully predicts that growth will be "reasonably well maintained" in the industrial countries as a whole.

U.S. Budget

Gramm-Rudman 'pain' to hit after elections

London financial sources view the latest Gramm-Rudman "fix" as a short-term stabilizer for the dollar, but warn that it could make a recession even worse, particularly after the 1988 presidential election.

The budget recently passed by Congress, and reluctantly signed by the President, increases the federal debt ceiling by \$500 billion, and revives the automatic budget-cutting provisions of the Gramm-Rudman law, adopted by Congress at the end of 1985, and thrown out by the Supreme Court in 1986, as an unconstitutional violation of the separation of powers. The "fix" specifies that the cuts will be done by the Executive Branch, not the Congress; it includes a revival of the provision that 50% of the required budget cuts will hit the national defense.

"The new law was written assuming there will be no recession before 1993," a London source told *EIR*. "It is clear it was intended that the budget reduction pain hit after the 1988 election. But, if there is a recession, then the deficit will balloon. The automatic cuts will then make the recession much worse."

Informed sources report that White House Chief of Staff Howard Baker was instrumental in persuading the President, against Defense Secretary Caspar Weinberger's advice, to sign the new Gramm-Rudman "fix," using the argument that it was urgent in order to restore confidence in the international markets in the dollar. The deficit targets agreed were based on an extremely favorable tax revenue period this year, a reported "one-shot" tax gain from last year's new tax bill, which will work in the opposite direction in FY 1989—but, this is after the elections.

Briefly

● **SOVIET ACADEMICIAN V. Ginzburg** states that he has long considered fusion power the most important scientific-technological problem for humanity, but now he would put high-temperature superconductivity in first place. "Superconductivity promises compact and powerful magnets for fusion installations," he said, according to the Soviet newspaper *Izvestia* of Sept. 23.

● **THE PHILIPPINES'** Cordillera People's Alliance, an ecologists' insurgent operation instigated by the likes of Princeton University's Richard Falk, is now giving support to environmentalists in Thailand to stop construction of the Nam Choan Dam. The Cordilleras group of 37,000 "indigenous peoples" said that their success in fighting a dam project in the Philippines, which they successfully stopped, taught them the value of protecting local inhabitants and wildlife.

● **IRAN** plans to establish a new weapons-trafficking bureau in West Germany. The former main bureau, which was based in London and was recently closed by the British government, handled 70% of all Iranian weapons purchases in the West. Iran reportedly plans to employ the staff of its former London bureau in either Frankfurt or Hamburg.

● **TRANSFER OF RESOURCES** from Latin America abroad will reach more than 5% of GNP this year, "and the capital promised us never arrived," said Enrique Iglesias, Uruguay's foreign minister, at a press conference at the United Nations on Sept. 28.

● **'THE U.S. ENTERS** its 59th consecutive month of economic growth on Thursday, marking the third-longest expansion of the economy since monthly records were first kept in 1854," if you believe the *New York Times*. A front-page article proclaimed the good news on Oct. 1.

America has lost its lead in space science

Former NASA Associate Administrator Burt Edelson describes the loss of U.S. leadership in space science, and the question of Soviet cooperation on a Mars program.

Dr. Burton I. Edelson resigned from his five-year post as Associate Administrator for Space Science and Applications at the National Aeronautics and Space Administration in July. The multi-year delays in planetary and other space science missions due to the two-year stand-down in the Space Shuttle program, and overall disarray in future launch vehicle capabilities, have demoralized many in the space science community, and made it almost impossible to plan future scientific missions.

In this interview, conducted on Sept. 17 by Marsha Freeman, Dr. Edelson discusses a proposal for U.S.-Soviet cooperation on unmanned missions to Mars. Although this proposal was originally promoted by anti-SDI television star Carl Sagan, it has begun to look more and more attractive to U.S. scientists, as a combination of paltry budgets and lack of commitment to any long-range space planning is viewed in comparison to the aggressive Soviet Mars effort.

EIR: Could you please describe your background, and interest in the space program?

Edelson: My first career was as a naval officer. I graduated from the Naval Academy in 1947 and spent 20 years as a naval officer, and then retired. During my Navy service, I was an engineering duty officer, and I had some experience relevant to the space program. When I was posted to the White House for three years, in the Carter and Johnson administrations, I was a staff member of the National Space Council. I also served for several years with the Office of Naval Research in the development of satellite communication systems. I left the Navy in 1967 and worked for the

Communications Satellite Corporation (COMSAT) for 14 years as director of COMSAT laboratories and as vice president and later senior vice president for engineering.

When I was at COMSAT, I had the opportunity to serve on President Reagan's transition team for NASA, so I got very interested in NASA and its activities. I was invited by [former NASA Administrator] Jim Beggs to be Associate Administrator for Space Science and Applications at the time of a NASA reorganization in late 1981. While I was at NASA, I was responsible for the \$1.5 billion per year science program and the space applications program. In addition to that, I was responsible for two centers, the Goddard Spaceflight Center, and the Jet Propulsion Laboratory.

I left NASA in July and reported to Johns Hopkins University in August. I am now serving as a fellow in the Foreign Policy Institute of the School of Advanced International Studies. I'll be working in international technological and scientific affairs, doing research, teaching, and writing in that area.

EIR: In the international sphere, an issue has come up in the past year concerning the possibility of a joint U.S.-Soviet mission to Mars. This has been a very controversial issue since the Soviet Union is not a political ally, and is not involved with us in the space station or any of the manned programs at this time. What is your idea of how this question should be approached?

Edelson: I consider it a very attractive opportunity for the United States, on balance. With my own military background and my years of striving for U.S. technological leadership,

I've had to wrestle with the question of whether cooperation with the Soviet Union to attain some desirable scientific and exploratory purposes would be done at the expense of some military or intelligence damage, or whether it would attenuate U.S. technological leadership. Having given that a lot of thought, and examined the program very carefully, I feel that it can be done in a way that not only doesn't diminish, but in fact increases our real and reputational leadership in the world in technology. I would claim that technological leadership is a force for national security in the same way that defense preparedness is, in a different way, but in many ways more powerfully than simple military preparedness. Let me go back and give you some of the history of this.

The Soviets have, in recent years, dedicated their planetary program very much to specific goals and have made significant accomplishments. The U.S. early took the lead and stayed way ahead in space science and space exploration. In the planetary area, we started out with the Mariner missions and the Viking, Voyager, and Pioneer missions, and explored both the inner planets and more distant planets, and carried on a great program of space astronomy and astrophysics, space plasma physics and Earth science from space. The Soviets attempted without significant or spectacular results to do much of the same.

However, in the 1970s, they decided to concentrate their program on the planet Venus, and over the last five years, have been extremely successful at it. During this later period of time, they've put four successful landers on Venus, which did scientific exploration; they put two radar spacecraft in orbit around the planet Venus and conducted very excellent microwave surveillance of that planet, using a synthetic aperture radar which demonstrates outstanding technology and very good science. In their Vega missions to comet Halley, they stopped by Venus and dropped off two balloons to make studies of the Venutian atmosphere, which were highly successful and again demonstrated significant technology. They do have something to be proud of, from their point of view, and they have an area of in-depth exploration of the planet Venus which greatly exceeds that which the United States has done.

Now they have shifted their emphasis to the the red planet. They have gone to unprecedented lengths to identify the specific missions and schedules which they plan to follow through the late 1990s, to the end of this century. They have lined up a program which involves a launch less than a year from now, June of 1988, the Phobos project, which will launch two spacecraft to Mars to study the planet itself, the moon Phobos in detail, and possibly, if they're completely successful with the first spacecraft, they will also explore the moon Deimos with the second spacecraft. Following that, in 1992 they're planning another Mars mission, an asteroid mission, and a series of Mars landers, rovers, and even a sample return in 1996 and 1998.

As you know, one can't go to the planets just any time you want, because of the placement of the planets. A good



Burt Edelson: "Much of the technology that NASA has developed has not been given recognition."

window of opportunity comes up only every 25 months [for Mars] and it turns out in even years now can we launch a mission to Mars. The United States, on the other hand, does not have a very significant plan to go to Mars. We have only the Mars *Observer*, which is a small spacecraft, although scientifically, a very important one, instrumented with outstanding instruments. It's only one mission—no back-up—and it will not be launched until 1992 because of the delay in all of the launch schedules we have.

EIR: Will this be the first U.S. planetary mission that will be launched without a second, back-up spacecraft?

Edelson: Heretofore we have almost always launched planetary missions in multiples. There was a long series of Pioneers, there were two Voyagers, two Vikings, etc. However, now we have a single spacecraft for Galileo [to Jupiter], which should be the next one, and for Magellan, which is a Venus radar mapper. Parenthetically, what we're doing with the Venus radar mapper when we launch it, possibly in 1989 but more likely in 1990 or 1991, will be a repeat, with somewhat better coverage and somewhat better precision, of what the Soviets did earlier. It's an indication that we're not significantly advancing the frontier. The thing in our missions now, is gaining broader and deeper scientific data which is important and very valuable, but world acclaim goes to those who take steps to push back the frontiers as we did with Viking and Voyager, and which appears to be missing in some of the much less ambitious things we have planned now.

Back to your original question, on cooperation in a Mars program. With this new announcement of a new Mars schedule, the Soviet spokesmen, primarily Roald Sagdev, the head of the Space Research Institute, but also Valery Barsokov, the head of the Vernadsky Institute, have strongly invited the participation of U.S. scientists in their program and have publicly stated how happy they would be if the United States

were to cooperate with them in Mars exploration. They have suggested joint Mars rover/sample return missions. The mission which they have suggested and even drawn on blackboards and shown on viewgraphs provides for an American large roving science base which is landed on the Martian surface, moves around with various scientific instruments, makes measurements of the Martian surface and the Martian atmosphere, and tries to get a penetrator into the soil. In addition, it picks up and maintains samples of the Martian surface.

The Soviets would provide a return vehicle. After the rover has done its scientific evaluation and picked up samples, the rover would rendezvous with the return vehicle, which the Soviets would have put down on the surface, and the Soviet vehicle would return to the Earth [with the samples]. The Soviets have also suggested that the European Space Agency might be responsible for the Mars orbiter which would provide communications, navigation, and orbital scientific support to the rover mission (U.S.) and the return mission (the Soviets). So we would have a true international mission with Soviet, American, and European contributions. They also have invited, but in more general terms, participation by the Japanese space agencies.

EIR: What is the current state of negotiations on taking the Soviets up on their offer? There have been differences of opinion on the U.S. side. Recently, the State Department refused to allow U.S. satellite owners to launch on the Soviet Proton booster, for example.

Edelson: The Soviets have specifically asked various scientists to participate in their mission, to provide instruments and to be co-investigators in various experiments. These American scientists have come to NASA and asked for guidance as to whether they can accept the invitation, and whether NASA would be willing to help support them financially, for example, with the instrument development program, or even just travel funding to go to the Soviet Union. Basically, NASA has kept them on hold and said, "We don't have any agreement with the Soviet Union on that, so we can't really allow or honor any commitments made by individual scientists." We do have an agreement, signed several months ago, with the Soviet Union to resume the bilateral cooperation that we terminated in 1982. So after a five-year hiatus, we do have an umbrella agreement, which allows us to cooperate with the Soviet Union. We have organized a number of [bilateral] committees, and one of them is on planetary exploration. However, this agreement does not provide for any intimate cooperation in individual missions such as launching our instruments on their spacecraft or exchange of engineering or design information of the type that would be necessary to integrate two spacecraft together or an instrument on a spacecraft. What it does provide is for coordination of approved projects, so you can't, under the agreement, originate

a new project. What you can do, is coordinate existing projects. We've already had a meeting, and definitely plan to coordinate our Mars Observer mission with their Phobos mission.

With respect to a U.S. government response, we have essentially, officially ignored their invitation. We've said the Soviets have not actually offered an invitation to the United States government. What they have done is invited American scientists individually, sometimes in public speeches, such as the presentation Barsokov gave at the planetary exploration conference in Pasadena in May, in which he, as an individual, invited American participation in the Mars rover/sample return mission. My own feeling is that the Soviets will not embarrass themselves by making an official invitation which we would possibly refuse, but their senior officials have publicly offered the opportunity, and they're waiting for some kind of response from us before they take the next step.

I feel that we really have three choices: We can accept their invitation, and that's very easy to do by any statement or expression on the part of a senior official of the U.S. government, leading to conferences, and so on. We can reject their invitation and compete with them on a Mars rover/sample return. And number three, we can continue to ignore their invitation, not have a Mars program of our own, and go about doing different things, such as a comet mission, or a mission to Saturn—both of which we have planned—and not include a significant Mars effort. I think that number one—to accept—provides a very attractive opportunity. Number two, reject, would be a very foolish thing to do. It would cause resistance and resentment, not only of the international community, but of our own scientific community, and we would be without the ability to effectively compete. We simply could not mount a Mars sample return mission in this century. We don't have the capability to launch it, and won't for several years, let alone to design, test, and conduct the mission. Nor would we have the funds to pay for it.

EIR: Leaving the question of the money aside, you are saying that we have not developed the technology base to do a sample return Mars mission?

Edelson: No, I think it could be effectively argued that we do have all the technology that's needed. Basically, we don't have the operational capability to do it—the launching and logistics base. This would be a mission that would be of the same level of technology and same order as Viking [the 1976 unmanned landing on Mars]. Despite the fact that we have a lot more technology, and more modern technology to do it, which is an advantage, we have far less base to do it from, and much less operating capability. It's going to be years before we have an effective launching capability that we could count upon to meet a heavy-lift and short-window situation.

The third opportunity, ignoring it, is the most likely thing we will do; it is what we seem to be doing and there is no indication that we could gather our forces to change it. I think that it's a bad thing to do, because the Soviet Union which will actually do the sample return mission, with less science and less capability on the Martian surface than we could provide; they will do it to a great deal of international recognition and acclaim and that would be a great political loss for the United States.

On the question of technology transfer—you realize that the Mars rover/sample return mission, as I described what the Soviets suggested, has no technology transfer except on the Martian surface, so there would really be no necessity for the Russians and Americans to sit down together, to work at each others' factories, research laboratories, or to exchange design or engineering data at any intimate level. Of course we'd have to do our system engineering together to make sure that the whole program plays together, but that does not significantly hurt technology transfer.

Finally, I would say that the exchange of instruments which seems to have a lot of opposition on the part of the Defense Department, particularly, Richard Perle's old office, is in my opinion, a red herring. All of the responsible individuals in the study that was led by [retired General] Lew Allen [head of the Jet Propulsion Laboratory] and such knowledgeable people on it as [former CIA official] Bobby Inman, claimed that there was no significant technology transfer simply through allowing them to look at and launch a black box instrument; that there's very little they could observe even if they would do what we doubt that they would do, which is to saw open the box and take it apart, and look at the pieces and parts, devices and components that are inside the box. Reverse engineering of electronic devices and circuits is an extremely ineffective and inefficient way to gain technology.

Therefore, I think there is much to be said for [cooperation]. This mission is absolutely consistent with the unmanned planetary program in Sally Ride's report. The bottom line, as far as I'm concerned, is that we should accept the Soviet invitation to participate with them in a Mars rover/sample return mission in the latter part of the 1990s. The way to do that, I think, is to agree now because it doesn't cost any money and it doesn't involve any technology transfer, and it's politically stimulating and useful to agree now to sit down for two years and plan the mission. Then the decision to actually commit resources and do the mission is contingent on coming up with a good plan and is something made by the next administration, and doesn't commit us or cause any harm. It would be something that this administration could gain a lot of benefit from and it would fit in very neatly in the current high-level Soviet-American talks.

EIR: I know that your office had been involved in a study

concerning the technology developed from the space science programs. Most people are familiar with the new technology from the Apollo program, but do not know about the developments from the space science areas. Could you describe the study?

Edelson: NASA has two efforts which are aimed at developing technology. One is the space technology program in the Office of Aeronautics and Space Technology, and the second is the technology utilization program which is in the Office of Commercial Programs. The former tries specifically to develop the technologies which are foreseen to be needed in the next few years. The latter tries to describe and promote the new technologies developed into the commercial sector.

However, I've been aware for a long time, that much of the technology that NASA has developed has not been given recognition. New technology, I felt, was involved in the very advanced projects that we did—for example, to explore the planets, or to develop very sensitive instruments to explore the Earth, or celestial objects. I felt that those technologies were essentially not labeled and publicized because they were done in the course of and incidental to the development of space vehicles. They were performed under a program manager rather than a technology discipline manager, and they were generally [developed because of] obstacles that were overcome in the course of the program, and as soon as they were overcome, they were forgotten.

With that belief, I caused a study to be made about three years ago, which took two years to do on that subject: To what extent are important technologies developed in the course of major programs? We used the Hubble Space Telescope and the Galileo mission to Jupiter, performed under the direction of the Marshall Space Flight Center and the Jet Propulsion Laboratory, as case studies. We had a contract team investigate those two programs in great detail, speaking to the program manager, project manager, the people who worked on the program in the center, the project managers at the various prime and subcontractors, and in every case, with a series of questions, to try to identify what was overcome. It wasn't easy to do because those various individuals are not very attuned to this. At first, there was a little bit of resistance, thinking that the contract team was some kind of an auditing team to find problems . . . but I assured them we weren't trying to find errors or audit their books. Quite the contrary, we were trying to find significant successes that had been made in the course of the work.

The results were that they did identify in the two projects, just over 100 important new technological developments, and of those, about 10 were in the category "highly significant." They are in various interesting fields: in materials development, electronics, optics, structures, and so on.

I'll give you one example. During the course of the development of the Hubble Space Telescope, a subcontract was

let to Boeing Aerospace to develop what's known as the metering truss and the focal plane support structure. The metering truss is the support structure which supports the telescope tube. It keeps it straight, keeps it aligned. It's big, it's heavy, and it has a tendency to warp from thermal conditions [alternating hot and cold in Earth orbit] and the focal plane structure supports the scientific instruments. There are five big instruments plus the fine guidance sensors that are attached to the focal plane and make various measurements. There are a couple of cameras, there are two spectrographs, there's a photometer, and there are three guidance sensors. There are eight of these instruments, and they are very big and very finely tuned, and they have to be supported very rigidly and they have to have outstanding thermal properties—since they have to go through some temperature cycle, they can't bend or warp because you're looking for a very faint signal and everything has to be aligned and kept aligned very accurately. Specifically, the telescope has to be kept aligned to seven milliarc seconds—7 thousandths of a second. There are 360 degrees in a circle, and 60 minutes in a degree, and 60 seconds in a minute, and this is 7 thousandths of a second. That's very fine. It's so fine that you could point at a dime from Washington to New York and you wouldn't wander off the dime, for a period as long as 20 hours.

So this very large structure had to be lightweight, rigid, strong, with a low coefficient of thermal expansion. It was a very difficult structural problem. Boeing chose to build this out of a graphite epoxy. They made basic advances in materials, basic advances in the forming of the structure, in the attachment of the structure to itself, and of the graphite structure to the metal structure [of the telescope] and basic advances in the major structural software program.

The [computer software] program that does this is one that's been developed by NASA over years, called NASCOM. It shows how to design complex structures, and this required basic additions to that software package. It was generally known by the project people that Boeing had done a good job, but they didn't realize what a marvelous advancement in materials and structural hardware and software technology had been made by Boeing. That was one of the things that came out of the study.

EIR: Did you find other areas where this new material can be applied, either in other areas of the space program, or in industry more generally?

Edelson: We didn't in this study. The study was simply to identify them. NASA is now presenting and explaining the study and circulating the study around, hoping to get people to do just what you suggested, which is to use this technology in other areas. First you have to recognize that it exists, before you can transfer it and adapt it to other purposes. There's the problem of intellectual property. Various contractors don't want to give to other contractors a lot of help in getting the technology. That technology is in the public domain, because

it's paid for by the taxpayers' fund. However, there is a little bit of resistance on the part of contractors to do that. If that same contractor gets another contract, he will use the same technology again, but it doesn't get widespread use.

One example is painting. It's kind of a minor technology in coatings, of various kinds. If there's one aircraft contractor or missile contractor, and they have trouble getting the paint to stick to a certain kind of metal, the contractor screws around with and tries various things, and when he gets one to work, why he says, "Fine, now we know how to do that." So, he paints that missile or that airplane with that particular kind of paint that he's developed, and he doesn't make a big deal about it and his people remember that. But every other airplane or missile project that we've got, is going through the same difficulty, and they all have to solve that problem, over and over again.

EIR: The United States has developed an exciting array of Earth remote sensing technology over the years. It would seem to me that if you put all of the data together from the oceans, the land, and the atmosphere, you could get a three-dimensional picture of the Earth which would give you information about agriculture, fishing, weather, and many other things. Can you tell us about the international geosphere/biosphere program, that you have been involved in, which will be starting soon, to do this global remote sensing?

Edelson: NASA has had an outstanding program of development of remote sensing capabilities as part of its applications program, starting with the Tiros [weather satellite] in 1960 and going up through 1981. The work that was done was for practical applications, and we had separate programs for observing the land, the sea, and the atmosphere—we had a Landsat, a Seasat, and we have meteorological satellites that did those three. Our goals were practical. We were trying to predict the weather, find Earth resources, and we were trying to provide a better knowledge of the sea for the Navy and commercial shipping, and for fisheries.

It wasn't until they joined the Office of Applications and the Office of Science together that we were able to join these three programs together, and understand that the whole is very much greater than the sum of its parts, in this regard. We then had a different mission to justify the work that we were doing, and that mission was science—an understanding of the Earth as a system, how it works, whereas previously our goals, though laudable, were narrow and had to be intensely practical. Now they could be broader and more generalized. There were immediately, we understood, several points. One is that there is a synergy between missions, and synergy between disciplines. We found that we were finding out a lot of information about the land from Seasat, and we were finding out a lot about water use, ocean surfaces, ice coverage, and other oceanographic concerns with Landsat, and we were actually using meteorological instruments to survey both the land and the sea. We had a lot more than we

realized we had.

Second, by using two instruments or more, we could get a lot more information about the same phenomena. For example, we could take radar information from Seasat or SIR-A or SIR-B—that's the Shuttle Imaging Radar that we flew—and use it with the optical infrared (IR) we got from Landsat, and get a very interesting picture that you couldn't get either with the radar alone or the optical IR alone. We decided to embark upon a total program to look at the Earth as a system and provide large platforms which had on each platform a combination of instruments to look at the land, sea, and atmosphere; in addition, the biosphere, which is the biota of the Earth, the living systems.

One other fortuitous development occurred to us in 1982 and 1983 when we began to put the program together, and that was that the state of the art in computation had advanced enormously, largely for other purposes—the development of supercomputers for numerical aerodynamic analysis, and so on. What we found out was that we had two great advantages. One was the vantage point of space, to mount multiple instruments to observe the Earth in various parts of the electromagnetic spectrum, and the other was a very outstanding information system, including satellite communications links, supercomputers, and advanced software to analyze and distribute the data. So, we had all the makings of a global Earth-system information program.

With that concept only dimly in mind, NASA made a presentation at the United Nations UNISPACE 82 conference held in Vienna, in August of 1982. We made a wonderful presentation calling for a global program and we called it Global Habitability. That program was received with great interest by the scientific community in various parts of the world, but [with] very little enthusiasm politically, and became controversial in several respects. That program, although not accepted by the world community [at that time], was studied over a period of two or three years, by bodies all over the world—in the United States, by the National Academy of Sciences—and then [was] recommended as an international program, and recently adopted last September by the International Council of Scientific Unions (ICSU), as an international program known as IGBP—A Program for Global Change. IGBP means International Geosphere/Biosphere Program.

It has as its goal an understanding of how the Earth operates as a system; the oceans, the atmosphere, the solid Earth, and its vegetative cover all inter-operate; how the nutrient cycles work—carbon, nitrogen, phosphorus—how they circulate through the atmosphere, the oceans, through living systems, and how that system is changing. In particular, how anthropogenic effects are causing what we now realize is a delicate balance in the Earth's system, to change, and in many cases we fear, irreversibly. An excellent example that is in the headlines today, is the ozone depletion. We have, through space observations, found somewhat of a de-

pletion of ozone, we believe throughout the atmosphere, but it's spectacular in the Antarctic region. We're not sure of how it is happening or what the causes are. The data are from recent years. We're not sure whether we're seeing part of a cycle or whether it's monotonic. We're not sure whether it's caused chemically, by the chlorofluorocarbons, or whether it's caused by or related to the solar cycle, or whether it's simply dynamic, caused by atmospheric movements. It's all part of this program.

Other parts of it that are causing us concern are the build-up of carbon dioxide in the upper atmosphere, the build-up of methane in the upper atmosphere, the problems of acid rain, of pollution, of changing land use, the cutting down of the tropical forests in Brazil and the desertification of parts of Africa, the burning of fossil fuels—all of these things are part of this global ecological system, and we now have the tools and the capability of getting an understanding of how this system really works, what changes are taking place, and possibly altering or reversing some of these changes. But first, we have to understand it. So this is a wonderful program.

Where we are at the present time is that the International Council has approved the program. It will be a decade-long program, probably starting in 1992, which has been designated the International Space Year. I just attended a meeting in Hawaii where there was a lot of support for declaring 1992 the commencement of the IGBP. ICSU has formed a secretariat to coordinate the program. Within the United States, NASA, NOAA (the National Oceanographic and Atmospheric Administration), and the National Science Foundation have all done a joint study and came out with a joint report, and we've all agreed to work together to promote the program. It doesn't call for lots of new money. It merely calls for coordination of the things we are already doing, or have firm plans to do, but to coordinate them and to use them for the benefit of the national program and provide the exchange of data. NASA is already spending between \$300-400 million a year that is directly contributing to this program.

EIR: This program will not require or involve the launching of new spacecraft or developing new technology for the United States?

Edelson: We have an ongoing program that will do this. We have the Landsats in orbit, and we're counting on Landsat 6 and 7. We have UARS [Upper Atmosphere Research Satellite] which is to be launched in 1990. That's a major program. We have TOPEX, that we're doing together with France. Those are all parts of the program. Most important of all, we have the polar platforms in project EOS, Earth Observation System. The polar platforms are [part of the] space station. There's one American platform and one European platform, and those are the platforms that will carry all the instruments I mentioned before. Those programs more than justify the whole space station program. In fact, in my opinion, they are

the most important part of the space station program, and they're not given much [attention] because they're not controversial. Everyone loves them.

EIR: But the program can start even now, in terms of coordinating the data that a number of nations are already accumulating?

Edelson: What the international office will do under the program will be the coordination, control, and accumulation of the data; archiving and distribution of the data, and holding of symposia every year on progress on the IGBP. The actual contributions to the program will be made by national projects. There won't be an international satellite—there will be a U.S., a European, a Japanese, a Russian satellite, and they will all be coordinated and contribute their data. An international team of scientists will work on the data. It requires scientists, from the countries I named, but also from Brazil and India, because they're big players in this, and scientists from China and from the black African nations. We all are concerned about the planet's future and we now have reasons to be concerned, and we hope to benefit from it.

EIR: Can this data also be used for positive economic development for the industrializing nations?

Edelson: Yes, we have a Landsat station supported by NASA in the past and NOAA, but it is mostly supported by AID [Agency for International Development in the Department of State]. It's located in Nairobi and it's used for surveys of resources, the expansion of the desert, the burning of fossil fuels, and even disease agents. They use it to understand and predict the flights of locusts, because they can understand where they would be harbored and borne by the winds, and so on. We've made a multi-spectral image of the entire African continent, and we do it over again each year. You can see the changes in the growth of the desert, in the rainfall, the concerns of land-use changes, and climatic changes. We've even found effects of *El Niño* [cyclical warm-water current off the Pacific Coast of South America] which was first found in the Pacific, but it's got relations in South America and in Africa. The Earth is a big system, and we know little about the transfer of energy from the oceans to the atmosphere and back and forth. Heretofore, these [aspects] have been studied by entirely different people, with very spotty information.

Take oceanography—ten years ago, if you went to an oceanographic conference, the people there would be ship-board people, and they would have information about the ocean that was taken from a dozen ships at various locations, at various times. If you plotted [the data] on the Earth's surface, you'd see very scattered data points. Now, more than 50% of the people at any oceanographic conference are space scientists, and they have information that is very comprehensive that covers the total Earth's oceans, so whatever data they have is synoptic.

