

# EIR

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Fall NATO maneuvers in Europe—the last?  
The destruction of New Zealand's rural sector  
What it will take to get to the Moon and Mars

**Michael Dukakis: profile of  
a 'Manchurian candidate'**





# SPETSNAZ



## SPETSNAZ

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

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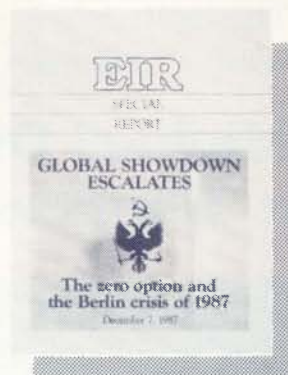
At least the Pentagon report mentions them—but only their "defensive" applications. In fact, they can be transported by *spetsnaz*, finely tuned to kill, paralyze, or disorient masses of people, or to destroy electronics and communications. With EMP, as strategic weaponry or in the hands of *spetsnaz*,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

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## From the Editor

We hope that within two weeks of the appearance of this issue, after the U.S. presidential elections on Nov. 8, the subject of the *Feature* will be a matter of history for most Americans, and something for the citizens of the state of Massachusetts to clean up.

In the meantime, this dossier on who has created the phantom of Michael-Dukakis-the-presidential-candidate, will help to ensure that the worst Halloween nightmare does not come true—the election of Dukakis as President of the United States.

After the *Feature*, most readers will probably want to turn to page 58 for the transcript of Lyndon LaRouche's press conference in Washington on Oct. 17.

The *Economics* lead story, together with the *Report from Rio* and *Dateline Mexico* columns in the same section, puts the focus on one of the two immediate crises that will face the President-elect in the transition period from November to January; namely, the fragile speculative bubble that has been built up this fall to unheard-of new dimensions. Will the President-elect follow the fascist austerity guidelines promoted by the bipartisan National Economic Commission?

The only other real option is for traditionalist patriotic circles to push the next administration toward the policies of LaRouche for an actual economic recovery (see *Editorial*).

That dovetails with the resistance in Western Europe, against the "Single Market 1992" plans for a "unified Europe" that will advanced Soviet aims for domination of Western Europe. Our next cover story will present highlights from the new, 250-page Special Report produced by EIR GmbH in Wiesbaden, West Germany, exposing the "Europe 1992" plan, its aims, and its promoters.

The other crisis to face the President-elect has to do with the strategic threat, which has escalated under the Western policies of unilateral disarmament and weakening economies. The *International* section beginning on page 34 zeroes in on this, beginning with Lyndon LaRouche's study of how Moscow assesses the political readiness of the West to respond, followed by our observer's report on the fall NATO maneuvers, page 38, and an exclusive report on the Soviet command reorganization, on page 43.

*Nora Hamerman*

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## New debt swindles add to election cost

by Chris White

One result of the rumor campaign that flared on the markets, impugning Republican candidate Bush's marital mores, was at least to demonstrate that in these final days before the Nov. 8 presidential elections, the financial crowd seems to have decided to swing behind the Republicans' candidate. And, in so swinging, the same financial crowd has helped to ensure that the real fight takes place after the elections are over.

Internationally, the agreement to get through the last two weeks without undue mishap, otherwise known as financial catastrophe, seems to have been secured by Federal Reserve chairman Alan Greenspan's mid-October trip to Japan, securing commitments to continue stability for the dollar.

Within the United States, such apparent commitments seem embodied in the latest round of takeover frenzy to hit the markets. The stock market has been propelled to post-Oct. 19, 1987 highs by a succession of ever larger leveraged buyouts, known to the trade as "LBOs," for Let Bush Overcome. The three deals which did this were: the announcement Oct. 20 that R.J. Reynolds-Nabisco had decided to take the company private, buying back outstanding stock for an amount in excess of \$17 billion, the largest single takeover deal in U.S. history; four days before, Philip Morris, another tobacco giant, had announced a more than \$11 billion bid against the Kraft company; and earlier, Britain's Grand Metropolitan Group had announced a bid in excess of \$5 billion for the Pillsbury Group.

The fact that each of the targets is a large, well-established part of the food-processing industry, helps show how these deals are supposed to work. Food processors are supposed to be "depression-proof," and thus the assets of the companies taken over, in the contenders' crazy theory, will readily be liquidated to generate cash to pay off the debt incurred in financing the buyout. The increase in the debt, though, becomes part of the account to be settled in the post-

election policy brawl.

As of now, more than \$40 billion of stockholders' equity is in the sight of "LBO" specialists. Calculations circulate to the effect that it takes \$9 of debt to leverage the buyout of \$1 of equity. Thus the handful of deals in the works to underwrite the final phase of the Bush election effort, is actually underpinning \$300-400 billion of paper transactions within the brokerage, investment, and banking community.

Shearson-Lehman, the manager of the R.J. Reynolds-Nabisco stock buyback, is now endeavoring to put together a banking consortium to raise the loans which will finance the effort. Citibank, among others, has already been approached. The deals are put together on the usual basis. "We'll sell you something that we don't have, namely the assets of R.J. Reynolds-Nabisco, if you lend us something that you don't have—several billion dollars—so we can buy what we're going to sell you." The *New York Times* pointed out Oct. 22, that in such transactions, the final sale has to be completed before the seller owns the asset, or the seller doesn't actually own the asset sold.

Thus, behind the uptick in the stock market, what has actually secured financial community support for Bush in the final days, is the creation of the potential to float a new debt swindle, in excess of \$300-400 billion, on which the financial community can earn commissions, in the order of hundreds of millions, interest payments, and so forth.

Contrast this with how the pre-crash stock market used to work. Among the functions of the market, a new company, seeking capital to expand its activities, could issue stock to do so. New issues used to be a certain kind of measure, therefore, of how the economy was doing. A recent study by the accounting company Grant Thornton shows that in the year since the October 1987 market crash, new issues ran 66% below the level of the year before the crash. About 150



companies went to the market, compared to around 500 before the crash. The new companies raised just \$4 billion by doing that, compared to the more than \$20 billion that had been raised the year before.

That the three large leveraged buyouts mentioned above exceed, on their own, by nine times the capital raised over the year by newly issued companies, gives some idea of the way things have gone since the crash. And also of where they are now headed.

## Two crisis points

Among the reasons for the scramble to create such a debt feast for the bankers are two: internal to the U.S. banking system, certificates of deposit, bought in the days after the Oct. 19, 1987 crash, now begin to fall due; externally, the two largest debtors, Mexico and Brazil, are each in the throes of a new round of crisis which could threaten the system as a whole.

Where the first is concerned, Bancquotes of New York estimates that there are about \$1 trillion worth of CDs outstanding, and that the total grew by about 15% over the last year, up from about \$850 billion. Of the total, it is estimated that approximately half is in maturities of less than one year. By applying that ratio to the growth of the pool of CDs outstanding over the year, it can therefore be assumed that at least \$75 billion, and perhaps much more, begin to come due in the period immediately after Oct. 19. It could be in excess of \$250 billion.

These numbers reflect some proportion of the amount of money that was pulled out of the stock market after the October crash of 1987. The LBOs now in the works are among the means adopted by members of the investment and brokerage community to attempt to keep that fissile pile within the banking community. Merrill Lynch, E.F. Hutton, Smith Barney, and others have launched large-scale advertising campaigns to attempt to persuade holders of maturing CDs to put at least some of the money they receive as the CDs fall due back into the stock market. Merrill Lynch went so far as to organize a nationwide closed-circuit television hook-up for its top clients. These few elect were privileged to hear the sales pitch of not only the Numero Uno of Merrill Lynch, but also John Phelan, head of the New York Stock Exchange, and Malcolm Forbes, owner of *Forbes* magazine. The line was, "Now's the time to get back into the market; stocks are cheap, it's only those in the market who will make the money that's now to be made."

The hunt for suckers is apparently one that is never ending. The brokers' recommendations seem to be more cautious: 25% into stocks, the rest distributed between government bonds, CDs, and a small percentage in gold and precious metals. For Merrill Lynch and others, the major effort is the one concentrated on the leveraged buyouts. Merrill Lynch has salted away a fund for the purpose, as have Shearson-Lehman and others.

No doubt they think thus to open for themselves a per-

spective of easing their system into the New Year, and perhaps beyond, to thereby delay, again, the dawning of the inevitable day of reckoning for the so-called "innovative" or "creative" financial practices, which have reduced the financial system to the state where Ponzi scheme shell-games like the LBOs become the magical means by which the system will be kept afloat.

Others are more sanguine. The *Financial Times'* Anatole Kaletsky wrote in his Wall Street column Oct. 22, "It really doesn't matter that many of the LBOs will undoubtedly collapse in the next serious recession. No such recession is on the horizon. Over the next months, if the market continues to push higher, these two observations will be repeated like a mantra on Wall Street. And once this mantra swells into a chorus, it will undoubtedly be time to sell."

## A new dollar fall ahead?

Kaletsky's tongue-in-cheek accompanies an expectation that after the election is over, perhaps starting Nov. 9, the dollar is going to go into a new fall, as part of an international coordinated pressure campaign to induce the new U.S. government to act against trade and budget deficits by adopting the findings of the bipartisan National Economic Commission that the U.S. budget gap be reduced by about \$70 billion through a combination of cuts in defense and Social Security entitlements, and increases in taxes.

A new plunge in the dollar, like the one Kaletsky and company expect, could easily backfire against its organizers. This, by simply beginning to destabilize the more than \$1 trillion worth of CD and other short-term "off-balance-sheet" securitized liabilities held by the U.S. banking system, to detonate the approximately \$15 trillion of unsecured paper that's waiting to be brought down. Developments in Mexico and Brazil, both through the bottom of the barrel as far as present policies go, will take their toll.

Internally, the accelerating collapse of the money-market-addicted thrift system is beginning to spill over into the banking system as a whole. So far, beyond the \$20 billion the federal government has extended to the thrifts in the form of Federal Savings and Loan Insurance Corporation notes, there is somewhere between \$60 and \$200 billion worth of guarantees the federal government has assumed, to protect depositors in the thrift system the powers that be are actually worried about. Namely Merrill Lynch, and the gang of usual financial suspects, whose CDs are lent to the thrifts and become insured deposits.

A \$300 billion debt swindle may seem to some a cheap price to pay, as the final installment payment to secure election victory. It simply insures, that whether in the form of dollar collapse, or in the form of the breakup of the internal arrangements adopted to hold U.S. internal credit together, that when the day comes for the reckoning, it won't be another 5 or 6 on the financial Richter scale, but a 10. That reality will increasingly dominate the war that breaks out after the elections are over.

# 'Beans with rice' to pay debt in Brazil

by Luís Barbosa and Lorenzo Carrasco

When he took possession of the Finance Ministry in Brazil at the end of 1987, Maílson da Nóbrega declared that his strategy would be to follow the "beans with rice" model, meaning that he intended to undertake no revolutionary innovations, like the Cruzado Plan of former Finance Minister Dilson Funaro. Rather, he would follow the path of the "good boy" at the service of the International Monetary Fund and creditor bankers, focusing his administration on the day-to-day economic crisis and on "recovery of the country's international credibility," allegedly damaged by Funaro's declaration of a debt moratorium in February 1987.

Ten months later, the words of the minister took on a shockingly literal meaning, with growing food exports—imposed by the need to generate ever-larger trade surpluses to pay the foreign debt—leading to shortages of rice, beans, meat, and other food products essential to the sustenance of the majority of Brazilians, for whom prices have risen well above the official inflation rate.

This situation was made clear by the announcement of a trade surplus through September of this year of some \$14.5 billion, and the projection of an annual surplus of more than \$20 billion, an historic record for Brazil. Of the \$32 billion anticipated in export revenues through the end of the year, \$25.5 billion are from agricultural exports, of which \$10

billion are food items. Of these, nearly 30% are represented by the record export of 500,000 tons of beef, 220,000 tons of chicken, and 500,000 tons of rice. These figures do not in any way represent significant production increases; rather, in the majority of cases, they represent significant reductions in the per capita consumption indices of the Brazilian population (see graphs).

It is worth noting that while the amounts cited might appear minimal in relation to volumes of international trade, they become extremely significant when converted into per capita consumption figures: the exports of beef represent the equivalent of the annual consumption of 40 million individuals; the chicken, 20 million; and the rice, 7 million.

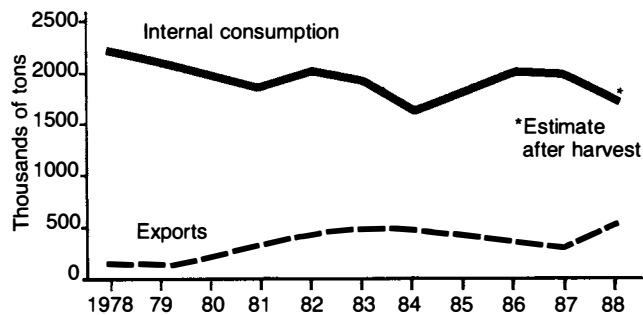
## A self-cannibalizing process

The government's policy of liberalizing exports of food products, praised as one of the leading elements of the "modernization" of Brazil's economy, in fact constitutes one of the main factors responsible for accelerating the perverse process of "inflationary feedback," which is threatening to send inflation rates above 30% a month. As part of this liberal policy, the government has been significantly reducing its role in the merchandising of food products, permitting the increased intervention of speculating intermediaries, which has in turn contributed to the reduced profits of the productive agricultural sector.

The mechanism of this truly cannibalistic process is simple: In addition to the constant issuance of currency necessary to remunerate exporters for their dollars (profits which are, in their majority, then poured into the rapid turnover speculative markets), the export of food is triggering real physical shortages of these products on the domestic market, which has in turn driven domestic prices up toward those on the international market, and not just for the exportable products, but for all variety of food items.

FIGURE 1

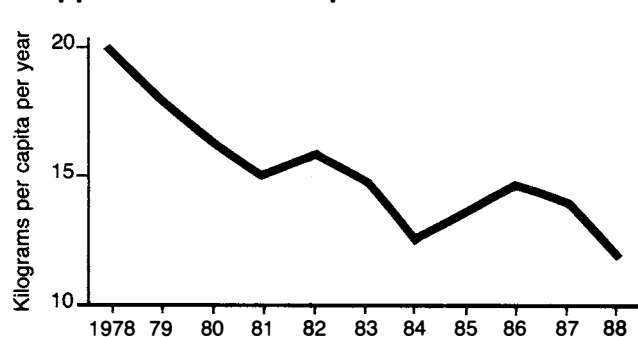
### Beef: Brazil's internal consumption plummets, as exports rise



Sources: CFP (Production Finance Company), Cacex, Banco do Brasil, Ministry of Agriculture of Brazil.

FIGURE 2

### Per capita meat consumption of Brazil dropped 40% over the past decade



Sources: CFP, Cacex, Banco do Brasil, Ministry of Agriculture of Brazil.

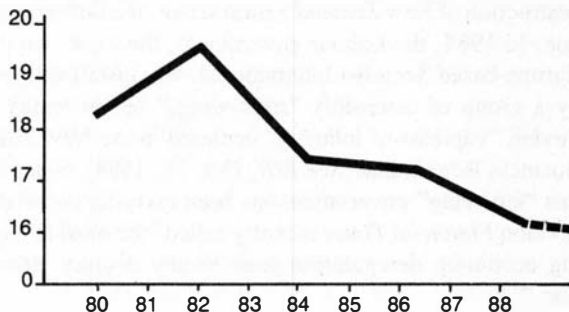


Therefore, while the official inflation rate on Sept. 15 was 397%, according to the Brazilian Institute of Geography and Statistics, during that same period the price of beef rose 750%; chicken 772%; milk 568%; wheat flour 869%, etc. In the month of September alone, while the official inflation rate was 24%, the price of rice rose 27.8%, beans 53.2%, beef 42.3%; and chicken 40.82%.

As long as such a policy continues, the announcement of the Company of Production Financing that 1988-89 grain production would reach a record 72 million tons cannot be greeted with much enthusiasm by the majority of Brazilians. Such a production record, under present conditions, means neither more food on the table, nor more profits for the producers. Rather, it means more dollars for the international bankers and more cruzados for the speculative financial markets. In sum, more inflation.

**FIGURE 3**  
**Brazilians' consumption of beans dropped 15% in five years 1982-87**

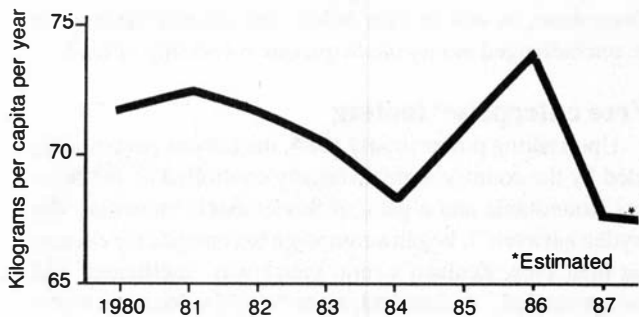
Kilograms per capita per year



John Grauerholz

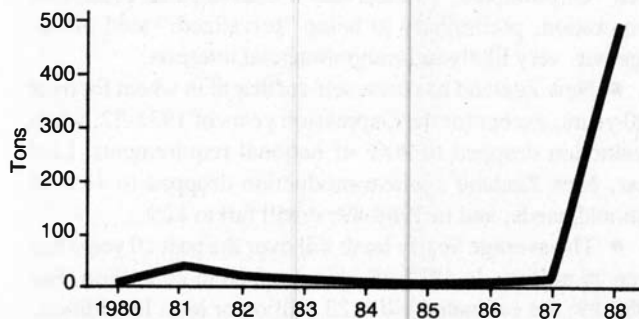
*A 1987 view of slums of São Paulo, Brazil.*

**FIGURE 4**  
**Brazilian rice consumption dropped 8% in one year and is still falling**



Source: CFP.

**FIGURE 5**  
**Brazil's rice exports skyrocket while consumption falls**



Source: CFP.

# The rape of New Zealand

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*The rural sector of this once productive nation is being destroyed by a pro-Soviet financial oligarchy and the Labour government. The second in a series by Allen Douglas.*

For decades, the small (population 3.25 million) nation of New Zealand has contributed a hefty portion to the world's annual food production. In World War II, it was New Zealand which almost single-handedly fed Gen. Douglas MacArthur's troops in the Pacific, and contributed greatly to the food supply of wartime Britain as well. After the war, New Zealand stayed on domestic rationing for several years, in order to continue supplying Japan, Britain, and other war-ravaged nations with food. In recent years, New Zealand has supplied roughly one-third of the world market for dairy products, is the world's largest lamb exporter, and accounts for over two-thirds of the entire world's exports of sheep meats.

Eighty percent of New Zealand's annual exports have been pastoral products. New Zealand's independent owner-operator farmer, acknowledged as among the most efficient in the world, has been the backbone of what has been, until recently, a nation with one of the world's highest standards of living.

But now, all this is being ripped apart, as the following figures demonstrate:

- As many as 20,000 of New Zealand's total of 50,000 farmers are likely to be driven off the land by December 1988. The Rural Bank, which holds 71% of New Zealand's farm mortgages, reportedly drew up 3,215 Property Law Notices (foreclosures) in September alone.

- The government-owned Rural Bank has itself recently been "corporatized," turned into a conventional profit/loss corporation, preliminary to being "privatized," sold off altogether, very likely to foreign financial interests.

- New Zealand has been self-sufficient in wheat for over 100 years, except for the Depression years of 1931-32, when production dropped to 80% of national requirements. Last year, New Zealand's wheat production dropped to 48% of national needs, and in 1988-89, it will fall to 12%.

- The average yearly lamb kill over the past 10 years has been 36 million. In 1987-88, this dropped to 26 million. For 1988-89, the estimated kill is 23 million or less. In addition, the Labour government has been diverting sheep meats from traditional markets in the U.K., to Khomeini's Iran or to the

Soviets, and for a fraction of the price to the farmer.

- The Labour government has raised interest rates from the 7-8% level prevailing before it took power in 1984, to 22%, 25%, and even as high as 31% (for penalty payments) for farm loans. In the country's kiwi fruit farming industry, once the "success story" of the decade, over 91% of kiwi fruit farmers are now bankrupt. (There have been numerous suicides in the 5,000-person town of Te Puke, the center of the kiwi fruit industry.)

As the interest rate rises indicate, this policy of wholesale destruction of New Zealand's rural sector, is a fully conscious one. In 1984, the Labour government, the local arm of the Europe-based Socialist International, was installed in power by a group of ostensibly "right-wing," but in reality pro-Soviet, "captains of industry" centered in the New Zealand Business Roundtable (See *EIR*, Oct. 21, 1988). Since then, this "left-wing" government has been carrying out what the London *Financial Times* recently called "the most far-reaching economic deregulation seen in any country since the war."

The Labour government sees eye-to-eye with the Roundtable on many things, in particular that there is no room for private small and medium-size industrial entrepreneurs and farmers in New Zealand. As the Labour government's justice minister, Geoffrey Palmer, has repeatedly said, "There is no room in New Zealand for the private ownership of land." The Honorable Mr. Palmer undoubtedly meant no small or medium-size private ownership, because Mr. Palmer and his government, as will be clear below, are clearing the road for the unchallenged *monopolistic* private ownership of land.

## **'Free enterprise' looting**

Upon taking power in July 1984, the Labour government, aided by the country's press (largely controlled by the Business Roundtable and a gang of Soviet assets known as "the Dryden network"), began a campaign to convince the country that first, New Zealand's rural sector was "inefficient" and "overprotected," and second, since "world markets were disappearing," there was less need for New Zealand's farmers anyway. The country's future, said Labour, lay in post-in-

dustrial concerns like the booming (deregulated) financial sector, in "information exchange," and in tourism.

As usual, the Labour government was lying. What they were implementing was part of a global scheme worked out during the 1970s "Tokyo Round" of the General Agreement on Tariffs and Trade (GATT). With the usurious International Monetary Fund and World Bank, GATT is one of the three legs of the post-World War II monetary order.

This perspective was codified by GATT propagandist Gilbert R. Winham, in a book entitled, *The Future of the World Trading System*. There, Winham argued on behalf of the international financial oligarchy that "national economics is a 19th-century, outdated concept," and that what is needed is supranational "global thinking." New Zealand's local financial oligarchy picked up the cues of their powerful brethren abroad, and installed Labour to chop up this "outdated concept of national economics."

For agriculture, the international oligarchy's marching orders were issued in a 1985 policy paper of the one-worldist Trilateral Commission, entitled "Agricultural Policy and Trends." There, grain company front-man and U.S. Special Trade Representative Clayton Yeutter argued that "national subsidies" must be eliminated worldwide in favor of "market-oriented policies." New Zealand's Labour Prime Minister David Lange and his crew snapped to attention.

Lange's government rammed through the following changes: interest rates were tripled or quadrupled; the tax structure was rigged against re-investment in the farm sector through changes in depreciation schedules, etc.; New Zealand was pushed out of traditional high-paying markets (such as the U.K.) into lower-paying (but politically preferable for Labour) markets such as Russia and Khomeini's Iran; parity-style pricing arrangements for farmers were eliminated (these had assured a just return for production); the equity in farmers' land was collapsed by destroying the profitability of farming, thus allowing foreclosures on farms; and farming was fully "deregulated," i.e., the government boards responsible for orderly marketing and pricing practices such as the New Zealand Wheat Board were eliminated.

To justify these changes, Labour claimed, among other things, that foreign markets for New Zealand's pastoral products had dried up, and that prices had collapsed 50%. In fact, not only were the markets there, but the average freight-on-board value of New Zealand's meat exports had more than tripled between 1975 and 1986. Beef and veal went from NZ\$842 to NZ\$3,586 per ton; lamb from \$695 to \$2,271 per ton; and mutton from \$427 to \$1,348 per ton.

But Labour was pushing certain markets at the expense of others.

In early May 1986, for example, Minister of Trade and Industry Mike Moore announced a 24,000 ton mutton sale to the U.S.S.R. at 69.5¢ a kilogram, while New Zealand was getting \$1.54 for mutton on the British market and had not fulfilled its quota there! Since previous policies had elimi-

nated New Zealand's mutton supplies, the Soviet order had to be filled in lamb, which was sold for the same 69.5¢, and which could have been sold on the British market at the going rate for lamb, \$4.75 per kg. As for Khomeini's Iran, it returned only \$1.20 per kg on lamb, with very erratic payment records.

Mike Moore's choice of trading partners was not surprising. A left-winger, he was elected to office with the help of a devoted band of Trotskyists. In addition, it is widely rumored in New Zealand that Moore spent several days as a guest at the Soviet embassy in Sydney, Australia, just after Labour was reelected in 1987.

## Eliminating parity prices

Eliminating profitable markets was just one of Labour's assaults on the country's farmers. New Zealand's formerly thriving rural sector was based on principles similar to the American system of "parity," which made the United States into the bread-basket of the world. The New Zealand dairy farmer, who even now produces one-third of the world's market for dairy products, used to have the Guaranteed Price System, designed to cover the average costs of the productive farmer, and allow for reinvestment in the farm. Meat and wool farmers were covered similarly under the Supplementary Minimum Pricing program. In addition, export subsidies were granted by the government which allowed the New Zealand farmer, located in the South Pacific thousands of miles from most of his markets, to export successfully.

As in the American parity arrangement, this system of orderly markets and a fair price for farm products allowed the New Zealand economy as a whole to function in a highly effective manner. The single New Zealand farmer supported 14 others in adjunct enterprises, such as chemists, veterinarians, farm machinery importers, grocers, employees of the slaughtering and freezing works, etc.

The Labour government railed against parity-style pricing as a "hand-out" to the "basically inefficient" farmer. That parity prices were hardly a "hand-out" to the farmer is obvious in the following figures from a typical 100-hectare dairy farm. The figures are taken from 1986, and cover the previous 17 years of the farm's operation.

- For every dollar the farmer received from the government, the farmer paid the government two dollars.
- For each dollar of export "subsidy," the farmer exported \$111 to the benefit of the New Zealand economy.
- Over 17 years, the "subsidies" amounted to \$1.83 per day.
- Over that period, that farm injected into the economy \$204.64 each day. Production increased 146%.

Putting aside this productive return on outlay, Labour is a fine one to prate about "subsidies." In 1984, when Labour took power, the total national debt of New Zealand was \$12.6 billion. After three years of its ruinous "free-enterprise" policies, the government in just one year, 1987-88, paid over \$9

# AIDS: MANKIND'S HOUR OF TRUTH

Within the immediate period ahead, mankind will reach the point of no return on adopting one of the only two proposed concrete courses of action to deal with the out-of-control AIDS pandemic:

1) As he pledged to the American people in a June 4, 1988 prime time television broadcast, Lyndon H. LaRouche, Jr.'s science-intensive plan could wipe the virus from the face of the Earth.

2) The alternative course, proposed by Dr. C. Everett Koop, the Surgeon General; by the insurance companies, the banks, governments, and the health establishment, in the name of "cost-containment," is to revive Nazi policies of euthanasia ("mercy killing") and death-camp "hospices" instead of hospitals. This plan will doom the human species to a miserable end.

In a new special report, *EIR* presents in depth the two alternative paths and their implications. We remain optimistic that mankind will ultimately choose victory over defeat.

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SPECIAL  
REPORT

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August 1988

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billion (or almost three-quarters of the entire 1984 national debt) for the Social Services and Welfare section of the national budget alone. Much of that money is paid out in unemployment and related benefits—commonly known as "the dole"—which unemployment is a direct result of Labour's "deregulation" and "desubsidization" of the productive farming and manufacturing sectors.

### **Paving the way for the Roundtable**

The Labour government acted as an errand boy for the international cartels, a point exemplified by Labour's elimination of the New Zealand Wheat Board.

Established in 1936 by the Labour government of the day, the Wheat Board was set up to end the chaos of the "free market" then prevailing. As a government monopoly, it established wheat prices, and decided who got what wheat and flour and at what prices. In October 1984, the Labour government announced that the Wheat Board's regulatory powers would be eliminated by February 1987. In public hearings on whether to eliminate the board, the testimony was overwhelmingly in favor of keeping it. There were, however, two powerful exceptions: the Wattie and the Goodman/Fielder corporations. These firms, whose boards were linked by mutual directors and shareholdings, controlled the single largest part of the country's wheat, flour, bread, and related distribution facilities. Goodman/Fielder was a power on a world scale—it was the dominant shareholder in the British food giant Ranks Hovis McDougall, the largest flour miller in Europe and the largest bread baker in Britain.

Though public opinion ran overwhelmingly against the proposed deregulation, the Labour government, as usual, stood up for the cartel and eliminated the Wheat Board.

Shortly afterward, the Wattie and Goodman/Fielder groups applied to the Commerce Commission for the next phase of monopoly: permission to merge. They were turned down flat, as the Commerce Commission ruled that the merged company would hold a near-monopoly in five New Zealand markets: flour milling, yeast, bread and other bakery products, poultry, and stockfeed, and declared that such "market power . . . could be used to increase prices. The commodities in question—bread, flour, chicken meat—are staples and impact upon consumers on a daily or weekly basis." But under immense pressure, the Commerce Commission reversed itself, precisely as it was to do when the Fletcher Challenge firm, headed by Business Roundtable Chairman Ron Trotter, purchased the state-owned enterprise, Petroleum Corporation of New Zealand.

There was more to come. Goodman/Fielder-Wattie established a near-monopoly in the products indicated. Then, Elders Pastoral, the dominant stock and station agent in Australia (7% of whose stock was owned by Fletcher Challenge) merged with Goodman/Fielder-Wattie to create Elders Pastoral/Goodman-Fielder-Wattie (EP/GFW). Profits soared. Between April 1981 and March 1984, Goodman/Fielder had

reported before-tax profits of \$52 million, on which it paid a minuscule \$2.5 million tax. In 1985, one year after Labour came in, and after the deregulation, Goodman/Fielder-Wattie announced a profit of \$39 million and a tax *rebate* of \$6.8 million. In March 1987, after the merger with Elders Pastoral, the new EP/GFW conglomerate, announced a profit of \$174.5 million! At this point, it controlled approximately 75% of the bakeries and flour mills in New Zealand.

Just as important, this monopoly had access, through Elders Australia, to Australian wheat, then being exported under a \$185 a ton subsidy. Due to the subsidy, EP/GFW bought all the wheat they needed from Australian farmers (through Elders Australia) at \$350 per ton, but which really only cost the conglomerate \$165, after subsidy. Since they no longer depended on the New Zealand farmer for wheat, they were able to force the price for New Zealand wheat below \$250 per ton. The New Zealand wheat industry collapsed soon afterward. Before 1984, this could never have happened, since almost all wheat imports to New Zealand were barred. But in that year, the Soviets' friend, Trade and Industry Minister Mike Moore, concluded the Closer Economic Relations (CER) agreement with Australia, opening the New Zealand wheat industry to destruction.

The EP/GFW conglomerate controlled a key part of the prices and physical output of New Zealand farmers. In addition, through their control over the stock and station agents (together with the Business Roundtable's Fletcher Challenge), they also formed a stranglehold over the seasonal finance so crucial to the farmer. Wrightson NMA/Dalgety Crown, a subsidiary of Fletcher Challenge, controls 70% in the stock and station field, while Elder's, long tied to Fletcher Challenge, controls much of the rest. The stock and station agents have not only cut off access to credit for farmers who have financial problems, but have started eliminating credit to solvent farmers as well!

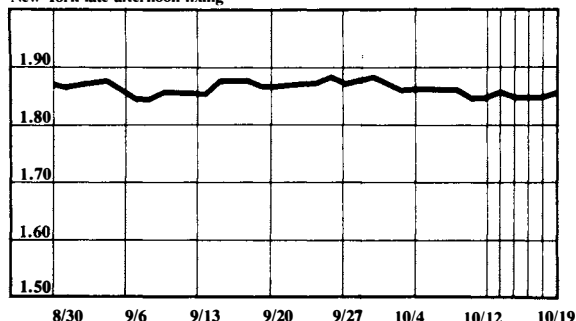
With the increasing private monopoly over all aspects of the rural sector, from finance availability and price, to control of the outlets for New Zealand farm products, it is not long until Justice Minister Palmer's dream of "no private land in New Zealand" comes true. The Rural Bank, which holds 71% of farm mortgages, will soon be put on the block to be "privatized" as well, a process already under way.

Since 1984, Citibank in New York has loaned the Rural Bank NZ\$2.25 billion (approximately U.S.\$1.46 billion). Earlier this year, Citibank sent one of their executives to oversee the day-to-day running of what may soon become their asset. Citibank also happens to be one of the key financiers, along with Chase Manhattan Bank, of the world's largest grain company, the Cargill Corp. (with \$32 billion in worldwide sales in 1986). Former Secretary of State Henry Kissinger, who opened the floodgates for cheap grain sales to the Soviets in the early 1970s, sits on the board of Cargill. According to reports in New Zealand newspapers, Kissinger Associates is also a possible purchaser of the Rural Bank.

## Currency Rates

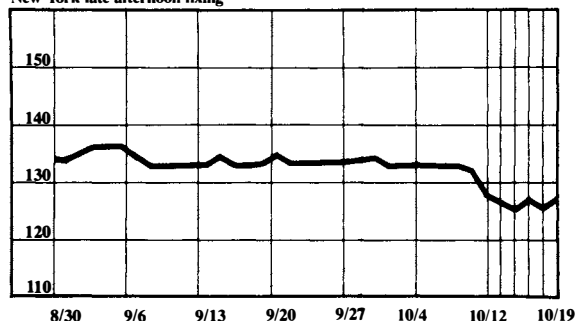
### The dollar in deutschmarks

New York late afternoon fixing



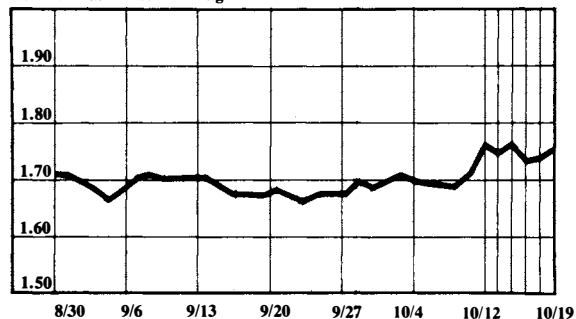
### The dollar in yen

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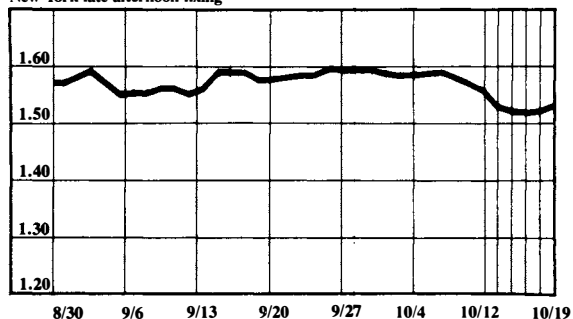
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing





### The Swedish model of corporatism

*Fascist austerity with a "democratic face" and ready for export to continental Europe in time for 1992.*

Sweden is being hailed by leading circles from West Germany to Britain as the model for creating the New Europe of 1992. In early August, the German Social Democracy (SPD) lauded Sweden's remarkably low 1.3% official unemployment, calling it the result of the unusual degree of cooperation between the Socialist Swedish government, large industry, and labor.