Space: the national

by Caspar Weinberger

Excerpts from U.S. Defense Secretary Caspar Weinberger's remarks to the Air Force Association convention in Washington, D.C., on Sept. 14, 1987:

Since the tragic loss of the *Challenger* and its courageous astronauts, our entire space program, both civilian and military, has come under the most intense scrutiny. And this is as it should be. We owe nothing less to the *Challenger* crew and to ourselves than to uncover the reasons for that failure and that tragedy, and in so doing, to map the future of our success. But that scrutiny, for all its benefits, has generated some idle talk about America being lost in space and without a goal and without a mission. And I'd like to just reject that characterization, and I thought you ought to know why.

Today more than at any time in the 30 years now of our space program, it's essential for the American people to appreciate the real challenge of space, the national security challenge. And to do this, we must first understand how space relates to defense. We have to adopt a national security perspective, free from the misperceptions that so frequently infect debate about defense in space. As with any other arena, whether it's land, sea or air, space is a region of political competition. It can be free and open to use by all nations, as are the oceans on Earth, or it can be the sole possession of a single nation or a political ideology. Free access to space does not mean that all nations have equal means of using space.

But again, just as in the case with international open waters, it means that space is not the exclusive domain of any one nation. It means respecting the rights of all nations to use space. And as the leader of the free world, our goal has always been to ensure that no power could stand in the way of unrestricted access to space. And as with politics among the nations on Earth that the purposeful assertion of freedom only means something when and if it is backed by political and military strength, and this realistic view of space is informed by experience, and is consistent with the history of nations.

This view focuses clearly on our responsibility for deterring any effort to deny free access to space. And further, from this perspective, we can appreciate how really bogus is the Soviet charge that we are militarizing space. Such a charge is nothing more than that transparent propaganda they use so much, and has nothing behind it than the invidious intent to

security challenge

benefit themselves. Clearly, it is not the militarization of space we must fear. That took place 30 years ago. It's the dominance of space by forces hostile to liberty that we have to worry about. The United States, the Soviet Union, and other nations use space to support national strategic goals and scientific inquiry. We know that, and there shouldn't be any question about it. The issue is not the use of space, but the issue is the strategic goals of those nations in space.

From time to time, some of you may have heard me mention the difference in strategic goals between the Western Alliance and the Soviet Union, and I hardly think I need repeat myself to this audience. So today, I'd like to address our requirements for space, and outline the elements of a strategy to guide our space activities in the years ahead.

At the outset, we must appreciate the critical role that space has assumed in the national security efforts of the United States and the Soviet Union, as well as for other nations. Space-based platforms provide a range of capabilities that underpin deterrence, and strengthen defense capabilities during conflict. Our commanders depend on space-based systems for crucial aspects of combat readiness, for communications, surveillance, attack warning assessment, command and control, weather predictions, navigation. Space is really more than just the medium of choice for these missions. It has become the only medium in which some important defense functions can be conducted efficiently. And the fact is that without space-based systems, our military would simply not be the credible and reliable force that it is today, and that is the key to successful deterrence today.

The nature of our forces and our global commitment to the protection of freedom makes us fully dependent on space-based systems, and we should never forget that. Communications with forces deployed in worldwide ways, coordination of those forces, command and control on a daily basis and during conflict, the logistical requirements of readiness, and all these other challenges of defense simply could not be met without space-based resources.

To just consider, for example, the task of maintaining communications with our forces. How could we communicate effectively and exercise command and control without space-based communications systems. Even if a reliable terrestrial system could be built, the cost would be—well, if you'll permit me—astronomical. And our historic and suc-

cessful reliance on the nation's technological leadership to offset the Soviets' numerical advantage, that has sharpened our dependence on space-based assets. The tremendous capabilities of some of our most important weapons systems and forces would be really dangerously reduced if we didn't have access to space-based systems. Such things as very specialized and accurate weather forecasting, which is made possible by meteorological satellites, are essential to the deterrence mission of our strategic forces. And those same strategic forces also need data which is available only from space to accomplish their missions, including communications and navigational devices.

So we must come to recognize how absolutely dependent we are on space resources for the protection of our freedom and our way of life. And we must provide a proper framework to address the future national security needs that will be even more dependent on space. And as we pursue the Strategic Defense Initiative, improve space-based navigational abilities and other space-based programs, and all of these things will mean that our reliance on space will grow in the future.

And so, it's from this perspective that the Department of Defense approaches space, in recognition of our increasing dependence and of the opportunities that space provides for better defense in the future, I signed a new defense space policy earlier this year. And I'd like to tell you a little bit about that. That policy identifies directions that we must pursue in using space for the increased security of the Free World. And then in recent weeks, we have taken another step toward preparing the United States to define how space resources can contribute to future defense. Our Department has initiated a detailed assessment of Soviet and U.S. space activities. And we're contributing to a new national space policy that's being developed by the National Security Council, and being developed very well by them, I might say.

These efforts are really well timed, because they respond to our irrevocable reliance on space-based resources and our current limitations in our launch capability that result from the shuttle tragedy. And they respond to the need to guide our continuing response to the Soviet space effort, which increases all the time.

During the past year, there have been several news stories asserting that the United States has lost its lead in space. Well, this is not so. In terms of operational military capability, now, and so far as we can see in the future, we have a capability which exceeds equivalence of Soviet capability, and in almost every quantifiable measure—we measure operational capability in terms of quality and quantity and accuracy and the timeliness of mission data to the users, not in these ambiguous and less meaningful comparisons of tons of cargo placed in orbit, or number of man-days in space, and so on.

But, we use the operational measure of merit, and when we do that, we feel that we are now, clearly superior. But, we have deficiencies which must be corrected. And I'll try to

address those in a moment. And we also have to maintain this lead. With the dependence on space systems expanding all the time, and severe fiscal constraints continuing, it is essential that we develop a coordinated government-wide response to these challenges in space that clearly are ahead.

Any defense program must begin with an appreciation for the capabilities of our adversaries. We say we are ahead, we believe so, but there is no need here to detail the Soviet space program. Many of you are very familiar with it, and it is very large. I want to emphasize, that their program is far more active than ours, and has an unmistakable military operation. In fact, we think about 90 %, at least, of Soviet space launches and satellites, are dedicated to military or military-related missions. Since that Sputnik launch, which was 30 years ago now, 30 years next month, the Soviets have built a very strong space program, with very robust launch capabilities.

They have an impressive manned effort. They have an operational anti-satellite force. And an expansive research program, with potentially significant application to future military systems. They are also working, and have been for at least 18 years, to secure the very strategic defense system that they claim is such an obstacle to an agreement when we do it.

Impressive Soviet achievements in manned missions are announced with regularity, and our effort now remains confined to the Shuttle. They've demonstrated a unique ability to travel between space platforms, and their space stations are in orbit now. And they're using space access to advance defense technologies. For example, the Earth observation experiments that are conducted from their Salyut space station, suggest that they are evaluating the ability to locate and identify and track targets from outer space. This has an obvious value in an effort to deploy space-based weapons, or to target allied defense forces.

And again, while I say we are ahead in operational capabilities, we have to bear in mind their very impressive accomplishments. One of the most impressive accomplishments, is their massive launch capability. They appear to be building a launch capability that exceeds any projected requirement significantly, and it includes the kind of rapid launch and reload abilities needed to attack our satellites, and to regenerate space assets lost during war. The same kinds of things they're doing with their INF and their ICBMS.

In short, the Kremlin appears to have focused its space effort to support and conduct combat operations, and there must be no doubt about that whatever. In addition, the Kremlin's new medium, and their heavy-lift vehicle—we don't have heavy-lift vehicles yet—provide an increased means to lift huge payloads that are needed to build large space platforms, which, in turn, would be required for space-based strategic defense and supporting systems. We need them; we're trying to get them. We asked for the funds in the Supplemental this year. Congress, of course, turned that down. But we are going to continue to ask, because it is a

very essential new development of our space program.

Then, as I said, closely related to the Soviet space program is their work on strategic defense. They've masked this as best they can by propaganda. They talk about what a terrible thing it would be to have this. But their strategic defense program dwarfs ours. They've been working on it many more years. They have the only operational anti-satellite and ABM systems in the world. The CBCRA estimates that Moscow could have prototype space-based anti-satellite laser weapons by the early 1990s. Clearly, the Soviet effort in space and research and in technologies useful for space-based ABMS, strategic defensive systems, and their ability to target allied military assets—their work to achieve that is a matter of the greatest concern to us. That's why it seems to me such blatant hypocrisy for the Soviets to complain about the militarization of space.

Well, we must respond both to the Soviet developments in space, and to the vulnerabilities of our dependence on space for deterrence. But we cannot, and, indeed, we must not merely attempt to mimic the Soviet space program. We need to develop our capabilities to support our operational leads. And so, this was the point at which we asked, in formulating our space policy, "What are the elements that should guide our national defense strategy for space?"

First, our space strategy must acknowledge that deterrence at all levels of potential conflict cannot be accomplished without space-based forces. Military space operations are as essential to deterrence as are our air and land and sea forces. So our strategy must seek to provide and protect the space-based systems that are critical to deterrence. And we must not be diverted from this defensive and vital requirement by any Soviet hypocritical protest that we're militarizing space and that we, therefore, should both stop. Accomplishing our objective will require the speedy recovery of our launch capability. Near-term recovery actions are already under way with the new Delta-type programs, and our strategy must focus further out into future and respond to a variety of evolving military requirements. We simply must secure a launch capability that significantly reduces the cost to place payloads in orbit, is powerful enough to lift the payloads required by SDI and other programs, and is robust enough to protect against catastrophic failures. We must do it soon. And, yes, it's going to cost money. That's an inescapable fact which always seems to astound and appall our Congressmen, but it never disturbs or delays the Soviets for even one week.

So our dependence on space for deterrence marks the relative vulnerability of space-based assets as a critical issue to be addressed by space strategy. To be effective, these satellites and other systems must be able to survive a variety of existing and potential Soviet threats, from their ASATs to GEM. We must pursue all available means to make our space-based assets invulnerable. Hardening defense against attack, redundancy, reconstitution—all of these have to be employed to protect these absolutely vital resources. Surviv-

ability is best insured, of course, by deterring a Soviet attack on our space systems. Therefore, it's just as simple as the same strategy we use with everything else. We need to be able to hold Soviet space-based assets at risk, as we hold their ground-based assets at risk.

But today we can't do that. The Soviet ASAT is deployed, and ours remains mired in Congressional protests that we must not be provocative or some such thing. It's not only militarily unsound. It is a piece of folly which can only delight the Soviets and—worse—it may invite attacks on exposed, but totally essential United States space bases.

Well, secondly, our strategy must also seek to accomplish the very specific goal of ensuring free access to space for all nations, in the same way that free access to the Earth's oceans is maintained. This goal encompasses our vital national interests and the utility of space for scientific, industrial, and commercial purposes. Thirdly, our strategy must encourage interaction between defense and civilian space programs. Our defense requirements must remain the primary concern of any joint effort. It shouldn't preclude joint ventures where defense assets of the United States can aid scientific investigation in other nations without compromising our first priority, and that cooperation should be considered. But, what must not be considered or ever granted, is any agreement that we cannot use any space platform in which we participate and for which we will pay the great bulk, of course, that we can't use it for security purposes. And yet, some talk about agreements of that kind as necessary to get other countries in.

Military and civilian programs, such as the space station, must be available for defense experiments, or other American national security uses, consistent, of course, with international law.

Finally, our strategy must focus purely on defense in the future. It must provide a foundation for the government or industry and for academia, jointly to pursue our technological superiority that we have in space, and to maintain it. We must capitalize on America's genius as it evaluates and develops concepts for future generations of systems, including the new National Aerospace Plane, in which the President's extremely interested. Space-based radar, new propulsion systems, and beyond, all of these things we have to work on, and we need to be funded.

Our new space policy must aim, of course, to deter war, as all of our policies do. It must aim to protect free access to space, to promote cooperation between civilian and defense space sectors, and focus on the technology of the future.

Lastly, I'd like to mention just one additional requirement for our space strategy. It must be consistent with other elements of our national security strategy. It must recognize the current vulnerabilities of space systems within the context of deterrence. And it must acknowledge how survivable space systems contribute to perceptions of the nation's defense strength, and therefore, encourage and provide an international climate, within which, true and acceptable arms reduc-


tion agreements are possible. Now, obviously, this latter point is particularly important today, as we anticipate the beginning of discussions between Secretary Shultz and Foreign Minister Shevardnadze. And I hope these will be very fruitful.

Maintaining the climate of political progress, is an important goal. And our space assets, as an element of perceived United States defensive strength, and an expression of perceived national resolve, these can contribute greatly to that climate. And indeed, we believe that many of the elements of progress that we have seen recently, in arms reduction talks, have come from that correct perception of growing and increased strength.

Furthermore, our space systems provide the essential element of verification, without which, any arms limitation agreements wouldn't even be possible. And so, in closing today in the anniversary week of our nation's Air Force, it is my great privilege to express my sincere hope that in the next 40 years of Air Force history, that you'll be just successful as in the last.

The Air Force has contributed enormously to keeping our peace and to protecting our freedom. And I can think of no more noble accomplishment possible for a military service within a democracy. So, I thank you most heartily for all you have done, and for all you will do.

Thank you very much, indeed.



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U.S. troops and keeping the peace in Western Europe

by the Editors

This autumn's annual North Atlantic Treaty Organization exercises were more critical than ever before in the alliance's history.

They took place at a time when Soviet military strength is at an all-time height, when Western conventional and nuclear inferiority in Western Europe, in particular, is the most pronounced, and, worst of all, at a time when the United States government, in fact the traditional nuclear guarantor of Western European defense, has announced that it has reached an "agreement in principle" to withdraw its Intermediate Range Nuclear weapons from Western Europe, in return for the Soviets' withdrawing a similar class of their weapons from the Warsaw Pact nations of Eastern Europe.

As it has been widely emphasized, if this "agreement in principle" becomes, in fact, an implemented reality, the result will be that Western Europe's minuscule conventional forces will be at the mercy of the terrifying overwhelming superiority of Soviet conventional forces already deployed there.

This year's Reforger and Certain Strike exercises served notice more than ever before that without a totally unconditional American nuclear guarantee for Europe's defense, Europe is indefensible.

The importance of the presence of 300,000 American soldiers in Europe is this: If the Warsaw Pact threatens these soldiers, and if it challenges their assigned job of defending Western Europe, the full might of the American strategic nuclear arsenal will, presumably, stand behind them.

This assumption, at least, has kept the peace, so far, since the end of the last war.

The end of Flexible Response

When, during the late 1960s, the question was posed whether it would be worthwhile for the United States to launch its missiles and to risk a general Soviet thermonuclear assault in order to defend Europe, no straight answer was given. Instead, then-national security adviser McGeorge Bundy developed the theory of Flexible Response, which was designed not to answer this question.



The new deadly Apache attack helicopter used by the 6th Cavalry Brigade of the III U.S. Army Corps.

From the days of McGeorge Bundy to date, Flexible Response is the official doctrine of the NATO alliance. The doctrine states that in case of a Soviet conventional attack against Western Europe, NATO will try to stick to a "conventional only" defense, and bring into the action battlefield nuclear arms, and eventually tactical and intermediate-range nuclear arms only if the possibility of defense at lower weapons thresholds has been exhausted.

The idea of Flexible Response was that the United States would not be willing to risk a general thermonuclear exchange with Russia for the sake of Europe's defense. Therefore, according to the Flexible Response doctrine, intermediate nuclear weapons were useful to be deployed in Europe so as to make it unnecessary for the United States to run the risk of an all-out strategic showdown for Europe's sake.

So, now with the "agreement in principle" respecting INF, the question is: Without these intermediate nuclear forces in Europe, how will America defend Europe from a Russian attack? The existing number of American soldiers in Europe is no match, numerically, to what the other side has. Without tactical nuclear weapons to protect them, would the United States be willing to use its strategic nuclear weapons to defend both its G.I.s in Europe, and Europe itself?

The 'Munich II' factor

If the INF agreement is signed, then the choices for the United States are only two: either withdraw all its troops from Europe, abandon all pretense at defending Europe and dissolve the alliance; or, abandon the Flexible Response doctrine, return to the earlier doctrine of Massive Retaliation,

with a massive rearmament drive throughout the alliance.

In the first case, the United States, bereft of alliance, becomes totally indefensible.

In the second case, the world will commence its rapid march toward World War III.

A signing of the INF Treaty, in this instance, will lead as surely to world war, as the Munich Pact of 1938 led to World War II.

In this sense, this year's exercises were very memorable because they are likely to be the last of their kind, i.e., the last to be designed and held under the assumptions of the Flexible Response doctrine. Even though the exercises were observed by hundreds of journalists from many nations and news organizations, very few have provided coverage for the general public.

The *Executive Intelligence Review* is of the opinion that this year's exercises were too important to be ignored, and deserve the attention of the public.

The basic lesson drawn from them can be summarized in the comments made during the opening press conference of Certain Strike by NATO's new Supreme Commander, General John Galvin, who said: "I do not see a way to defend Europe without nuclear weapons. . . . It is not a question of a nuclear-free Europe but a war-free Europe."

On the question of U.S. troop withdrawal, the general underlined the absolute necessity for the current level of American troops in West Germany: "Their presence is needed to deal with the possibility of a surprise attack from the Warsaw Pact . . . if we drop their size the possibility for surprise attack increases."

Reforger/Certain Strike: U.S. troops crucial for the defense of Europe

by Dean Andromidas and Rainer Apel

During the closing weeks of summer and early autumn, NATO holds its annual Autumn Forge exercises throughout NATO's northern, southern, and central regions. Held in areas from the northern tip of Norway to the Black Sea, these exercises are to practice the same operations required to defend the nations of NATO.

From the last week of August through September, NATO held its most important military exercises: Reforger and Certain Strike. Their importance lies in the fact that these exercises rehearsed the ability of the United States to reinforce Western Europe in the face of an imminent Soviet attack, and to conduct a defense and counterattack. Seventy-eight thousand men and women participated from the United States, West Germany, the Netherlands, Belgium, and Great Britain, as well as France, despite its non-integrated status with respect to NATO's multinational military structure.

For the first time since NATO exercises have been held:

- The United States sent an *entire corps*, including two divisions comprising over 35,000 men and women.
- The U.S. troops were deployed to the northern part of Germany to reinforce the zone assigned to British, Dutch, Belgian, and German forces, demonstrating the continuing ability for cooperation among the multinational forces comprising NATO's Central Region.
- Counter-*spetsnaz* (the Russian acronym for special forces) operations were exercised, clearly indicating a rising concern within NATO over Soviet irregular warfare capabilities.

Not unnoticed was the fact that these exercises were held under the shadow of the proposed INF agreement nicknamed "Zero-Zero Option," which threatens to pull down the West's nuclear arsenal; and continuing calls for U.S. troop withdrawal by certain circles in Washington. At the opening press conference of the exercises on Sept. 15, the new Supreme Allied Commander, General John R. Galvin, in answer to a question on whether he agreed with the Zero-Zero Option, declared: "We are not satisfied with the level of risk" provided by a Zero-Zero Option, unless certain measures proposed by his predecessor, Bernard Rogers, were implemented. Galvin went even further in an answer to a question on the need for nuclear weapons: "I do not see a way to defend Europe without nuclear weapons. . . . It is not a question of a nucle-

ar-free Europe but a war-free Europe." He went on to state his support for the development of a new nuclear "stand-off" weapon. On the question of U.S. troop withdrawal, the general underlined the absolute necessity for the current level of American troops in West Germany, "Their presence is needed to deal with the possibility of a surprise attack from the Warsaw Pact. . . . If we drop their size the possibility for surprise attack increases."

This report should demonstrate the pertinency General Galvin's warnings, defining the necessity for American troops and the absolute requirement not only for nuclear weapons, but for systems and technologies capable of dealing with the considerable Soviet threat to the most crucial front in Western Europe.

Defending Europe's central region

The task before NATO is tremendous given the superiority in sheer numbers alone of the Soviet military machine. Under Soviet Marshal Ogarkov's war plans, new and more effective weapons systems, such as the MiG-29 fulcrum, MiG-31 Foxhound, and Su-27 Flanker, are aimed at achieving earlier air superiority. New deep-strike ground systems are also being deployed, including the new BM-27 220 mm multiple rocket launcher system, capable of firing 16 round salvos of high-explosive munitions or chemical rounds a distance of 40 kilometers. The Soviets also plan further deployment of the new generation of accurate SS-21 and SS-23 missiles with ranges of 80-100 kilometers and 500 kilometers, respectively. Both are capable of carrying nuclear or chemical warheads, and neither come under any INF agreement.

Moreover, Soviet tank divisions have not only been augmented by more new T-80 tanks, but a growing number of older models have been fitted out with the T-80's new reactive armor, capable of withstanding many of the anti-tank weapons in the NATO armies' inventories. Air defenses have been beefed up with the new SA-12A system and further deployment of the SA-11 system.

Overall force comparisons can be seen in **Table 1**.

The deployment of these very powerful and capable systems is woven into a solely *offensive* war fighting doctrine that envisions the early seizure of the initiative by surprise,



U.S. helicopters arriving at the port of Rotterdam for the Reforger maneuvers. Despite peacetime precautions, the arrival of the American forces from the United States took only two-three days.

striking deep into NATO's rear area. The doctrine would attempt to overpower NATO's air bases and nuclear installations, as well as command and control centers, through the deployment of nuclear strike, air operations, or spetsnaz capabilities most likely *prior* to the mobilization of NATO's forces. Overwhelming Soviet superiority in aircraft, armor, and firepower would assist the high-speed offensive through West Germany and Central Europe.

Soviet strategic and theater capabilities are indeed formidable; nonetheless, their very offensive character harbors a potential weakness. It is believed that the highly centralized Soviet command structure works to stifle initiative at the

lower command levels and the level of the individual soldier. Its solely offensive doctrine contributes to an inflexibility that could find it unable to adjust rapidly to unforeseen surprises, be it on the battlefield or through the introduction of new technologies, as has been seen in their reaction to the Strategic Defense Initiative. But it is this offensive character that also leads specialists to the conclusion that the Soviets would launch a first strike, if not indeed a total surprise attack not preceded by the "period of tensions" most NATO scenarios envision.

NATO's overall doctrine often takes this into account and has been premised on the balance of imbalances. It has been NATO's conviction that the technological superiority of its aircraft and ground-based systems, particularly nuclear weapons, including neutron and tactical nuclear weapons, work to offset Soviet superiority in numbers. Moreover, Western military doctrine sees its citizen-soldiers, trained in a doctrine that stresses initiative and leadership at all levels, as the crucial factor.

Reinforcing Europe

The problem confronting NATO for the defense of the Central Region is the question of *time* and *space* and the related question of *depth*. The Warsaw Pact deploys 95 divisions, 63 of them Soviet first-line Red Army divisions, directed at West Germany. These troops are deployed in a 500-mile wide corridor between the West German border and

TABLE 1
Force comparisons

	NATO	Warsaw Pact
Divisions	35	95
Main battle tanks	7,600	25,000
Armored personnel carriers and light tanks	19,350	43,000
Artillery	4,500	17,500
Fighter aircraft	1,900	3,990

the Soviet Union, including East Germany, Czechoslovakia, and Poland. This is a distance that enables Soviet reinforcement or pre-position of additional forces for attack through a distance not much further than between Boston and Washington, D.C. It is a distance an army can traverse, with its battle equipment, in a matter of a few days, a factor enhanced by the fact that the motion is along internal lines of communication. On the other hand, the Soviet Union possesses great depth for maneuver if NATO should succeed in mounting a penetrating counterattack, given the protective belt comprising Poland, East Germany, and Czechoslovakia provided it by the Yalta Agreement.

By contrast, NATO lines of supply are immense, over exposed ocean and air space. American troops comprise almost 30% of troop strength deployed in the Central Region from the North German Danish border down to the German-Swiss/German Austrian borders. Those troops must be supplied over a distance of 6,000-7,000 miles. Meanwhile, NATO's depth is extremely shallow with a distance of no more the 200 miles between the German-German border and France, the Netherlands, and Belgium, and no more than 400 miles to the northern seaports of Antwerp and Rotterdam, five days' march or less if Western defenses are broken at the border. Needless to say, this leaves little space for maneuver. While the Soviets can bring up reserves from regions at a distance from the war zone, the Allied reserves of West Germany, Belgium, the Netherlands, etc. would have the almost impossible task of calling up reserves in the midst of a battle zone.

These considerations and the real possibility of a Soviet surprise attack make the factor of *time* crucial. Here the question of a Tactical Air Defense Initiative that can respond faster than a "march from the barracks" and deny the Soviets air superiority, this most important of flanks, is the key imperative. Second is a nuclear capability that can be initiated in a matter of minutes and can strike deeply into Soviet staging areas and key strategic command and control targets. It is this capability that President Reagan threatens to sign away with the INF treaty.

Reforger (REturn FORces GERmany) had as its purpose the exercise of NATO and American strategic mobility, in this case the transportation of the entire American III Corps of two divisions to Western Europe in a matter of days. It is important to note that the scenario for which Reforger was planned was that of a "deterrent" move, that is a reinforcement in a period of tension *prior* to a Soviet attack. It would be highly illusionary to imagine moving such masses in the midst of a full-scale war, especially when the ports of Rotterdam and Antwerp are high on the first-strike list of Soviet war planners. A point, also underscored by General Galvin, which makes current U.S. troop deployments an absolute necessity.

The III Corps is based in Fort Hood, Texas, and comprises the 1st Cavalry Division, the 2nd Armored Division, and the 4th Infantry Division. Although the first two divisions

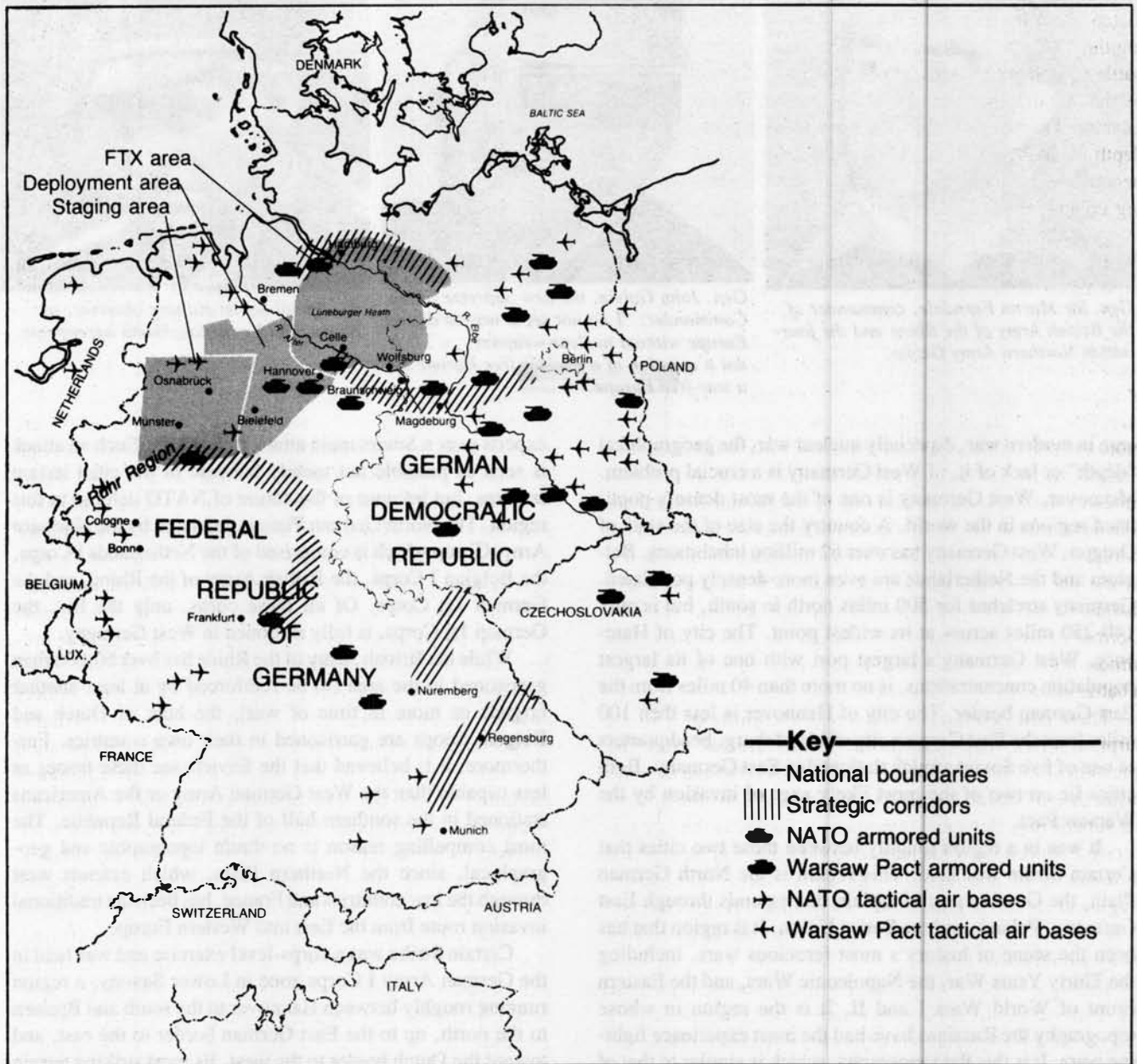
came in their entirety, the 4th Division only sent its headquarters. Although the Corps artillery was represented by only its headquarters, the Corps sent the 6th (Air Combat) Cavalry Brigade, which included its deadly new Apache attack helicopter and Black Hawk squad helicopter which had made such a good showing in the War on Drugs in Bolivia. Other personnel included the full regalia of units required for such organizations, including engineering units, signal and intelligence units, and support troops.