The German Socialists lauded Sweden's success in recent years in eliminating subsidies to "old industries" such as the world's most modern shipbuilding and steel industries, and investing in jobs in post-industrial "new industries, massively." This "Swedish model," widely promoted as a template for managing the social and industrial upheavals which will explode across Europe as the transformation of 1992 continues, is based on a statistical fiction. In reality, it is a model for neo-corporatism, termed since the April 1975 article in Alan Greenspan's *Challenge*, "fascism with a human face."

Corporatism was the social organization form inaugurated by Mussolini's Fascist Italy in the 1920s. The purpose of this "Black Shirts" project, fostered by an elite group of international financier interests in league with Mussolini's Venetian finance minister, Count Giuseppe Volpi di Misurata, was to insure swift repayment of Italy's Versailles war debt to the Bank of England and J.P. Morgan in New York. The trains ran on time, but they were headed for the Bank for International Settlements in Basel with gold. The social cost of this debt collection

was ruthless wage austerity and cuts in living standards.

The entire Italian economy was organized into various "corporations" made up of representatives from the Single Party State (Fascisti), employers, and government-controlled trade union organizations. This tripartite form is the essence of all subsequent fascist forms. The "corporation" is to decide how to most "democratically" to impose sacrifice in each sector of the economy, so that the banks continue to get their due.

Today, Sweden's single-party model is essentially a "democratic" variant of Mussolini corporatism. The form was established during the Depression years in 1938, when a permanent labor-management "consensus" body was formed under the eye of the Social Democratic state. One central trade union federation, LO, would represent all national trade unions in wage and labor talks. In turn, industry would negotiate from the single voice of the National Employers Federation, SAF. LO membership includes mandatory party membership in the Social Democracy. During the Depression, this "Saltsjoebaden Agreement" was the basis of savage wage and living standard reductions.

Fifty years later, the Swedish corporatist model has created a monstrous state bureaucracy and the world's highest per capita taxation level to insure that "unemployment" doesn't exist. "Full employment" has been raised to the level of state religion during 50 years of Socialist rule. The trick is that the Swedish State only defines as "unemployed" those whom

it wishes. Since it wishes no unemployment, none exists.

Following the first "oil shock" of the early 1970s, the Social Democrats created a vast state apparatus, the Labor Market Board or AMS, under which tens of thousands of jobless workers disappear to become "latent" unemployed, outside official unemployment statistics. Sweden's AMS funneled the unemployed into either "reschooling" programs, or a vast national network of "protected workshops," a form of prison factories without the bars. In the late 1970s, as the global economic crisis worsened conditions inside Sweden, the government implemented aggressive "early retirement" programs. Pensioning perfectly able workers at age 55 has become commonplace.

If we include all the AMS and "pre-pensioned," and "part-time workers wanting full-time" in the unemployment figures, in the so-called "recovery" year of 1987, real unemployment is just above 17%, far from the government's official claim of 1.3%!

All of this costs the taxpayers a bundle. In 1987, costs for AMS programs were the third largest single item in the national budget. Only Social Welfare and Defense were higher. The largest budget expense, interest on the cumulative national debt incurred to maintain this fraud, is excluded from the budget, for obvious political reasons. Since 1973, the Swedish national debt skyrocketed 2,200% to 609 billion Swedish kroner by 1987.

But the real secret of the Swedish model of corporatist austerity is the real living standard for this "full employment" paradise. A recent Swedish study compared wages received after taxes for all Western European countries, and found that only Portugal and Greece had lower after-tax wages than Sweden.

## USDA 'helps' count farm income

*How a bureaucrat can measure nonmoney income and find farmers doing fine—in the worst drought since the 1930s.*

The U.S. Department of Agriculture has spent the last three months monitoring and analyzing what is being called the "worst drought since the 1930s." The latest USDA quarterly report, *Agricultural Income and Finance Situation and Outlook*, dated September, gave an interesting perspective on who is being affected, what is happening to incomes and why, and what is being done to help those in trouble.

Even though this year's drought is deemed one of the worst in history, according to the USDA, net cash income could be \$55-60 billion, which is about equal to last year's record all-time high of \$57.1 billion. These numbers may look encouraging. On closer inspection, some amazingly creative accounting seems to be taking place.

Typically, net farm income measures the value of goods and services produced by farm operators minus the cost of goods and services used. The USDA uses two accounting terms to measure net income on the farm, called "net cash income," and "net farm income." The "net cash income" figure is always higher than the "net farm income" figure.

Net cash income measures all cash income minus all cash expenses and is not a good gauge of year-to-year farm progress, as it does not reflect value changes of inventory that is not marketed. For example, during this drought year, many farmers were forced to sell their beef-cow herd. The cash from this sale will be reported as income for both the "net cash income" and "net farm income" figure: However, in the "net farm income" figure, a further calculation will be made to

reduce the value of the beef-cow inventory by the amount sold.

The "net cash income" figure is often used by government officials when discussing the "blessed" rebound of agriculture, because it is typically bigger than "net farm income" and tends to make a bad situation, such as the 1988 drought, seem less severe. The "net farm income" figure, which reflects inventory changes, is the standard typically used by accountants. When the USDA uses this more accurate figure, "net farm income" is projected to be \$38-43 billion as compared to \$55-60 billion of the "net cash income" figure.

Thus we find that "net cash income" is about the same as last year, but "net farm income" will go down by 12-18%—seemingly more in line with the drought.

In dissecting the "net farm income" figure, we find that it includes a USDA-created value known as "nonmoney income," i.e., the value of home consumption of self-produced food and imputed gross rental value of farm dwellings. In other words, the USDA believes that the value of farm-grown produce and meat that is consumed by the farmer and his family, as well as the potential unearned income a farmer's house and buildings would receive if he rented them out and didn't use them himself, should be included as income to the farmer in the net farm income figure.

In the last 10 years, USDA-calculated nonmoney income in U.S. agriculture has ranged from \$9-14 billion per year. *EIR* calculations based on USDA data show that when compared to gross farm income over the last 10 years, nonmoney income

amounts to 7-8% per year of total gross farm income—no small sum. However, when nonmoney income is compared to what the farmer really makes after expenses, net farm income, an even more interesting picture emerges.

According to revised figures by the USDA's Economic Research Service, projected nonmoney income for 1988 will be about 26% of the USDA calculated net farm income. This means that one out of four dollars considered as net farm income will be nonmoney. In 1982, 61% of net farm income was nonmoney income. In 1980, another dryer-than-normal year, nonmoney income amounted to 76% of net farm income. And in the 1983 drought year, nonmoney income was an unbelievable 106% of net farm income.

This means that in 1983, the average U.S. farm had a negative net farm income, but because the USDA added \$13.5 billion of nonmoney income to its gross farm income figure that year, net farm income for that year could be reported as \$12.7 billion.

What other country has allowed its farm sector a tax-free, tax deductible, all-you-can-eat-smell-and-touch non-money income? What is a whiff of nontaxable barnyard vapor worth—\$.25 to \$.50 per whiff? A large farm family that consumes gobs of home-grown vegetables and meat can increase its net farm income by doing so. Woe to the farmer who has a small garden and no livestock or buildings with which to generate nonmoney income.

To keep farmers in business, the USDA has given them dairy herd buy-outs, land set-aside diversion payments, deficiency payments, 10-year Conservation Reserve Programs, and below-parity subsidized grain prices. Now it comes out, that during those really tough income years when all else failed, nonmoney income has secretly provided a non-rescue to who knows how many farmers.

### Quo vadis, Mexico?

*Is the U.S. loan proffer to Mexico just a political bailout, or has it lit the debt bomb's fuse?*

Most Mexicans were stunned when the U.S. Treasury and Federal Reserve made a sudden joint offer of a \$3.5 billion "bridge loan" to the Mexican government. U.S. newspapers unanimously hinted that the offer was a "shoring up" of Carlos Salinas de Gortari's administration, set to take office on Dec. 1 amid widespread discontent, collapsing oil prices, and a worsening economic recession. The Mexican daily *El Universal* called it a reward to Salinas for his pledge to extend the austerity package, known as the Economic Solidarity Pact, through January 1989.

European financial views of the offer were more blunt. The London *Financial Times* speculated Oct. 19 that the reason was to prop up Mexico's financial house of cards through Nov. 9: "The offer of \$3.5 billion may also be intended to ensure that nothing untoward disrupts the apotheosis of Mr. Bush." The *Times* warns, however, that the loan may provide a green light to capital flight.

A senior City of London financial source told *EIR* that the U.S. granting of the loan with no IMF conditionalities attached could endanger the entire post-1982 creditors' front against the debtors. "The U.S. sees Mexico as 'special,' but the Europeans see it as setting a precedent. . . . The U.S. unilateral action giving Mexico this loan with no IMF demands . . . is a very bad public relations exercise by Washington because it has alerted the international financial community to expect something very, very unpleasant from Mexico. It is also a clear blow

to the IMF."

Outgoing President Miguel de la Madrid had already confessed the reason for the new loan during an Oct. 17 bridge opening ceremony along the border between Tamaulipas and Veracruz states. The President said that "one didn't want to leave open the slightest risk. For this reason, a financial packet has been negotiated with the U.S. and World Bank financial authorities, which will leave us well provided for the government transition."

Various analysts nonetheless agree that the country once again finds itself in "technical default" of its foreign obligations. Along with the enormous foreign debt burden, an immense current account deficit has been accumulating. Income for 1988 is some \$30.1 billion, made up of \$19.5 billion in export revenue, and another \$8 billion constituted primarily of income from tourism, transportation, and sweatshop assembly plants.

Expenses this year will rise to \$34.1 billion, of which \$18.5 correspond to imports, \$5.5 to non-interest debt service, and another estimated \$10 billion for payment of interest on the foreign debt.

For the new year, the accounts show little prospect for improvement, either in oil or in non-oil exports, the latter especially having been driven to the point of exhaustion due to the merciless looting which for the past six years has been maintained under the so-called "export boom"—a product of currency devaluation and reduced internal consumption. Of the 14 products that make up non-oil exports, all

show an accelerated decline, while service categories like tourism, have been one of the main victims of the hurricane season.

One of the unstated "conditionalities" of the bridge loan is the Mexican government's commitment to incorporating Mexico into the Canadian and U.S. economies, the neo-colonialist North American Common Market swindle. Efforts to get the operation under way have already been taken up by the Bi-National Commission, made up on the U.S. side of William D. Rogers, Robert S. McNamara, and Henry Cisneros, among others.

On the Mexican side are former Sen. Hugo B. Margain, former senator and now PRI federal Deputy Socorro Díaz, Mexican ambassador to the Soviet Union Juan José Bremer, writer Carlos Fuentes, and others. The only thing the Mexicans have thus far been willing to say publicly is "for the moment, a relation of this sort is not appropriate."

It is nonetheless clear that the North American Common Market is Carlos Salinas de Gortari's true program. The more appropriate "moment" will obviously come when the arrangements and guarantees of the U.S. government are fine-tuned *after* its own presidential elections Nov. 8.

The question is, how will Mexico pay for the loans it is now receiving? The \$3.5 billion "bridge credit" must be added to another, already approved, contingency loan of \$2.6 billion for emergency food imports. The U.S. Commodity Credit Corporation and Treasury Department made the announcement of that loan upon handing over the first disbursement of \$900 million, which covers one month of imports.

Financial circles in Europe, clearly in a fury with Washington, are asking the same question.

## 'Black Thursday' in Brazil

*The central bank raised the overnight rate by 50% and unleashed a financial panic; the game nears an end.*

**T**he central bank's decision, on the morning of Thursday, Oct. 13, to raise the monthly rate on the so-called overnight market to 50%—a hike of more than 10% in a single day—triggered a wave of panic in financial markets across the country. Although Finance Minister Maílson da Nóbrega, under intense pressure from other cabinet members, immediately reduced that overnight rate to 42% and turned the central bank public debt director Juárez Soares into a scapegoat by firing him, he was unable to halt the process of total discrediting of government bonds.

This discrediting of public paper has, in turn, led directly to unbridled flight into "real assets": gold, dollars, real estate, jewels, and even food warehousing.

While Minister da Nóbrega may have tried to wash his hands with the dumping of Juárez Soares, the government's official policy is high interest rates, as recommended by the international vice president of Citibank, former Brazilian Finance Minister Mario Henrique Simonsen. "It was the end of German hyperinflation in 1923," wrote Simonsen in *Jornal do Brasil* of July 31, "when the central bank became independent. . . . The instrument used by Dr. Schacht [later Hitler's economics minister] . . . was war among the stars, with interest rates that reached 10% a day."

The measure adopted by the central bank—with full knowledge of the federal government—was an attempt to give itself full independence. Thus, there is the rumor that banker and Am-

bassador to the U.S. Marcilio Márques Moreira will be resigning his Washington post to take up the presidency of the central bank, with powers independent of any public agency.

Further, the increase to 50% in the overnight rate, equivalent to a real annual interest rate of 23%, was ordered on the eve of President José Sarney's trip to Moscow, leaving the crisis to explode in the face of Acting President and Congressman Ulyses Guimarães, a national symbol of the new Brazilian Constitution, which has fixed 12% as the maximum allowable real interest rate.

But, beyond the political manipulations, reality suggests that we are witnessing the explosion of a financial bubble which first began to inflate during the 1981 crisis, when then Finance Minister Delfim Neto delivered control of the central bank over to the banker-creditors of federal public debt bonds. Since then, the government has lost the reins of credit, and the role of the central bank has been limited to rolling over the domestic debt, at daily growing interest rates.

This infernal process exhausted the already meager resources of a federal government committed to paying its foreign debt, triggering fiscal deficits whose origin lies not in excessive spending, as both domestic and foreign bankers insist, but rather lies exclusively with the growing financial costs of the domestic debt.

A clear example of this is the outcome of the Oct. 13 decision. In a single day, trading in treasury bonds (LTFs) at the 50% nominal overnight

rate brought \$250 million into the national coffers. The internal debt grew by that same amount—also in a single day. But not only the holders of those bonds, large bankers and businessmen, proved the beneficiaries of such a measure. The Brazilian press is unanimous in pointing to various associates of central bank president Elmo de Araujo Camões, who was given the post by virtue of his close relationship with President Sarney. For example, the São Paulo stock market collapse triggered by the central bank decision proved to be scandalously beneficial to mega-speculator and "ex"-partner of Camões, Naji Nahas.

But the game is coming to an end. The financial bubble is sustained by public bonds, which are becoming increasingly more difficult to roll over, despite the high interest rates offered by the central bank. According to the calculations of economist Dercio Muñoz, the internal debt is estimated at more than \$100 billion, of which some \$65 billion is in the financial markets. The rest, some \$35 billion, goes to pay daily interest. It is upon this \$35 billion that the speculative overnight bubble sits.

No one believes that the Sarney government can manage the crisis with a 30% monthly inflation rate. Not even former President Janio Quadros, who told *Jornal do Brasil*, "My God, I don't know if we are going to have presidential elections. . . . No one can state that there is a limit to our inflationary process. . . . We expect 28% in October, but it will inexorably reach 29, 30, 32, 35%, and in this way, we are going to end up in the Weimar Republic, responsible for Hitler's ascendancy."

Ironically, it is the unbalanced Quadros who is being seriously considered by such Schacht-admirers as Simonsen to be the next Brazilian President.

# Business Briefs

## Corporate Strategy

### Kroger fires a third of main-office workers

Kroger, the nation's second largest supermarket chain, has fired 36% of the employees at its Ohio headquarters. About 300 of 800 people working in its main offices in Cincinnati were fired in an attempt to the company keep afloat after incurring massive indebtedness due to cash needs to stave off hostile corporate takeover attempts.

Kroger was the target of two hostile takeover attempts. The Haft family, owner of Dart Drugs, made a \$4.32 billion offer to Kroger stockholders, while Kohlberg, Kravis, Roberts and Co. made a \$4.59 billion offer.

Earlier this year Kohlberg, Kravis succeeded in taking over the Safeway supermarket chain.

Additional employees at other Kroger offices in the region, including food technology technicians, have also been fired. Market analysts say that the first two rounds were won by the controllers of Kroger, but that the war for that company is not yet over.

The wave of supermarket takeover attempts Kroger has fallen victim to comes as the nation anticipates food shortages and price increases due to the past summer's drought.

## Foreign Debt

### Caracas defense chiefs call debt security risk

Venezuela's top defense officials have attacked payment of the country's foreign debt as a major national security issue.

In an Oct. 13 interview with Associated Press, Defense Minister Del Valle Alliegro called the debt a national security threat. Alliegro said that the "Achilles' heel" of the region "is the incommensurable weight of the Latin American foreign debt," adding that the debt "erodes and asphyxiates economies," and that "the problem of the debt is not merely economic, but also political and

social, and could create strong centers of turbulence for our [political] systems."

The president of Venezuela's Senate Defense Commission, Alejandro Izaguirre, expressed total support for Alliegro, saying that the "burden of debt makes development impossible and leads to collective distress. . . . The Venezuelan government is mistaken in thinking that the bankers have a heart."

Even leading presidential candidate Carlos Andrés Pérez, who, according to Venezuelan sources, "generally only says something if Henry Kissinger has said it first," felt compelled to come out in defense of Alliegro's statements. "He was right in affirming that the Latin American foreign debt is a security problem. . . . The governments of Latin America should negotiate jointly to find a solution."

## Cartelization

### Israeli companies to be privatized?

Most of Israel's state-owned or associated companies are expected to be rapidly privatized if Prime Minister Yitzhak Shamir's Likud wins the Nov. 1 elections. However, Foreign Minister Shimon Peres's Labour Party has shown strong opposition to this policy as far as some of its sensitive economic companies associated with the Histadrut labor federation are concerned.

The scheme for selling the companies to private interests has been set into motion over the last two to three years by Industry Minister Ariel Sharon, who has deliberately driven some of the state companies to bankruptcy, that they may be sold. The Israeli government's official adviser on its "privatization program" is New York's First Boston Holdings.

The move is aimed at cartelizing the Israeli economy. The main winner in this plan is to be Israeli tycoon Saul Eisenberg, who announced at the beginning of October that he was leaving his investments in Asia to his associates, and would be living in Israel indefinitely.

Eisenberg prepared his arrival two years

ago by securing an appointment as chairman of the Israel Corporation, which, he says, he intends to build into Israel's main company. Over the last two years IC has been busy buying the firms that Sharon has bankrupted. One firm to go soon is Israel Chemical, headed by Sharon associate Rafi Eytan.

Meanwhile, "blue-blood New York banks"—so described by London's *Financial Times*—are effectively intervening into Israel's election campaign in support of Shamir's Likud, with a major financial attack on the Histadrut. On Oct. 11, Bankers Trust of New York went to court requesting the immediate liquidation of one of Israel's largest industrial enterprises, Koor Industries, owned by the Labour Party-affiliated Histadrut.

Koor failed to repay some \$20 million in debts in mid-September. The move underlined Koor's financial weakness, with up to \$400 million worth of debt to Israeli and foreign banks. Koor executive secretary Benny Gaon denounced "American banks, cynically harnessing the Israeli elections for their own ends."

## Infrastructure

### Bangladesh leader plans flood control

President of Bangladesh Lt. Gen. H.M. Ershad announced a program for flood control to the Bangladesh Parliament Oct. 17, accord to a report on BBC. Virtually the entire nation was flooded following monsoon rains in August.

Ershad said a special volunteer corps was being formed for a large-scale program of dredging and canal building. Bangladesh must use its huge manpower resources to solve the problem, he said, since the country could not allow its population to spend three months of every year in refugee camps after the monsoons.

However, no national action could be an effective substitute for regional cooperation and international aid to solve the overall "man-made" problem of lack of flood control in the Himalayas and the Indian barrier



on the Ganges River, he said.

To loud applause, he added that "under no circumstances" is the 1978 Ganga-Brahmaputra Link Canal proposed by India acceptable to Bangladesh. Ershad said that the recent floods are a "man-made curse." He said the flooding was caused by "systematic deforestation in the Himalayan range, removal of natural barriers that stop the flow of water . . . and destruction of barrages and embankments in the upper Brahmaputra."

## Agriculture

### USDA revises harvest estimates upward

The U.S. Department of Agriculture released its latest crop production estimates on Oct. 12, and revised its estimates upward from the August and September figures. This flies in the face of all firsthand reports from farmers and state officials on the devastating effects of the summer drought.

The highlights of the crop production estimates are: Corn for grain production is forecast at 4.55 billion bushels, up 2% from last month, but 36% below last year's crop. Soybean production is forecast at 1.50 billion bushels, up 2% from Sept. 1, down 22% from 1987. By contrast, farmers in Iowa, the nation's top corn state, report that corn and soybean production are down as much as 75%. Reports from Minnesota are that there has never been, in recent years, so little corn in storage.

Although the USDA has had special press briefings to announce its harvest estimates for the last three months, there was no press briefing on Oct. 12.

## Markets

### Brokers seek to bring investors into stocks

Some \$75 billion in certificates of deposit will mature this autumn, and Wall Street stockbrokers see this liquidity as a potential gold mine for them, reported the *Wall Street*

*Journal* on Oct. 17.

After the October 1987 crash, a lot of the money which would otherwise have been thrown into stocks went into the more secure certificates of deposit. The problem for the brokers is convincing "small investors" to get back into the stock market.

Wall Street, which has been buoyed up somewhat by large institutional investors, has been relatively stagnant because their ordinary clientele never regained confidence in the markets after the Black Monday crash.

As the CDs are coming due, with a very large turnover in April and October, several big brokerage houses have begun telling investors to stop wringing their hands over the crash and get back into the market.

Whether they will take that "suckers' advice" or not is open to question.

## Food

### Soviets on buying spree in West

The Soviet Union is expected to launch an emergency food buying spree in the West during the coming months, European media are reporting. There is speculation that new Western credit lines totaling an estimated \$10 billion that the Soviets negotiated and signed recently, will mostly be used to purchase Western beef, grain, and milk powder, rather than new machinery or equipment for industrial projects.

The Oct. 18 *Frankfurter Allgemeine Zeitung* of West Germany, said it expects "rapid purchasing actions" from Moscow soon, "to at least help to mollify critical supply situations." Expectations that Moscow may utilize the German credit line that was signed in Frankfurt Oct. 17 to order investment goods and modern machinery have been dampened.

The Soviets and the East bloc want to buy another 100,000 tons of European beef. There are two bids out, one from Germany and the other from France. Poland has already received a promise of over 60,000 tons of beef, and will get another 400,000 tons of wheat and 300,000 tons of barley.

● **TALKS** between the United States and the Soviet Union over an agricultural trade treaty broke down on Oct. 14. This leaves the two nations without a treaty for the first time in 13 years. Apparently Moscow was reluctant to agree to the five-year accord sought by the U.S., preferring to limit the pact's tenure to one year.

● **THE MEXICAN SENATE** Oct. 16 passed a resolution endorsing the opening of the Laguna Verde nuclear power plant. The resolution said that the plant, in the state of Veracruz, "is in the interest of the country."

● **RIO DE JANEIRO**, bankrupted by the actions of President José Sarney, is suffering a teachers strike that has shut down 75% of the schools. The directors of 69 health centers have signed a petition supporting the wage demands of striking health workers.

● **AL SAUDI BANK'S** bankruptcy, which forced the French central bank to undertake a bailout of the Paris-based bank, was engineered by London and Frankfurt financiers, say intelligence sources. They are battling Paris for control of billions in petrodollars and "Arab mafia" dirty money.

● **THE CHINESE** and Pakistani ministers of industry have signed an agreement in Beijing for China to develop the \$273 million Sandak Copper Project in Baluchistan. A Chinese credit of \$84 million will be repaid in copper.

● **VIETNAM** has hosted numerous high-level trade delegations from Japan, Australia, Southeast Asia, and Europe, since the implementation of a liberal foreign investment code in January. Trade, especially with Southeast Asian nations, has been soaring. Trade with Singapore is expected to hit \$300 million this year, after reaching \$270 million in 1987.

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## America is back in space: On to the Moon and Mars

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*It is time to dig up NASA's old plans for lunar and Mars trips, and develop the technologies that will make these steps to space colonization. Marsha Freeman reports.*

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The recent successful flight of the Space Shuttle *Discovery* has put American back in space, and restored confidence in the world's only reusable space transportation system. Not coincidentally, the day *Discovery* lifted off from Cape Canaveral, the Soviets released the first photos of their as-yet-untested space Shuttle, which, as everyone commented, looks familiar.

Also on the same day that *Discovery* lifted off, representatives from the United States, Japan, Canada, and the European Space Agency, met in Washington, D.C. to finalize their commitment to jointly complete and deploy the next piece of infrastructure needed for space exploration—the space station, which President Reagan has refused to fully fund in the past two years.

The President who assumes office at the beginning of next year, will have to initiate a series of steps in his first 100 days to get the space program back on track, and to keep the commitments made to our international partners and this nation, to move ahead in space exploration.

The next step in any long-range plan—the space station *Freedom*—is now hanging in suspended animation, waiting for the next President to decide its fate. Though it was the “next logical step” after the Space Transportation System (as the Space Shuttle is formally known) began operation, it has been held hostage to the budget mania in Washington. Though each of the major presidential candidates says he “supports” the program, neither one is willing to put a dollar figure on his support.

Michael Dukakis, who was “lukewarm” on supporting the space station before the Democratic convention, was lobbied by 14 senators to support the project. So far, Dukakis is on record calling for “new management” for NASA, opposition to the National Aerospace Plane program, opposi-

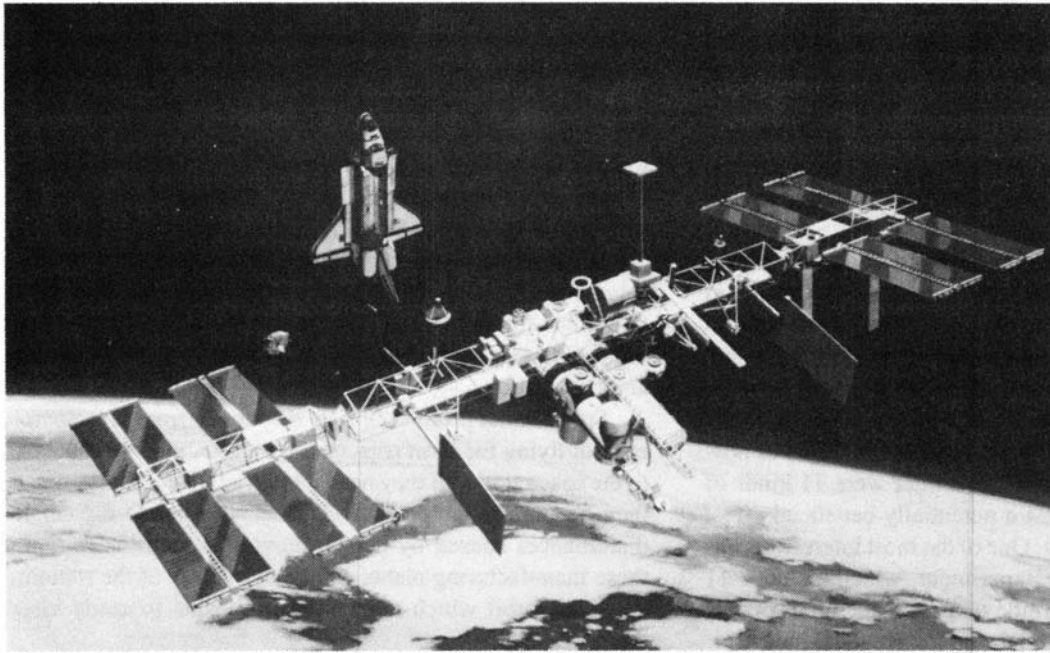
tion to the Strategic Defense Initiative, cooperation in space with the Soviets, and vaguely for support for the Shuttle and station.

In a speech in California on the occasion of the landing of the *Discovery* flight on Oct. 3, George Bush stated, “I am fully and utterly committed to the U.S. space program.” Bush supports the 1996 deployment of the space station, but will not state exactly what kind of fight he is willing to lead to make sure the funding is secured to do so.

If a Bush administration were to follow in the footsteps of its predecessor Republican administration, the space station program is not assured. For the past two years, the Reagan administration has slashed the budget requests that NASA has made that would have allowed the space agency to be able to meet the original schedule, to have the station operational by 1994. The space station program is about \$2 billion in funding behind where it was projected to be by 1988.

The Congress has funded the station only through March of next year. By that time, the new President must decide if the program will continue, and at what pace. The space station budget for the rest of the fiscal year must reach at least the \$900 million mark, which was the NASA request.

To our international partners, there is no question as to why the station must be built. Prof. Reimar Luest, the director general of the European Space Agency (ESA), stated at the Sept. 29 signing ceremony that the intergovernmental agreements “should lead us beyond the year 2000.” Robert De Cotret, the minister of state for science and technology for the government of Canada, stated, “The space station program will find our astronauts working together in space. More than that, it will eventually permit them to go beyond the Earth's orbit to new places in our galaxy and beyond. All this awaits us. It awaits our children and our grandchildren.



Artist's concept of phase one of the permanently manned Space Station, produced by Rockwell International. Elements provided by international partners—the European Space Agency, Japanese laboratory modules, and Canadian Mobile Servicing System—are part of the phase one configuration. An orbital Maneuvering Vehicle is shown flying away from the Station.

And that's the meaning of this day.”

The question of the long-term future of the U.S. space program is back on the agenda, after a two-and-one-half year hiatus since the *Challenger* explosion. The National Commission on Space report and other initiatives in long-range planning were buried under the rework of the Shuttle program and the exit of James Beggs as NASA administrator, thanks to the Department of Justice.

It is now time to pull out those reports, and implement them. But one of the most disturbing features of Bush's space policy is his decision to reestablish the National Aeronautics and Space Council. This hodge-podge of representatives of various agencies who would like to have a say in space policy would only delay the planning and implementation of any program.

By using a similar group, the Senior Interagency Group for Space—which included people from the Commerce and Transportation Departments and the Office of Management and Budget, in addition to NASA and the Department of Defense—the Reagan administration succeeded in delaying a decision on replacing the *Challenger* orbiter, for example, for eight months.

Our foreign partners have stuck with the space station program over the past four years, through the thick and thin of budget cuts, schedule stretch-outs, and redesigns. They are committed to contribute more than \$6 billion worth of hardware for the station, pay for more than 12% of the operating costs, and launch their segments of the facility.

The international partners will train and fly their own astronauts, and coordinate the international use of this facility with the United States. The space station *Freedom* is the largest international cooperation program in history.

There is no doubt about their commitment; it is the U.S.

commitment that is in question. No multi-year, multibillion-dollar U.S. space effort can move forward without uncompromising and vigilant support from the White House.

Since the *Discovery* flight, there has been renewed interest around the nation and even in the media for a manned mission to Mars. This proper goal, which would give purpose to space activities for the next 40 years, must be done from the standpoint of colonizing space. That requires the step-by-step buildup of infrastructure in space, the same way industrial development has proceeded on Earth.

The *Discovery* flight showed the skeptics that we could get the Shuttle back into space, but we already had 24 successful flights before it proved that. The question on the agenda now is, where will the United States go from here?

### Infrastructure for the trip to Mars

Regardless of what you have heard on television, the space Shuttle is not simply a “truck” that goes back and forth to Earth orbit. Because NASA recognized in the early 1970s, when the program was authorized, that it would be years before a space station would exist, engineers built into the Shuttle the capability to make full use of the human beings who fly the vehicle.

Though its primary mission is generally the deployment of spacecraft from the payload bay which cannot easily be launched on an expendable rocket, the Shuttle is actually a temporary space station, in orbit for up to 10 days, which is a test bed for the new technology, procedures, and activity that building and operating *Freedom* will require. It is the first step in building the infrastructure in orbit that will lead, in the next century, back to the Moon and to Mars.

The assembly techniques that will be needed to attach the laboratory, living, and other modules to the central truss of

*Freedom* will continue to be practiced by Shuttle crews. The air-, waste-, and water-recycling technologies that crews on the station will have to use, because they will only be resupplied periodically, will also be tested on Shuttle orbiters. Life-support related techniques should be tested when the astronauts can come right home, not when they have to wait weeks for a resupply at a space station.

The scientific experiments that have flown on every Shuttle mission since the second flight, have been used mainly to flight-qualify equipment and obtain preliminary results in materials processing, biological material separation, crystal growth, and other microgravity processes that may become commercial operations in the future.

This recent Shuttle flight is an excellent example of how this works. In the mid-deck of the orbiter were 11 kinds of experiments, designed to test a potentially beneficial effect of microgravity on materials. One of the most interesting was the Protein Crystal Growth Experiment, which included 11 different proteins. The scientific team is made up of people from universities, NASA, and the pharmaceutical industry.

Dr. Larry Delucas, from the University of Alabama, in Birmingham, explained at a briefing on Aug. 22, that crystallography is used to look at the detailed structure of large, complicated molecules, such as enzymes and proteins. When the structure can be determined, drugs can be designed that bind to the molecule, that prohibit the expression of side effects. In some cases, such as the reverse transcriptase flown on *Discovery*, one would want to inhibit the expression of the protein as a whole, as this one is key to the replication of the AIDS virus.