This is the first time the United States has sent almost a full corps to Western Europe in an operation that took four weeks, but could have taken two weeks or less time owing to the fact that a certain amount of care must be taken in moving such masses of men and material in normal times. One of the biggest questions is safety. It must be remembered that unlike in the United States where military exercises are held in rather remote military reservations in scarcely populated areas, all exercises in Europe are held literally in the backyards of the most populated regions in the world. Imagine the West German III Corps with 40,000 men being transported through the Port of New York and John F. Kennedy Airport on its way to to join 43,000 other troops, some of whom could have traveled overland from Canada and the United States to take part in an exercise to be held in the suburbs of New Jersey between New York and Philadelphia. Despite the considerable care taken to avoid mishaps, several civilian deaths occurred due to vehicular accidents, and several million dollars' worth of damage to private property.

Despite peacetime precautions, it took only two to three days for the bulk of the corps to arrive by nearly 100 flights of special troop transport aircraft. The speed of the operation was helped by the fact that 90% of the corps equipment including tanks, armored personnel carriers, engineering equipment, ammunition, etc. has been permanently pre-positioned in West Germany, Belgium, and the Netherlands. This matériel is called POMCUS (prePOsitioned Material Configured in Unit Sets). Other equipment, such as helicopters, arrived through the port of Rotterdam or was airlifted. If required, Apache and Black Hawk helicopters are designed to be transported in heavy transport aircraft such as the Lockheed C5s, or can be self-deployed from the United States via Iceland.

The American III Corps, equipped with the new M1 Abrams Main Battle Tank, the M2 Bradley Infantry Fighting Vehicle, and the Multiple Launch Rocket System, is the most modern equipped armored formation in the free world, and is designated as part of the U.S. Army Strategic Army Corps. Although based in Fort Hood, Texas, it has the reinforcement of Europe as its primary wartime assignment and maintains a permanent staff in West Germany. In fact, the Corps was fully reactivated in 1961 in response to the Berlin Crisis. In West Germany, it will join the American V Corps headquartered in Frankfurt and the VII Corps based in Stuttgart in the defense of Western Europe. When reinforced by the 49th Armored Texas National Guard Division, the III Corps alone

Certain Strike exercises defense of Central Front



is larger and has more firepower than the combined standing armies of Belgium and the Netherlands, and is one-third the size of the West German Army.

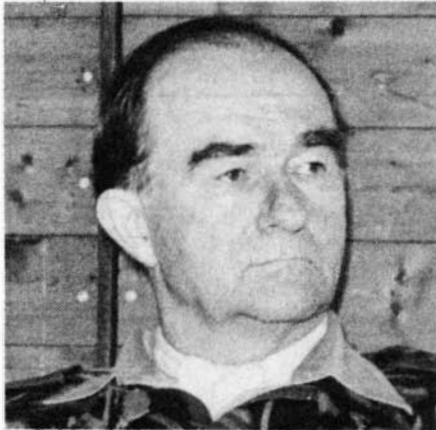
Defending the central region

Following Reforger was Certain Strike, an *operational and tactical* field training exercise. Here we can get a glimpse of what the battlefield of Western Europe will look like, and what it takes to deter or win a war in Central Europe.

In the defense of Europe, West Germany is the keystone.

It occupies the center of NATO's north-south border with the Soviet Union. It is opposite the highest concentration of Soviet troops and firepower in the world. Here the armies of NATO, including the United States, Great Britain, the Netherlands, Belgium, and of course, the West German army, have garrisoned troops, and each nation has a "slice" of the front. Even France, which does not participate in the military organization of NATO, maintains garrisons under the Potsdam Agreement and has participated in NATO exercises.

With the questions of time and space of paramount con-



Gen. Sir Martin Farndale, commander of the British Army of the Rhine and the four-nation Northern Army Group.



Gen. John Galvin, the new Supreme Allied Commander: "I do not see a way to defend Europe without nuclear weapons. . . . It is not a question of a nuclear free Europe but a war-free Europe."



An official Soviet military observer, as allowed under the Stockholm agreements.

cern in modern war, especially nuclear war, the geographical "depth" or lack of it, of West Germany is a crucial problem. Moreover, West Germany is one of the most densely populated regions in the world. A country the size of the state of Oregon, West Germany has over 62 million inhabitants. Belgium and the Netherlands are even more densely populated. Germany stretches for 500 miles north to south, but is only 140-250 miles across at its widest point. The city of Hamburg, West Germany's largest port with one of its largest population concentrations, is no more than 40 miles from the East German border. The city of Hannover is less than 100 miles from the East German city of Magdeburg, headquarters of one of five Soviet armies stationed in East Germany. Both cities lie on two of the most likely axes of invasion by the Warsaw Pact.

It was in a region roughly between these two cities that Certain Strike was held. This region is the North German Plain, the German part of a plain that extends through East Germany, Poland, and the Soviet Union. It is region that has been the scene of history's most ferocious wars, including the Thirty Years War, the Napoleonic Wars, and the Eastern Front of World Wars I and II. It is the region in whose topography the Russians have had the most experience fighting wars. It is this flat topography, which is similar to that of Russia itself, that Soviet offensive doctrine as well as Soviet equipment have been designed for.

It contrasts sharply with the southern half of Germany, which is predominantly low mountains and broken countryside with large forested areas, a topography relatively hostile to the large armored formations and high-speed offensive doctrine of the Soviets. Moreover it is in this southern region where American and West German forces, those rated highest in capability by the Soviets, are based.

The decision to send the American III Corps to the northern region, for the first time in NATO's history, is seen as highly significant in light of the recent concern of NATO

experts over a Soviet main attack in this area. Such an attack is seen as possible not merely because of the cited terrain features, but because of the nature of NATO defense in this region. The North German Plain is defended by the Northern Army Group which is comprised of the Netherlands I Corps, the Belgian I Corps, the British Army of the Rhine, and the German 1st Corps. Of all these corps, only the last, the German 1st Corps, is fully stationed in West Germany.

While the British Army of the Rhine has over 60,000 men garrisoned in the area (to be reinforced by at least another brigade or more in time of war), the bulk of Dutch and Belgian troops are garrisoned in their own countries. Furthermore, it is believed that the Soviets see these troops as less capable than the West German Army or the Americans stationed in the southern half of the Federal Republic. The most compelling reason is no doubt topographic and geographical, since the Northern Plain, which extends west through the low countries and France, has been the traditional invasion route from the East into Western Europe.

Certain Strike was a corps-level exercise and was held in the German Army I Corps zone in Lower Saxony, a region running roughly between Hannover to the south and Bremen to the north, up to the East German border to the east, and toward the Dutch border to the west. Its most striking terrain feature is the Lüneburger Heath, a vast stretch of swampy moors covered with wheat fields, sheep grazing land, and forests. Much of its swampy ground is unable to support the weight of tanks.

In the armies of NATO countries, the corps formation, comprising between two and four divisions, is the basic *operational* formation as opposed to *strategic/theater* or *tactical* formations. There are eight corps areas in the Central Region, each occupying a "slice" of the front from the southern edge of Schleswig-Holstein in northern Germany to the Swiss/Austrian borders to the south. The First German Corps, along with the Dutch, British, and Belgian corps, comprises

the Northern Army Group (NORTHAG) whose commander is General Sir Martin Farndale, who also serves as Commander of the British Army of the Rhine. The remainder of the front, comprising the American V and VII Corps and the German II and III Corps (including smaller Canadian formations) comprise the Central Army Group (CENTAG). Its Commander in Chief General Glenn K. Otis, also serves as Commander in Chief of U.S. Forces Europe. The exercise was in turn supported by the Allied Air Forces Central Europe with the exercise Cold Fire, which flew over 500 sorties a day.

The Certain Strike exercise has as its purpose to practice plans and procedures for employing the U.S. III Corps in the NORTHAG. It is an exercise dealing with the complexities of moving large bodies of men, weapons, vehicles and the logistical support needed to maintain them in the conditions of battle. Although all units were prepared to conduct the exercise under NBC (nuclear-biological-chemical warfare) conditions, the exercise was held under the so-called "nuclear escalation" theory, that the Soviets would avoid using nuclear weapons for fear of escalation. Nor did the exercise demonstrate how NATO would utilize tactical nuclear weapons, which technically require a much different operational and tactical plan.

It has been the view of *EIR* that the Soviet *might* opt not to use nuclear weapons in Europe, not for fear of escalation, but for very specific tactical reasons, because of the unpredictable nature of the weapons and certain battlefield problems they might pose. However, Soviet operational and tactical doctrine foresees the full utilization of battlefield nuclear as well as biological and chemical weapons, and Soviet troops are indeed trained for such operations.

Wartime conditions were simulated to the extent of hav-

ing a friendly (Blue) force, in this case the U.S. III Corps and the German I Corps, and an enemy force (Orange) formed of elements of the British, Dutch, and Belgian Corps. The scenario envisions a two- to three-day warning time that would allow mobilization to meet the attack. The exercise followed Reforger, with the arriving Americans collecting their pre-positioned equipment, transporting it to staging areas from where the corps deployed in pre-battle formation, into the deployment area, where they deployed into the *battle zone* following an attack by the Orange forces. The key to the exercise was the movement of the American III Corps to conduct a "passing of lines" in its relief of the German I Corps following an attack by the Orange forces, whereupon the American corps conducts a counter-attack. The passing of lines, although a common enough military maneuver, has never been exercised between the armies of two different nations of NATO. Its success was a testimony to the ability of the various national military organizations to cooperate with a unified sense of purpose.

Many eyebrows were raised when it was announced that a 200-man French Army contingent was participating in the exercise, unusual since France has withdrawn from the military command structure of NATO. Far more eyebrows were raised when it was revealed that they were simulating Soviet spetsnaz, underscoring growing concern over escalating Soviet irregular warfare capabilities within NATO. The French soldiers simulated spetsnaz surveillance teams during the staging and deployment phase while conducting simulated attacks and sabotage during the attack phase. Although the activities were not widely reported during the exercise, they were credited with knocking out at least one airfield of British Harrier ground attack aircraft.

Although the Soviet Union sent official military observ-



Pre-positioned vehicles leaving depots in Reforger '87. Ninety percent of the equipment needed to support a defense is stored in the West German forest and parks.

ers, as allowed under the Stockholm agreements, the presence of late-model civilian automobiles with unusually observant drivers throughout the area did not go unnoticed. Less low profile were sporadic demonstrations by people associated with the West German Green Party and violence-prone elements. One American officer reported that his vehicle, a small Volkswagen bus, and his driver were attacked by 60 "demonstrators" while driving through a village. Although there were no injuries, the demonstrators damaged their vehicle. It should be stated that these elements are an extreme minority and the population in general, particularly the children, were glad to see Americans and certainly hope to see them again next year.

What strikes an American observer most about such an exercise, or more fundamentally, the defense of Europe, is that the battlefield will be in the backyards, farms, and homes of the very people one is trying to defend. It is an experience the American population has not experienced since the Civil War over 100 years ago. In West Germany, there is little that is not planned without the idea that this could be a war zone. For example: In Germany the forests serve three purposes: One is agricultural, a source of timber, etc; the second is recreation, for Germans love their Sunday *spazieren* or walks through the forest; and the third purpose is to hide tanks.

In Germany, forests and nature parks are strategically located up and down the front. In these parks, armored formations in time of war can move to avoid open country and are pre-positioned in these parks and forests in special depots, where military equipment needed to support a defense is stored.

Every bridge, no matter how small or large, will have a special sign, sometimes with a picture of a tank, indicating the weight that the bridge can support. The bridges themselves are designed so they can be destroyed rapidly by military engineers if the need arises to slow down the always threatening potential enemy. Throughout the exercise itself, huge tanks and armored personnel carriers and all kinds of military vehicles traversed the streets, villages, farmlands, and forests in the midst of a civilian population going about their daily lives.

Mission tactics

Despite artificial simulation which dulls the edge of what true wartime conditions would entail, the exercise gave a good glimpse of how armies are very different types of organizations from the civilian sector. An army must perform tremendous logistical feats, but cannot function as if it were a post office or an efficient rapid transit system. This difference can be summed up in one word: Mission. Be it the defense of the sovereignty of a nation, if not the very foundations of Western civilization at its ultimate level, or the capture or defense of a hill on the German-German border. Mistakes could mean national disaster or the death of one's fellow soldier. All must be performed in the cataclysmic environment of the modern battlefield. The concept of "exe-

cuting a mission," is a concept perfected by the same tradition that created the so-called German General Staff System. It is a concept that also has a place in the West Point tradition. The subordinate commandos from the corps, to the division, down to the level of the sergeant in command of a squad, are given the task of accomplishing a "mission," not the execution of a bureaucratic system of directives. The purpose is to foster initiative at all levels, to force the individual soldier to think with the same mind as his commander.

While visiting an American armored battalion in the field, on the ground, and then observing a "battle" between opposing battalions from the vantage point of a helicopter, *EIR*'s correspondents were able to note how highly complex the execution of a mission can be. In the American Army, the basic fighting unit or *maneuver element* is the Battalion Task Force, in the British army it is called a *battle group*, and it engages in the *tactical battle*. It is composed of several elements chosen according to the needs of the mission. It can be composed of an infantry or tank battalion supported by elements of combat engineers, artillery, air defense, and army air or air force resources. Together they form what is called the *combined arms team*. Within this task force are the *combat teams*, which can be two to four armor personnel carriers, or APCs in combination with tanks, or two to four aircraft fighting in mutual support of one another. Missions are executed through the coordinated and synchronized movement of all these elements in a tactical flanking defensive or offensive maneuver called "overwatch." The combined arms teams are the fundamental element of the U.S. Army's operational doctrine called "Airland Battle," which seeks to use strikes into the second echelon forces deep in Warsaw Pact territory to make the best use of flanking actions and maneuver.

While visiting an American armored battalion of the 1st Cavalry Division, we could see, even at this level, the complexity of traversing the countryside. It took our guide 30 minutes to find the battalion, comprising several thousand men and scores of vehicles. After sighting a lone scout vehicle, we were given directions and discovered the battalion, hidden in one of those forests where the local population loves to take its Sunday hikes. Although the scores of tanks, APCs, and other vehicles stretched out for over two kilometers deep into the forest, the commanding major pointed out how in an actual war situation, he would have traversed this area across a much broader front, assigning different zones so as not to form an easy target for conventional or nuclear strike, while at the same time being prepared for immediate combat with his flanks and main body well protected and prepared to meet the enemy.

The sense of *mission* was reflected in a scene where a sergeant, with a map taped to the side of his Bradley infantry fighting vehicle, was briefing his 12-man squad on the parameters of the mission ahead of them in the following days.

One thing was missing: We failed to see any jeeps. The vehicle that faithfully served the U.S. and other armies for more than 40 years, was replaced by the so-called High



Dutch engineering troops during the NATO "Certain Strike" exercise. The hazardous business of crossing the Aller River, one of the most dangerous maneuvers of war, was done using battalions of engineers who built the bridges through the night.

Mobility, Multi-Purpose Wheeled Vehicle. Although larger than the old jeep, it replaces three other types of wheeled vehicles, thus shortening the very long logistical tail attached to the modern army.

The battle for these units began late in the evening and the early-morning hours of the following day, with the hazardous business of crossing the Aller River. Though no more than 100-200 meters wide, a river crossing is one of the most dangerous maneuvers of war. All bridges had to be built through the night by battalions of engineers following the securing of the bridging points by armored reconnaissance units traversing the river in special vehicles or even rubber boats. But the real danger was the necessity to concentrate entire battalions into the extreme narrow defile formed by the bridge itself, forming an easy target.

While several crossings were successful, being conducted at night, some under protective smoke screen, others were not so lucky. One was knocked out by a simulated strafing from an Orange force, a British, Jaguar tactical strike aircraft. Flying at 100 meters above another such crossing, one could see one of these bridges knocked out by a combined arms team of the Orange or "enemy" force. It turned out to be an impressive example of "interoperability" among NATO's individual armies. A combination of British grenadiers transported on German helicopters, and supported by a Dutch artillery company, "captured" the bridge. They in turn were met by a Belgian reconnaissance and combat formation, also part of the Orange forces. From this simulated "battle" the

beholder drew an appreciation of all the many tactical exercises required in modern war, from the use of camouflage, air defense, communications, and electronic warfare, to the engagement of individual combat teams maneuvering through a battlefield.

Although a fine demonstration of the *esprit de corps* among NATO's armies, which one would not find between say, Polish and Soviet troops, it also revealed some serious shortcomings. The Belgian tanks were Leopard Is, a tank that is almost as old as the average ages of the men who man them. The German helicopters were Vietnam War vintage in design.

These exercises continued for several more days with countless numbers of missions and engagements throughout the "war." While providing excellent exercise for the soldiers involved, these exercises and others like them serve to demonstrate to any potential aggressor a commitment on the part of NATO to the defense of Western Europe. This is not said with complacency but with a full view of the serious shortcomings in NATO's defensive power. They show the absolute necessity for continued American commitment to maintaining the defense of Western Europe. It is hoped that the surprising degree of enthusiasm and commitment displayed by the soldiers during this exercise and their daily duties while serving in the national armed forces of the NATO alliance, is not undermined by the current political disarray of the West, as reflected in the potential for a disastrous INF agreement or removal of U.S. troops from West Germany.

Gorbachov joins the ranks of the undead

by Lyndon H. LaRouche, Jr.

On Sept. 29, the morning's dispatches from Moscow announced that Soviet General Secretary Mikhail Gorbachov had joined the ranks of the world's famous undead, following a disappearance of nearly two months.

Western dispatches cite Moscow sources as describing Gorbachov's disappearance as a "vacation," and as reporting that the vacation in the Crimea had been devoted in part to the writing of some new book. French observers participating in the meeting say, that the Soviet "czar" appeared to be much thinner than prior to his long disappearance.

Whether Gorbachov and his wife were poisoned, or not, the leader's unprecedented absence from public view is connected to seismic rumblings in the social and political superstructure of both the Warsaw Pact and Western alliances. Just as powerful European opposition is building against the mooted Nov. 23 Reagan-Gorbachov "summit" agreement, the Soviet and East bloc establishments are being wracked by the most acute crisis since the deaths of Stalin and Beria.

So far, Western intelligence circuits are being blinded with a confetti of assorted facts and hyperthyroid speculations on the situation inside the Bolshevik dynasty's Russian empire. Most of the West's establishment strata are, as Senator Joe Biden would probably say, "missing the forest for the trees." They are overlooking the obvious, in their frantic search for an easily-marketable "TV soap-opera" sort of explanation.

The obvious fact behind the simultaneous crises in the West and East, is that President Reagan's desperate plunge toward a Munich-style, "peace in our time" agreement with Moscow, sets into motion a process leading in the direction

of an early, "New Yalta" redrawing of the world's political map among Washington, London, and Moscow. Such a process could not be set into motion, without unleashing the most profound and potentially violent kinds of instabilities and eruptions on both sides of the "Iron Curtain."

The related, obvious fact, is, that the factions committed to reaching an early, and irreversible set of "New Yalta" agreements between Reagan and Gorbachov, have blindly misestimated the kinds and intensities of oppositions they set into motion by seeking such sweeping changes in the world order at such a pace. Both the Western and Moscow factions pushing for early conclusion of such agreements are acting like a pair of adolescents in the full heat of their first sexual infatuations. They are striking out blindly against everything which seems to threaten the consummation of their desires, but refuse to consider the chain-reactions they are setting into motion on both sides of the "Iron Curtain."

The Stalin analogy

The most plausible explanation of the current crisis inside the Muscovite empire is that Mikhail Suslov's heir, Bolshevik "high priest" Yegor Ligachov, represents a "neo-Stalinist" opposition to Gorbachov's *glasnost* policy. Indeed, Ligachov has openly surfaced as an opponent of *glasnost*. Indeed, the leading Soviet press is riven with factional heat, for and against the rehabilitation of two leading victims of the Stalin faction, L.D. Trotsky's "Left Opposition" and N. Bukharin's "Right Opposition." Although Mikhail Gorbachov represents a middle position, between the rehabilitators and the "neo-Stalinists," the fact that the current crises within

the Bolshevik dynasty is an echo of the old 1927-38 purges process, is as plain as the birthmark on Gorbachov's head.

The trouble is, starting from that premise, Western speculators are spinning off Hollywood-style scenarios of palace-plottings for and against Gorbachov. The assumption that the current upheavals in Moscow echo the Stalin phenomenon of 1929-53, is a valid one. The trouble is, most of the leading Western specialists in Soviet intelligence are saturated with deluded theories of "Stalinism," and therefore based their scenarios on such deluded misestimations of the Stalin phenomenon.

The fact is, that the Bolsheviks were one of an assortment of radical, anti-Romanov groupings created by the Czarist secret police, the Okhrana. Inside Russia, the 1917 Revolution, was organized as an overthrow of the Romanov dynasty and Petrine state by a force of the most powerful landed aristocratic families of the pre-Romanov, Rurikid dynasty, a force which adopted and reshaped the anti-Romanov lunatics, the *raskolniki* as the social force to be used in destroying the Petrine state, root and branch, and creating a new form of Muscovite imperium dedicated to world conquest.

However, the 1917 revolutionary upheaval, while steered partially from inside the highest levels of the government of Czar Nicholas II, was also steered from outside Russia. The February 1917 revolution was conducted with the support of British intelligence, and Lenin was brought to power as an asset of German intelligence. On a higher level, both the conflicting British and German roles in the 1917 revolution and ensuing civil wars, were orchestrated by a powerful financial consortium centered in Venice, a consortium whose visible key agent was Count Volpi di Misurata, and whose most visible agent was the fabulous super-spy, Alexander Helphand, a.k.a. "Parvus."

From the beginning, the Soviet intelligence service, the Cheka, was a combination of the former Okhrana officials who had run the Bolsheviks earlier, and the intelligence apparatus which Parvus had created and directed for the orchestration of bringing Parvus's selected instrument, V.I. Lenin, to power. From the first blush of Soviet power, powerful Western financial interests, centered upon Venice's reinsurance cartel, but including the cities of Hamburg, London, and New York, had established and operated a joint operation with the Cheka, an organization known from 1918 through 1927 by such names as "the Anglo-Soviet Trust."

The "Trust" and the "Communist International" ("Comintern") were synonymous. Trotsky and Bukharin typified the former assets of Parvus who, together, controlled the Soviet participation in both the "Trust" and the executive and intelligence apparatus of the Comintern.

Stalin's 1927-29 coup d'état, first in purging the Trotskyists ("The Left Opposition"), and then the larger Bukharin-Brandler-Lovestone faction of Soviet intelligence ("The Right Opposition"), was a revolt of the Muscovite nationalists against the foreign financier penetration of Russia exerted

through the Trotsky-Bukharin factions of the Comintern and "Trust."

That sort of endemically anti-Semitic Bolshevik Russian nationalism is the essence of "Stalinism." If that is rightly understood, along the lines which I have barely summarized here, it would be accurate, and rather useful to say, that Gorbachov's Muscovite opposition today is a "neo-Stalinist" insurgency. Although no culturally-determined insurgency of that sort can operate except through personalities and more or less organized factional forces within the ruling establishment of nations, it is the cultural impulse, rather than the personalities, which must be understood first, before attempting to explain matters in terms of the actions of the key personalities involved.

That is the "forest." From the facts which we know with certainty about that "forest," Western governments can adopt accurate Soviet policies efficiently attuned to the seismic upheavals in progress in Moscow. The danger is, that our intelligence establishments, rather than focusing upon what we know with certainty, will leap to wild conclusions along the lines of Hollywood-style scenarios of some lunatic Sovietologist of the Zbigniew Brzezinski or Roy Godson varieties.

The issue inside Moscow, is that the global, "New Yalta"-style agreements which the Reagan-Gorbachov summit would set into motion, are a modern echo of exactly the agreements which the Western members of the 1918-27 "Trust" and Comintern attempted to set into motion. While the Bolshevik *nomenklatura* is more or less unanimous in welcoming the "Munich 1938" deals which the Western friends of Armand Hammer and Edgar Bronfman are pushing, the Muscovite nationalists today, like the Stalin of 1927-53, are in a seismic orgy of building rage against subjecting Moscow itself to the kinds of "global co-dominion" which Gorbachov seems on the verge of negotiating with the world-federalist factions of the West.

We patriots in the West, have rightly unleashed a hue and cry against the "new Neville Chamberlains" among the accomplices of Hammer and Bronfman. We are rightly concerned to prevent liquidating the sovereignties of Western nations under a global co-dominion deal with Moscow. However, in our own patriotic concerns along such lines, we must not overlook the fact that there is also a deep-rooted hatred against such deals reflected from the Muscovite "Russian soul" into the ranks of Moscow's leading strata.

The unleashing of *glasnost* has had the effect of attacking the institutionalized form of internal stability of post-Stalin order inside both the Muscovite empire proper and its East bloc satrapies. Whenever old institutions are torn down, even partially, what those institutions have hitherto contained, is to that degree unleashed. We must not overlook the 1956 results of Khrushchov's "Goulash socialism" in Poland and Hungary. This time, what has been unleashed by *glasnost* is the vast Turkic population of the Soviet empire; throughout

the larger Soviet empire, the captive nationalities of Bolshevik Muscovy are simmering with ferment.

This ethnic ferment, and related problems, has alarmed a large section of the Soviet *nomenklatura* and institutions which had earlier agreed, after an extended interim squabble over the matter, to replace the undead Chernenko with the putative new "Czar Mikhail," Gorbachov. What obsesses these Muscovite nationalists is not only the immediate ethnic ferment within the larger empire; they know that the Soviet state has the means to crush such ferment as bloodily as need

Stalin's personal dictatorship was far more monolithic and savage than Hitler's personal rule over the Nazi Reich, the attempt to explain this as a "cult of the personality" was an absurd myth.

The truth about Stalin is that he was a character out of a Dostoevsky novel, and thus the only kind of personality who could rule a Russian empire of the *raskolniki*. Stalin was consistent with the Rurikid culture of his predecessor and model, Ivan the Terrible, and therefore a true *raskolnik* out of the pages of Dostoevsky. He was a true Siva of the Muscovite pagan's Shakti-Rodina.

In Russia, only two types of rulership are durable ones. One is typified by the Westernizing Peter the Great and Alexander II; the other is typified by Ivan the Terrible and Stalin. In-between types are historically ephemeral, merely transitional. These two types are the two opposing types of Russian nationalism. There was no "cult of the personality" surrounding Stalin which was any different in nature from the cult of the personality around a Muscovite czar earlier. The head of the Muscovite state is an anti-Catholic Pontifex Maximus, and, generally speaking, all Muscovite czars and commissars have partaken of this quality.

Gorbachov is something unnatural to Muscovite culture, trying to be a Stalin and a Peter the Great at the same time. Gorbachov's attempt to impose sweeping reforms upon the Soviet state, reforms consistent with what he himself has been groomed to represent, goes against the Muscovite form of nationalist culture, challenging it broadly on many fronts, boldly and simultaneously, all at once. It is the riskiest game any ruler of Moscow could play; one ultimately doomed to go down in bloody disaster. Reality is asserting itself.

Peter the Great understood better. Peter expanded the Russian empire by leaning upon the forces of the West as his de facto allies against the Russian *raskolniki*. He used the awe of Russian cultural inferiority to the West as a weapon. Gorbachov attempts to impose what Russians see as an image of Westernization, under conditions in which the image of the West projected is one of decadence into impotency, and yet invoke the social force of the *raskolniki* against the West in his current strategic game. Thus, by this folly, Gorbachov has awakened all of the sleeping devils in Rodina's soil, as the policies of Trotsky and Bukharin did earlier.

So, what the friends of Armand Hammer and Edgar Bronfman propose we admire in Gorbachov is a delusion. Gorbachov is no peacemaker; he was brought to power on the basis of the agreement among several Soviet factions, that he would make Soviet imperial domination of the world irreversible by about 1990-92. However, his political maneuvering with the same Western faction involved in the 1918-27 Trust, and his effort to impose drastic reforms consistent with his own self-image, has evoked the devils of Rodina.

Whether Gorbachov survives his perilous period of August and September is of secondary importance, relative to the fact that sooner or later, his doom is sealed.

Both the Western and Moscow factions pushing for early conclusion of a set of "New Yalta" agreements are acting like a pair of adolescents in the full heat of their first sexual infatuations. They are striking out blindly against everything which seems to threaten the consummation of their desires, but refuse to consider the chain-reactions they are setting into motion on both sides of the "Iron Curtain."

be. However, they rightly see the ferment as portent of a longer-term build-up of successive instabilities in the Soviet order. The problem, in their eyes, is too much change, too fast; too many bottled-up genies are being unleashed from their respective bottles.

They fear, that under such circumstances, Moscow's global domination of the new global co-dominion might be a temporary one, followed by the swallowing-up of the Muscovite empire into the larger empire of the co-dominion. Moscow has no intent to share world-rule to that degree with the wealthy oligarchical factions of Hamburg, London, New York, and Venice. Thus, the same deep-rooted Muscovite impulse which brought Stalin to the fore over the 1927-29 interval, has begun to emerge in a new form. In that sense, but no other, the Muscovite opposition to Gorbachov is "neo-Stalinist."

Two popular delusions

Stalin's successors invented the myth of "the cult of the personality," to explain away Stalin's dictatorship. While

A power struggle rages in Kremlin

by Konstantin George

On Sept. 29, Soviet leader Mikhail Gorbachov, after a disappearance of 53 days, reappeared in public to receive a 370-member French delegation. His frenzied actions, pounding his fist on the desk, while proclaiming in an agitated, haughty manner: "There's no political opposition in the Soviet Union, no opposition to Gorbachov," betrayed without the need for any hidden microphones inside the Kremlin, that a power struggle is raging inside the Soviet leadership. Gorbachov's remarks were rebutted on the same day by Politburo member, and spearhead of the Gorbachov "make a New Yalta deal with the Western Trust" faction in the Soviet leadership, Aleksander Yakovlev. Yakovlev confided to Britain's multi-millionaire publisher and Trust figure, Robert Maxwell, that "there is conservative opposition to Gorbachov's policies."

Gorbachov's headlong drive for a "New Yalta," beginning with the INF agreement, coupled with his campaign of *glasnost* and its outpourings of emphasis on the "negative" concerning the past under Stalin, the post-Khrushchov period, and the present, has galvanized a growing, powerful, "neo-Stalinist" opposition into action. The opposition fears that the New Yalta's middle term consequences would be disastrous for the Muscovite Empire, and that *glasnost* has already opened a Pandora's box of internal problems, starting with the disturbances among the captive nationalities: last December in Kazakhstan, the Crimean Tatars this spring and summer, this August in the Baltic Republics, and the potential for much worse to erupt.

There is, to say the least, a cloud of uncertainty as to whether an INF agreement will be sealed, or, if so, whether it will "stick." Gorbachov's failure to utter even a single word about the INF agreement or a summit with Reagan, during his initial reappearance, bear moot testimony to this point. Soviet publications, such as *Literaturnaya Gazeta*, speak carefully about the "probable agreement," and a "possible summit." The director of the Moscow USA-Canada Institute, Georgi Arbatov, writing in *Moscow News* Sept. 30, was explicit, that while a summit is "desirable," it is "by no means a settled matter."

Mandated power

One crucial fact must be understood concerning Gorbachov. He wields far less power than one generally assumes. His "power" stems from the mandate given him by the Politburo/*nomenklatura* forces that agreed to make him general secretary in March 1985. The majority of these power brokers, of the Suslov ideologist and Russian chauvinism pedigree, either belong to the Muscovite "neo-Stalinist" current, or, under the conditions of Gorbachov's pell-mell rush into sweeping agreements with the Western Trust, will rapidly join forces with the neo-Stalinist core.

The opposition to Gorbachov has taken the public form of articles and speeches, which took off, beginning in March, notably in publications of the *Russian Republic*, and in particular by Yegor Ligachov, the Politburo's and Secretariat's ideology boss, denouncing the *glasnost* attacks on the Stalin period, the *glasnost* fixation on the negative side of Soviet society today, and the attempt launched under *glasnost* to rehabilitate the Trust wing of the 1920s Bolsheviks, in particular Trotsky and Bukharin.

One month after Gorbachov was installed (April 1985), at the first Central Committee Plenum "under" Gorbachov, three new Politburo members were added, including Ligachov and KGB boss Viktor Chebrikov. To state matters bluntly, a new "Suslov" and a new "Andropov" were added to the Politburo, to provide the neo-Stalinist section of the *nomenklatura* with the ability to terminate Gorbachov's rule should the need ever arise. In the current rumblings in Moscow, Ligachov has taken the offensive against the "excesses" of *glasnost*, while Chebrikov, in his Sept. 10 speech commemorating the 110th birthday of Cheka (KGB) founder Feliks Dzerzhinsky, in the midst of Gorbachov's disappearance, quashed any schemes to rehabilitate the Bolshevik's Trust component, personified by Leon Trotsky and Bukharin.

Gorbachov's problems, however, all pointing toward a major shift in the Soviet Union, began well before his 53-day absence.

The unraveling of a general secretary

A review of the first nine months of 1987 shows the inexorable growth of the storm now engulfing the Kremlin.

January: The long-postponed Central Committee (CC) Plenum is finally held with a very noteworthy result. This is the first post-Reykjavik Central Committee Plenum, one month after the riots in Kazakhstan. General Secretary Gorbachov, who should be the "boss," calls for the Central Committee to adopt his resolution that a special Party Conference be held in mid-1988, a conference that would, among other things, be used to settle "personnel questions," i.e., getting rid of many on the Central Committee. Gorbachov stressed that such a conference was necessary to set policy "at crucial stages." The Central Committee refuses to agree.

March: The anti-*glasnost* campaign begins in earnest. In

late March, at a meeting of the Secretariat of the Russian Republic (RSFSR) Writers' Union, speeches were delivered denouncing the *glasnost* campaign, and urging writers and editors to pay more attention to the "positive achievements" of the Soviet Union historically. The speeches were printed in full March 27 in *Literaturnaya Rossiya*, the literary weekly of the Russian Republic.

April: In a full page article in *Sovetskaya Rossiya*, April 19, little noticed in the West, the first decisive blow against attempts to rehabilitate Bolshevik Trust figures is delivered, in a scathing attack against Stalin's 1920s opponents, Zinoviev and Kamenev.

The long-term significance of the Dec. 26, 1983 CC Plenum, the last under Andropov, comes into perspective. That Plenum brought a core Russian Republic mafia onto the Politburo, Mikhail Solomentsev (RSFSR Chairman of the Council of Ministers, 1971-83) and Vitali Vorotnikov (RSFSR Chairman of the Council of Ministers, 1983-), and brought Yegor Ligachov to Moscow, placing him on the Secretariat.

April: The rumblings reach the outside world through a series of cancellations and postponements concerning Gorbachov's itinerary to visit neutral and Western countries (Yugoslavia, Greece, Italy), and West German President Richard von Weizsäcker is suddenly informed, with no explanation, that his planned May visit to Moscow is off for the time being. One element in the string of cancellations is a shift in Soviet policy toward radically increasing the process of economic integration within the Comecon. Ligachov emerges as a chief spokesman for this tendency.

East German Politburo member Kurt Hager, interviewed by West Germany's *Stern* magazine, is asked about Gorbachov's *glasnost* and "reforms," and responds: "Just because a neighbor is papering his walls, doesn't mean we have to." The East German party newspaper, *Neues Deutschland*, reprints the interview in full.

May: The end of May produced what observers in Europe characterized as the most "say nothing, do nothing" Warsaw Pact Summit, in East Berlin, they had ever witnessed.

June: The U.S. military enters the Gulf in force. The Soviet military orders an outrage committed during Warsaw Pact naval exercises in the Baltic. The West German Navy Tender *Neckar* is deliberately fired on and hit several times. No apologies are offered.

Ligachov, on June 22, in a speech at the Central Committee building in Moscow, rakes Soviet ministries over the coals for "failing to take proper decisions based on Party directives to expand economic relations" with the nations of the Comecon. He orders the ministries to set up "new forms of cooperation" including "direct production links," science and R&D links, and "joint enterprises."

The Central Committee again convenes a plenum, June 25-26, addressed by Gorbachov, who again presents his proposal for a June 28, 1988 special conference. This time it's

ratified, and three new members are added to the Politburo, including leading Trust link, and Gorbachov associate, Aleksander Yakovlev. Behind these apparent victories, all is not well with Gorbachov. He is forced to admit in his address to the Central Committee that opposition to him is strongest in the Party's leading bodies: "We cannot allow a situation where changes in the frame of mind of the people outpace the understanding of these processes in the Party, the more so in its guiding bodies."

Tactically, Gorbachov commits a serious blunder in his speech. He singles out for attack by name 13 Central Committee members, including Nikolai Talyzin, the head of the Gosplan (and a candidate Politburo member), Demirchyan, the Armenian Party boss, and Lev Voronin and Ivan Silayev, two deputy prime ministers under Prime Minister and Politburo member Nikolai Ryzhkov. The attack on Silayev, boss of the super-ministry Machine Building Bureau, signals that future purges could strike at the military industrial complex, a hitherto sacrosanct entity.

Gorbachov, by attacking influential people and not removing them, has played into the hands of the growing opposition. Similarly, some 30-40 individuals since the 27th Party Congress have been purged from their posts, but remain on the Central Committee.

July: On July 1 and again on July 3, Ligachov addressed the editorial board of *Sovetskaya Kultura*, demanding that more attention be paid to "the achievements of the Soviet regime," during the 1930s and now. His statements, reprinted in *Sovetskaya Kultura*, July 7, echoes the *Literaturnaya Rossiya* articles of March 27. He also cites the positive example of *Sovetskaya Rossiya*, thus declaring his stand on the Trotsky/Bukharin rehabilitation question.

Ligachov then fires a shot across the bow of Gorbachov, Mr. and Mrs. He calls for "increased state and party control" over culture. The seemingly innocuous phrase is an attack launched against the two people who run culture in the Soviet Union; Raisa Gorbachova, boss of the Soviet Culture Fund, and Gorbachov crony, Aleksander Yakovlev, the Central Committee Secretary in charge of propaganda and culture. Ligachov denounces moves to publish books by previously banned writers.

The opposite view, Yakovlev's, is provided in *Literaturnaya Gazeta* of July 8, when an article calling for the printing of books by previously banned writers ends by quoting Yakovlev on the "need to be tolerant of different views."

At the beginning of July, the U.S. State Department announces, prematurely, that Shultz and Shevardnadze will meet in mid-July. Moscow is silent, the meeting never occurs. Then, in mid-July, the INF agreement, stalled for months, acquires momentum with the agreement on a "global double zero option." Moscow, ever testing the West for further concessions, promptly adds the removal of the West German Pershing 1-As as a condition.

Gorbachov tries to go for the kill against one of his Politburo opponents, Vladimir Shcherbitsky, Ukrainian party boss. From January-July 1987, seven Ukrainian regional first secretaries are removed from office, along with Stepan Mukha, the KGB chief in the Ukraine. On July 12, the chairman of the Ukrainian Council of Ministers, Aleksander Lyashko, is fired. On July 16, the Ukrainian Central Committee expels Lyashko and Mukha from the Ukrainian Politburo. Then, on July 25, *Pravda* publishes front-page a 1919 letter by *Lenin*, denouncing "abuse of power" by the Party's Ukrainian leadership, with Lenin quoted saying, "All possible measures will be taken to end the abuse." To make sure even illiterates get the message, *Pravda* comments that the letter is "relevant to today," where the "Party is in a struggle against officials driven by petty, selfish interests."

August: During Gorbachov's disappearance, the nationalities problems of the Russian Empire come again to the fore, when demonstrations against the 1939 Hitler-Stalin Pact which delivered Estonia, Latvia, and Lithuania to Russia, are staged in the capitals of the three Baltic Republics. The demonstrations spark a major, and still raging, debate in the Soviet press concerning local autonomy, relations between the nationalities, etc., with views ranging from liberalism to increasing Russification. In the context of the debate, there is, at least one non-debatable singularity—a Soviet policy upholding the "validity" of the Hitler-Stalin Pact. The mass of Soviet articles in the last month on the subject has unanimously upheld this view, and the heaviest numerical concentration of such articles has appeared in the newspapers of the Baltic Republics.

Under U.S. pressure, the Kohl government capitulates on the Pershing 1-A issue, agreeing to scrap them in the context of an INF agreement, and the way is cleared for the Shultz-Shevardnadze talks in September which produced an "agreement in principle."

September: At the height of the drive to secure an INF agreement, the Soviet military launches a string of major military provocations in Europe. A Soviet bomber intrudes into Dutch airspace; a Soviet fighter wings a Norwegian reconnaissance plane over the Barents Sea, nearly causing it to crash; Soviet troops fire on a vehicle of the U.S. Military Mission in East Germany, wounding one American soldier; a Bulgarian patrol craft rams and sinks a Turkish fishing vessel within Turkish territorial waters in the Black Sea; a Soviet SU-24 fighter-bomber with nuclear weapons on board, ostentatiously flies over the West German city of Braunschweig on Sept. 17, the very day the INF agreement is reached in Washington.

The death knell for attempts to rehabilitate Trotsky and Bukharin is sounded. On Sept. 10, KGB chief Viktor Chebrikov denounces Trotsky and Trotskyism repeatedly in his policy speech delivered to honor Cheka founder Dzerzhinsky. Chebrikov also presents the KGB's contribution to the

debate on the troubles among the nationalities. He blamed "Western intelligence services" for being behind the riots and demonstrations, naming the December Kazakhstan riots, the spring demonstrations by Crimean Tatars, and the August troubles in the Baltic Republics.

On Sept. 27, the next major blow is delivered against the would-be rehabilitation of Bukharin and Trotsky, in a full page article in *Sovetskaya Rossiya*. The article, mocking Western media expectations that Trotsky is to be rehabilitated, calls them "groundless." It is titled: "They Want to Rehabilitate Judas." Trotsky is depicted as a "narcissist," who tried to "split the Party," the "opponent of Lenin" who turned traitor. Bukharin is dismissed as a "follower of Trotskyism."

In the last week of September, the Soviet Union can no longer hide the fact that the grain harvest is a failure. A large part of the harvested crop, lying in fields awaiting transport, is destroyed by heavy rains. The harvest disaster will have important political consequences.

One important thing did *not* happen during August and September. Following *Pravda's* July 25 denunciation of the Ukrainian leadership, and during the entirety of Gorbachov's absence, the purge of Central Committee level party functionaries has stopped, with as yet no resumption.

Gorbachov's return has not effected a cooling down in the factional debate raging inside the Soviet Union. If anything, it has been intensified, and, as in March, the position of "point man" in the media has been taken by *Literaturnaya Rossiya*.

Literaturnaya Rossiya of the last week in September carries two landmark articles. The first amounts to an endorsement of the Russian chauvinist Pamyat Society, today's racialist and anti-Semitic version of the Black Hundreds of Czarist days. The weekly's editor in chief declares he's willing to "meet with the leaders of the Pamyat Society" to "find common positions."

More stunning is that the March broadsides against *glasnost* as defined by Gorbachov, have now been joined by the first explicit attack against *perestroika* as defined by Gorbachov. *Literaturnaya Rossiya* carries a review of three magazine articles written by old Stalinists, denouncing the Khrushchov era. *Perestroika*, as now being practiced, is blasted as a "continuation of the liberal course" under Khrushchov. No editor would dare allow such a sentence without explicit backing by the *nomenklatura's* power brokers.

Gorbachov is under no illusions that he is heading toward the fate suffered by Khrushchov. In his speech to the visiting French delegation, he candidly admitted his doubts about his future, when he remarked that "without democracy and *glasnost*," reform policies are "condemned to failure," and then, in a look at the haunting past, noted the "failure of earlier attempts, especially after the 20th Party Congress," i.e., under Khrushchov.

Terrorists carving up Colombia thanks to Monetary Fund policies

by Benjamín Castro

By the time Colombian president Virgilio Barco Vargas completes his presidential term in 1990. He will be handing over to his successor not one, but two, perhaps even three "autonomous republics," controlled by narco-terrorists, drug traffickers, and the international oil companies, unless the present economic policy is totally reversed. This disintegration of the Colombian nation will be the "natural" consequence of the programs implemented, under orders of the international banks, by the governments which preceded Barco, and which Barco himself has not hesitated to continue.

The financial and economic dictates of the international creditor banks and the International Monetary Fund have, in effect, reduced the government and the institutions of authority in the country to a state of impotence, to the point that there is no official presence in the bulk of Colombia's national territory. Current policy has destroyed the capability to take on and defeat the subversive and drug-trafficking groups which now virtually dominate certain regions of the country, defying the very sovereignty of the state.

The underlying elements of the country's crisis were identified by the Colombian Catholic Bishops, in the concluding statement of their Bishops Council meeting in July 1987:

We are living with such calamity, that one further step would be total war. . . . We see a climate of violence. . . . Subversion is daily arming itself and sowing insecurity across the land; the drug traffickers are imposing their power through bloodshed and money. . . . The Colombian people are severely disillusioned by their rulers, the national institutions, and the political class. . . .

The country can no longer sustain the injustice of having a legitimate government, and simultaneously vast territories controlled by the guerrillas; having two armies, one that defends the institution [of the nation] and one that seeks to destroy it; having double justice, one that administers the law, and then the death penalty imposed by the guerrillas and the drug trade.

Church surveys estimate that the alliance between narcotics traffickers and terrorists is now operative in 80% of Colombia's national territory.

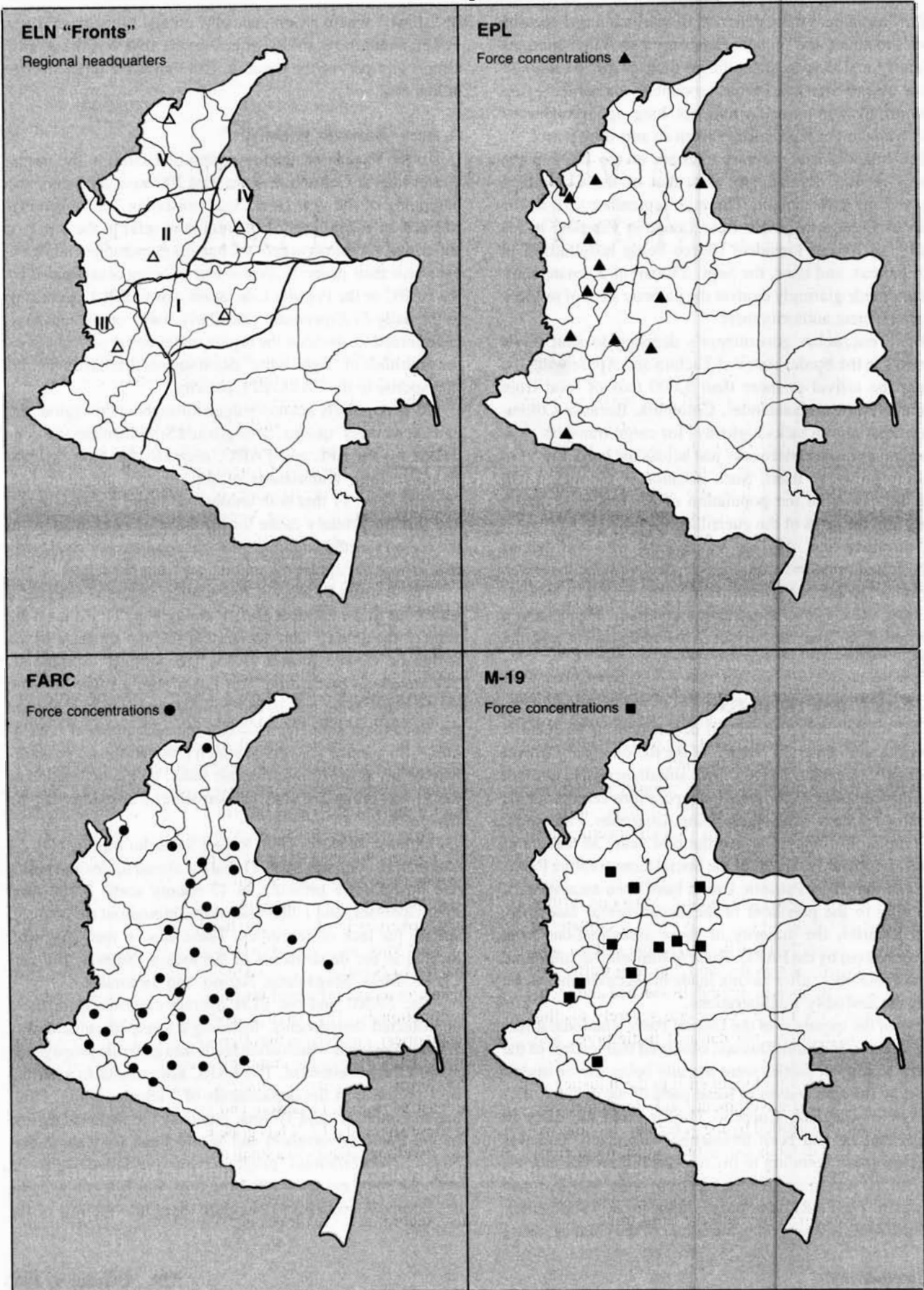
The commander-in-chief of the narco-terrorist National Liberation Army (ELN), Spanish priest Manuel Pérez, told the Colombian magazine *Cromos* on Sept. 8 that his group's intention is to capture the states of Arauca, Norte de Santander, and Cesar, bordering Venezuela, 1,700 kilometers of territory containing the critical Cano Limón Covenas oil pipeline. As the magazine noted, the traditional political leaders in the region admit that in Arauca, at least 90% of the population is in some way or another dependent on the ELN. Portions of Santander as well are now reportedly under ELN control; the terrorists serve as the local government, administering "justice," setting salaries, collecting taxes, and resolving conflicts.

According to Father Manuel Moreno, S.J. (reportedly closely tied to various Central American guerrilla organizations), the ELN seeks to take leadership over the millions of Colombians currently being driven out of Venezuela due to border tensions between the two countries. The ELN has organized "social assistance programs" in various parts of the region, which are financed by the oil companies that operate there—Occidental Petroleum, Shell, Chevron, Saccim, Mannesmann—and administered by a combination of local government officials and the church.

Last May, the comptroller general of the nation revealed that the ELN had prepared a detailed oil exploration program for the country, premised on full collaboration with the oil multinationals. This strange association, according to the Jesuit priest, emerged in the aftermath of a terrorist campaign by the ELN against the companies, during which more than 200 terrorist assaults on personnel and installations yielded at least \$4 million in ransom and protection money. Thanks to these sums, the ELN has gone from a tiny band of mountain-dwelling fanatics to a small modern army of an estimated 1,000 men.

But the ELN's alliance is not solely with the multinationals. According to Guajira Congressman Oscar Gómez Brito,

The Colombian battlefield: Concentrations of guerrilla forces called "fronts"



the ELN has a deal with Venezuelan marijuana and cocaine growers to attack any Venezuelan army patrol that attempts to identify and destroy their illegal drug crops. Exemplary was the case of Sierra de Perija, a mountainous border region where an ELN commando unit not long ago slaughtered nearly a dozen sleeping soldiers from an anti-drug patrol.

The financial and military strength of the ELN in the region contrasts dramatically with that of the Colombian army and the government. The mid-September visit to the region of Foreign Minister Julio Londoño Paredes, in his capacity as Acting President (Barco being hospitalized in South Korea), and later, the Sept. 23 visit of a senate commission, made glaringly evident the pathetic state of military and government authority there.

The Venezuelan government's decision to shut down highways in the border states of Tachira and Apure will now prevent the arrival of more than 5,000 tons of food from Arauca to Norte de Santander, Colombia. Because Colombia's border region lacks highways for cargo transport, it is dependent upon road networks just across the border in Venezuela to provision itself. Such isolation of the region will serve only to drive the population of the region yet more deeply into the arms of the guerrillas.

Colombian Sen. Alfonso Valdevieso, who was part of the frustrated senatorial commission, declared that there was an evident "absence of government" in the region. A spokesman from the German construction company Mannesmann described it as "two authorities," the government and the ELN.

The FARC and the narcos

The southeastern Colombian department of Caquetá is the headquarters for eight "fronts" of the Revolutionary Armed Forces of Colombia (FARC). It is simultaneously, and not coincidentally, one of the principal operations centers for the cocaine traffickers—the others being Amazonas, Putumayo, and Vaupes. In Caquetá in just the past year, 38 leaders of the ruling Liberal Party, 18 of the Social Conservative Party, and 12 of the leftist Patriotic Union have been assassinated. According to the president of the departmental assembly, Angel Ricardo, the majority of those assassinations have been carried out by the FARC. Ricardo himself was murdered in mid-September, after having made his accusations public during the assembly's deliberations.

One of the members of the Liberal Party's national directorate, Hernando Durán Dussan, observed that leaders of the country's political parties were literally being driven underground by the subversives in some parts of the country. The governor of Caquetá, Cornelio Trujillo, told the daily *El Tiempo* that he had been threatened with death, and was prevented from attending to his responsibilities because his principal job was to survive the trip from home to office, and back again. The FARC attacked his home in early September.

The FARC is strongest in the center of the country, along

its "spine," where it dominates the crucial Magdalena River valley. From there, FARC guerrillas are able to strike against almost any part of the country. But they have other strongholds, too.

A new 'banana republic'

In the banana-producing region of Urabá, in the northwestern tip of Colombia, more than 200 have died since the beginning of the year from "lead poisoning," a euphemism adopted by inhabitants of the region to refer to the constant shootings. Of the owners of the banana plantations, only 16% ever visit their property, out of fear of being assassinated by the FARC or the Popular Liberation Army (EPL), according to the daily *El Espectador*. Similarly, labor organizers have been forced to abandon the region under threat of death from the multitude of "right-wing" death squads that have surfaced in response to the FARC/EPL activity.

As is popularly acknowledged throughout the region, the banana workers' unions, Sintagro and Sintrabanano, are controlled by the EPL and FARC, respectively. Gen. Miguel Buenaventura, commander of the region's armed forces, charged Sept. 11 that both unions had their "armed wings," and that the primary cause for the wave of assassinations in the region was the ongoing battle between the two rival guerrilla groups to capture the unions, and thus the region.

The Banana Producers Association in Urabá released a statement to the national press warning that "Urabá is on the edge of the abyss," and demanding that the situation in the region be viewed from a global "geopolitical" standpoint. The statement pointed out that rather than a battle between rival groups, what was in fact going on was a battle between the Soviet-run subversives—and the multinational companies—for control of a region which is the necessary passageway in any plan for interoceanic links, be it construction of the Atrato-Truandó Canal, or a superhighway connecting the two gulfs.

Defense Minister Gen. Rafael Samudio Molina told the Colombian congress Sept. 21 that the armed forces and police had no effective presence in 47 county seats, 3,100 rural municipalities, and 1,808 townships throughout the country, simply for lack of resources. These are, in their majority, located in the departments of Antioquia, Boyaca, Bolivar, Choco, Meta, Magdalena, Nariño, and Santander.