Dr. Delucas showed crystals that have been produced on Earth. Many of the crystals are too small to be of use. Due to convection in the growing solution as the crystals form, turbulence is introduced into the process. Often, "the crystals are large enough, but they're disordered in some way," he explained. On Earth, crystals often grow in shapes that are undesirable for practical purposes, and they tend to stick to the sides of the containers in which they are grown, which deforms the faces of the crystals.

In the microgravity of space, all of these problems are alleviated or eliminated, and experience has shown that the space-grown crystals are superior in all of these respects to the Earth-bound ones. The crystal-growing hardware flown on *Discovery* flew four times in less than one year on the Shuttle in the past. Delucas reported that the hardware was improved and modified after each flight, and that over 100 crystals have been grown on the Shuttle, so far.

The crystal growth science team is now looking at the design of the U.S. laboratory for the space station to make sure it can house a protein crystal growth facility, to make use of the superior results they have obtained in orbit.

The science work on each Shuttle flight includes Earth-observation targets, because from the first manned flights in the early 1960s, astronauts reported they could see more from

space with their eyes than could ever be captured on film. Specific targets are determined by important ongoing events on Earth, and the particular flight path of the specific mission.

On *Discovery*, mission specialist Pinky Nelson took a look at the erosion in the Yucatan region of Mexico from Hurricane Gilbert, and expressed alarm at the extent of widespread fires burning in South America.

Some of the research conducted by the astronauts themselves, and in conjunction with scientists on the ground, is important for immediate intelligence about the Earth, but much of it is laying the basis for the next steps in space science and exploration.

Some initial proto-factories, developed from the experience of flying for short trips on the Shuttle, may be attached to the space station if they need human attention. At the point they become reliable, or if they cannot tolerate the small disturbances caused by people moving around the station, these manufacturing plants will be flying free of the station, but in an orbit which allows the astronauts to easily visit them.

As Shuttle flights resume and become more frequent, the deployment of the space station will be approaching. The space Shuttle will be the primary launch vehicle to bring up the modules, attach them, and transport the crews. By the mid-1990s, the life-support technology, equipment for scientific research, and construction techniques that will be needed for the station, must be ready, and that depends largely on a robust Shuttle fleet and schedule.

### **Additional transport infrastructure**

The space Shuttle is designed only for flight in low-Earth orbit. But once the space station is operational, it will become a transportation node, like a train station, from which people delivered by the Shuttle can board other craft to go to other places.

From Earth orbit, it is not difficult to get to the Moon. Ninety percent of the energy required to traverse the quarter of a million miles of cislunar space, has been spent once you arrive at geosynchronous orbit, 22,300 miles above the Earth. Small transfer craft from the low-Earth orbit station might bring passengers to this geosynchronous transfer point, where they will board larger spacecraft to go to the Moon.

Space pioneer Krafft Ehrlicke suggested in the 1970s that enormous special cargo ships be developed to haul supplies to the lunar settlements and cities, and that they be nuclear powered. To use energy most efficiently, the ship from Earth orbit might not land on the Moon, but instead deliver passengers to a lunar-orbital taxi, which would land on the surface.

There will also need to be second-generation Shuttle-class vehicles built to launch from Earth to orbit, and some should be unmanned. These heavy-lift launch vehicles could deploy payloads that do not require human intervention, and will be key to the supply of the in-space infrastructure.

Specialized transport craft will be needed to travel from

either Earth or lunar orbit to Mars. These huge ships flown in flotillas will have to be assembled in orbit, from components brought there by heavy-lift vehicles that, like the Apollo Saturn V rocket, can take hundreds of thousands of pounds of payload to space. The Shuttle, by comparison, can carry about 60,000 pounds of payload.

But since Mars is 35 million miles away at its closest distance from Earth, the propulsion technology for the transport ships will have to be more advanced.

### Mars in days

It would be foolhardy to attempt to send people millions of miles away from Earth, without testing out the technology they need to survive much closer to home. Establishing settlements and cities on the Moon will allow mankind to learn to live in the hostile environment of space, only two days' travel time from Earth. Learning how to grow food in a partial-gravity environment, in extreme cold and two weeks at a time of night, will prepare future colonists for somewhat less harsh conditions on Mars.

The near-complete recycling of consumable resources, such as water, will actually be more demanding on the Moon, since Mars does have water and an atmosphere, but it will obviously be good training for the future Martian colonists.

Since the *Discovery* lift-off, there has been renewed interest and talk about human trips to Mars. But in an effort to lobby for a "crash program" to Mars, it has been suggested that the trip can be done simply by extending today's chemical propulsion technology. These "crash programs" make no attempt at a systematic colonization of Mars, but only a one-time space spectacular. Using the chemical fuels we have depended upon for the past 30 years, or even next-generation lunar nuclear systems, will not be adequate for moving human civilization to Mars.

The reason is that there are deleterious effects on people from extended exposure to the near-zero gravity of chemically propelled space travel, and also to the radiation that is encountered outside the protective Van Allen Belt around the Earth. Chemical or even nuclear propulsion missions would subject the travelers to months of space hazards, and leave the health of the crew to chance.

Developing third-generation propulsion using fusion energy as the power source would make it possible to arrive at Mars in a matter of days. Half the trip would be made under constant acceleration, and the second half under deceleration that would mimic the gravity on Earth, protecting the colonists from the effects of microgravity. There would be little chance of meteorite or radiation hazards on such a short trip.

Fusion energy research has been languishing over the past eight years of the Reagan administration, and paltry budgets have not allowed the aggressive development of the non-terrestrial applications of fusion energy, such as space propulsion. This work, centered at the Fusion Technology Institute of the University of Wisconsin, Lawrence Livermore

National Laboratory, and the Massachusetts Institute of Technology, should be accelerated along with the overall fusion effort, to ready the Mars propulsion systems by the second decade of the 21st century.

Only a well-thought-out progression of technology developments, proceeding on a time line from today through the first quarter of the next century, will move us out to the planets. No "spectaculars" or short-cuts will accomplish the task.

The colonization of the New World was not carried out by "flying squads" making brief forays to the Americas. As Tom Paine, the former head of NASA, pointed out the night after the *Discovery* launch, half of the colonists who landed here to establish the Plymouth colony died the first winter. In comparison, we will have a much easier time colonizing Mars.

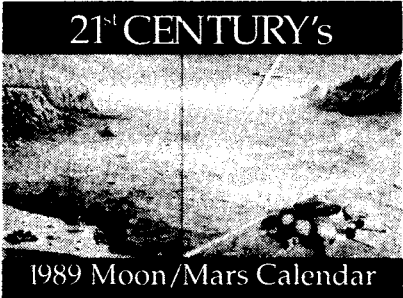
Without a long-term goal, none of the present space programs make sense. If the next administration wastes time doing yet more studies of what the nation's goals in space should be, the momentum may well be lost to define the programs for the next century.

The new people who are appointed by the President to carry out the next phase of space exploration should finally do what two generations of Americans have been waiting for them to do.

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## Book Reviews

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# After Apollo, next mission is Mars

by Anthony Wikrent

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### **Liftoff: The Story of America's Adventure in Space**

by Michael Collins

Grove Press, New York, 1988

288 pages hardbound, \$24.95

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NASA's Director of Educational Publications "wanted people to understand how spacecraft and space equipment worked, and know who had designed and built them." He asked astronaut Mike Collins to write a book, and Collins's intimate knowledge and wry sense of humor have resulted in a narrative that is both highly entertaining and exceptionally informative.

After recounting the first manned mission to the Moon, Apollo 11, on which he served as pilot of the Command Module, Collins presents a chronology of the American manned space program. Though not an academic work, in the sense that sources are not cited, Collins's book will undoubtedly become a standard reference for both laymen and academicians interested in the history of NASA spanning from Projects Mercury, Gemini, Apollo, Skylab, to the Space Shuttle.

Unfortunately, the book is misleading in one crucial detail. At the beginning of the second chapter, he gives extensive credit to an early 1946 report of the then recently created RAND Corporation, for both encouraging and foreseeing the development of manned space flight. The story of "America's adventure in space" cannot be told without highlighting the pioneering work in rocketry accomplished by the German "Peenemünde group," and the magnificent feat of U.S. Army Maj. Gen. John Bruce Medaris of transferring that group and its work to the United States, and nurturing it to fruition. The best known (in the United States) of the Peenemünde scientists was Wernher von Braun, and other notables included Hermann Oberth and Krafft Ehrlicke. To truly understand the leadership and preeminence of the Peenemünde group (they were building inertially guided missiles in the 1940s!), one should read Willy Ley's classic *Rockets, Missiles and Men*

*in Space* (New York: Signet, 1968, paperbound, out of print).

The American space program has been crippled not only by budget cuts, but by the "legal" assault centered in a Soviet-steered branch of the U.S. Justice Department which has defamed members of the Peenemünde group as "Nazi collaborators."

While Collins fails to specifically identify the malaise which has been caused by this assault on the contribution of the continental European scientists, he does prominently cover its symptoms, and even hits on the proper cure. On page 238, he writes, "my own observation is that other parts of NASA are discouraged, morale is low, and a feeling of lassitude pervades the organization" after the Challenger disaster. And, Collins notes, even if NASA can "get flying again . . . that may not restore the sense of excitement I remember from Apollo days. . . . To me, walking the halls of a NASA installation was always different from visiting the Department of Commerce, or State. . . . NASA was new, and people scurried about with zest, with a youthful spring in their step. Now NASA seems pretty much like other old-timers, a mature bureaucracy, a bit set in its ways, shuffling, not dancing, through austere times. Its arteries are hardening a bit."

### **Wave the banner of Mars**

Collins recounts a conversation he had with Tom Paine, former NASA administrator, and chairman of the National Commission on Space, which issued its 20-year blueprint for the American space program just three months after the Challenger tragedy. "Today Western civilization is on trial," Paine declared to Collins (page 259). "We have to get the nation back on track and NASA can make the U.S.A. the leading technological nation, to lay the foundation. . . . It's much more important to understand what areas this country is going to emphasize. . . . What careers are our youngsters going to pursue, will they be lawyers or entertainers or study science and technology? . . . The U.S. may decide not to lead on the space frontier but then if we turn our back, as Toynbee pointed out, nations rise and fall."

Collins criticizes the Paine Commission report for recommending an overly broad, 12-point program, rather than a clearly focused goal. "We need a banner to wave," Collins writes on page 261, "and a 12-point program is too much to embroider on it. . . ."

"I would wave a very small flag, but wave it vigorously. On it would be printed 'MARS.' The quest for Mars would pull in its wake most things NASA is trying, in a fragmented fashion, to do today, plus create the climate for American enterprise and leadership that Tom Paine seeks. A space station would be a necessary precursor, as would the development of lower cost transportation. A return to the moon might be involved. But the country would have a destination, a focus for the whole range of technologies required to rebuild American preeminence."

# Pessimism and science do not wed

by Louise Ghandhi

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## In Praise of Imperfection: My Life and Work

by Rita Levi-Montalcini  
Basic Books Inc., New York, 1988  
220 pages hardbound, \$18.95

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Enthusiasm was my first reaction to this book; it could have been a real contribution to cultural and scientific optimism, had the author not fallen into cynicism. Science and pessimism do not wed, and so the failure of Rita Levi-Montalcini.

The enjoyable part of this book is the excitement of discovery. Step by step, the long and arduous process leading to the causes of nerve cell growth is retraced for the reader, who can't help but be moved each time Levi-Montalcini is "filled with joy" because a new breakthrough has been made. In 1986, she became the seventh woman to win a Nobel Prize in the sciences. Her discovery of nerve growth factor led to other breakthroughs in neurobiology and opened up promising prospects in the understanding of many diseases.

So far, so good. However, Rita Levi-Montalcini's "science" is ridden with flaws typical of today's anti-science crowd, as the last chapter of the book, "Disharmony in a Complex System," reveals in a pointed way. There, she states that after having spent her life investigating the development of the nervous system, she now wants to unravel the mystery of its function. A discussion of evolution follows: The author, a Darwinian, has a mechanistic approach that leaves out actual negentropic processes. She points out that the cortical areas of the brain associated with higher cognitive functions have evolved significantly in humans, whereas the subcortical nuclei associated with emotive activity are not substantially different than that of lower animals or early man.

From this fact, she concludes: "The vertiginous growth of the constructive and destructive powers of *Homo sapiens*—in striking contrast with the invariability of human emotive faculties, which, today as in the past, control conduct and actions—is the prime cause of the dangers that threaten the very survival of our species."

### Creative reason denied

The "most decisive influence on the course of my life," she attributes to her father and recalls how he taught her the sentence, *Io sono una libera pensatrice* ("I am a free-thinker") when she was but three years old. Of scientific research,

she writes that the essential factors are "neither the degree of one's intelligence nor the ability to carry out one's tasks with thoroughness and precision . . . more important are total dedication and a tendency to underestimate difficulties." Levi-Montalcini had this total dedication when, during the Nazi occupation of Italy, being Jewish did not stop her from doing research in an improvised laboratory hidden in her bedroom.

Yet Levi-Montalcini fails to distinguish between man and beast. Man is *imago viva Dei*, the living image of God, by his unique capacity to reason. No animal can do this. This constant process of perfection is uniquely human and deserves to be praised, not man's "imperfection." The difficulty for our "free-thinking" author in understanding the preceding statement is that Rita Levi-Montalcini views the rational capacity and the emotional capacity of man as two competing poles, where the emotional is equated with the irrational (a common occurrence among feminists): "a species well endowed with higher cognitive abilities, yet, in its conduct tragically governed by the dominant emotional ones." In fact, creativity cannot exist without emotion, and man is uniquely capable of the noblest emotion, that of *agapē*, a Greek term meaning love of God, love of humanity, love of beauty. This quality of love, which animals do not possess, must be taken into account in the study of the physiological aspect of the human mind.

So, it is no surprise to learn, from reliable sources in Rome, that Rita Levi-Montalcini is a notorious malthusian advocate, promoting the reduction of the world's population—i.e., genocide. And thus the tragedy fully unfolds: This scientist, whose work it is to understand life, shows that she has no understanding of it; and this so-called opponent of fascism, as she repeatedly portrays herself to be, shows no understanding of fascism, the root of which is a disdain for human life.

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# How not to educate science teachers

by Warren J. Hamerman

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## **The History of Modern Science: A Guide to the Second Scientific Revolution, 1800-1950**

by Stephen G. Brush  
Iowa State University Press, Ames, 1988  
560 pages, \$39.95

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Imagine if an official of America's most prestigious association of music were to write a "teachers' guide" on the history of music for the purpose of defining all music education for the next 20 years or so, and the author:

- briefly mentioned Beethoven as a man who experimented with many different music forms—sonatas, symphonies, concertos, quartets, and so forth—but didn't manage to make a commercial success out of any of them;
- left Mozart out of the guide altogether;
- devoted significant commentary to Henry Kissinger because he attended many White House concerts and was an honorary member of the board of the New Jersey Ballet;
- extensively reviewed the contributions of the Beatles, Elvis Presley, and Jack Benny's violin playing, while minimizing the contributions of Schubert and Bach.

This authoritative book on the history of modern science purports to give an overview of scientific developments in physics, biology, chemistry, mathematics, etc., over the past 150 years. Yet, it unfortunately manages to:

- give honorable mention to the great mathematician Karl Gauss as an eminent scientist who speculated and experimented on the electric telegraph along with others but "didn't quite manage to make a commercially successful invention out of it";
  - omits Louis Pasteur entirely;
  - devotes an entire chapter to the "science" of race theory, eugenics, social darwinism and anthropological relativism;
  - presents two chapters of material on psychoanalysis and behaviorism.

The areas of scientific endeavor in physics, astronomy, and electromagnetism are well presented, which makes one wonder all the more about the overall biases built in to the basic illiteracy in the history of science which permeates our culture.

# The SDI: They got it

by Carol White

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## **The Cardinal of the Kremlin**

by Tom Clancy  
New York, G.P. Putnam's Sons, 1988  
543 pages, \$19.95

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I am a sucker for a good spy story any day, so I guess I was the first person at my library branch to get this new Clancy thriller. As far as the plot line goes, you will probably enjoy it more if this is the first of his books which you have read—since his cowboys-and-Indians theme wears a bit thin with repetition. But that's okay really, because the fun side of the plot is the SDI story after all.

Like Clancy's first in the series, *Red October*, *The Cardinal* is brim-full of realistic detail about laser defense weapons. There is a nifty, brush-stroke description of how adaptive optics in lasers work—the problems of focusing, target acquisition, power deposition, computer codes. There is also a neat indication of what the free electron laser is all about.

The book also has a nice peek at how Afghan guerrillas used the smart heat-seeking Stingers to devastating effect against Soviet helicopters and planes. Best of all, Clancy admits that not only are the Soviets developing their own Strategic Defense Initiative, and putting more manpower and resources into their program, but he shows that the Soviets are significantly ahead of the United States in developing powerful lasers which can take out satellites at will.

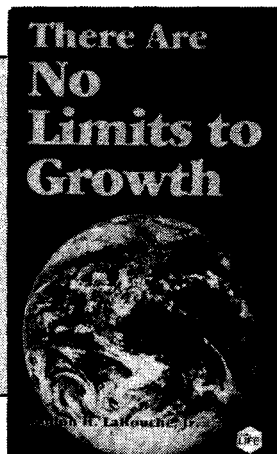
The word has been gotten out to the *cognoscenti* that Clancy is being aided in writing his military *romans à clef*. I believe it. The sad thing is that the book is full of precisely the same illusions about Soviet policy which have governed administration policy through a series of disastrous summit meetings between President Reagan and Soviet chief Gorbachov.