The FARC and the ELN operate extensively in these unprotected departments, fostering a sense of vulnerability and hopelessness which often feeds into guerrilla propaganda against the government. The FARC also maintains a permanent presence in the departments of Vichada, Huila, Putumayo, Guaviare, and Tolima, precisely the regions targeted by the Barco government and World Bank for a share-the-poverty "rehabilitation" program which has failed to provide even the most essential infrastructure, much less a genuine development program to integrate them into the rest of the country.

Shevardnadze in Brazil for big mineral grab

by Robyn Quijano

Soviet Foreign Minister Eduard Shevardnadze is on a ten-day tour of South America's Southern Cone. The high-profile purpose of the tour is to show extreme empathy with the continent's debt problem, make official the details of Mikhail Gorbachov's 1988 tour of the region, and involve Ibero-America in the fight against the U.S. Strategic Defense Initiative. But above all, and more quietly, Russia is moving in for one of the biggest mineral grabs of the decade.

According to an article by Sergio Danilo in the Oct. 2 edition of Brazil's *Gazeta Mercantil*, "The Soviet government is interested in establishing an industrial pole of small and medium enterprises in Brazil. . . . This information was provided to this journal by an aide to Soviet Foreign Minister Eduard Shevardnadze. . . . The Soviets want to raise their production of aluminum, wolframite, molybdenum, and import a great part of those minerals, as well as increasing purchases of tin and its alloys in the international market to guarantee by 1990 the production of 1.9 million tons of non-ferrous metals. . . . The Soviets want to increase their relations with the CVRD, the Brazilian state enterprise . . . the greatest iron [ore] producer and exporter in the world, in order to raise the U.S.S.R.'s efficiency and quality of mineral reserves considered strategic for its military program, denominated radio frequency, and being implemented by Marshal Nikolai Ogarkov. Brazil, in possessing cesium ore, a fuel for missiles and substance for the nuclear area, niobium for semiconductors, quartz for the optics area, bauxite and galium for metals, tantalum and lithium ores, is considered the main Soviet ally in the furnishing of these strategic raw materials."

Danilo adds, "The U.S.S.R. could transfer machines and equipment to the Brazilian mining companies with 10-year financing, two years' grace, and interest of 5-6.5% per year and also buy the raw materials needed for industrial production in the U.S.S.R. during each five-year period." This is all part of the *glasnost* policy, of massive increase in industrial production by 1990, he reports.

The Russians had done their homework on Brazil. In the August 1987 issue of their journal *América Latina*, an article on "Potential Resources of Brazil," by Nikolai Kalashnikov, the scientific secretary of the Soviet Latin American Institute, details Brazil's mineral wealth which includes 17.5% of the

capitalist world's iron reserves, 72.5% of its rutile (titanium dioxide), 80.7% of its beryllium, 29.2% of its apatite, 11.8% of its bauxite, 6.5% of its gold, 6.3% of its asbestos, and 1.8% of its manganese. It is among the five capitalist states with the greatest reserves of pit-coal, uranium, and tin, and in the world's top 10 in reserves of chromium, nickel-copper, molybdenum, vanadium, tantalate, fluorite, diamonds, and potassium salts.

The Russians have been on a diplomatic offensive for months in Ibero-America which has already netted an official invitation for Gorbachov from Peru and Brazil, a May visit to Moscow of Brazilian President José Sarney, and dozens of ministerial level visits. The offensive started over a year ago with Fidel Castro's proposal that the U.S. offer debt relief by canceling much of the unpayable debt and bailing out the banks with money cut out of the U.S. defense budget, particularly the SDI.

Gorbachov is carrying forward the ruse, noting in a letter that Shevardnadze presented to President Sarney that the debt is "a veritable tumor." The Soviet foreign minister said that his country and Brazil have identical views on the linkage between disarmament and development, and mooted a development fund with monies diverted from arms. .

On Oct. 1, Shevardnadze also delivered a letter from Gorbachov to Argentine President Raúl Alfonsín, which talked of arms reduction as the key to solving the debt problem. Shevardnadze told the Argentine parliament that "we must end the arms race and take advantage of those resources for development purposes," and specifically attacked "attempts to militarize space," the Russian description of the SDI.

The Soviets have studied the tension points between the U.S. and Ibero-America, and rubbed them in at every chance. An easy one was supporting the Argentines' rights to the Malvinas Islands. When the U.S. backed Britain in the 1982 war, in violation of the Monroe Doctrine, U.S. Latin American relations reached a low point, and have been going downhill ever since.

Soviet trade agreements signed in Brasilia include joint ventures in metallurgy, energy, chemicals, communications, oil extraction, irrigation, civil construction, and consulting services. Shevardnadze told the press his country was offering Brazil and Argentina "fruitful cooperation in the science and peaceful utilization of nuclear energy." They also signed an agreement to produce insulin. In 1985 U.S. Treasury Undersecretary Tim McNamar threatened debtor countries with an insulin cut-off, if they reneged on debt payments.

The *Sunday Times* of London Sept. 27, in a feature entitled, "Russia moves to woo Brazil and Argentina," reminds that, "the ever-heavier debt burden is provoking an anti-American nationalism in both countries, and leading weak governments towards desperate measures." Moscow will give "sympathy and support" for the symbolic "debtors' club," the *Times* notes.

Operation Sunlight hits Iran suppliers

by Thierry Lalevée

A series of scandals has been hitting Iran's weapons suppliers since the arrest of Italy's Count Ferdinando Borletti in early September. Iran can still buy weapons from up to 40 different countries, but as one observer remarked, "The price has gone up, and they cannot get the same large amounts as they used to, they are getting smaller shipments at a time." As a result, "There are entire days where the Iranians cannot answer Iraq's attacks, because they lack ammunition, especially artillery shells."

The crackdown on Borletti's Vasella Meccanotecnica company has triggered revelations in almost all the European countries. Intelligence sources report that it was initiated by U.S. Special Prosecutor Lawrence Walsh, whose collaborators toured Europe at the end of August. One investigator, David Faulkner, went from Britain to France and Italy; weeks later, the scandals erupted, each unveiling further aspects of the activities of Oliver North and his associates. In mid-September, the Swiss government agreed to transfer up to 8,000 different documents to Washington, regarding the financial activities of North, Richard Secord, Albert Hakim and Thomas Clines. Indictments are pending, and while Secord and Clines have reportedly fled to Europe, Hakim is cautiously staying in South Korea.

A piece of the puzzle fell into place with the arrest of Swiss businessman Walter Demuth on Sept. 8 in Turin, upon a warrant issued on Aug. 20, 1986 by New York Judge David Jordan. The director of the Belp-based "HeliTrade" company—a subsidiary of "HeliSwiss"—Demuth is accused of illegally exporting hundreds of millions of dollars worth of aircraft spare parts to Iran, under the cover of "end-user" certificates listing Nigeria or Zaire. Pending his extradition to the United States, European investigators have been poring over Demuth's papers. This led on Sept. 25 to the arrest of two top arms dealers in the Turin region. It also lifted another veil on a large arms-smuggling operation based out of Britain and organized by Indian-born British businessman, Ben Banerjee of the "BR&W Industries."

Among Demuth's papers was evidence linking the two men in up to \$300 million in arms deals. Investigations in Britain revealed that Banerjee, a personal friend of Oliver North since 1981, was on the inside of arms-for-Iran talks since his participation at a Nov. 20, 1984 meeting in Hamburg, with North and Iranian negotiators. Held in various Hamburg hotels, the talks led to the delivery by Banerjee of

1,250 anti-tank TOW missiles to Iran. Banerjee continued his association with North by then delivering Polish 9 mm machine-guns to the Contras via Belgium, Holland, and Panama.

Cited in the British Parliament for his business activities, Banerjee is wanted for interrogation by the Walsh commission. However, local intelligence sources stressed that Banerjee's quite official association with the military industries of Yugoslavia, Romania, and Poland, has made him untouchable for certain layers. One of Banerjee's middlemen in the Hamburg negotiations, Michael Aspin, has been less lucky. Involved in arms smuggling to Iran since "day one," Aspin is to be tried in January, with Banerjee appearing as a witness. To be mentioned is Aspin's delivery of Chieftain tanks to Iran in November 1981, a deal worked out for obtaining the release of two Anglican priests then held hostage in Teheran.

Though no connections have yet emerged between the Borletti affair and Walter Demuth, many leads have allowed a crackdown on secondary networks. On Sept. 26, a Trieste-based network smuggling weapons to both Iran and Iraq, between Italy and Yugoslavia, was dismantled. The same day, an Italian lawyer, Giuseppe De Lupis, was arrested at the Italo-Swiss border with several billion Italian liras' worth of false "promissory notes" from the Ministry of Defense of Indonesia. Early in the spring, a French lawyer, Hubert Thierry, was caught in New York with similar fake notes.

Then, as now, the operation led to Syrian businessman Hassan Zubaidi, who used the sale of the notes to finance a large arms smuggling ring between Beirut and Europe. The arrest of De Lupis, who has already served time for his mafia ties, led to others in Switzerland and West Germany.

These could be characterized only as "small fish," compared to what lies ahead. First, on both sides of the Atlantic, the activities of the "Explosives Cartel," comprising the Du Pont Corporation, Sybron Corporation, Nobel Explosives of Scotland, Bofors of Sweden, Gamlen Chemicals, PRB of Belgium, Israeli Military Industries, and SNPE of France are under scrutiny. Their activities are especially relevant to the export of tens of thousands of sea mines to Iran in recent months.

Second, a large scandal is rocking the activities of the Austrian Voest-Alpina company, which is negotiating to build a small plant in Iran. Voest-Alpina used its subsidiary, Noricum, to illegally export weapons to Iran, in 1985-86. Two leading witnesses, Voest-Alpina's former chairman, Heribert Apfalter, and Austria's former ambassador to Greece, Herman Amry, both died suddenly of heart attacks as they were about to testify.

Third is the case of West Germany once again. Revelations on Banerjee's meetings in Hamburg pointed to the role of the Iranian ambassador to Bonn, Javad Salari, and the extent to which German government officials were privy to such negotiations and allowed them.

A new 'Stalin Note' for West Germany?

by Luba George

The Soviets are now weighing an initiative that might be termed a "new Stalin Note," after the Soviet dictator's famous 1952 memorandum on the reunification of Germany. The Kremlin will probably soon propose a "confederation between the two German states," said Otfried Hennig, state secretary in the West German Ministry of Inter-German Relations Sept 25. He dropped this bombshell at the Frankfurter Forum '87 sponsored by the Kurt Schumacher Foundation. Hennig warned that Moscow's "alternative scenario" for a "new German policy," the idea of a "confederation," with the pre-condition that "all foreign troops" be withdrawn from German soil, was aimed at "decoupling" West Germany from its Western allies.

The conference occurred Sept. 23-27, right after the Shultz-Shevardnadze talks in Washington. The speakers and participants, a non-partisan gathering, included members of the West German government and high-ranking intelligence officials, East bloc émigrés, pro-Western former Social Democrats in the postwar tradition of Kurt Schumacher, and Soviet experts from Germany and other European countries. Facing what they see as unavoidable Soviet-American agreements, they expressed their determination to provide a "strong European front" against appeasement.

The proceedings were vivid testimony to the fact that beneath official European support for the "Munich II" INF treaty now being worked out by the superpowers, a volcano of opposition is rumbling on the continent.

Gorbachov's 'German card' quartet

Hennig reported that, in January, Gorbachov appointed four leading functionaries to conduct a study on the German question that would lead to a Soviet proposal on German reunification, to be delivered before the end of the year. The four were Valentin Falin, former ambassador to Germany and now head of the Novosti press agency; Georgi Arbatov, director of the U.S.A.-Canada Institute; Prof. D. Melnikov, Germany expert at the foreign policy think tank IMEMO; and Nikolai Portugalov, Germany expert in the Central Committee apparatus.

Hennig made clear that he rejected in advance any Soviet confederation offer. "Should there be a German-question offensive by the Soviets, we will, as is our duty, study and

sort out the chances and risks involved. . . . *But one thing must be clear: Our freedom and security are not up for grabs, they cannot be the price of something else, whatever that may be.*" He explained, "In no way, however, is a serious offer for German unity with free elections and self-determination to be expected." Gorbachov, he said, will "in no way offer that, just as Stalin and the 'Stalin Note' of 1952 did not offer that." What is likely is that Moscow will present "the offer as bait . . . a temptation," part of its "tactical game" to pull West Germany out of NATO. "We must carefully prepare for any such eventuality."

Two days before Hennig spoke, Valentin Falin appeared on German national television and hinted that Moscow, in the context of the arms control process, could make an offer of a new status for West Berlin. He added that the precondition for such Soviet "concessions" would be "withdrawal of all foreign troops from German soil."

Falin's signal was immediately picked up by the sell-out faction in West Germany. Bonn's foreign minister, Hans-Dietrich Genscher, addressing the United Nations, stated that what must be pursued "with emphasis" after an INF agreement, are conventional troop cuts in Europe. Oskar Lafontaine, being groomed as the next chairman of the Social Democratic Party (SPD), in a Sept. 24 address to the National Defense College in Washington, presented the SPD's capitulationist doctrine of "defensive defense," and called for the "withdrawal of all foreign troops from German soil."

Hennig's warnings, however, stung Moscow. On Sept. 30, in an interview with the *Hamburger Morgenpost*, Falin denied Hennig's statements that he or others were working on a scheme for confederation.

Falin's denial was not very credible. On Sept. 29, East German leader Erich Honecker, interviewed in the party daily *Neues Deutschland*, attacked the Western allies for having "ruined" chances for German reunification in 1952 by rejecting the Stalin Note. Honecker fueled speculation on a coming "confederation" offer by ruling out a reunified Germany modeled on Bismarck's 1871 Reich, but saying that Germany today is "better off" with "only two separate German States," rather than the 25 separate pre-1871 states.

Shortly after Gorbachov commissioned his "quartet," the "confederation" idea was a topic of discussion at the German-Soviet Bergedorfer Circle talks in Moscow in February-March of this year. There, Countess Marion Dönhoff, publisher of the liberal weekly *Die Zeit*, and a leading proponent of a deal with Moscow, asked Arbatov: "Would it be at all thinkable for you, that Eastern and Western Europe could someday merge together in a form of union, under which I for now leave out the division of Germany . . . ?" Arbatov replied: "You are talking about the possibility of bringing together Eastern and Western Europe into a form of union?" Dönhoff: "Yes, or in a type of federation." Arbatov left Moscow's answer open: "I believe, we should think of Europe as one continent."

'L'Affaire LaRouche' and the defense of Western Europe today

by Jean-Gabriel Revault d'Allonnes

The International Commission to Investigate Human Rights Violations held its first conference in Paris on Sept. 25 and 26, to review the "Third Trial of Socrates," the judicial persecution of U.S. presidential candidate Lyndon LaRouche and his political movement.

The meeting on "L'Affaire LaRouche," as it is known in France, followed two weeks after hearings were held in a suburb of Washington, D.C., to review an extraordinary array of testimony from both Americans and internationally prominent figures, both on LaRouche's positive influence as an American statesman on the world scene, and on the outrages that have been committed to silence him and his political associates. The Washington-area hearings, as previously reported in EIR, were conducted by the Fact-Finding Committee of the Commission, chaired by the Spanish jurist Don Víctor Girauta, which produced a final statement of findings in the wake of the Paris meeting.

We publish here substantial excerpts of two presentations to the Paris meeting by the chairman of the International Commission, General of the French Reserves, Jean-Gabriel Revault d'Allonnes. The speeches were translated from the French by Katherine Notley.

Strategic import of the LaRouche case

Introductory remarks, delivered on Sept. 25:

One can ask why an International Commission to Investigate Human Rights Violations begins its work today with violations of human rights in the United States. Evidently, it is rather surprising and, in France at least, one is not quite habituated to considering that, in this great allied country, it were possible to have serious human rights violations. One of the objects of this meeting will be precisely to study one particular case, the case of Mr. Lyndon LaRouche and of his friends in the United States. What brings me to get involved in it, to speak about it, is in itself curious, since I am not an American citizen, I vote in France and not in the United States, and hence one can ask oneself what am I getting mixed up in. Very well, it is extremely simple: I am going to try to say it in very little time.

I had been brought by my personal work to be involved in strategic problems; this ought not surprise you on the part of a general of the reserves, he certainly should be involved with such a thing. And, in the course of this work, I had evidently been led to interest myself in the new American strategy, the Strategic Defense Initiative, and I became aware that it was Mr. Lyndon LaRouche, an American I was not familiar with, who had been the extremely active and persuasive initiator of this affair, which was not yet called the Strategic Defense Initiative, which took that name only after March 23, 1983.

But since 1982, I had come to know the work of Mr. LaRouche, without yet knowing that the Americans would be going to adopt this new strategy. This is otherwise going very well, contrary to what you can read here or there in the press, since yesterday or the day before I believe, the U.S. Senate voted, with no difficulty, \$4.7 billion requested by the Pentagon for the Strategic Defense Initiative for the coming fiscal year. . . . Hence, matters are going very well from that side, at least in America; in Europe, we are a bit behind, and that is for me one of the reasons for me to get interested in Mr. LaRouche's work in this domain.

I then had the occasion to meet Mr. LaRouche. I have personally met with him several times. I must say that he enormously captivated me; he possesses an utterly brilliant intelligence in many areas other than those where I have some elements of competence, areas where I am not in the least competent such as economics, politics, and so forth. But he truly captivated me by his very lively intelligence. And, another thing that completely excited my curiosity, is that I came to perceive that this person was the object of absolutely extraordinary attacks and criticisms coming from every quarter, from all countries, and in particular from countries or people who did not know him. Well this always gets me very interested, when I see someone, to whom I am sympathetic, and who is attacked and treated in as wicked a manner as you can imagine without any species of proof. Therefore I don't like this and I investigate; so, I've investigated and evidently I've found nothing; perhaps I have found some-

thing just the same; I believe they just now said that I was a *Compagnon de la Libération*—that is not an honorary title, this proves that I fought with General de Gaulle throughout the entirety of the war—and it turns out that, perhaps by habit or by personal conviction, I continued to be as completely faithful to General de Gaulle when he withdrew into exile as when he was President of the Republic; and now that he is dead, I strive, to the extent of my feeble means, intellectual and moral, to remain faithful still.

And I noticed that General de Gaulle had always been the object of extremely virulent attacks in at least two or three domains for which he provoked my admiration. For example, in strategy—everybody recognizes it now, it has taken a long time—General de Gaulle equipped France with the most modern weapons of the age during the 1960s. . . . Very well, Mr. LaRouche seeks to equip the United States, that's his country, with the most modern weapons of the age. During the 1960s, it was the atomic bomb, now it is directed energy weapons. And he is attacked on that as well, as de Gaulle was attacked on the *force de frappe*. And moreover, General de Gaulle was for me, myself an officer of colonial troops, one of the apostles of Third World liberation. Evidently, I liked this from the outset, since I had not joined the colonial troops before the war in order to be a colonialist you understand, but entirely the contrary. So I must say that in the Brazzaville speech—and it persisted in the Phnom Penh speech and the one in Mexico and others—what was for me truly marvelous, was that before the fact and after the fact it was the confirmation of the [papal] encyclical *Populorum Progressio*. For me this was truly, and continues to be, a marvelous thing.

Mr. LaRouche has, with respect to the Third World, and I have closely studied his work in particular on Latin America—not too long ago I celebrated my 55th anniversary with Latin America and other matters, I know Latin America a bit—I must say that the work of Mr. LaRouche vis-à-vis Latin America, or the entire Third World, is in my eyes a marvel; it is completely remarkable, it is absolutely extraordinary. This is very little known in France, but I have studied it, and he is attacked on that as de Gaulle was attacked on his decolonialization.

I could continue in this vein, but you can see why I became interested in this individual, who above all does totally remarkable things; he fights drugs as no one has ever done, etc., etc. This commission is comprised of people far less incompetent than myself; I am more of a generalist than a specialist. You will hear completely eminent jurists, who will tell you things obviously superior to what I can tell you. I myself am giving you an overview.

These attacks on the part of his country's Justice Department, whose object is Mr. LaRouche, are something so surprising for Frenchmen, who have great admiration and great love, great affection, for the United States—we are, I be-

lieve, the oldest allies of the United States—that we must draw this out into the light come what may. And our attitude, my attitude is to say to our American friends: "Listen my dear brother, my dear friend, watch out, don't do something stupid!"

Implications of new weapons

From a speech on military strategy to the Paris conference on Sept. 26:

. . . The first thing I would like to show you, is that strategic problems are extremely simple and that, if we deal with them with ordinary words, we see that they are not in the least complicated; the second thing I would like to show you, is that the appearance of the new weapons entails consequences not only on the strategic level, but equally on the political level.

There has been an enormous amount of debate—and there is now and will be still tomorrow—about the new weapons of the American Strategic Defense Initiative, whose initiator it must be recalled is precisely Mr. Lyndon LaRouche. . . .

But we must state that these new weapons, which are, be they directed-energy weapons, be they now the new radio frequency weapons, that all these new weapons have extraordinary consequences which we have not always clearly taken measure of, at least in the press we have in our hands. From the moment that a certain number of beams or waves will have sufficient power to destroy from a distance or with a practically instantaneous rapidity anything that moves, war will perforce take other forms. From the moment that a rocket, driving itself toward you at great speed, can be destroyed in the air before it arrives, you will be able to apply the same system to a shell, a bullet, an airplane in flight, a helicopter, a tank, a truck, a ship; of course, it will come about soon enough, that anything that moves and anything that shoots can be instantaneously destroyed. That means that shock and maneuver, which have been the two components of all combat action since the beginning of man, will have ceased to be able to exist. In modern armies, we don't call this shock and maneuver, we call it fire and movement, it's the same thing. But if you supersede them, we have to see all our ideas on methods of making war, and all the most modern armies wherever they be, as ready for the scrap heap. In any case, that is what we are seeing take place beneath our eyes.

Unfortunately, it is not because shock and maneuver will have disappeared that the human race will cease to make war; that's a shame, but let's not have too many illusions! So, man seeks other forms of war and we see them developing beneath our eyes. For example, the forms of war which are not so new as all that, terrorism, which resembles war a bit. . . .

You have others more insidious, more pernicious; for example, drugs, which is a form of war, or, if you want to be

more scientific, drugs can be a form of war, if we were to be able to demonstrate that its deployment, the development of drugs, proceeds from an adversary motivation; very well, this was demonstrated last year by a particular case, which I am going to cite you.

A little over a year ago—a year and a half—Netherlands Customs searched a cargo ship under Soviet flag, which arrived in a port in Holland. And on this cargo ship, there was a certain number of kilos of drugs. These drugs came from Riga, a Baltic port of a Russian colony, annexed without any right; and following the thread, they found that these drugs came from Afghanistan. I believe that you all know that Afghanistan is somewhat to the south of Russia, that Riga is somewhat to the north; very well, figure that these numerous kilos of drugs had traversed the whole territory of the Soviet Union, probably without the knowledge of the authorities. When they dug around a bit more in this dirty affair, they realized that there was an entire network, an entirely fantastic traffic in drugs coming out of Russia, covering both the whole Mediterranean and Western Europe, exchanging drugs for guns; if this is not a form of war, I don't know what it could be.

Numerous forms of war make their appearances even before the new weapons are yet in operation. Obviously, these new forms of war will be much more developed.

I can announce some good news to you which is not yet known to the press and which, I hope, will be by this afternoon, which is that the Russian authorities have decided to launch an offensive against France of great vigor in a multitude of domains which are not strictly military domains, but other forms of war. This offensive is explained by the fact that France is a bad pupil of Communist Europe, and the French government has just opposed the double- or triple-zero option, and this has in no way pleased the gentlemen of the Kremlin; therefore they have decided to punish France in launching a very important offensive against it. I tell you that this is good news because we know it, and it is better to be alerted than not.

The political consequences of the new weapons are extraordinary enough, and I think that we have not insisted on that sufficiently. . . .

We are in Europe, which is free until a new order [comes], and we have defense problems which are all the more urgent, all the more grave, as we witness a movement going on in the Free World: I am not saying there is a dividing-up, but that's what it looks like, and we are not obliged to accept everything that can happen to us. In reality, we only have two solutions, we other Western Europeans, which means Europeans at the head of the American bridge. If the head of the American bridge disappears, we have two possibilities: The first is to capitulate—it is not I who will recommend it—and the second is to resist. So, is this possible? Is it impossible?

Very well, with classical weapons, I think it is nearly impossible; with the new weapons, I am certain that it is

possible. With these new weapons, you have fantastic changes possible in the political organization of Western Europe.

I will explain.

In fact, in nuclear strategy, there are only two countries in Western Europe who more or less possess nuclear weapons, that is, France and Great Britain. I have said "more or less" for the following reason. This strategy requires only a single finger pressed on the button; and the finger in question as far as France is concerned is normally the President of the Republic which pushes or does not push the button, which does not resolve the problem of defense for the other countries in Europe, because no one can be sure, in Italy, or in Belgium, or in Germany, that the President of the French Republic will forcefully push the button the moment a grave crisis arises.

On the other hand, if you replace the atomic strategy with the new weapons strategy, you will have all over the defense zone, that is, Western Europe, firing sites for beams, beam-launching machines; and these machines, you will have to deploy them just about everywhere, because among the targets that you will have to destroy, some will be from space, some by air, some by sea, and some by land. . . . Let's assume that all the countries in Western Europe accept or decide to equip themselves with beam launchers. Each country will have on its territory, on its coastline, in its mountains the beam launchers. Okay. From the moment the decision is made to have these beam launchers, it is quite obvious that if an enemy target presents itself, the beam shoots out and destroys the target. There will no longer need be a single finger. Everyone will have all the fingers of their hands and their feet and everything they like to shoot their own beams, since the decision will have been taken one time for everybody. As a result, the European confederation, which today is impossible, becomes easy to realize. So right there is a major political result of an important technological change; it is an unexpected result.

There is another consequence, another example. I see that we have here quite a few friends from the Federal Republic of Germany, and I will tell them this: The army of the Federal Republic is a very good army—I know it, and we recently held maneuvers with it—but, because of historical baggage and also because of the wish of the German government, it is an army not equipped with nuclear arms. Okay. In nuclear strategy, an army without nuclear arms is an army that cannot do much. On the other hand, in the strategy of the new weapons, which Germany is nowise prohibited from possessing, and to which no one is opposed, not even the German government, . . . the German army, equipped with these new weapons, will become an extremely powerful army as it ought to, as we hope, as I hope—I, who know its prowess but in different circumstances—and I think that the Federal Republic can and should again become a power of the first order, and that it can do it thanks to these new weapons.

Fiji coup puts crown, nation in crisis

by Mary McCourt

Lieutenant Colonel Sitiveni Rabuka created a crisis not only in his Pacific island nation of Fiji when he staged a second military coup there on Sept. 25—he also created the biggest crisis the Commonwealth Crown has faced in over 20 years. The issue in Fiji is political domination of the ethnic Melanesians, now a numerical minority, of the country's parliament and government. The issue in the Commonwealth is the authority of the Queen.

Queen Elizabeth used her authority not as Queen of Britain but as Queen and head of state of Fiji, to warn Fijians that they would be committing treason to the Crown if they attempted to carry through Colonel Rabuka's declaration of a republic. The potential crisis is greater than when Rhodesia issued its "illegal" Unilateral Declaration of Independence in 1965, because the Queen's statement on Fiji, broadcast by the British Broadcasting Company Sept. 29, was, "perhaps, the strongest political statement made by the monarch as head of state of a Commonwealth country, and was unprecedented," the British daily *Independent* wrote Sept. 30.

The Queen's statement said that "For her part, Her Majesty continues to regard" the Governor-General Sir Penaia Ganilau "as her representative and the sole legitimate source of executive authority" in the islands. "Anyone who seeks to remove the Governor-General from office would in effect be repudiating his allegiance and loyalty to the Queen. Her Majesty hopes that even now the process of restoring Fiji to constitutional normality might be resumed. Many Fijians hold firm their allegiance to the Crown and to the Governor-General as the Queen's personal representative," the statement continued.

The British Foreign Office made clear Sept. 29 that the Queen's statement was made independent of the British government. Advisers to Foreign Minister Sir Geoffrey Howe are worried that the situation in Suva, the Fijian capital, could become irrevocable if Colonel Rabuka thinks he is boxed in. The Fijians are known historically for being fierce fighters; Rabuka himself was awarded an Order of the British Empire for his service in Lebanon leading the Fiji Infantry Regiment for his "imagination and innovation while confronting and restraining the PLO guerrillas," the *Independent* reported.

According to a British source, the Queen's powerful private secretary Sir William Heseltine has put together a consortium of advisers on the crisis, comprising representatives of the governments of Britain, Australia, and New Zealand,

as well as Commonwealth Secretary General Sir Shidraht (Sonny) Ramphal. Although there are signs that, perhaps in response to the pressure from the Crown, Colonel Rabuka may be hesitating on declaring a republic, the source continued, "if he pushes to the bitter end, the Queen will have egg on her face."

If the crisis is not resolved, the Queen could face political embarrassment at the Commonwealth summit in October in Vancouver, Canada. If Rabuka declares a republic, Fiji will have to leave the Commonwealth, and will most likely be refused re-entry—despite the fact that a number of member-nations are run by military governments.

The coup was staged as negotiations between Dr. Timoci Bavadra, whose newly elected government was ousted in the May coup, and Fijian *éminence grise* Ratu Sir Kamisese Mara, and Sir Penaia, agreed Sept. 23 to an interim government giving equal number of cabinet portfolios to both political parties. The interim government under Sir Penaia was linked to a new body to discuss constitutional change in Fiji, which would have drawn in equal number from the rival parties and attempted to legislate relations within a multi-racial and multi-community society. The Queen gave full approval to the interim government. Rabuka saw the government as a threat to Melanesian domination of the parliament.

Tensions have been escalating between the two largest ethnic groups in Fiji: the Melanesians—46% of the population; and fourth- or fifth-generation descendants of the Indians first brought to Fiji by the British to cut sugar cane, now 49% of the population, and by far the most prosperous. Violence has broken out, especially because of the very recent growth of the Taukei "movement"—extremist Fijian nationalists reinforced by thugs and unemployed youth.

Fiji could now face a bad economic crisis. Precious foreign exchange has been lost in the past six months due to economic protests by the Indian-ethnic population, who held back for six weeks harvesting of the sugar crops—they own most of the farms—which earn 60% of the island's foreign earnings. The greatest danger for Fiji is internal chaos. As the *Daily Telegraph* noted Sept. 29, tensions exist as much between the affluent eastern region of Fiji and the backward western part, as between Indians and Melanesians. It was a coalition of poor Melanesians and Indians who voted Timoci Bavadra into power in May.

In recent months, the Fijian nationalist movement Taukei—which means "original home"—has been leading arson and physical attacks on Indians, and reportedly is calling for the Indians to be repatriated. During talks between Bavadra and former Prime Minister Ratu Mara, Bavadra's spokesman was savagely beaten by a band of Fijians in full tribal dress, wielding clubs, calling themselves Taukei warriors. Last month, according to the London *Times*, the Taukei caused revulsion in Suva, the capital, when they staged an anti-Indian demonstration with "unmistakable overtones of cannibalism."

Was Soviet Culture Fund's Ustinov complicit in Gandhi murder?

by Mark Burdman

Peter Ustinov, one of the original troubadours of Western appeasement to the Soviet Union, has now joined forces with Raisa Gorbachova's Soviet Cultural Fund, *EIR* has learned. Ustinov has rented a hotel near Interlaken, Switzerland, from Oct. 19-21 of this year for a meeting of the "Issyk Kul Forum," a sub-branch of Raisa Gorbachova's Soviet Culture Fund. This meeting, to be followed by a press conference by Forum participants at the United Nations' Geneva headquarters Oct. 22, is being labeled, "Issyk Kul II."

This information adds further proof to conjectures that Ustinov is a cultivated asset of the Soviet Union. This lends added interest to Ustinov's presence on the scene of the Oct. 31, 1984 assassination of Indian Prime Minister Indira Gandhi. On the morning on which she was murdered in her garden by two Sikh security guards, Ustinov was in a small building in the garden awaiting an appointment. The purpose: to film an interview with Mrs. Gandhi. That appointment and Ustinov's three days of journeying with Mrs. Gandhi that week served to "pin down" Mrs. Gandhi in time and place—a crucial point in assassinating a major political figure. Russian complicity in the Gandhi assassination, had been signaled by a Sept. 26 article in *Pravda* announcing Soviet withdrawal of political support for the prime minister, a fact that was elaborated in the *EIR* book *Derivative Assassination*. Reports circulated in the immediate aftermath of the assassination that Ustinov's film crew, from the British Broadcasting Company, had filmed the entire assassination, but the report was squelched and the film, if it ever existed, was never made public.

Ustinov's deep connections with the Russians and the British place in the same "Trust" networks that executed the assassination of Mrs. Gandhi, through their assets within and outside of India, including Anti-Defamation League networks in Washington. Ustinov is also a close associate of Count Ignatiev of the Foreign Ministry in Canada, another "Trust" figure from a Russian noble family who has played a key back-channel role between East and West.

Ustinov himself has long been part of a political-cultural circuit of Communist Party fellow-travelers in the United States, which included his long-time friend Theodore Bikel. Bikel's manager in the 1950s and 1960s was Harold Leventhal, the manager of the Weavers, Pete Seeger, and other

leftist "folk" stars. The circuit also included the Highwaymen of "Michael Row the Boat Ashore" fame. One such Highwaymen songster, Stephen Trott, traveled on to the role of Associate Attorney General in the U.S. Department of Justice from where he led operations against presidential candidate Lyndon LaRouche and played a key role in the cover-up of diversion of funds to the Contras.

Ustinov, sources report, comes from the same Russian noble family as the late Soviet Defense Minister Dimitri Ustinov. Certainly, he has built his career on cultural operations on behalf of the Greater Russian Empire. In an Associated Press interview on Sept. 16, 1984, Ustinov proclaimed his defense of the Soviet Union: "We're told that the Soviet Union is an evil empire. I believe no word of it. I have no evidence for it. I don't feel when I'm having lunch in the Soviet Union I'm having lunch at the heart of an evil empire." In the same interview, Ustinov denounced nationalism, "a disapproval he thinks he picked up from his international childhood."

In his 1983 book, *My Russia*, Ustinov defended the Yalta agreement which handed Eastern Europe over to the Soviet Union, stating: "Russia is, and always has been, acutely conscious of her security, and for the very best of reasons, bitter experience. She has lost far more men and material on her own soil than on anyone else's!"

And in defense of Russian expansionism, he declares: "An American statesman has claimed that the Soviet Union is the last imperialist predator, preying on smaller nations. This is merely to say that, in some respects, the Soviet Union is old-fashioned. . . . This is no place to analyze the morality of empires in general. Suffice it to say that what today is a dirty word, was, a mere half-century ago, a clarion-call of ennobling righteousness.

"The rulers of what is glibly called the 'free world' point to the Soviet tanks in Budapest and in Prague, and the invasion of Afghanistan, to say nothing of the Cubans in Angola and the Horn of Africa and Central America, as proof of Russia's aggressive intention to break free of encirclement and preach its own gospel in parts of the world classically denied to it. Naturally the Russians, stung by the holier-than-thou nature of such accusations, point back at the tragedy of Vietnam and Kampuchea, at the Dominican Republic, and

at the United States' unswerving if avuncular devotion to the cantankerous and mischievous policies of Israel. . . . It can also point at Western countries' close relations with shabby dictators and corrupt governments in their hemisphere, apparently as part of a grandiose doctrine formulated by President Monroe. . . .

"There is a salutary skepticism in the air, and it is perhaps just the right time to examine the history of prejudice to which a nation has been the victim from early in her history to the present day."

The fellow-travelers

Sources in the industry in the United States now report that the Soviet Cultural Fund invited both Bikel and Ustinov to sign up for the "Issyk Kul Forum," and both assented.

The first Issyk Kul Forum was launched in October 1986, almost simultaneous with the official launching of the Culture Fund. The originating meeting of the forum was held, by the Soviet lake in Kirghizia from which the group took its name. At that time, Mikhail Gorbachov himself greeted the participants, expressing hope that its work would be crucial for the "new thinking" toward the next millennium.

The meeting with Gorbachov was covered in the *Literaturnaya Gazeta* weekly Nov. 5, 1986, under the heading, "Our Age Demands New Thinking." One participant, Ethiopian painter Afewerk Tekle, said discussion topics ranged "from ecology to culture, from politics to linguistics. . . . The Issyk Kul brainstorming was the beginning of a new movement."

Characteristically, the first act of the group, was to write a letter to President Reagan, urging abandonment of the Strategic Defense Initiative!

Such activities, indeed, reinforce the image that the Issyk Kul group is just a 1980s repeat of the kind of "cultural" fronts the Soviet intelligence services used to set up in the 1930s, to organize western degenerates into "anti-war congresses" under the tutelage of Maxim Gorky, Ilya Ehrenburg, etc. That "image problem" is where Ustinov comes in. As he privately avows, his intent, in arranging and patronizing the Switzerland get-together, is because "it is vital to have a meeting *outside* Russia," so that the group won't get a "certain color."

The Issyk Kul group is also known as the Aitmatov Forum, after the Soviet Central Asian *glasnost* writer Gingham Aitmatov, who coordinated the October 1986 meeting. Aitmatov is rapidly becoming a cult figure in those Western circles who are worshipping at the altar of Mother Russia. Aitmatov specializes in writing what might be called "Cosmic Borscht," sentimental, romantic novels extolling the never-changing virtues of life on the Russian steppes, and projecting this never-changing reality on to efforts at space exploration and, for that matter, to the entire universe. It is a world of pessimism and stasis, of hopelessness in the face of authority, and therefore perfect for the oligarchical/imperial

worldview. Aitmatov has spearheaded the "ecological" campaign in the U.S.S.R. to stop Central Asian river diversion projects.

He will be the featured Soviet participant at the mid-October 1987 meeting near Lake Interlaken.

Not surprisingly, one of the prominent figures who has congregated around Aitmatov has been Dr. Alexander King, co-founder of the malthusian Club of Rome. King attended the October 1986 meeting, and is a featured invitee to the next Ustinov-sponsored event.

Another key figure in the Issyk Kul forum process is Alvin Toffler, *Future Shock* author, proponent of a "post-industrial" society, and profiler, on behalf of Club of Rome circles, of *EIR* founding editor LaRouche. On the U.S. side, two other prominent participants include playwright Arthur Miller and homosexual-existentialist author James Baldwin. According to reports received by *EIR*, Miller, Baldwin, and Toffler are involved in efforts to establish a "U.S. Secretariat" of the Issyk-Kul/Aitmatov Forum.

Mayor Zaragoza and the Venice connection

The main organizer of the Swiss meeting, on behalf of Ustinov, is Spanish microbiologist named Federico Mayor Zaragoza, former Spanish Minister of Education and former deputy director of UNESCO, whose work in Spain is patronized by a number of foundations that are ultimately under the control of Spain's Duke of Alba, the former Jesuit priest Jesús Aguirre.

The busy Mayor Zaragoza has spent good portions of the past years frequenting scientific planning meetings of UNESCO, the World Academy of Arts and Sciences, the policy advisory board of Helmut Schmidt's Inter-Action Council, and other world-federalist bodies. Characteristically, he is part of a UNESCO project based out of UNESCO's Venice headquarters, to map out long-term research-strategy for governments, fulfilling thereby, he asserts, the same role today as the Temple of Apollo at Delphi used to play in former times. In recent weeks, Mayor Zaragoza has, in fact, become a candidate for the post of next secretary-general of UNESCO. He is also a member of the Pontifical Academy of Sciences.

In March 1987, he made a presentation before a group in Spain called META, a self-professed "intellectual action group," in which he reportedly praised Mikhail Gorbachov as an "extravagant" personality, eager for the creation of "new ideas." He referenced the Issyk Kul I meeting of Western figures with Gorbachov, at which, said Mayor Zaragoza, Gorbachov proclaimed "the need for creating a new focus with which to look at reality." Mayor Zaragoza also told META, that he was not in agreement with those who do not trust Gorbachov, and declared the latter to be "better for the arms race than his predecessors had been." His suggestion was that the META group, as a whole, join the Issyk Kul forum, as an associate entity.

Cato Institute: how to sell out Pakistan

by Jerry Berg

At midnight Oct. 1, U.S. aid to Pakistan was abruptly terminated with the expiration of a special six-year waiver of the Symington nuclear non-proliferation amendment to the Foreign Assistance Act. Authoritative sources on both sides of the Pakistan issue had insisted that the aid would never be cut off, just debated. That debate on harsh new conditions has, with the tacit approval of the "pro-Pakistan" Reagan administration, outlasted the aid, and opened new vistas for destabilization, all based on an overblown "Pakistani bomb" scare. This hypocritical approach deliberately feeds anti-American sentiment, hastens the collapse of U.S.-Pakistan relations, and guarantees a Pakistani bomb.

The U.S. government is showing this willingness to sacrifice our closest ally in South Asia to Russian imperial appetites, in the context of a new round of negotiations with the Kremlin on a "regional matters" package deal tied to the "arms control offensive." This begs the question, has the State Department joined the kooky arch-libertarian Cato Institute, in seeking Pakistan's destruction?

Cato's Ted Galen Carpenter, in a January 1987 report entitled, "U.S.-Pakistan Relations: A Fortress Built on Quicksand," makes a case for Pakistan becoming the next disintegrating Beirut. Cato's alternative is to turn Pakistan into a new Austria or Finland, at the mercy of Soviet expansionist whims. The State Department agrees.

The Cato Institute, a nominally conservative offspring of the Heritage Foundation, last year had Carpenter deeply involved in a campaign to rollback the war on drugs by propagandizing anew for legalization. The Cato drug stance goes beyond that of even quack economist Milton Friedman, a 1978 endorser of legalized heroin. The "right-wing" group has also allied with the left-terrorist Green Party of West Germany to demand withdrawal of U.S. troops from Europe and an end to the Strategic Defense Initiative. These Soviet objectives are urged on "cost-effective, free-market" grounds. Cato's prescription for Pakistan is disengagement and disintegration.

Carpenter says Pakistan "could crumble at any time causing the collapse of Washington's entire South Asian strategy. Disengagement would then be a forced process." In other words, if we do not abandon Pakistan now, "the chance of securing a Soviet withdrawal from Afghanistan will have been lost." Pakistan is thus treated not as a sovereign nation, but as a bargaining chip.

He adds, "Pakistan's political and social problems dwarf those of the Philippines."

Carpenter goes a step further. "The current situation in Pakistan bears an alarming resemblance to conditions in Lebanon during the early and mid-1970s." More recently, in a conversation, Carpenter declared that "political entities are fragile in Pakistan, with major separatist tendencies, particularly in border provinces. In Lebanon . . . you had the Palestinian refugees and the PLO. You have a similar problem in Pakistan . . . Afghan mujaheddin operating out of border sanctuaries and a very large Afghan refugee population—3 million or so—straining the social and economic structure of Pakistan."

The Cato report proposes to "offer the Soviet Union an extremely tempting package deal . . . an 'Austrian Solution' for both Afghanistan and Pakistan. . . . 1) a complete Soviet military withdrawal from Afghanistan and the formation of a new government in Kabul, including . . . the mujaheddin; 2) termination of the security agreement between the United States and Pakistan; 3) a commitment from both superpowers that they will provide no military assistance to any faction in Afghanistan or Pakistan. . . . This 'neutralization' option contains attractive features for all parties involved"—especially Moscow.

In a "worst case scenario," under his scheme, Carpenter acknowledges the truth: "Pakistan would be the first item on Moscow's territorial menu." This, he says, is because Pakistan's role as a U.S. ally "causes the Kremlin to pay an inordinate amount of attention" to Pakistan and heightens Pakistan's woes. Therefore, let's surrender now and get the best deal. After all, Carpenter writes, "there is nothing in South Asia—not even the much-touted Persian Gulf oil routes—worthy of incurring such a grave risk" as "nuclear conflagration," especially since we have such a "geographical disadvantage" anyhow. He insists that "a stable non-communist barrier to Soviet expansion in South Asia requires U.S. military disengagement from the region and an end to the Pakistani connection."

The State Department and Congress are doing their best to break that connection this autumn. The drumbeat for the current destabilization got under way last January—around the time Carpenter's report was issued by the Cato Institute—when several journals trumpeted an alleged interview with a top Pakistani nuclear researcher asserting that his nation already had the bomb. This was followed by a sudden spate of Pakistani nuclear smuggling indictments by the Justice Department.

Furthering the Cato/State Department scenario, the *Wall Street Journal* on Aug. 25 published a front-page item highlighting anti-Americanism and domestic turmoil in Pakistan, that included a purported quote from a Pakistani "man on the street" that may as well have been lifted from Carpenter's report. Things in the country were "just like Beirut," this convenient Pakistani declared.

Drought threatens Indian economic gains

by Susan Maitra

While the specter of famine has been virtually ruled out by the successes of the late-1960s "Green Revolution," severe drought conditions resulting from the failure of the monsoon are putting great pressure on the Indian economy, in a way that reveals other critical structural weaknesses. Of immediate concern are shortages of power, drinking water, and fodder. As a result of the latter, the country's dairy industry—an essential source of high-quality nutrition for the population—is threatened with shutdown.

In his Aug. 15 Independence Day speech to the nation, Prime Minister Rajiv Gandhi called for a "mass movement" to fight the drought, involving especially the youth, and pledged that the government would go all-out to meet the emergency without compromising on the nation's development programs. Gandhi has leaned heavily on the state chief ministers to monitor grain stocks and the public distribution system, and to step up the anti-hoarding campaign.

The government is fighting to meet the relief requirements without upsetting delicate budgetary projections or draining funds from development plan coffers, an apparent "relief" which would only create more problems in the future. A ballooning deficit and continuing tight foreign exchange position underscore the constraints.

By late August, the central government had allocated about \$200 million to meet the crisis, part of it intended to finance installation of some 15,000 hand pumps in rural areas and 5,000 in urban areas. Another \$10 million was subsequently issued to 13 states for acquiring rigs for drinking water.

Within a week, another \$200 million was channeled into the country's anti-poverty programs, to compensate for the loss of income among the large population of rural day-laborers. More allocations will be made pending reports from survey teams dispatched to 10 affected states by the Cabinet Committee on the Drought, headed by Gandhi.

The century's worst monsoon?

The current drought is by every basic measure worse than the disastrous 1965-66 drought, which necessitated emergency imports of foodgrains and threw India's overall develop-

ment plan into a tailspin. Of the country's 35 meteorological subdivisions, only 12 recorded normal or excess rainfall from June 1 to Aug. 19, compared to 13 in 1965. According to Minister of State for Agriculture Yogendra Makwana, 16 states and 6 Union Territories have reported scarcity conditions, covering 254 of the total 407 districts in the country.

It is impossible to predict what the extent of crop loss ultimately will be—one current estimate is 15 million tons for the summer crop. By itself, that magnitude of loss would be tolerable. Today, 45% of India's rice, 75% of its wheat, 47% of its barley, 30% of its cotton, and 80% of its sugar cane is grown on irrigated land—by contrast with 1966, when all wheat and rice was dependent on the rains.

But though the current rain shortfall follows two consecutive poor monsoons, it may not be the peak of the drought. And if there is no rain or inadequate rain during the fall to ensure a successful winter crop, then food shortages may well be added to a spiraling crisis fueled by power, drinking water, and fodder shortages.

The pressure on power, drinking water, and fodder supplies is the most serious aspect of the current drought. These are essentials, which it is difficult financially, if not physically, to import at the drop of a hat, for a population of 800 million. The power shortages exacerbate an already untenable situation, and the attempt to transfer power from industry to agriculture could paralyze the economy altogether. Lack of drinking water and loss of milk as a result of fodder famine could kill millions of villagers.

In each case, the pressure points exist in the first place because of persistent policy mistakes in Delhi:

- The government's virtually exclusive emphasis on large surface-water systems instead of ground-water development for irrigation, and the pursuit of irrigation to the exclusion of developing supplies of clean drinking water—much less an overall water management program—has clearly been a serious vulnerability.

- The policy of basing the country's already inadequate power supplies on coal and hydroelectric—keeping nuclear power marginal—is similarly incompetent. Hydroelectric power is expected to account for 28% of the total power output of India this year—yet the failure of monsoon rains has so far reduced the water level by about 25% from a year ago in 45 of the major reservoirs.

- The "Green Revolution" worked wonders for wheat and rice, mainly, but no serious push has been given to extending modern production methods to many other vital crops or to the livestock sector. Failure to effectively address the need for guaranteed supplies of high-quality animal feed, in particular, has already taken a serious toll ecologically; grazing animals are no small contributors to the deforestation and desertification process in the subcontinent. Now this irresponsibility could lead to destruction of the dairy industry and cutoff of milk supplies to a population, the majority of which hovers on the brink of malnutrition in any case.

U.S. Senate resolution against Panama condemned by Ibero-America

by D.E. Pettingell

The U.S. Senate adopted a resolution Sept. 24 calling for a total economic boycott against the Republic of Panama if a "non-military transitional government" is not in place within 45 days. The call to overthrow the constitutional government of Panama, has the potential to lead already tense U.S./Ibero-American relations into a political crisis more serious than that triggered by U.S. support for the British against Argentina in the Malvinas War of 1982.

The Latin American Parliament led the condemnation of this latest attack by issuing a strongly worded political statement Sept. 30. "We reject as incompatible with non-intervention and the self-determination of peoples the pretensions of the U.S. government or of any other government to involve itself in the internal political affairs of Panama and threaten with unilateral and unacceptable ultimatums and measures with the end of dictating the conduct of the government of Panama." Similar responses were heard from other quarters in Ibero-America.

The Senate resolution, adopted as an amendment to the Department of Defense authorization bill, calls for the United States to "cease all economic and military assistance . . . suspend all shipments of military equipment and spare parts . . . prohibit the importation of sugars, syrups, or molasses" unless "(1) the Government of Panama has demonstrated substantial progress in the effort to assure civilian control of the armed forces and that the Panama Defense Forces and its leaders have been removed from nonmilitary activities and institutions; (2) the government of Panama has established an independent investigation into allegations of illegal actions by members of the Panama Defense Forces; (3) a non-military transitional government is in power, and (4) freedom of the press . . . [is] restored."

The resolution was sponsored by Christopher Dodd (D-Conn.), chairman of the Western Hemispheric Affairs subcommittee, along with Alan Cranston (D-Calif.), Edward Kennedy (D-Mass.), David Durenburger (R-Minn.), Alfonso D'Amato (R-N.Y.), and John Kerry (D-Mass.). It gained immediate bipartisan support, with Jesse Helms (R-N.C.) voicing his disappointment "that the Senator from Connecticut did not offer a mandatory cut-off."

The move by the Senate, cheered by the State Department, represents only the latest step in the campaign against the Ibero-American armed forces in general and Gen. Manuel A. Noriega, head of the Panama Defense Forces, in particular. The policy of weakening the institution of the armed forces throughout the continent has been voiced loud and clear by Elliott Abrams, the undersecretary of state for inter-American affairs, leaving those nations defenseless in the face of Soviet-backed narco-terrorism.

Warnings from Panama

On Sept. 30, Panama's national legislative assembly passed a resolution denouncing U.S. intervention in Panama's internal affairs. This followed by less than a week the very strong denunciation issued by President Eric Delvalle and his cabinet Sept. 24, in which they said, "We believe the time has come to warn that the Panamanian government will not tolerate any more actions of intervention and disrespect, that it is ready to firmly maintain its national dignity at any cost, and that it will undertake the defense of its national sovereignty as demanded by circumstances."

The Sept. 30 legislative assembly resolution said, "The United States government, ignoring the most basic principles of relations among nations . . . has been harassing and threatening the people and government of Panama, and intervening shamelessly in the internal affairs of our constitutional government to install a puppet government subject to the dictates emanating from Washington . . . [American officials in Panama] in an arrogant, haughty manner and with the greatest petulance, follow the instructions of their government, and they themselves participate in marches and demonstrations that have as their sole purpose the destabilization of public institutions to create conditions propitious to implement their dark intentions. . . . The provocation and intervention of the North Americans, in open violation of the Canal Treaties, [included] the movement of troops stationed in the Panama Canal through the City of Panama, at the same time that a helicopter was violating Panama's air space. This aggression is the consequence of the desperation of a power which desires by all means to remain the fatherland beyond the year

1999, and which insists that Panama be a pawn of these warmongering adventurers in Central America.”

An honored general

Ibero-America's armed forces are aware of the strategic implications of the attacks on Noriega for the rest of the continent. On the occasion of the 177th anniversary celebrations of Mexican independence, Sept. 14 in Mexico City, General Noriega was the special honored military guest, among military officers from across Ibero-America.

Noriega was personally congratulated by each of his Ibero-American colleagues upon receiving the Order of Military Merit, Mexico's highest military honor, from President de la Madrid. The medal was given in explicit recognition of Noriega's outstanding role in fighting for peace in Central America. Noriega has advocated a military role in the peace process attempted by the Contadora Group nations (Mexico, Colombia, Venezuela, Costa Rica, and Panama), and attempted to persuade the United States to remove the conflict from the East-West framework in which the Reagan administration has attempted to place it.

Noriega's position on how peace and political stability are to be achieved in Central America is perhaps the main reason that the Reagan administration wants to get rid of him.

Black propaganda

The Reagan administration, the CIA, the U.S. Congress, and the media have thrown everything at Noriega, accusing him of everything from drug-trafficking to killing opposition leaders. The latest they have cooked up are grand jury investigations.

The *Miami Herald* gave banner headlines Sept. 17 to the testimony of a Panamanian pilot who told federal authorities that he had personally flown cocaine shipments from Central America to the United States under General Noriega's orders. The paper reported that the investigation is "top secret" and that the possibility of a criminal indictment of Noriega by the United States looms. Federal prosecutors in Miami are aware that an investigation of Noriega can be "used politically" to depose him, the *Miami* daily wrote.

In addition to this particular investigation, the *Los Angeles Times* reported Aug. 4 that Noriega is also the subject of a grand jury probe in Tampa. The charges are drug-related as well. The *Times*, however, reports that there are "problems" with corroborating the information provided by "sources." Although both papers talked about a "possible indictment," they admit that the goal is ultimately political. "The ultimate decision on whether to indict would be cleared through Washington," as the *Herald* put it.

Such investigations of Noriega have been rumored since 1984, but not a shred of evidence against him has ever been produced. Rather, the "leaks" on the investigations have been fueling a massive black propaganda campaign. The Panama Defense Forces' role in cracking down on drug smuggling

and money laundering, and assisting the Drug Enforcement Administration in capturing drug traffickers, has not been found newsworthy.

Noriega's contribution to the war on drugs was even acknowledged by the Department of State's Bureau of International Narcotics Matters. In a recently released mid-year progress report, State praised cocaine interdiction as the "biggest in Panama's history."

During the Senate debate on the anti-Panama resolution Sept. 24, Senator Durenburger found it necessary to attempt to discredit Noriega's strong role in the war on drugs, saying that was merely "playing a game of occasional cooperation." "If this government has learned anything about dealing with change in the Third World, it should have learned that we cannot continue to support, implicitly or explicitly, brutal and corrupt dictators who oppress their people," he said.

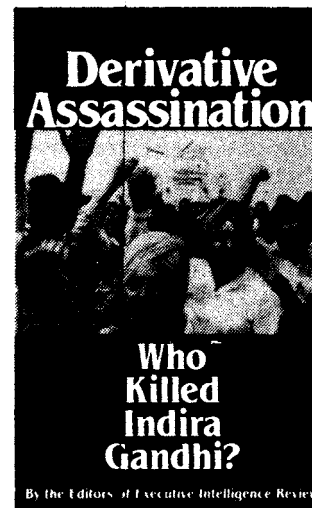
The Panamanian daily *Crítica* reported Sept. 24 that "enemy forces"—U.S. troops—were redeployed from the Canal Zone to the U.S. embassy in Panama City, in violation of U.S.-Panama treaties. Panama's foreign minister, Jorge Abadia, protested the redeployment before the U.N. General Assembly the same day. The State Department acknowledged on Sept. 25 that there had been a movement of troops, but that they were "not armed," although they "were in uniform" for a "routine courtesy call at the embassy."

Derivative Assassination: Who Killed Indira Gandhi?

by the Editors of
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Spetsnaz problem taken seriously

Dealing with Soviet irregular warfare became a major problem in the recent NATO maneuvers.