The theme of the book is how the Americans must aid the liberalizing Soviet party chief, to defeat the hardliners in the Politburo who would otherwise defeat his policies. Perhaps the most annoying aspect of the book is the smug assurance of the plot that the U.S. government has the Soviet High Command penetrated to the point that it is we who are successfully manipulating them at every turn. Would that it were so; unfortunately, the reverse is far too often the case.

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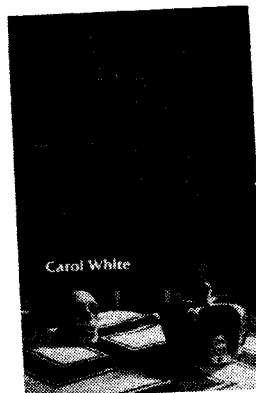
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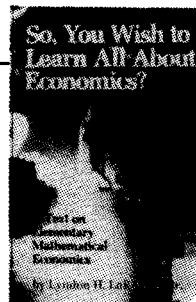
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## Profile of a 'Manchurian Candidate'

by Warren J. Hamerman

Given the fact that Michael Dukakis's technocratic personality and policy profile are so distasteful and even repulsive to the majority of Americans, did you ever wonder why the Democratic Party nomination was given to him?

In fact, he was chosen by a powerful grouping in the American Establishment, as the suitable instrument to impose the policies upon the United States that one Michael Ledeen has termed "universal fascism," the distilled essence of the economic and social control policies of Mussolini and Hitler—albeit, without the goosestepping, arm bands, and brown shirts.

That intention was explicitly revealed some weeks ago, when Lloyd Cutler, former Carter White House counsel and the architect of a movement to overthrow the U.S. Constitution, told a journalist in a background discussion that he was backing Dukakis as a "fall-back option," since his project for a new constitutional convention had run into snags. Cutler stated that he and the timetable for rewriting the Constitution had been set back by the fact that there was too much opposition, too many technical details in getting different states to ratify it; it was not going to work. Therefore, he said, "We want a guy like Mike Dukakis as President." He will listen to his advisers, and just put through whatever policy they tell him to.

Cutler added, "If we can engineer the situation" to get Dukakis into the presidency, he would have a Democratic Congress. There would exist something like a de facto parliamentary system, in which the President would be effectively a prime minister, with his policies being dictated by "bipartisan commissions." Since the Democrats would control Congress as well as the presidency, the Democratic National Committee (DNC) would take the principal controlling role in policy.

### **Enter Mr. Sorensen**

Cutler's ambitions are the explanation for Dukakis's recent appointment of Ted Sorensen as the senior political strategist of his campaign. Who is Ted Sorensen? He comes from the law firm Paul Weiss Rifkin; in 1984 he was Carter's failed nominee for CIA director; and he is probably the number-one political figure against the American System.





*International supporters—and controllers—of Michael Dukakis. Moscow journalist Fyodor Burlatsky joins Harvard's Joseph Nye at a symposium in Cambridge, Massachusetts, Sept. 28, 1988.*

In 1984, when Sorensen was working for presidential contender Gary Hart, he wrote a book called *A Different Kind of Presidency*, in which he put forth the essence of what a Dukakis administration would be, in terms remarkably similar to what Cutler recently articulated. Sorensen argued that, in the future, it is going to be necessary to implement such severe austerity in this country, with policies that will be so abhorrent to the American people, neither party would want to take the blame for them. Therefore, what is necessary is a government of "bipartisan" national unity.

Sorensen argues that policy should be determined by two non-elected councils. One, he calls the National Economic Council. The other would be a kind of Council of Elders, which would set U.S. foreign policy. He emphasized that the key to both councils is the fact that they are *not elected*, and therefore, they can put forward those "necessary" draconian policies without suffering any of the political damage. The book specifically states that these two councils will see the need to facilitate the entry of the International Monetary Fund as the top-down manager of the U.S. economy, as it has been in other countries. U.S. national sovereignty is ended.

It is from this articulation of a non-elected, above-the-voter, fascist National Economic Council, that the subsequent idea for the bipartisan National Economic Commission of Bob Strauss, et al. grew. Indeed, three of Dukakis's principal economic advisers sit on that National Economic Commission, namely, Felix Rohatyn, David Obie, and Rep. Bill Gray (D-Pa.). Rohatyn and Rifkin (of the law firm from which Ted Sorensen came) were the two individuals who created the Big MAC reorganization of New York City—the agent of that city's destruction.

The un-American economic policy of Dukakis is complemented by a foreign policy based upon a rejection of any defense of the West. Jerome Grossman, for example, is a top foreign policy adviser and family friend to Dukakis over decades. He is the head of the American chapter of the Council for a Livable World (CFLW). That was founded by Leo Szilard, the Pugwash movement's model "Dr. Strangelove." The Washington, D.C. office of CFLW is a joint operation with the Institute for Security and Cooperation in Outer Space, run by Carol Rosin, a conduit into Congress for KGB proposals. CFLW was at the center of the "nuclear freeze" movement against the Strategic Defense Initiative.

Another principal foreign policy adviser of Dukakis is Joseph Nye. He was in Carter's State Department, where he authored the nuclear non-proliferation policy.

A third foreign policy adviser, also from the Carter State Department and a member of the Trilateral Commission from Harvard, is Graham Allison. Nye and Allison, of Harvard's Kennedy School of Government, were the men on the podium at the Kennedy School when the KGB's Fyodor Burlatsky announced his de facto endorsement of Dukakis in early October.

More significant than appearing on the public podium, is that, at the end of August, Nye and Allison had a series of meetings with Burlatsky and other Russians in Washington. They established a congenial working relationship with their Soviet comrades; it was as a result of those meetings that the Burlatsky endorsement at the Kennedy School was made.

Joseph Nye is one of the principal backers of the "Europe 1992" policy, abolishing continental customs barriers, and soon enough, national sovereignty; and of the U.S.-Canada

## Programmed to surrender?

In the film version of *The Manchurian Candidate*, the protagonist, a Korean War American POW, is brainwashed by Russian and North Korean psychiatrists to assassinate a presidential candidate, to pave the way for a KGB agent, the victim's vice-presidential running mate, to step into the presidency and turn America over to the Russians.

In the real version, scheduled for Nov. 8 at polling places in your neighborhood, presidential nominee Mike Dukakis appears to have been programmed by a team of Harvard-based psychiatrists to do the surrendering himself.

By his own admission, and by published accounts in several campaign biographies, the Duke has managed to surround himself with a collection of psychiatrists, counting them among his and Kitty's closest personal friends as well as political intimates.

It was, therefore, unnecessary for Mike to "seek psychiatric care" during his two catalogued bouts with severe clinical depression during the 1970s. There was usually a "shrink" within earshot. Among his most intimate associates, the Duke counts: Dr. Donald Lipsitt, Dr. Gary Jacobs, and Dr. Nicholas T. Zervas. Zervas is the chief of neurosurgery at Massachusetts General Hospital.

But by far the most important shrink in Dukakis's life is Harvard Medical School Psychiatric Department old boy Dr. John E. Mack. If the Duke has indeed been programmed to surrender to Moscow's "other Michael," then Dr. Mack wrote the software.

Dr. Mack is the chairman of a curious outfit, sponsored by Harvard Medical School, called the Center for Psychiatric Studies in the Nuclear Age. Its goal: to abolish the "enemy image" between Russia and the United States. Among the targets of this joint Soviet-American psychological warfare front is the Strategic Defense Initiative, which Mack and company denounce for introducing the

dangerous element of "technological hubris" into U.S.-Soviet relations.

The Center participated in a Soviet propaganda extravaganza, the Seventh World Congress of the International Physicians for the Prevention of Nuclear War. In March of last year, the Center hosted a delegation of Soviet filmmakers, who traveled to Hollywood to meet with American counterparts "to discuss ways in which the medium of film could be used more to bridge than divide and dehumanize the American and Soviet people."

In addition to Mack, who is a neighbor and longtime personal friend of the Dukakis family, the Center lists among its advisers: Dr. Stephen Cohen, a Princeton University professor and one of America's leading Bukharinites; Eugene Carroll, a director of the Center for Defense Information, an Institute for Policy Studies spinoff that advocates unilateral American disarmament and world federalism; and Joseph Nye, the Harvard Kennedy School of Government official who is the Duke's top campaign foreign policy adviser.

A review of Dr. Mack's principal writings provides an even more revealing glimpse at the shrink behind the Duke:

- In the August 1988 issue of the *New England Journal of Medicine*, Mack wrote a profile of the psychological effects of the threat of nuclear war on Russian and American teenagers.
- In September 1986, the *Bulletin of the Menninger Clinic* published an article by Mack on "The Conditions of Collective Suicide and the Threat of Nuclear War."
- In October 1982, the *American Journal of Orthopsychiatry* published another Mack treatise on the nuclear dilemma, "The Perception of U.S.-Soviet Intentions and Other Psychological Dimensions of the Nuclear Arms Race."
- Back in February 1974, Mack wrote an apologia for drug addiction in the *American Journal of Psychiatry*, "Heroin Use as an Attempt to Cope: Clinical Observations."
- In 1969, Mack authored a string of psychological profiles for the *American Journal of Psychiatry* all dealing with the life of British "Arabist" T.E. Lawrence, an intimate associate of St. John Philby, father of the Anglo-Soviet Trust agent Kim Philby.

"free trade" treaty. Last June, Nye traveled throughout Western Europe. There he pledged that, were Dukakis to become President, U.S. troop withdrawal from Europe would be inevitable. Dukakis is also on record for pulling the U.S. military out of Korea, and ending all U.S. support to Dr. Jonas Savimbi's UNITA resistance in Angola.

In the pages that follow, we will present to you the real

story of the psychiatric and social control networks that created and control Michael Dukakis. They are specialists in liberal fascist, police-state social-control methods. In other words, they represent the exact complement to the fascist policies of his team on economic policy—Sorensen, Cutler, Rohatyn, and company—and the foreign policy architects of an inevitable surrender to the Russians.

# The 'Clockwork Orange' world of Mike Dukakis's Massachusetts

by an EIR Investigative Team

If the definition of a "liberal" is someone who prefers to steal liberally from the poor, rather than from the wealthy, then Mike Dukakis is the classic liberal.

According to a 1987 report issued by the New England News Service at the time that Governor Dukakis first declared his intention to run for President, Mike Dukakis's first election as Massachusetts governor in 1974 may very well have been financed by one of the biggest federal poverty fund ripoffs in history. That ripoff—\$25 million out of a total \$40 million fund for urban housing redevelopment in Boston's poorest neighborhoods—was carried out by a cabal of Harvard and MIT-based "Clockwork Orange" sociologists who to this day make up the inner circle of advisers to Dukakis.

Among the principal players in this tale of social engineers and real estate scam artists run-amok are: the head of the New England chapter of the World Federalists, a Brandeis University sociologist who managed to make a "snuff film" at Massachusetts' state hospital for the criminally insane and then tried to peddle it in commercial movie theaters; a psychiatrist who was caught in perjured testimony at the 1950s trial of State Department "comm-symp" Alger Hiss; the founder of the Law Enforcement Assistance Administration and later Harvard Law School dean who led a radical takeover of the school; and a real estate "developer" who led a movement to ship millions of Americans to Moscow as "peace hostages" to prevent a nuclear war.

## Dukakis's 'Great Society'

The story begins back in the late 1960s, when Mike Dukakis was a Massachusetts state representative, when Lyndon Johnson was President, and when federal funds began to flow like monsoon rain into local poverty programs under the "Great Society." At that time, LBJ's undersecretary of Housing and Urban Development, the chief administrator of the Model Cities program, was Massachusetts Institute of Technology professor Robert C. Wood. Wood would sponsor one of Dukakis's political front operations, Massachusetts Tomorrow, Inc., a fanatical no-growth movement that brought together some of the leading Boston Brahmins from "The Vault" financial interests and the community in-

terlocking surgency apparatus.

In anticipation of big paybacks for getting in on the ground floor of the poverty slush funds, a collection of Dukakis intimates set up a hermetically sealed infrastructure of housing redevelopment trusts, community-based housing lobbies, and futuristic planning groups—all intimately tied to the Harvard-MIT Joint Center for Urban Studies. Most important, the same crew managed to take control over the entire federal, state, and local government agencies in charge of doling out the funds.

On Dec. 19, 1967, Boston's outgoing liberal mayor, John Collins, on his way to accepting a chair in urban studies at MIT, appointed Paul Parks administrator of Boston's Model Cities Program. By the time Richard Nixon shut off the spigot on Jan. 5, 1973 by declaring a freeze on all further federal low-income housing grants, Parks had disbursed nearly \$40 million. Most of those funds went to an extraordinarily small group of friends of Dukakis. With the funding freeze, HUD auditors moved in to take a final accounting of the "good deeds" done by the federal housing program. By 1975, HUD had concluded that of the \$40 million-odd disbursed, \$25,006,240 was unaccounted for—missing!

The same day that Parks, whom HUD holds personally accountable for the lost funds, was landing his job as Model Cities boss, Mayor Collins named a Harvard economist, Hale Champion, to head the Boston Redevelopment Authority (BRA), the agency responsible for selecting the recipients of the Model Cities bucks. A 1956-57 Nieman Fellow at Harvard, Champion had served as director of finance for California's Hollywood mob-tainted Gov. Pat Brown, before returning to Harvard in 1966 as a Fellow of the Institute of Politics at the Kennedy School of Government. After a brief stint in the Minnesota state government, Champion would return to Boston in 1973 to become vice president for finance of Harvard University. When the Duke announced for President in January 1987, Harvard graciously allowed Champion to take a leave of absence to assume control over Dukakis's State House office.

The lion's share of those missing HUD funds passed into the hands of an interlocking group of companies—all even-

tually grouped under a firm named the North American Development Corporation.

According to investigative editor Wendell H. Woodman of the New England News Service, NADC was formed on July 31, 1969 as a tax-shelter umbrella for a group of real estate trusts, property management companies, and housing reconstruction firms. The founder and vice president of NADC was Howard N. Smith, the man Michael Dukakis appointed secretary of economic affairs in his first administration—despite the fact that he had just succeeded in bringing NADC to the edge of ruin and was quite possibly the principal architect of the looting of the \$25 million in HUD funds. After briefly holding a position in the second Dukakis administration in 1983, Smith became executive director of the Massachusetts Technology Development Corporation, an agency that provides funds to “high-risk” businesses. In the 1970s, Model Cities was the place to be if you were out to snare large chunks of poorly managed federal funds under sweetheart tax arrangements. In the late 1980s, it was high tech.

Under the friendly umbrella of NADC, a string of companies set up shop and spent the better part of the early 1970s playing with HUD Model Cities money. If the bankruptcy courts ever manage to untangle the web of unsecured loans and interlocking directorates, the secret behind the missing \$25 million may one day be solved. In August 1978, NADC and 58 of its subsidiaries filed for bankruptcy and went out of business. Principal among those subsidiaries were:

- Bison Associates, founded in 1964 by two of the Duke’s most loyal backers and campaign finance advisers, David Bird and George Sommaripa. More on Bird later.

- King Bison Realty Trust, founded in March 1985 by the Bison duo along with then-Urban League director Mel King and Ernest Kirwan.

- White Bison Realty Trust, another Bison enterprise, this time in partnership with William J. White, who was conveniently at that time also the executive director of the Massachusetts Housing Finance Agency, one of the prime conduits for housing reconstruction loans.

- King Catawba Bison Realty Trust.

- Habco, a company described as a property management firm serving as the landlord for the buildings rehabilitated by the various NADC fronts. The director of Habco, Richard Giesser, was and still is the grey eminence behind the Duke, having been the chief economic adviser to Dukakis’s 1974 gubernatorial campaign, and holding posts in every Dukakis administration since. According to investigative editor Woodman, Giesser was also listed as executive director of a rather curious entity called Organization for Social and Technological Innovation, Inc. (OSTI).

When Richard Nixon imposed the freeze on new low-income housing funds in 1973, White Bison official and Massachusetts Housing Finance Agency chief William White called the freeze a “crime more immoral than Watergate,” according to author Woodman. And for good reason. The

freeze threw NADC into a near instant bankruptcy crisis that immediately spilled over into the MHFA. By the summer of 1975, newly installed Gov. Mike Dukakis was asking the legislature to authorize an “emergency” MHFA short-term note for \$500 million, admitting that the state agency that should have been self-supporting, was sitting on \$160 million in bad paper, and was itself about to go belly up.

By December, the situation still grave, Dukakis took a delegation of state officials to Washington to plead with Treasury Secretary William Simon for federal guarantees on some of MHFA’s bonds and for an outright federal bailout on other state paper. MHFA chief White stated publicly at the time that, without federal intervention, his agency would go out of business, according to Woodman.

The stench of a massive looting of the state’s anti-poverty funds prompted one state senator, Arthur Lewis, chairman of the Committee on Banks and Banking, to demand a special investigation of MHFA. To preempt that legislative probe, Dukakis launched his own “special investigation” into MHFA-NADC, an investigation that, not surprisingly, went nowhere.

In fact, every one of the culprits in the \$25 million ripoff was, by 1975, sitting in a cushy job in the Dukakis cabinet:

- Howard Smith of NADC was Secretary of Economic Affairs.

- Paul Parks was Secretary of Education.

- Richard Giesser, after running Dukakis’s election campaign and helping the Duke to place all the HUD looters in their cabinet posts, himself took a job as Assistant Secretary of Economic Affairs.

- David W. Davis, whom Hale Champion imported from California and installed as Boston’s budget director while Champion himself ran the Boston Redevelopment Authority, was installed by the Duke as the executive director of the Massachusetts Port Authority. When Champion returned to Boston as vice president for finance at Harvard, Davis moved over to academia to become budget director at Harvard Square.

## **The ‘Little State House’ on Hanover Street**

The role of Smith, Bird, Giesser, and other Duke intimates in the real estate scam that apparently robbed some of Boston’s poorest black citizens of better housing should not convey the false impression that Duke staffed the governor’s office with a collection of common criminals. Behind the ripoff stands a crew of sophisticated social engineers, some with rather exotic international credentials.

Take the case of David Bird of Bison Associates. Bison’s offices in Boston’s historic North End at 145 Hanover Street also house the New England offices of the Citizens’ Exchange Corps, formerly called the Peace Hostage Exchange Foundation, Inc.

According to author Woodman, CEC’s “objective is to ship hundreds of thousands (and eventually millions) of Americans to the Soviet Union to live there and work there

for up to two years, and to accommodate a like number of Russians to live and work in the United States. Their theory is that if Russia and the United States swap a million or so 'peace hostages,' including relatives of high-ranking government officials, they will not bomb each other into the Ever After. CEC is not discouraged by the fact that Mao Tse-tung and the Soviet slave state managed to murder a hundred million of their own nationals as part of their domestic policies. Nor, apparently, do they object to providing jobs for a million KGB agents in the United States."

According to Woodman, a number of the thousands of Russians who came to the United States under the CEC program were graciously provided with employment opportunities by the Commonwealth of Massachusetts government—courtesy of Governor Duke.

Just below Bird's offices at the same 145 Hanover Street address are the U.S. headquarters of the World Federalists. That office is shared by a very important piece of the Dukakis machine, Massachusetts Tomorrow, Inc. The president of Massachusetts Tomorrow, Inc. is David Bird. Among its other principals are:

- Justin Gray, a Cambridge architect who sat on the board of the Massachusetts Housing Finance Agency when the funds were flowing fast and loose into NADC.
- Fred Salvucci, Secretary of Transportation and Construction in the first Duke administration.
- Lewis S.W. Crampton, another former board member of the MHFA who also edited a local Boston counterculture rag called AVATAR.
- David Liederman, chief secretary to Governor Dukakis in 1975.

In 1974, the year that the Duke ran for governor, Massachusetts Tomorrow published a blueprint for the Dukakis administration, offering a "coherent, long-term strategy" for dealing with what the authors proclaimed would be an "age of scarcity." Citing the collapse of Massachusetts' industrial base and its depleted energy reserves, triggered largely by Massachusetts Tomorrow's role in smashing every effort to expand nuclear energy production, the report crowed, "This vulnerability may also encourage us to face the implications of an age of scarcity sooner than other Americans. . . . Instead of meeting the challenge of resource scarcity with programs to increase supply, for example, the new strategy calls for a reordering of society to reduce demand without diminishing social well-being. A strategy of reordering society to reduce demand for increased consumption can start any time, but can only become fully effective over the long term. . . . It also involves some tradeoffs, deliberate sacrifices to achieve specific desired goals."

### Psychiatric shock troops

If David Bird's Hanover Street commune, which Dukakis watchers came to refer to as the "Little State House," seems like a weird collection of would-be universal fascists, then

another central piece of the Dukakis organization probably defies description.

According to State House investigative reporter and editor Woodman, public documents, including *Standard and Poors Index* for 1971, show that Richard Giesser, Dukakis's alter ego, was listed as the executive director of the Organization for Social and Technological Innovation, Inc. Incorporated in Massachusetts on Feb. 2, 1966, OSTI drew together some of America's most notorious social psychologists, including one "expert" in the creation and manipulation of synthetic "leaders."

Who were the principals in OSTI? In addition to Giesser, they were:

- Evelyn Murphy, a lecturer on housing policy at MIT, Brandeis University, and the London School of Economics. Murphy was appointed to the powerful position of Secretary of Environmental Affairs in the first Dukakis cabinet, a position from which she played a pivotal role in the crusade against nuclear power. When Duke was elected governor again in 1982, Murphy was (and still remains) his lieutenant governor.

- Dr. Frederick Wiseman, the founder and treasurer of OSTI and a social psychology professor at Brandeis specializing in "poverty." A lawyer and a film-maker, Wiseman had done an elaborate psychological profile study of the infamous mass murderer, Albert DeSalvo, known as the "Boston Strangler." Wiseman's and OSTI's efforts to turn that profile into a full-length movie set off a 20-year controversy that says a great deal about the kinds of radical psychiatric shock troops surrounding Mike Dukakis.

- Dr. Warren Bennis, a longtime fixture at the social psychology laboratory at MIT, who went on to the State University of New York at Buffalo, became the president of the University of Cincinnati, and is now at the University of Southern California. Part of an insurgent psychology movement centered out of the London Tavistock Institute, which hosted a 1967 conference on "The Dialectics of Liberation" attended by American radicals Angela Davis and Stokely Carmichael, Bennis is a key psychological controller of the Duke. This control was evident in a 1985 Bennis profile study called "Leaders: The Strategies for Taking Charge," which prescribed a new model for presidential leadership in an era of "paradigm shifts" and "cataclysmic crises."

- Dr. Carl Binger, a psychologist who was convicted in 1950 of delivering perjured testimony in defense of suspected Communist spy Alger Hiss at the State Department official's trial.

- Don Schon, a member of President Johnson's National Crime Commission. That commission, chaired by Harvard Law School's Dr. James Vorenberg, issued a final report that recommended the creation of a national police apparatus, employing sophisticated domestic counterinsurgency tools. Out of that study emerged the Law Enforcement Assistance Administration.

According to testimony presented before a Special Legislative Commission on Mental Health convened to investigate OSTI, Wiseman and others described OSTI's activities as follows:

"A non-profit consulting firm. . . . We have done work also for people who want to write proposals for your urban renewal. . . . Among other things, we did a report for the National Crime Commission on how their recommendations could be implemented. We worked on Model Cities proposals. We worked on problems of providing more employment in ghettos. We worked on model transportation systems."

OSTI's big splash, however, was an underground hit film called *Titicut Follies*, the outgrowth of Wiseman's original plan to do a documentary on the life of Albert DeSalvo. Blocked by Massachusetts state correctional officials from accessing the "Boston Strangler," then being held at the Bridgewater Correctional Facility for the Criminally Insane, Wiseman pulled strings with the Dukakis crowd to get permission to do a "less controversial" documentary film on the Bridgewater facility itself.

What finally emerged from the film-making project was *Titicut Follies*, a horror show of live electro-shock torture, the administering of literally killer doses of psychotropic drugs, and other heinous crimes straight out of the gulags. Several of the "patients" at Bridgewater who were featured prominently in the film actually died during the period that Wiseman's film crews were running around inside the facility, a fact that Wiseman and company attempted to exploit by putting *Titicut Follies* on the New York commercial cinema market—before Massachusetts government officials went to court to block its public showing.

At least one of Boston's bluebloods thought the film was a great piece of artistic achievement. Dr. James Vorenberg, head of the Criminal Justice Institute at Harvard Law School and the sponsor of the LEAA plan for a nationwide police gestapo, was so enthusiastic about *Titicut* that he arranged for his foundation, the New York City-based New World Foundation, to pour money into OSTI to produce a follow-up documentary.

New World Foundation, which stresses the "avoidance of war" in its grant portfolio, funds such radical causes as the Center for Constitutional Rights of William Kunstler, the American Friends Service Committee (AFSC), La Raza Unida, and the Puerto Rican Legal Defense Fund. Not coincidentally, AFSC was one of the major sources of funds for Boston's radical housing movement that covered for Duke's friends' looting of the Model Cities accounts.

Vorenberg, who shortly after his *Titicut* involvement became the dean of the Harvard Law School, carried his radical politics into the halls of ivy, sponsoring the Critical Legal Studies movement, a cynical universal fascist approach to law that rejects natural and constitutional law in favor of purely socially determined legal practices. This radical "do your own thing" approach to the law produced a cadre of

political activists, including Dr. Susan Estrich, Mike Dukakis's 1988 presidential campaign director.

### **Packaging a Manchurian Candidate**

Back in 1963, a movie, *The Manchurian Candidate*, brought to the screen the chilling reality that behavior modification techniques had been perfected to the point that an individual could be "programmed" to kill. In the case of the film, the assassination target was a presidential candidate. The brainwashers were a team of Russian specialists working in a North Korean prisoner of war camp during the Korean War. The film was yanked from the theaters within days of the assassination of President John F. Kennedy.

Fiction mirrors reality, and in the case of Mike Dukakis, OSTI's top gun, Warren Bennis seems to have been given a special assignment: to mold the Duke as a slightly different brand of "Manchurian candidate," the kind that gets elected.

Bennis, the Tavistock specialist in leadership dynamics, teamed up in 1985 with the head of the University of Southern California Center for Futures Research, Burt Nanus, to develop a synthetic personality profile ideally suited for a presidential candidate presiding over a "paradigm shift" into a fascist "New Age," an ideal post-industrial world. Citing "est" kook-cult founder Werner Erhard and James MacGregor Burns, the driving force behind a move to overturn the U.S. Constitution in favor of a managerial parliamentary government of experts, Bennis and Nanus designed what would emerge during the 1988 primaries as the campaign personality of Dukakis, remake of the severely flawed 1976 Jimmy Carter. In Bennis's own words:

"President Reagan has a flair for reifying abstract topics with experiential references. The first budget message was a sort of masterpiece in that he objectified \$1 trillion by comparing it to the Empire State Building. His ability to express his ideas graphically is a major wielding device.

"Conversely, Jimmy Carter was unimpressive in his ability to communicate, which greatly hampered his rallying power. Ironically, Carter was probably one of the best-informed Presidents since Woodrow Wilson. However, it isn't just information or facts—which can be received as 'info-glut'—it's the form of presentation, the overall meaning. President Carter's intentions were there, but the forms were vague. One of the people interviewed, a cabinet officer and loyal Democrat appointed by Carter, remarked how difficult it had been to work for him because she never knew what he stood for. As she talked about Jimmy Carter, she conjured a beautiful metaphor of her own: 'Working for him was like looking at the wrong side of a tapestry—blurry and indistinct.' "

Lest there be any doubt regarding Bennis's involvement in the "Dukakis project," let it be noted that one of the people he pays tribute to in the introduction to his book is economist Rosabeth Moss Kanter—who just happens to have co-authored Dukakis's only book, called *Creating the Future*.



## Duke's Massachusetts an espionage center

In a *Boston Globe* interview published on Oct. 8, Boston FBI chief James Ahern warned that New England, particularly Massachusetts, has become a top target of Soviet and Chinese spies who have sought out the region's high-technology industries and universities. If the FBI is seriously concerned with blocking this espionage, it might start by examining Governor Dukakis's administration, which has done much to facilitate this development. Under Dukakis's sponsorship, the state has established a special relationship with both the People's Republic of China, and Israel, whose intelligence services maintain close relations with the Soviet KGB.

That Dukakis proposes policies inimical to vital U.S. national security interests has become well known to a growing number of Americans. That the Democratic candidate may be already implementing aspects of these policies through his state government, is little known, but nonetheless, an important national security concern.

### The Dukakis China card

In 1983, Governor Dukakis signed a special protocol which established "sister province" relations between the state and Guangdong Province, of the People's Republic of China. The protocol, the first of its kind in Massachusetts history, provides for trade and educational and cultural exchanges. Guangdong Province, whose seat is the famous south China city of Canton, has long been a center of Chinese narcotics trafficking and espionage.

Following the signing of the peculiar arrangement, visiting Guangdong Gov. Liang Lingguang was taken on a tour of many of the state's high-tech firms and universities, such as Wang laboratories and MIT, which the FBI has classified as top P.R.C. espionage targets. To cement the relationship, the two governments exchanged permanent trade representatives.

It is a telling historical irony that during the 19th century, Boston was the main United States port carrying opium to China, specifically through the port of Canton. The same Boston blue-blood families who were trafficking in opium then, are apparently trafficking in high-technology today. Canton, meanwhile, has become an important point of departure for P.R.C. opium entering the United States, includ-

ing through Boston Harbor.

Since signing the protocol, Dukakis has aggressively pursued his trade initiative. In 1984, he sponsored a Chinese delegation to Boston, to determine what technologies the Chinese were most interested in, and established a Massachusetts-Guangdong Advisory Committee to advise him. Among the member organizations of the committee is the U.S.-China Friendship Association, a U.S.-based Chinese espionage and terrorist front. In 1985, Dukakis led a delegation to Canton to open up further high-tech trade. More than 100 Massachusetts companies are currently involved in business ventures with the P.R.C. as a result.

That Dukakis's actions are not merely pragmatic or naive, is attested to by the governor himself. Addressing the Guangdong governor in 1984, Dukakis recalled his childhood advocacy of the communist cause. "I was a 13-year-old boy at the Baker School in Brookline," began the governor, "and I was asked to debate changes in China. I delivered a ringing condemnation of the Kuomintang [nationalist, pro-Western Chinese government] and strongly advocated revolution in China. So, you see you have a friend here. In fact, some friends of President Reagan occasionally refer to Massachusetts as the People's Republic of Massachusetts." The governor also notably emphasized, "What you think are the priorities, not what we think are the priorities."

### The Israeli/Soviet angle

In 1987, Dukakis authorized a general accord with Israel, nominally to facilitate Massachusetts-Israeli commercial exchange, and established special state committees to pursue the relationship. Among the key movers of the accord is the New England-Israeli Chamber of Commerce, otherwise known as the U.S. arm of BIRD, the U.S.-Israeli Binational Research and Development Foundation.

It was BIRD which tasked and funded Mossad spy Jonathan Pollard to steal several thousand U.S. classified documents from 1981 up to his arrest in 1985. These documents did not merely travel to Israel; they also went to Moscow. Former U.S. Defense Secretary Caspar Weinberger has classified Pollard's theft as extraordinarily damaging. Pollard had been recruited to the Mossad by Anti-Defamation League employee Ruth Sella. Mrs. Kitty Dukakis, the governor's wife, still sits on the New England ADL regional board.

BIRD counsel Harold Katz, formerly of Boston, was Pollard's paymaster, using accounts at the Bank of Boston. BIRD was formed in 1977, during Dukakis's first term as governor, nominally to expand U.S.-Israeli joint research programs. Its founding director, A.I. Mlavsky, now in Israel, had been a Boston-based scientist.

In 1985, another associate of BIRD and the New England-Israeli Chamber of Commerce, Jacob Tzur, fled the United States after being implicated in stealing nuclear bomb timing devices for Israel. Tzur was then a scientific attaché at the Israeli consulate in Boston.

## 1983 World War III threat is a hoax

by Lyndon H. LaRouche, Jr.

On Oct. 16, the *Sunday Telegraph* of London reported a prominent Soviet defector, Oleg Gordievsky, as revealing that Moscow was prepared to launch thermonuclear World War III back during the autumn of 1983. Usually authoritative sources have insisted that Moscow did simulate such threats during that period. That was the period forces inside the administration moved to oust Judge William Clark from his position as National Security Adviser, and to break off all direct contact between me and the National Security Council.

The fact is, Moscow was not ready to go to nuclear war at that time. The threat was simply carefully orchestrated psychological warfare. Apparently, many Western authorities were deceived by that bluff then, and many continue to be fooled to the present day.

I was a key figure in crucial aspects of the developments of that period, and the individual figure against whom Moscow and its assets in the U.S.A. and Western Europe concentrated the greatest amount of attention. For that, and related reasons, I am best situated to identify what really happened in those developments of 1983, and to indicate the significance of those events for a terrifying period of crisis to erupt beginning the post-election "transitional period."

### **Moscow vs. LaRouche**

It should be recalled that the Soviet press identified me as the individual person they considered a virtual *casus belli* during that period, and demanded that all Reagan administration contacts with me be broken. This Soviet campaign against me was echoed among left-leaning circles within the Democratic Party, and, inside the administration itself, among both

the ex-Lovestonite circles linked to Richard Mellon Scaife, and the RAND Corporation's ex-Trotskyite Albert Wohlstetter.

As an outgrowth of bipartisan discussions between me and the Reagan administration, beginning the 1980-81 transition period, during 1982-83 I was closely associated with the National Security Council (NSC) on two projects. The first, was my work in defining strategic and economic feasibility of a new policy later known as the Strategic Defense Initiative (SDI). The second, was a (back-channel) discussion I conducted on behalf of a tight circle of the U.S.A. intelligence establishment, with Soviet channels, over the period from January 1982 through April 1983. From the middle of 1982, until April 1983, coordination of my exchanges with Soviet channels was shifted into the National Security Council.