For several months now, West Germany has been spared any large outbreak of terrorism or other forms of political extremism. Anti-terror officials, however, have repeatedly warned that new terrorism and sabotage against the military-industrial infrastructure of the country is coming.

Ranking anti-terror officials like Federal Prosecutor Kurt Rebmann and BKA (anti-crime division) head Heinrich Boge have especially warned that Iran may try to retaliate against the United States for its deployment in the Gulf, directing terrorist attacks on American depots and bases in Germany. Therefore, all U.S. Army bases have been put on special anti-terror alert.

During September, terrorists almost succeeded in blowing up a U.S. military train with 150 GIs on board, near the city of Göttingen. The train was late, and so, missed the bomb.

Those who tried to blow up that train were certainly not the ordinary anti-American extremists. Better-informed security circles know (not least through numerous *EIR* exposés on the problem) that the terrorist underground as well as the "Islamic terrorist" networks in Germany are proxies at the political disposal of the Soviet Union.

It does make a lot of sense to expect a new round of terrorism and sabotage against the Americans in Germany, because it makes sense for Moscow. The Soviets want to see a total American disengagement from Europe and Germany. After the with-

drawal of U.S. nuclear missiles under the Geneva INF agreement, the pull-out of American troops and aircraft is on the Soviet "arms control" agenda.

One may look at the many publications of the German anti-nuclear movement, which justify violence and sabotage against the "U.S. military presence," and draw one's own conclusions. Such pamphlets insist that escalated terrorism, sabotage, and intimidation will help to accelerate a withdrawal of the U.S. troops stationed in Germany.

This brings up the question of a more direct Soviet involvement. Most of the terrorist attacks of past years have been attributed to the "domestic" terrorist underground in West Germany, but an eventual direct deployment of spetsnaz, Moscow's special forces for irregular warfare and precision sabotage attacks, can no longer be ruled out.

The military is beginning to deal with this possible threat and to think in terms of countermeasures. At his Sept. 15 press conference opening the "Certain Strike" NATO exercise in northern Germany, NATO's new supreme commander in Europe, Gen. John R. Galvin, responded to a question on this posed by *EIR* with the statement: "Indeed, we consider these special forces a big threat to NATO." Without revealing more details, Galvin added that NATO was taking "countermeasures."

These were no mere words, as could be seen from the maneuvers themselves. As *EIR* learned, a contingent of 200 French soldiers, officially

declared "special staff personnel serving with the exercise command," was on hand to simulate the role of Soviet spetsnaz. During the staging phase of the "Blue" troop deployments, mainly the American reinforcements from the U.S. Army III Corps, the Frenchmen deployed in small spetsnaz units with assignments to spy on the "Blue" troop movements for the "Red" side. Later, when "Blue" began its counterattack on "Red," the same Frenchmen served to simulate live sabotage attacks on vital rear positions of the Americans. In one case reported, such spetsnaz succeeded in destroying a mobile British Harrier jetfighter base.

At the "Kecker Spatz" French-German exercise in southern Germany, taking place a week later, simulated spetsnaz attacks played a big, if not decisive role. When the French rapid deployment force (FAR) was about to move its ground forces from the staging area into the battle zone of the exercise in the early morning hours of Sept. 22, Redland forces (German parachute troops) carried out a simulated airborne attack on the rear logistical supply routes of the FAR.

Some 250 spetsnaz sabotage specialists (German parachutists, for exercise purposes) were landed by helicopter in the region around the city of Ulm, where the main supply routes for FAR ground reinforcements were located. Several key bridges and roads were destroyed by the spetsnaz in a precision operation. This slowed down the FAR's advance considerably, and allowed a big and unexpected thrust westward for the "Redland" (Warsaw Pact) forces.

Although this simulated rehearsal of a spetsnaz attack meant quite a disaster for the exercise planners, it provided a useful lesson: The West has to step up countermeasures against Soviet irregular warfare capabilities, and the sooner, the better.

The death of justice

The first judge in half a century has died at the hands of the drug mob; will the "web of complicity" be exposed?

On Sept. 20, two mafia assassins murdered a federal judge from Cuernavaca, Pedro Villafuerte Gallegos. The assassins riddled him with 14 bullets, not counting the *coup de grace*. He was the third judge to be assassinated in Mexico in two centuries, and the first in 50 years.

Upon denouncing the "cowardly deed," Supreme Court President Carlos del Río declared that it would appear "these gentlemen have already declared war on us."

The assassination of Judge Villafuerte could mark the beginning of a terror campaign against judges, comparable to the ongoing drug mafia vendetta against judicial and government officials who stand in their way. In light of this danger, del Río revealed that, should it prove necessary, he would ask the authorities for bodyguards and other protection to guarantee the physical safety of the nation's judges.

Until a short time ago, the drug traffickers operating in Mexico resorted to bribery to win protection for their illegal activities. They were generally loath to seek a direct confrontation with government authorities. However, during 1986 and 1987, the drug traffickers have dared to enter into combat with those units of the Mexican army that conduct anti-drug operations nationally.

In 1986, the drug traffickers murdered an army major in the state of Sinaloa, which precipitated one of the

most intense wars against the drug trade that Mexico has ever launched. Other murders of army officers have followed.

According to police sources cited by the Mexican dailies, the assassination of Judge Villafuerte was ordered by Pedro Díaz Parada, known as the "czar of marijuana," who operated in the southeastern state of Oaxaca. One year earlier, Díaz Parada was arrested and condemned to 40 years in jail by Judge Villafuerte. But two days after his jailing, Díaz Parada escaped with the complicity of penal authorities. When his guards were arrested, they confessed to having received instructions from the highest-level government officials in the state, to allow Díaz Parada's escape. At the time, the matter was quickly covered up.

On Sept. 22, magistrate del Río appeared to refer to this shadowy event by publicly noting, "This person [Díaz Parada] even evaded jail, and I have learned that, despite an arrest warrant against him, he has been seen traveling with impunity in several cities of the country."

Asked if this was meant to suggest that Díaz Parada is operating in collusion with certain government authorities, del Río declared, "Draw your own conclusions. I cannot make conjectures. . . . What I can reiterate is the absolute repudiation of the judiciary for this unprecedented act, and I can also assure you that it will not divert us from fulfilling our duty."

Villafuerte was federal judge in the state of Oaxaca from May 17 through Nov. 18, 1986, at which point the Supreme Court transferred him to the state of Morelos—where he was assassinated—because he had been threatened by the drug mafia.

According to the Mexico City daily *La Jornada* of Sept. 23, police sources indicated that the mafia had offered Villafuerte millions to free Díaz Parada. When he refused the bribe, Díaz Parada's escape was arranged. The police sources also reported, according to *La Jornada*, that shortly afterward, Villafuerte began to receive death threats again, as did various employees of the penal court.

The state of Oaxaca itself occupies an important place in the geography of the national drug trade, given that it not only shelters vast marijuana plantations, but its territory is also used as a landing site for planes transporting Colombian cocaine northward. This has generated extensive corruption throughout the state.

In early 1986, the federal police arrested the head of the Oaxaca office of the National Security and Investigations Command, a subdivision of the Interior Ministry, for his involvement in a network trafficking in Colombian cocaine.

Referring to Villafuerte's assassination, *La Jornada* wrote in its editorial on Sept. 20, the day of the murder:

"If we want to stop the spiral [of violence] while there is yet time, it will be necessary to work rapidly, make those responsible feel the full weight of the law, and reveal and dismantle at least a substantial part of the web of complicity which, since the escape in Oaxaca, determined the final fate of Judge Villafuerte Gallegos. Otherwise, skepticism and cynicism will open the way to new crimes, and with them, do irreparable damage to the edifice of law in the Republic."

International Intelligence

General blames Yugoslav communists for crisis

Yugoslav Major-Gen. Georgije Jovicic, in an interview to the weekly *Borba*, charged that the nation's communist leadership has done nothing to solve the economic crisis and social upheaval that are plaguing the country.

"The Communist Party and its leadership have, for a long time, not given us any clear answers to the problems of the people," he said. "The helplessness of the Communist Party has strengthened anti-socialist forces." He pointed to 120% inflation, ongoing financial scandals, and the weakness of the legal and economic systems to cope with it.

The British daily *Independent* reported on Sept. 26 from Belgrade: "In terms of influence, the military amounts to a seventh republic, and its voice has become louder as the country sinks into a mire of scandal, unpayable foreign debt, and regional squabbles." One sign of the "real public nervousness" in the country is capital flight, with reports of people paying a 20% premium on the black market, to change rapidly devaluing dinars into hard currency.

In a related development, Yugoslavia on Sept. 25 asked its Western creditors for a temporary freeze on repayment of its \$20 billion foreign debt. Following a meeting of the Communist Party leadership to discuss the crisis, Yugoslav National Bank Governor Slobodan Stanojevic asked for the freeze, until the end of negotiations with creditors, which are to begin in late October.

France, West Germany set up defense council

France and the Federal Republic of Germany on Sept. 24 announced plans to establish a joint defense council, to oversee a wide range of security efforts. The plans

were disclosed by French President François Mitterrand and West German Chancellor Helmut Kohl at a news conference in Manching, West Germany, after they observed the final day of a combined military field exercise involving 75,000 troops. This marked the first time in 22 years that a large number of French troops had operated deep inside West German territory.

"We have made a declaration of intent" to establish the defense council, Mitterrand said. Its purpose will be "to coordinate decisions and harmonize policies" on security, defense, research and armaments.

Soviet media attacked the joint maneuver and the defense council project, charging France with "clandestine reintegration into the military apparatus of NATO" and West Germany with "illegal attempts to gain access to nuclear weapons," via cooperation with "nuclear-armed France."

Moscow: Rewrite the U.S. Constitution!

Soviet official Vladimir Pustogarov, following a recent visit to the United States, writes in the Moscow weekly *New Times* dated Sept. 28 that the United States should revise its Constitution, on the Soviet model. A deputy director of Moscow's State and Law Institute, Pustogarov is also a leading operative against Lyndon LaRouche internationally. He participated in a 1986 Moscow conference on "neo-fascism," which resulted in a barrage of Soviet press attacks on LaRouche and associates.

Pustogarov's latest article, titled "For Whom the Bell Tolls—No Amendment on Peace," states: "Comparison between the American Constitution, that self-styled patriarch, with the constitutions of other countries, if only as regards the international aspect, gives no grounds for seeing it as an example worthy of emulation. Such a comparison rather prompts one to ask whether the American legislators might not do well

to take a closer look at the experience of their neighbors, near and far, who inhabit our common earthly home."

Friction grows between Turkey and U.S.S.R.

Construction of the new Turkish embassy building in Moscow has become "one of the first victims of Mikhail Gorbachov's 'restructuring' policy," according to a report filed from Moscow in the Turkish daily *Milliyet* on Sept. 5. It seems that residents of the Vorovskova quarter in Moscow have occupied the construction site and forced the work to stop.

The embassy has not been officially informed by Soviet authorities why work has stopped, but it did receive a letter saying that construction work had halted to calm the protesters.

Perhaps there is a little more to this than disgruntled *babushkas* testing the limits of Gorbachov's "openness."

On Sept. 7, *Milliyet* reported that the Soviet Union "reacted strongly to remarks made by Prime Minister Turgut Özal and Industry Minister Cahit Aral, to the effect that the Soviet technology used in the Seydisehir Aluminum Factory is not up-to-date. The Turkish ambassador in Moscow has been summoned and informed about the reaction the remarks have created in the Soviet Union."

Soviet officials said that criticizing the Soviet Union in this way would conflict with the two countries' "good relations."

Then on Sept. 22, the Soviet military daily *Krasnaya Zvezda* published an article, "Who and What Is Threatening Turkey," which complains about Turkish "Atlantism." It accuses Gen. N. Öztoran, a former ground forces commander, of publicly discussing "Soviet plans for the occupation of Turkey," and reports that Prime Minister Özal, at a meeting of the North Atlantic Assembly in November 1986, talked about

"the threat from the North." Such Turkish "Atlanticists" are deliberately putting blinders on, to the traditional Soviet policy of peaceful coexistence with Turkey, says *Krasnaya Zvezda*.

Paris court allows Soviet libels of LaRouche

In a decision reversing all existing legal precedent in France, the First Court House of the Paris Tribunal de Grande Instance rejected on Sept. 30 the libel suit by Lyndon LaRouche and his associates against the Soviet magazine *New Times*.

Intelligence sources believe that the judgment is the result of heavy pressures on France to agree to a "New Yalta" arrangement between the two superpowers, including the "zero-option" arms control treaty. LaRouche is seen by Moscow as a principal obstacle to that agreement.

As *EIR* reported in our July 17 issue, LaRouche and the Parti Ouvrier Européen (POE) had sued the Soviet weekly in November 1986 for publication of a five-page attack describing them as "Nazis without swastikas." In a highly unusual development in international law, high-level Soviet defendants responded to the French subpoenas and appeared at the hearing on July 1, where argument was presented by both sides before a three-judge tribunal.

The Court's decision admits the Soviet use of Western published sources as a basis for the charge that LaRouche is a "Nazi" and "anti-Semite," gathering misquotes and invented "translations" to justify the accusations. Further, it says that it was not libelous for *New Times* to accuse LaRouche of being "involved" in the murder of Swedish Prime Minister Olof Palme, since suspect Victor Gunnarson was "linked to the Swedish POE" (Gunnarson had once signed a POE petition; the investigation of him was dropped by Swedish authorities, after it provided grist for the international propaganda mills con-

cerning the alleged "LaRouche connection" to the murder.)

LaRouche and the POE have appealed the French Court's ruling.

Soviet plane intrudes into German airspace

A Soviet SU-24 nuclear bomber intruded into West German airspace on Sept. 17, crossing the German-German border at a very low altitude (about 1,000 meters) near the city of Braunschweig, and flying in circles over the city for several minutes until intercepted by two British F-4s. The SU-24 flight extended over a total distance of 100 kilometers within West German airspace.

A NATO spokesman, quoted in the West German daily *Bildzeitung* on Sept. 24, stated: "The flying curve of the attack aircraft was rather unusual. Whether it really carried atomic bombs, we don't know." The incident occurred while the NATO Certain Strike and Cold Fire exercises in the same region were moving into their final phase.

There have been a record number of recent Soviet military provocations in Europe against NATO allies in the month of September, even as the U.S. State Department is proclaiming that the imminence of an arms-control agreement means that "peace in our time" is at hand:

- A patrol of the U.S. military mission in East Germany was fired on by Soviet soldiers in a non-off-limits area, and one American soldier wounded.

- A Soviet long-range bomber entered Dutch airspace over the North Sea, and had to be intercepted by the Netherlands Air Force.

- A Norwegian Orion P-3B reconnaissance aircraft was winged by a Soviet fighter in international waters over the Barents Sea; one engine was knocked out, and the plane forced to make an emergency landing.

- A Turkish fishing boat was fired on and sunk by a Bulgarian coastal patrol craft in Turkish territorial waters.

Briefly

- **AMATEUR DIVERS** have discovered two caches of Russian-made TNT in the Stockholm harbor. According to press reports, divers discovered two plastic bags containing some 9 kilograms of TNT, near the site of the large AGA natural gas storage and distribution facility at Lidin-goe. AGA supplies gas to homes and industry throughout Stockholm. The Swedish press speculates that the TNT was put there by Russian spetsnaz (special commandos) or terrorists.

- **PARLIAMENTARY** leaders from the five Andean countries—Venezuela, Colombia, Peru, Ecuador, and Bolivia—will meet with Pope John Paul II on Oct. 9, to discuss the problems of the region. They will reportedly emphasize the negative role that debt payments are having on the growth of each country.

- **SOVIET RESIDENTS** of the "City of Brezhnev" have asked for their city's name to be changed, to remove the association with the late Soviet leader and his "epoch of stagnation," reports the Soviet weekly *Ogonyok*. Residents wanted the city's former name, Naberezhnye Chelny, to be restored. Earlier this year, another Soviet city, Ustinov (named after the recently deposed defense minister), had its former name, Izh-evsk, restored.

- **A BANGKOK** publishing house will soon reprint *Dope, Inc.*, the best-selling book by *EIR*'s editors. The book will be distributed in Thailand, Malaysia, and Singapore.

- **CHINA** is implementing new anti-AIDS measures, according to the newspaper *Beijing*: People infected with AIDS cannot enter the country; foreign students and workers have to have an AIDS-free certificate; blood and used clothing cannot be imported; those infected and sick with AIDS must be registered; sexual contact with foreigners is forbidden; and the fight against prostitution has been intensified.

Issue of President's role comes to a head this month

by Nicholas F. Benton

The fundamental question of the role of the President of the United States, as defined by the U.S. Constitution, comes to a head this month in a series of critical confrontations between the administration and Congress. Among the key issues is the President's role as Commander-in-Chief of the Armed Forces, the principal figure responsible for assuring the national defense that the Preamble to the Constitution stipulates as a fundamental guarantee of the federal government.

This confrontation includes the matter of the defense budget—now threatened as never before by the insidious provisions of the new "automatic sequestering mechanism" of the Gramm-Rudman-Hollings deficit reduction law—and also the President's right to interpret the Anti-Ballistic Missile (ABM) Treaty and to command U. S. forces in the Persian Gulf.

Although President Reagan has demonstrated a frightening willingness to bend on some fundamental issues of national defense—reflected in his willingness to accede to the Soviets on an "agreement in principle" for a new Intermediate Nuclear Force (INF) missile reduction treaty that would seriously compromise the defense of Western Europe—it is doubtful he will go as far as Congress intends to push him this month.

Last October, it was Soviet leader Mikhail Gorbachov who tried to push Reagan over the edge at their summit in Reykjavik, and while Reagan shocked the world by his willingness to make concessions, without consulting the Allies, on the INF question, he nonetheless ultimately stiffened at the point that Gorbachov demanded he negotiate away the Strategic Defense Initiative (SDI). This October, Congress will be pushing the President to go far beyond what Gorbachov sought. The Congress, in its zeal to take control of

national defense policy away from the President, has naturally targeted Secretary of Defense Caspar Weinberger and other pro-SDI influences. But if those influences maintain their hold on the President's own basic instincts, Congress should find itself getting the same response that Gorbachov received a year ago.

The resulting stand-off would create the biggest constitutional crisis the nation has faced since the Civil War.

The Bork fight

It is in anticipation of this constitutional crisis that both sides are fighting with such vehemence over who is going to fill the now-vacant ninth seat on the U.S. Supreme Court. The fight over the confirmation of Supreme Court nominee Judge Robert Bork has relatively nothing to do with his civil rights record, and has everything to do with how he will tilt the Supreme Court when it comes to ruling on a full-blown constitutional challenge to the President's role as Commander-in-Chief of the Armed Services.

If the Senate refuses to confirm Bork, then the administration will be faced with the necessity of finding another nominee whom it believes will uphold the President's rightful powers on this fundamental question. In Washington, the rumor mills have churned out three names of possible fallback candidates should Bork be rejected: Sen. Orrin Hatch (R-Utah), Sen. Howell Heflin (D-Ala.), and White House Chief of Staff Howard Baker.

Sources say the White House floated the Hatch rumor to frighten the Senate into accepting Bork as the "lesser evil." On the other hand, Heflin was called into the White House for a one-on-one meeting with the President Oct. 1, the same day that a spate of southern Democrats announced for the first time their intention to vote against Bork, apparently

dooming his prospects for confirmation.

As for Baker, who has also been rumored to be "unhappy" in his role as White House Chief of Staff since he assumed the job in March, and is reportedly "looking for a change," he could be a fatal choice for the President if, in fact, he is being seriously considered. Baker tipped his hand on the constitutional question in a newspaper interview this summer, when he said he favored a "parliamentary system" over the present, Constitution-based system of "division of powers." A "parliamentary system" places virtually all powers of governing in the hands of the legislature, effectively eliminating the independence of the Executive Branch altogether.

The outcome of the battle over the choice for the ninth Supreme Court justice, be it Bork or another nominee, given the current zeal of Congress for stripping the national defense, will have permanent consequences for the survival of the nation.

The defense issue

The constitutional crisis will emerge on three fronts pertaining to the President's function as Commander-In-Chief: the defense budget; development of the SDI vs. attempts by Congress to strangle it by assuming the right to "interpret" the ABM treaty according to a contrived, so-called "narrow" view; and, the Persian Gulf deployment in the face of attempts by Congress to impose a variant of the unconstitutional War Powers Act, aimed at removing all U.S. military presence from that region.

Although President Reagan signed into law the new Gramm-Rudman-Hollings "automatic sequestration mechanism" on Sept. 26, he made it clear he was doing so under protest, fully aware that over the next six weeks, before the automatic trigger is pulled, Congress will do all in its power to make sure the defense budget takes the maximum in cuts.

Two provisions in the law prejudice budget-cutting against the defense budget in a specific way. The first protects all programs for the coming fiscal year for which the Congress voted an increase in funding. Simply put, all the Congress's favorite spending programs are insulated, completely, from the "automatic sequester." Needless to say, Congress has already voted major cuts in the defense budget, meaning that it will not be among the privileged protected programs. The second provision provides that 50% of the entire amount that is to be cut from the budget by the "automatic sequestration mechanism" will come from the defense budget, even though defense accounts for only 27% of the total national budget.

Therefore, the consequences of the looming budget battle could be of unprecedented importance for the national defense. Deputy Secretary of Defense William H. Taft IV expressed this in an address to the Michigan Economics Club in Marquette Oct. 1. He said, "The most damaging result of congressional machinations with the budget is felt in national defense. Since 1982, Congress has cut \$125 billion from the President's defense request and the Fiscal Year 1987 defense budget was seven percent, in real terms, below the Fiscal

Year 1985 budget. Our FY88 defense proposal will again be cut—perhaps by as much as \$23 billion unless the President accepts a tax increase of \$60 billion over three years, in which case the defense request will be slashed only \$16 billion. As Secretary Weinberger has pointed out, in essence, Congress has said to the President, you do something unwise or we will do something dangerous. And Congress has no intention of using a tax increase to fund defense. . . ."

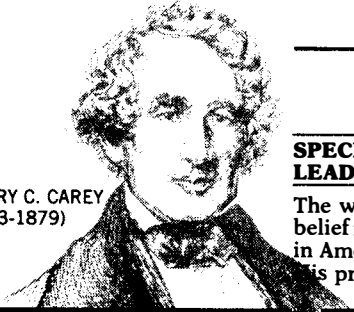
Taft went on: "But of greater potential damage than tax increases is the reenactment of the Gramm-Rudman-Hollings measure. Though deficit reduction is an unarguably good idea, the new version of this bill will be nothing less than catastrophic for defense. The 100th Congress has devised a byzantine scheme to protect politically popular programs and pet projects while raiding the defense budget in the name of deficit reduction. Under the new Gramm-Rudman formula, any program that Congress increased this year will be protected from cuts, while the defense budget is fair game. This is particularly disastrous. Unless we get relief from its provisions, we are going to have to find ways to cut even more severely our already lean force structure."

The Pentagon warned last year that cuts in the defense budget like those now being threatened by congressional action will require massive, direct cuts in military personnel, including cuts in programs that cannot be restored overnight in the event of a change of heart, such as in the officer corps, whose training requires years of preparation.

Deep cuts in active personnel will give Congress the incentive it needs to follow the initiative of Sen. Sam Nunn (D-Ga.) to vote a major U.S. troop withdrawal from Western Europe. This, coupled with the removal of all medium-range missiles from Europe under a new U.S.-Soviet INF treaty, will seriously destabilize the region politically, and Soviet assets planted throughout Western Europe will help tilt its survival impulse toward an independent accommodation with the East and de facto abandonment of the NATO alliance. Losing Western Europe's 374 million skilled people and \$3.5 trillion economy to the Soviet sphere of influence will tip the global strategic balance more dramatically and permanently than any other conceivable strategic development.

Taft warned in his speech of such consequences "unless we get relief from its [the Gramm-Rudman-Hollings law] provisions." As Taft noted, acquiescence in the tax increase demanded by Congress will not achieve this. The only way it can occur is if President Reagan, as Commander-in-Chief, steps in with a decisive action, taken out of a considered regard for imminent danger to the national security, to restore the defense budget to necessary levels through executive order. Reality dictates that the President has no other choice if he is going to carry out his role in accordance with the Constitution.

So the Supreme Court will have to decide, when that move, as well as the continued push on SDI development and the Gulf policy, precipitate the nation's most profound constitutional crisis.



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State Dept. peddles Soviet disinformation

The State Department released a declassified, 89-page report on Soviet disinformation Sept. 29, entitled, "Soviet Influence Activities: A Report on Active Measures and Propaganda, 1986-87."

The report is designed to provide a sampling of the array and nature of Soviet methods to influence public opinion outside the East bloc through use of devious and/or lying methods. The samples include the campaign to accuse the U.S. defense establishment of concocting the AIDS virus as a bio-warfare weapon. This report also includes samples of Soviet forgeries of letters from U.S. officials and of Soviet "front groups" in the United States and abroad.

However, while the report contains some useful examples of Soviet dirty tricks, it turns out to be, in fact, more of a cover-up than a disclosure.

This became clear during a press conference held at the State Department to announce the release of the report. Assistant Secretary Dr. Kathleen Bailey, head of the department's Intelligence and Research Section, replied to a question by a reporter who wanted to know why the United States was willing to negotiate an arms control treaty with the Soviets if they were continuing to engage in such egregious, ongoing dirty tricks.

"There is no relation between arms control and these matters," she said.

I interjected. "What do you mean?" pointing out that all the "front groups" named in the report, such as the World Peace Council, the Christian Peace Council, and the World Council of

Churches, are actively engaged in convincing Congress to tie the administration's hands on defense matters, bearing directly on arms control negotiations. "By your own admission, these are efforts to accomplish Soviet objectives in arms control by means other than direct negotiations." So how can you say there is no connection?"

Dr. Bailey only conceded that, yes, these "front groups" were indeed active in lobbying Congress.

I asked why there was no mention in the report of the single most important example of Soviet disinformation—their lying about the Strategic Defense Initiative (SDI), that the U.S. system is "offensive," and that they don't have a comparable program of their own, whereas in fact they are spending 15 times more than the United States, including over \$1 billion annually on laser research alone.

While Bailey dismissed the question during the public portion of the press conference by saying the report contained only a few samples, and "its purpose is not to be comprehensive," she tipped me off to the truth during a one-on-one exchange after the close of the press conference.

She admitted that, in fact, the original intent was to include an entire chapter in the report on Soviet lying about the SDI—but that the people in the inter-agency group responsible for the report who were to write that chapter didn't manage to finish by the deadline.

"Therefore," she said, "I had to make the decision to get the report out, so I went ahead with it without that chapter."

Needless to say, there had to be more to it than that, given the critical nature of the debate over the SDI both in Congress and in arms control negotiations with the Soviets right now. Someone decided to kill the chapter because of how it would have influ-

enced that debate.

Bailey's assertion of the lack of connection between Soviet dirty tricks and arms control negotiations was not only artificial, but deadly.

It is clear that all Soviet disinformation campaigns should be understood as "irregular warfare" operations, the same as terrorism, drug trafficking, and other means of influencing events on behalf of Soviet interests. To say that these operations are unrelated to larger Soviet objectives contained in, for example, arms control negotiations is, frankly, unbelievable.

Bailey was guilty of one more bit of disinformation during her press conference. She was asked by this reporter to comment on the case of the Soviet attempt to pin the blame for the assassination of Olof Palme on figures in the United States. She answered that a protest was made by the United States to the Soviets for the airing of a Soviet TV "docu-drama" earlier this year that pinned the blame for the Palme assassination on the CIA. The Soviet telecast was aired in both the Soviet Union and Sweden.

I asked her if the broadcast mentioned U.S. presidential candidate Lyndon LaRouche. She lied, claiming that it did not. In fact, the Soviet broadcast identified LaRouche by name, implying, in fact, that he was the mastermind of the assassination plot. However, for Bailey to admit this would mean conceding that the Soviets consider LaRouche an important target of their disinformation efforts. This, apparently, she did not want to do, even at the expense of the truth.

Afterward she told me she'd seen the Soviet TV show, and had it translated for her, and that she never heard LaRouche's name mentioned. So, who knows? Maybe the blame really belongs to the person who did the translation.

DoJ ruled guilty of 'trickery, fraud'

by Kathleen Klenetsky

In a potentially important setback to the U.S. Justice Department's consistent propensity for disregarding the Constitution and carrying out politically motivated vendettas, a federal bankruptcy judge ruled Sept. 29 that the Department had employed "trickery, fraud, and deceit" to steal a computer program developed by a Washington company and then attempted to drive the company out of business. Judge George Bason ordered the government to pay stiff penalties to the company, which could amount to nearly \$6 million.

The case involved Inslaw, Inc., a computer software company, which had contracted with the Justice Department to develop a software program, called Promis, that was used by U.S. attorneys' offices to track legal cases. Contending that Inslaw had not lived up to the contract, Justice stopped payments to the company; as a result, Inslaw was forced to file for bankruptcy in February 1985.

Inslaw then sued the DoJ, claiming that the department had illegally appropriated the software, and had then deliberately driven the company into bankruptcy. Inslaw further charged in its suit that Justice Department officials had been biased against the company. The company singled out C. Madison Brewer III, who had been fired from his job as Inslaw's general counsel, and subsequently joined the Justice Department, where he eventually became the department's point man for the Inslaw contract.

Bason ruled that Brewer was indeed biased against Inslaw; had made several attempts to break the contract between Inslaw and the DoJ; and had stolen enhanced versions of Promis for use by Justice.

Bason's decision was extremely critical of the DoJ's actions in the case. Comparing it to a car thief, the judge ruled that Justice "stole Inslaw's enhanced Promis by trickery, fraud, and deceit," and noted that, "It would have amounted to corporate suicide for Inslaw to have allowed the Department of Justice to have unlimited rights to those enhancements."

Bason also assailed Justice for ignoring Inslaw's allegations that Brewer and several other Justice Department officials had been fired by the company: "The failure even to begin to investigate is outrageous and indefensible and constitutes an institutional decision by the Department of Justice at the highest level simply to ignore charges of impropriety," he said. "It was obvious to me . . . that the entire Department of Justice was in a circle-the-wagons defensive attitude."

Like 'Communists and Fascists'

The Bason ruling is just the latest in a string of public attacks against the Justice Department. In the wake of Ab-scam, the General Dynamics/James Beggs case, the prosecutorial vendettas against prominent political figures, such as Lyndon H. LaRouche, Jr. and former Congressman George Hansen, there is a growing perception throughout the country that the Justice Department has run completely amok, and now serves principally as a political hit squad for various corrupt political interests.

Public outrage at the Justice Department's flagrant disregard for the Constitution is also evident in a recent series of attacks on its planned takeover of the Teamsters union. On Sept. 6, the union ran a full-page ad in the *Washington Post*, denouncing the DoJ's plan. "Takeovers of unions are nothing new," read the ad. "Communists and Fascists have been doing so for decades. It's a sad day in the history of the United States and the American labor movement when such tactics are even considered. AMERICA . . . it can't happen here. Or can it?"

The Teamsters followed that up with a rally in Cincinnati, Ohio, Sept. 15, where 3,000 members protested against the plan to put the union in receivership. Justice has already taken over one New Jersey local, but is reliably rumored to be planning action against the entire national organization because of alleged organized-crime connections. The effort is expected to be sped up, now that U.S. Attorney Rudolph Giuliani has been put in charge of the case.

Teamster President Jackie Presser addressed the Cincinnati rally, arguing that the government takeover is totally unjustified, and would put the government in charge of appointing local officials, carrying out local negotiations, and controlling funds.

Three presidential candidates also showed up to express opposition to the Department's takeover. It was no surprise that Democrat Jesse Jackson should be one of them, but that Republicans Jack Kemp and Alexander Haig should defend the rights of labor—combined with the fact that the conservative Manchester (New Hampshire) *Union-Leader* should have run an editorial assailing Justice on the Teamsters—suggests that it has now become politically *de rigueur* to attack the DoJ.

Justice has also drawn fire for its prosecution of New York Congressman Mario Biaggi and longtime Brooklyn Democratic leader Meade Esposito. The two were acquitted last month on the government's major charges, although they were convicted of lesser counts. In a lead editorial Sept. 24, the *New York Post*—a strong supporter of the Reagan administration—castigated the government with pursuing a "weak case" against the two men, while ignoring the "genuine and far-reaching scandal . . . gripping the political life" of New York City. The jury's verdict proved that the government "didn't have a strong case," argued the *Post*. "[S]haky cases can shake popular confidence in the criminal justice system."

Biden fall-out afflicts Dukakis

The last week in September was supposed to be an "upper" for presidential hopeful Mike Dukakis. The Massachusetts governor's campaign was to announce that it had raised over \$8 million in contributions—far more than any other Democratic candidate—and that his standing in the polls had significantly risen.

But the euphoria among the Dukakis forces abruptly evaporated Sept. 30, when the governor was forced to call a press conference to admit that his campaign was the source of the dirty trick which did in Joe Biden's campaign.

A somber and embarrassed Dukakis told reporters that his national campaign director and longtime associate John Sasso, had given the media the notorious videotape which showed Biden cribbing from British Labor Party leader Neil Kinnock. Earlier in the week, Dukakis had vehemently denied a report in *Time* magazine, which said the tape originated with his campaign.

Calling the incident a "very, very serious mistake," Dukakis announced he had accepted the resignations of Sasso (who managed Geraldine Ferraro's scandal-ridden 1984 vice presidential bid), and national issues director Paul Tully, a former top Kennedy operative.

Tully's involvement in the incident has caused some insiders to wonder whether he might not be an agent provocateur, working for some Democratic candidate not yet in the race, or even for the Republicans. After all, they point out, he worked for Gary Hart's ill-fated campaign before moving on to Dukakis's.

Gore pro-defense? Tell Gorbachov!

The 1988 presidential elections has produced an endless stream of ironies, idiocies, and (often unintentional) comic relief—the most recent and best example of which must be Sen. Al Gore's attempt to portray himself as a defense hawk.

The Tennessee Democrat tried this sleight-of-hand at a Democratic candidates' foreign policy debate in Des Moines Sept. 27, sponsored by the peacenik STARPAC (Stop the Arms Race Now Political Action Committee).

Whereas the other five dwarfs—Jackson, Gephardt, Simon, Babbitt, and Dukakis—vied with each other for the Neville Chamberlain award, Gore attempted to distinguish himself from his rivals by emphasizing his past support for the Contras and for the MX missile, and insisting that the Democrats must shed their anti-defense image to have a stab at the White House.

"The world is complicated and foreign policy is far more complex than litmus tests," said Gore, attacking the STARPAC position that all Democratic candidates must endorse a ban on flight testing of nuclear missiles. "We need a President with foreign policy experience who understands we must deal from a position of strength."

Gore assailed his rivals for being too soft on defense, and criticized Dukakis in particular for urging that the United States pull its troops out of South Korea.

Sources close to Gore openly admitted that he is trying to fill the allegedly pro-defense shoes of Sen. Sam Nunn (D-Ga.), who took himself out of the race last month. One aide told the *New York Times* that a key factor in Gore's tactical shift was his consistently low standing in the polls, and the recognition that he had to differentiate himself from the rest of the dwarfs as swiftly as possible, to sur-

vive politically.

But Gore is going to have an even harder time presenting himself as a defender of U.S. national security than would Nunn have, had he stayed in the race.

As *EIR* readers know, Gore has already been publicly endorsed by Soviet agent Armand Hammer, and his actual strategic policy outlook is entirely consistent with the objective of Hammer et al.—to strike a sell-out deal with Moscow.

The most obvious indication of this is Gore's opposition to the Strategic Defense Initiative. Gore has taken great pains to assure the Soviets that he will terminate the SDI if elected. During a visit to Moscow last May, where he met with Central Committee Secretary Anatoly Dobrynin and other top leaders, Gore gave a speech in which he assailed the SDI as a "dangerous chimera."

Bush tours Poland, to get ethnic vote

Faced with a keen lack of enthusiasm among conservative Republicans, Vice-President Bush and his advisers have been casting about for ways to erase his image as an Eastern Establishment wimp.

That was one of the major reasons Bush, on his visit to Poland, held a highly visible meeting with Solidarity leader Lech Walesa Sept. 29, and also used a live speech on Polish television to state his support for the outlawed trade union.

Eastern European ethnics have been deserting the Republican Party in droves, because of the Reagan administration's collaboration with Moscow in persecuting alleged "old Nazis" living in the United States. Bush's antics in Poland are clearly a pragmatic effort to win some of these voters back.

Senate adopts restricted version of ABM Treaty

The Senate has been considering the Defense Authorization Bill during the month of September, and has adopted a version which is guaranteed to be vetoed by the White House.

The Levin-Nunn provision of the bill sponsored by Sens. Carl Levin (D-Mich.) and Sam Nunn (D-Ga.), which would prohibit all tests of the Strategic Defense Initiative that fall outside a very restricted interpretation of the Anti-Ballistic Missile (ABM) Treaty, and which was the target of a months long Republican filibuster, was retained in the bill. An effort by Sen. John Warner (R-Va.) to delete the limitation on SDI testing and development was defeated by a vote of 58-38 on Sept. 17, clearly indicating that a presidential veto could be sustained.

Sen. Ernest Hollings (D-S.C.) attacked Nunn in a *Washington Post* commentary on Sept. 29 for ignoring the "crystal clear text of the treaty and the equally unambiguous testimony of the treaty's drafters" in giving both the United States and U.S.S.R. the "right to test and develop future systems." "Sen. Nunn would unilaterally bind the United States to an interpretation that the Soviets' own aggressive SDI program left in the dust long ago," Hollings said. Hollings termed it shameful that Nunn threatened to gut future SDI programs unless this change in the treaty was accomplished by a majority instead of a constitutionally mandated two-thirds Senate vote.

Sen. Pete Wilson (R-Calif.) rejected Nunn's claim that his amendment was merely to condition future funding for the SDI, a purse string issue. "What this amendment does," Wilson said, "quite clearly, quite expressly, conditions further funding of a particular system upon acceptance

of an interpretation of a treaty." Not only a simple majority in the Senate, but a majority in the House, which has no constitutional responsibility for advice and consent on treaties, could veto future SDI development.

Senate retains higher SDI funding level

Vice President George Bush was called upon to break a 50-50 vote in the Senate on Sept. 22, defeating an amendment sponsored by Sen. Bennett Johnston (D-La.) to cut SDI funding to \$3.7 billion from a level of \$4.5 billion recommended by the Senate Armed Services Committee. The Reagan administration had requested \$5.7 billion in SDI funding.

Johnston argued that adding \$1 billion to the FY87 level of SDI funding of \$3.5 billion would mean savage cuts in defense procurement, operations and maintenance, or personnel under the budget agreement which the Congress has passed.

His main argument however, is that current SDI plans like the Bambi or High Frontier systems, projected to have roughly 20% effectiveness at best, can be countered more cheaply by the Soviets developing fast-burn boosters, an assertion challenged by Wilson. Johnston urged that SDI developments rely more on new technologies such as the excimer, free electron, and other lasers and advanced technology systems which will take longer to develop. "It is extremely important to recognize that you cannot obtain a reliable comprehensive ABM defense of this country, one that provides enduring protection, unless we have the beam weapons that can attack at the speed of light. SDI concedes that," Johnston said.

SDI supporters successfully argued that Johnston's approach was a "research forever" attitude, which would ensure that no system was ever developed and tested. "Even a limited system would serve to significantly reduce the risk that the Soviets might launch a nuclear war," Sen. Richard Shelby (D-Ala.) said. Sen. Pete Wilson (R-Calif.) outlined that we "need both the kinetic and the directed energy system, and they will come in a logical sequence."

Sen. Malcolm Wallop (R-Wyo.) argued that "hedges against Soviet break-out can only be maintained by having deployable or near deployable systems." "If you want to restore the element of deterrence, you must restore the element of doubt to the Soviet planner's mathematical conclusions that he can succeed in the first strike. Absent that, you have simply given him the opportunity to take at will what he wishes. . ."

Sen. Howell Heflin (D-Ala.) and others noted that even with the \$4.5 billion level SDI "will experience at least a one year program delay." Heflin and Shelby both said they preferred a higher funding figure.

Since the House has passed a funding level of \$3.1 billion, the final figure will probably be less than \$4 billion, causing up to a two-year delay.

Rangel rejects new push for heroin use

Rep. Charles Rangel (D-N.Y.), chairman of the House Select Committee on Narcotics, attacked H.R. 1470 and S. 143 sponsored by Rep. Henry Waxman (D-Cal.) and Sen. Daniel Inouye (D-Ha.), respectively, in the *Congressional Record* on Sept. 15 and 17, for attempting to legalize the use

of heroin for terminally ill cancer patients.

The use of heroin for the terminally ill has been part of the "death with dignity" movement in the United States, which has attempted to undermine a fight for life.

Rangel noted that the House "firmly rejected" a similar bill by a vote of 355-55 in 1984, but recent newspaper editorials and articles are again trying to revive the legislation. A column by William F. Buckley, Jr., famous for admitting he smoked pot 12 miles offshore, on Sept. 28 attacked Rangel for being a "fundamentalist" on drugs and for leaving people to die in pain.

"There is simply no scientific evidence that heroin offers any advantages over currently approved medications in relieving cancer pain," Rangel said. "In addition, the overwhelming majority of health and medical professionals oppose the therapeutic use of heroin. They understand that the real problem is not the lack of heroin but the need for more training and education of health care professionals in the proper use of existing pain relievers and new techniques for managing pain."

Rangel included a letter from the American Society of Hospital Pharmacists which noted that not only is the use of heroin decreasing in Britain, but most patients refused to participate in a federally sponsored study at Sloan-Kettering Hospital, "indicating the unlikely acceptance of the drug even if approved for use."

Banking dereg gets new push

Sen. William Proxmire (D-Wis.), chairman of the Senate Banking Committee, has begun drafting legislation

to repeal Sections 20 and 32 of the Glass-Steagall act which outlaw the integration of banking and securities firms.

Banking deregulation had been slowed by the resistance of former Fed chairman Paul Volcker, Proxmire, House Banking Committee chairman Rep. Fernand St Germain (D-R.I.), and others in the Congress. However, within days of Alan Greenspan replacing Volcker at the Fed, Proxmire announced his retirement from the Senate at the end of this Congress, and St Germain, who was cleared by the House Ethics Committee of improperly benefiting from certain savings and loan transactions, became the target of a renewed investigation.

Proxmire began writing a partial repeal of Glass-Steagall shortly after his retirement announcement because, as a banking staffer explained, "All the lobbyists are clamoring for action." Proxmire expects to pass the bill through the Senate this year.

Heflin attempts to correct flat earth tax

Sen. Howell Heflin (D-Ala.) outlined the importance of S. 455, the "Farm Recovery Tax Act," in overcoming the disastrous impact of the 1986 tax reform, on the floor of the Senate on Sept. 9.

"By the way Congress dropped provisions of the Tax Code which benefited farmers" in the 1986 bill, Heflin said, "it seemed as if everyone thought Mother Nature had signed a pact in which she guaranteed perfect cooperation." But "the same reasons Congress originally gave special treatment to farmers still exist today," Heflin said. "The only thing which has changed is that Congress has removed the tax provisions which helped farm-

ers bear these burdens."

S. 455 will restore income averaging, the investment tax credit, the accelerated cost recovery system, and capital gains for farmers.

Heflin noted that the volatility in farm income due to weather, pests, disease, etc., would result in a farm family of five paying two-and-a-half times the tax on \$40,000 in income in one year and zero the next, as opposed to two years of \$20,000 income.

By repealing the investment tax credit in the 1986 bill, the cost of a \$40,000 tractor increased by \$4,000. "With the stroke of a pen, Congress raised the price of farm machinery by 10%," Heflin noted. "Economic growth in the farm belt is dependent upon the purchases made by farmers. Without the added incentive of the investment tax credit, the rural economy cannot recover."

Heflin said that "the depreciation schedules which farmers must now use are only hindering the recovery in the farm economy," and proposed restoring the accelerated cost recovery system.

The bill also proposes a maximum tax rate on capital gains for farmers of 20%. "Capital gains deductions are certainly needed in the risky industries and businesses which involve the natural biological cycles and reproductive processes," Heflin said. "Farmers that raise cattle, for instance, cannot expect immediate income from the purchase of brood cows. Income that results from the sale of such livestock is the product of several years of hard work."

"I urge my colleagues to consider the natural hardships which farmers face in trying to feed America and most of the world three times a day, and then consider the inequity and injury which the Tax Reform Act of 1986 inflicted upon them," Heflin said.

National News

California GOP passes anti-AIDS resolution

The California state Republican Party, at its convention at the end of September, passed a resolution on AIDS calling for a classic, public health approach to the disease. The resolution, submitted by Rep. William Dannemeyer, calls for the enactment of state public health policies and/or state party policies which require the reporting of antibody positive or HIV-positive carriers of the virus for AIDS.

Congressman Dannemeyer drew applause when he asserted that California is "the laughing stock of public health in America" for its policy on reporting AIDS cases. "We should say we are going to treat it as a public health issue . . . not a civil rights issue."

The resolution also supports the repeal of Assembly Bill 403, designed to inhibit accountability of carriers of the virus, as an impediment to reasoned public health measures. "And be it further resolved," concludes the resolution, "that the California Republican Party supports promoting all other public health control measures which are consistent with California's traditional, routine responses to other communicable diseases." The resolution includes an expanded definition of AIDS, for the purposes of reportability, to include asymptomatic HIV-positive carriers and patients with clinically defined AIDS-related Complex (ARC).

The resolution bears striking similarity to a new AIDS ballot initiative (modeled on Proposition 64, which was defeated last year) which is expected to be put before California voters in 1988.

To the further chagrin of the state GOP's "gay lobby," a measure was also passed urging Gov. George Deukmejian (R) and the state attorney general to prosecute the San Francisco AIDS Foundation for distributing "obscene and pornographic AIDS education materials."

During the convention, the head of a group called Black Americans for Family Values charged that Bruce Decker—the head

of Deukmejian's AIDS task force—and his allies in "homosexual clubs" have been "controlling the debate" around the state's AIDS policies. "They do not have the right to promote their agenda at the expense of our children," the spokesman said.

New Hampshire bill to require AIDS tests

A bill to require mandatory AIDS testing for New Hampshire adults has been submitted by State Rep. Ednapearl Parr (R). The proposal would require all state residents between ages 14 and 75 to be tested for the AIDS virus every one or two years.

Parr said her proposal is the only way to stop the spread of AIDS. "There are 3,000 people in New Hampshire who carry AIDS without realizing it," she said. "Three thousand people out of 1 million is a high percentage. I don't want to discriminate against anybody, but I do feel innocent people should be protected." Parr said she was proposing mandatory testing of all adults because, "It's the only way I feel we can get around discrimination laws. If we have it mandatory for everyone, it will not be discrimination."

Claire Ebel of the state's American Civil Liberties Union immediately charged that the bill "is clearly unconstitutional."

Will LaRouche be the only Dem left?

William Murchison, editorial columnist for the *Dallas Morning News* and a well-known conservative, had this to say in his Sept. 26 column, titled "The Trouble With the Democrats":

"What's wrong with the Democrats? They're toppling like nine-pins.

"The way things are going, Lyndon LaRouche may give the Republican ticket more competition than Paul Simon, or Bruce Babbitt, or whoever is left standing by next

year."

He argued that the Dem candidates are far to the left of the electorate, and that's why they stand so low in the polls. In his view, the national Democratic leaders are irresponsible ideologues: Ted Kennedy and Howard Metzenbaum could have taught Joseph Goebbels and Joseph McCarthy something about demagogy.

Nitze calls for talks with Moscow on SDI

Paul Nitze, President Reagan's arms control adviser, said Sept. 28 that negotiating with the Russians on a list of devices that would be banned from space would not necessarily limit research on the Strategic Defense Initiative (SDI), according to a report in the *Washington Times* Sept. 29.

Nitze told an arms control colloquium of the American Association for the Advancement of Science, "The problem is not the narrow vs. the broad interpretation. The problem is, there's a great deal of uncovered ground in the treaty." He said that last month the Soviets did "come in with a more precise statement of their position than they ever had before," when they proposed a 10-year non-withdrawal proviso to the ABM Treaty or, as an alternative, a list of items to be banned from space.

Weinberger rejects deal on the SDI

Defense Secretary Caspar Weinberger emphatically rejected the latest Soviet offers to negotiate on the Strategic Defense Initiative (SDI), in an interview on NBC-TV's "This Week With David Brinkley" on Sept. 27.

Weinberger was asked about the internal debate within the Reagan administration over whether President Reagan should negotiate with Moscow on this. "No," he said. "We shouldn't do anything to block the earliest possible deployment of the SDI. All the Soviet proposals are aimed at blocking the

things that are necessary for us to do to deploy SDI."

If the United States went along with the Soviet proposals, he said, "All we would be doing would be following the Soviet agenda, and letting the Soviets get a strategic defense before we do—which would make the world far more dangerous."

U.S. may withdraw from ABM Treaty

The United States will be forced to consider withdrawing from the 1972 ABM Treaty before beginning full-scale development of the Strategic Defense Initiative (SDI) if saddled by Congress with the "narrow" interpretation of that pact, said the Defense Department, in a report issued Sept. 30.

The Senate voted recently to force the administration to adhere to the narrow interpretation of the treaty, or face cuts in funds for SDI tests.

Under the "narrow" interpretation, research on SDI would reach a dead end in the early 1990s, the report states. "If the program were to continue beyond this point, a decision would have to be made to alter fundamentally the ABM Treaty regime," the report adds. Sen. Malcolm Wallop (R-Wyo.), who requested the report, praised its contents. A classified version was sent to Congress and the White House in May.

Alexander Haig opposes Persian Gulf operation

Republican presidential candidate and former Secretary of State Alexander Haig denounced the U.S. naval deployment in the Persian Gulf, took the side of Ayatollah Khomeini's Iran against Iraq, and blamed Defense Secretary Caspar Weinberger for the "faulty" deployment, in an interview on the television program "One on One" Oct. 1.

"I was opposed to the decision before it was made," he said, "not because we put

American flags on Kuwaiti vessels, but because we put Kuwaiti, and more importantly Iraqi flags, on American foreign policy. And that's the dilemma we are in now. We are being victimized by whatever the Iraqi government cares or doesn't care to do in stepping up the violence."

Asked who started the war, Haig replied, "Iraq, of course."

Asked whether U.S. policy was being run by Secretary of State George Shultz, Haig answered, "I can't say that. I think the Pentagon pushed this one very actively." When pressed by interviewer John McLaughlin, he replied that Weinberger was responsible for the naval deployment.

Moscow: Mrs. Reagan boosts arms control

The Soviet weekly *Literaturnaya Gazeta* on Sept. 23 hailed the "semi-official role" that the American First Lady has assumed, in pushing for disarmament agreements with Moscow. "The progress now achieved in our relations with Moscow look very encouraging, and that's why I feel so happy today," declared the wife of the U.S. President, Nancy Reagan last Friday," the article reports.

"Her declaration, if you will, is unprecedented, particularly in diplomatic protocol. Nancy Reagan is not a member of the Washington administration, and that's why she didn't participate in the three-day talks between the President and Secretary of State of the U.S.A. and U.S.S.R. Foreign Minister E.A. Shevardnadze. Nevertheless, she herself decided to take on a certain official role." The First Lady "expressed in a timely way" the optimistic expectation of millions of Americans about peace; Americans "were reassured by the news of the possibility of a speedy Soviet-American summit, about the probable agreement for the liquidation of medium-range rockets, . . . about the speeding up of talks with the aim to limit by half strategic nuclear arsenals, and ban chemical weapons. . . . In general, last week many Americans underwent a 'perestroika' of international political thinking."

Briefly

● **CASPAR WEINBERGER** has invited his Soviet counterpart, Defense Minister Dmitri Yazov, to come to Washington early in October, according to Pentagon officials. The invitation was presented in a letter on Sept. 22, and the idea was discussed during Soviet Foreign Minister Eduard Shevardnadze's visit to Washington.

● **THE INTERNATIONAL Banana Association** has protested to the Public Broadcasting Service about the use of a banana in a demonstration of the use of a condom, during an upcoming special called "AIDS: Changing the Rules." The program will be aired on Nov. 6, hosted by President Reagan's son Ron, salsa star Ruben Blades, and Beverly Johnson.

● **THE U.S.** has assured West Germany of its support for West German Defense Minister Manfred Wörner, in his bid for the job of NATO secretary-general, when Britain's Lord Carrington retires next year, the *Baltimore Sun* reports, citing German and Norwegian sources. The U.S. backing is expected to create a decisive majority for his candidacy among the 16 NATO states.

● **THE BUREAU** of Reclamation of the Interior Department has announced a radical change in its mission. For 85 years, it has built great projects like dams and water projects; now it will concentrate on managing existing projects, conserving water, and assuring good water quality and environmental protection.

● **SEN. JESSE HELMS** has blocked the confirmation vote on C. William Verity as commerce secretary until the Commerce Department provides the names of all U.S. companies trading with the Soviet Union. In a letter to White House Chief of Staff Howard Baker, Helms said he has been trying to get the trade information for more than two years. Unless he receives the reports, he said, "there will be no vote" on Verity's nomination.

Editorial

'Soviet dupes' in Congress?

In an interview with the *Washington Times* in late September, President Reagan made certain remarks which strongly suggested that he believes that numerous congressmen act under considerable Soviet influence. The following day, White House spokesman Marlin Fitzwater, asked by the press to confirm whether the President really believes this to be the case, answered emphatically: "Absolutely!"

Two issues are involved here. First, the allegation against Congress; second, the President's own complaint.

That such allegations should be made against Congress, both House of Representatives and Senate, is quite understandable. In fact, given the behavior of the majority of congressional members, these allegations are probably true. However, given his own record in supporting an Intermediate Nuclear Forces Treaty and a summit with Gorbachov, President Reagan is not the right person to complain about this.

The Senate as well as the House have voted a number of measures which, if not rescinded or vetoed by the President, will seriously jeopardize the existence of this republic and of the Western world.

Such measures include a resolution calling for withdrawal of the naval forces of the United States from the Persian Gulf; an action to terminate all United States aid to Pakistan at a time when that nation is under threat of dismemberment from the Soviet Union; one treasonous amendment requiring the U.S.A. to return to the strategic arms limits of the unratified, expired, invalid, and discarded SALT Treaty, and another treasonous amendment imposing the so-called "narrow," i.e., Soviet interpretation of the 1972 ABM Treaty.

And a defense budget which, though inadequate, is also targeted for further future "automatic reductions," according to the Gramm-Rudman legislation.

The height of treachery was reached when the United States Senate voted these last three measures on the same day during which the Soviet military command engaged in one of its most provocative actions in the

entire postwar era: On that day, Thursday, Oct. 1, the Soviet Union test fired an intercontinental ballistic missile over United States territory, specifically over the state of Hawaii. The fact that this was the first time ever in history that one superpower fired one of its intercontinental missiles over the territory of the other, was provocation number-one; the fact that it was a brand-new type of intercontinental missile, dubbed TT-09, not allowed by the SALT agreement, is provocation number-two.

Then, we have a third, more astounding fact which constitutes provocation number-three: A Soviet ship, near the area of the missile's splashdown, flashed a laser weapon against the pilot and the telemetry equipment of a U.S. Air Force aircraft that was monitoring the Soviet missile's test flight.

The pilot was temporarily blinded and the telemetry equipment, presumably failed to monitor the Soviet test—also in violation of the SALT Treaty.

Under ordinary circumstances, these Soviet acts would have caused the American President to go on national television, inform the American people of the gravity of the Soviet provocations, and suspend all contacts with Russia, cancelling also all arms control negotiations. Instead, the Reagan White House announced that it issued new instructions to its negotiating team in Geneva, to expedite the drafting of the final text of the INF Treaty, aiming at completion before Secretary of State Shultz arrives in Moscow Oct. 22. The previous target date for completing the draft was "before the Reagan-Gorbachov summit in late November."

No amount of righteous indignation from the Reagan administration will conceal the fact that these Senate votes have been made possible only after President Reagan, with his "agreement-in-principle" to abandon the alliance with Europe over the INF Treaty, demonstrated to Congress that he, too, can out-bid them in selling out our strategic interests for the sake of cheap popularity, a Nobel Peace Prize, and a chance of perceived Republican electoral gains.

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