As part of this association, I returned from an international fact-finding trip of June-July 1983, to present my report on current Soviet posture to the NSC. I reported that we must expect some key Soviet military incident directed against the United States within about 30 days, and that this incident, whatever it might be, would be the beginning of a general escalation of almost unprecedented Soviet threat postures. My point was, that our nerve was to be tested.

It should be recalled, that close Andropov associate Marshal Nikolai Ogarkov personally supervised the shooting down of a helpless civilian airliner, KAL 007, within less than 30 days of my report to the NSC.

Apart from the mass-murderous brutality of that Soviet military action, the peculiarity of the incident, the killing of the crew and passengers of a Boeing 747 civilian airliner,

was that electronic interception of the Soviet pilot's messages with his base showed that the pilot had identified a civilian airliner before shooting it down. The operation was conducted in a way to make clear beyond doubt that the authorization to proceed with the kill had been issued by the Moscow command-center itself; it was not an autonomous decision by the pilot or the Soviet Far Eastern air defense command.

Although the President rightly identified some of the elements which proved conclusively that Moscow had deliberately attacked what it knew to be a civilian airliner, no adequate sorts of political penalties against Moscow were taken. U.S. nerve had been tested, and, by Soviet standards, the U.S. response failed that first test. This led to the Soviet escalation, to the alerts which occurred during the period of what was essentially a NATO "desk exercise," ABLE ARCHER, a few weeks later.

The recent coverage of those 1983 developments, from London, insists that the West "blinked" under pressure of a series of the kind of strategic bluffs I had indicated as to be expected in my August 1983 report to the NSC.

Following ABLE ARCHER, Judge Clark was ousted from the NSC, and the operation to break my connections to the NSC were launched simultaneously, beginning October-November 1983.

In addition to the role of NBC-TV News, the key players against my work on the SDI and Soviet strategic assessments included such associates of Wohlstetter as the circles of Richard Perle inside the Pentagon, and such protégés of Richard Mellon Scaife as Roy Godson inside the NSC, and Herbert Romerstein at Charles Wick's U.S. Information Agency. Notably, Godson and Scaife are associated with not only John Rees and Uri Ra'anani, but include such notorious elements of the U.S. pro-drug lobby as Dukakis accomplice John Foster "Chip" Berlet and terrorist-linked scribbler Dennis King, the latter key assets of the dirty operations run through NBC-TV News.

At the same time, the escalated activities against me through the Democratic National Committee and Wohlstetter and Scaife associates inside the administration and NBC-TV News operations, were publicly backed to the letter by the leading Soviet press, including Andropov agent Fyodor Burlatsky.

### **The U.S. blinked**

Was there, as London sources now say, a Soviet threat of World War III during Autumn 1983? No. There was something very nasty afoot in Moscow: grand-scale strategic deception. It was "nuclear living theater." A great number of honest patriots and others in high places, here in the U.S.A., and in Western Europe, were successively deceived. The West "blinked," and the rest, to date, is recent history.

What was pushed aside was the very simple fact, that Moscow was not prepared to go to war, unless attacked, at that time. Also, Moscow feared no U.S.A. attack at that time,

or any time since, to the present day. The London report, that the Soviet leadership's paranoid fears caused it to read ABLE ARCHER as a threat of NATO preemptive assault, is childish fiction of the sort we might expect from the producers of a TV soap opera; no one who understands the ABCs of Sovietology should be taken in by such fairy-tales.

The facts are simply these:

1) Moscow never takes what it considers unnecessary risks except in those instances it considers the Soviet homeland under attack.

2) Discounting culturally induced psychological defects in the Soviet strategic command and doctrines, the circles around the late Yuri Andropov and his closest ally, Marshal Nikolai Ogarkov, have shown themselves among the most brilliant strategists of the 20th century. They calculate matters of war down to such details as almost the last cotter-pin; indeed, the characteristic weakness of Soviet military practice, is the Russians' culturally induced inability to improvise effectively in strategy and tactics. The Russians praise this mental defect of theirs as "objectivity."

3) Moscow's Andropov-Ogarkov war-plan of world conquest, set into motion at the beginning of 1983, was a five-year plan of *perestroika*, to bring Moscow's forces up to war-fighting readiness by approximately 1988. On this subject of war-readiness, the policies of Ogarkov, and the leading members of his military "kindergarten" now rising to the top in the Soviet military command, are clear and militarily most sound. Any Soviet command group which had thought to launch war in 1983 would have been shot promptly as "suspected traitors."

4) The Andropov-Ogarkov war-plan of world conquest is based upon chiefly three non-military factors: a) the coming financial and economic collapse in the West; b) a loss of political will in the Western governments, centered around inducing reduction of U.S. military commitments in Western Europe and the Pacific region; c) the erosive influence of the rock-drug-sex counterculture in the West. These were the near-term (five-year-span) Soviet strategic objectives of the 1983 period.

5) During 1983, the strategic military element of the war-plan required absolute Soviet superiority prior to a potential for launching of first-strike attack *during some time after 1988*. The prerequisites for this included: Soviet deployment of its version of strategic ballistic missile defense systems, a sweeping reorganization of the Soviet order of battle by about 1988 (now not expected to be completed until about 1991), weakening of U.S. forward-based capabilities in Western Europe, a Soviet *strategic* naval breakout into the eastern Mediterranean, Pacific, and Atlantic, and a weakening of the political will of the West to defend itself.

6) The actions of Andropov and Ogarkov during the period April-November 1983 were intended to test and weaken the political will of the West, as a contribution to fostering the conditions for Soviet strategic break-out, although not

## 'World almost went to war'

The *Sunday Telegraph* of London on Oct. 16 purported to tell the story of how war almost broke out by mistake in November 1983. The story is based on the testimony of Oleg Gordievsky, a KGB defector who worked in the KGB's First Chief Directorate for espionage abroad. Gordievsky claims that then-First Chief Directorate head Gen. Vladimir Kryuchkov—who has just been appointed to head the KGB—called senior KGB officers together, to mobilize them in response to perceived Western war moves.

The moves Kryuchkov was talking about, Gordievsky said, were part of a Nov. 2-11, 1983 NATO exercise, code-named ABLE ARCHER. This was a command post drill, to enable the Western alliance to practice its nuclear release procedures. Gordievsky claimed that the Soviets responded to the maneuver by going into an "ill-founded panic," since they believed that "belligerent imperialist circles in the U.S.A. are getting ready for war, and are preparing new weapons systems which could render a sudden attack feasible." As a result of this "panic," Gordievsky claims, on or about Nov. 8-9, the world "really passed through a war danger."

The article claims that NATO monitors discerned that "something was going badly wrong. Instead of the monitoring normally to be expected from across the Iron Curtain, a sharp increase was registered in both the volume and the urgency of the Eastern Bloc traffic. The incredible seemed to be happening, namely that the Warsaw Pact suspected it might really be facing nuclear attack at any moment. Gordievsky was later to explain to the West that this was, in fact, far from incredible. The classic Soviet plan for an offensive against the West envisages that maneuvers will be used as a combined camouflage screen and springboard for the real attack. The Russians naturally assume that their adversaries would do the same."

The lesson which Gordievski draws from what he calls the Soviets' "ill-founded panic" at the time, is that the West must develop a policy of responsible détente toward the U.S.S.R., responding positively to what seem to be genuine concessions from the Soviets, but "meeting Gorbachov with straight talk." He advises: "Never fudge the basic differences between East and West. Above all, in the meantime, remain strong on the military and nuclear fronts."

necessarily war, beginning 1988.

7) The Soviet leadership may be evil, but it is not a collection of children in the matter of war. Why should it incur the terrible penalties of general warfare, if it could acquire its strategic goals as Hitler did up through the summer of 1939? Why force a powerful victim to resist, when one might induce him to surrender by psychological intimidation and subversion?

So, in 1983, there never was a danger of general war, from our side, or Moscow's. However, it was most useful to Moscow to induce the U.S. government to believe that such an immediate potential existed. As Moscow hoped, Washington and Western Europe "blinked." Moscow obtained everything it sought for the medium term, without firing a single Soviet missile.

### Failures in Western analysis

The principal cause of failures of this sort in the Western governments and related establishment circles, are chiefly two. First, Western society has become what sociologist David Riesman described as an "other-directed society." Most people, especially the politically sensitized ones, do not act upon their own independently formed, rational opinions; they borrow what they imagine to be "approved opinions." Second, there is a powerful faction within the Atlantic establishment which is committed to a form of "world federalism" based upon global power-sharing arrangements with Moscow; they tend to assist Moscow in anything which seems to them to bring the world closer to their peculiar sort of goals of global power-sharing between the Anglo-American liberals and Moscow.

The cultural psychological flaw of "other-directedness" is the reason that nearly every liberal press and politician's interpretation of events in Moscow reminds us of a script from a TV soap opera. Everything is explained in terms of soap-opera-like explanations of interpersonal, who-hit-whom sorts of transactions among individual personalities and groups of personalities.

As I have stressed in earlier reports on the poor quality of most Western Sovietology, real history is no soap opera. Real history is shaped by the same principles we ought to recognize from such great classical tragedy as that of Aeschylus, Miguel Cervantes' *Don Quixote*, Shakespeare, and Friedrich Schiller. The essence of the U.S. government is that it is a real-life Greek tragedy. The Soviet Union is also a Greek tragedy, although a different drama than the U.S. one.

People's actions are governed by the way in which they think. Most people have almost no "free will" in the strict sense of the term; they act as they are habituated to react to events, often resembling the way a gold-fish swims in tight circles in a pool, after being released from a small bowl. "Free will" requires that we not accept blindly those usually unconscious axioms of thinking which cause us to choose the kinds of decisions we make in response to events. In other

words, if we understand the axioms of a people's thinking, assumptions of which they are usually not conscious, we can predict with fair accuracy how entire nations will walk as blindly to self-destruction, in a crisis, as sheep compete with one another to reach the head of the line in the procession into the slaughter-house.

That is the way in which Soviet behavior is shaped. That is the way the behavior of the political parties of the West has been shaped over the past 20-odd years.

There are breaking-points, especially during grave crises, during which some influential people may examine the underlying assumptions of their behavior up to that point. Bold decisions, either good ones, or very bad ones, are likely at such times. It is during such periods that the factor of "free will" tends to come to the surface, to the effect of changing the way governments and most people respond to events.

If we keep our eyes on these two characteristic features of classical tragedy and real-life history, we are enabled to assess the facts with greater or lesser degree of competence.

In the present period, the trick is not to react to events, but to uncover the largely unconscious assumptions which tend to cause us to react to events with an habituated kind of emotional response.

On the level of government, the U.S. administration's emotional reaction to the Soviet psychological-warfare stunts of 1983 was a blind reaction by a group of "other-directed" persons who were reacting to events as we might expect of actors in a Hollywood soap opera. However, it was not the U.S. government which made the decision to "blink" back in the second half of 1983. It was the trans-Atlantic establishment, which usually has its way with the U.S. government in such matters.

As I emphasized to the press at my Oct. 17 National Press Club appearance [see article, page 58], the trans-Atlantic establishment is divided broadly among three above-party factions.

The most obvious is those ultra-liberals, with fascist economic and social ideas, who control the candidacy of Michael Dukakis entirely. These are all-out world-federalists, committed to establishment of total global condominium, as a form of power-sharing with Moscow, by about 1992.

The directly opposite faction are traditionalists, who believe in the institution of the sovereign nation-state, representative self-government, improvement of productivity and conditions of life of all persons through benefits of scientific and technological progress, and what we know as traditional Western European Judeo-Christian values. These forces are based politically on traditionalist constituency groups in the population, such as farmers, industrial operatives, industrial entrepreneurs, and racial and ethnic minorities seeking full opportunities to share traditional benefits.

In between, there is a large section of the trans-Atlantic establishment whose ideas are those which the general public will tend to associate with the "Metternichean" ideas of Hen-

ry A. Kissinger. This group accepts the idea of increased global power-sharing with Moscow, and Beijing, but believes that concessions to Moscow must be limited ones: In short, it is their view that the Western establishment must never give away so much that it loses its ability to remain a major player in a global "balance of power" game.

Back in 1983, the ultra-liberal and "balance of power" factions of the trans-Atlantic establishment were united against the traditionalists on the issues involved in Moscow's gigantic strategic bluff. Today, the alignment is more complex, as Kissinger's Sept. 19 *Newsweek* feature illustrates this point. Much of the middle faction is frightened by what it now views as dangerous Western establishment misestimates of both the Andropov and Gorbachov phenomena, and view what Michael Dukakis represents as a grave danger to the future of civilization on this planet.

The Bush candidacy today is the political centerpiece of an effort to bring together new establishment and other combinations around a next Bush administration. Bush's backers contain elements of all three establishment currents: Harri-manite ultra-liberals, centrists, and traditionalists. It is the growing perception, that the policies of a Bush administration will be determined largely by the kinds of realignments which might emerge among the three elements of the establishment.

Although I am neither tied to Bush, nor a member of the establishment, I function internationally on the same level of influence as were I a kind of fourth element of the establishment, close to the traditionalists in my commitments and direction of thinking, but actually a continuation of the Federalist-Whig current which was more or less dominant during the first hundred years of our republic, as typified by Franklin, Washington, Hamilton, the Careys, and John Quincy Adams's foreign policy. That was the character of my relationship to the NSC back during 1982-83.

Hence, when two factions of the trans-Atlantic establishment decided to capitulate to the Andropov-Ogarkov strategic bluff, I was ousted from connections to the combination of bipartisan forces around the Reagan administration, and those tied to the traditionalist current of the establishment, such as Judge Clark and many others, were purged from key policy-shaping positions. This purge continued through 1985.

The reason that the legal frame-ups against me and my friends were tolerated, beginning 1984, and coming to peaks in October 1986 and October 1988, was that arrangement. The ultra-liberals, including Dukakis's Harvard cronies and Ramsey Clark's old cronies in the Justice Department, wished me dead; the centrists accepted the decision to have me eliminated; the traditionalists were too busy protecting their own political hides to risk anything important for the sake of a former ally.

This and related international experience afford me an objective insight into the various factions and other matters; the advantage of being an outsider permits me to see many

important matters with far greater emotional and intellectual detachment than perhaps any other international public figure of this period of time. I am not obliged, as most members of the establishment currents are, to contort my mind into the state required to rationalize support for a foolish policy currently in vogue among either a current within the establishment, or the establishment as a whole. As long as I take the personal risk I incur so, I am free to call the shots as I see them. It is a hazardous profession, but the only one which permits one to view events with a clear head.

### Implications of 1983

The "transitional period," from the day after the election, until the next inauguration, will be one of the most dangerous periods in modern history. If Michael Dukakis were elected, most Americans, especially the poor and the minorities generally, would wish the proposed permanent colony on Mars were already accepting immigrants. The looming new international financial crisis, the deepening economic crisis generally, the global food-crisis to worsen over the coming two years, and the dangerous situation in the Balkans and the eastern Mediterranean generally, indicate what will confront the next President, beginning in the transitional period.

During this period, the U.S. and other governments will be faced with crises far worse than the Soviet bluff of late 1983. If the next government reacts no better, or even worse, than the U.S. government reacted to the bluff of 1983, the U.S. situation will deteriorate more or less irreversibly; there might be no next election in 1992.

This will not be a happy period for Moscow. It might possibly come to dominate the world by 1992, or some time near to that. However, the internal self-destruction of the Soviet empire is already in progress; if Moscow continues to play out the classical tragedy in progress there now, Moscow is doomed only soon after Israel is obliterated by Middle East developments which will assuredly occur were Dukakis elected.

Mainland China is in a parallel state of internal crisis. Entire Third World nations, such as Uganda, are presently vanishing from the political map, biologically. Presently, hundreds of millions of deaths from famine and related causes, are to be expected around this planet, and surely so were Dukakis elected. We are looking into the red eyes and black soul of a hideous monster, the prospect, that over the coming years, this entire planet might be plunged into a New Dark Age.

Presuming Bush were elected, this is the nature of the situation which confronts his administration. If he reacts in a centrist way, his performance will be poorer than the referenced 1983-86 response to Soviet bluffs by the Reagan administration. It is therefore urgent now, that the 1983 fairytale from London be seen as the nonsense it is, in order that the next President not repeat the same kind of blunder, with global results akin to the final scene of Shakespeare's *Hamlet*.

# Autumn Forge: Will NATO maneuvers be

by Dean Andromidas

Since Sept. 12, NATO has been holding its Autumn Forge series of military exercises, which are scheduled to be completed by the end of November. Two of the most important of these were the American Reforger (Return of Forces to Germany) and Certain Challenge, the annual field training exercise of the U.S. Army Europe with the participation of the West German Army, the Canadian Army in Europe and elements of the Danish and French Armies. Cold Fire, the annual exercise of all the NATO air forces in Central Europe, was held concurrently.

This year's exercises occur in an atmosphere of unprecedented political and economic pressure on the Atlantic Alliance. Almost two years of arms-control talks have already led to the withdrawal of American Cruise and Pershing II missiles, fueling doubts about the American commitment to maintain its troops and air forces, if not its commitment to the defense of Europe. If talks between Washington and Moscow had not left doubts, the continued economic crisis and budget cuts have. Despite NATO Supreme Commander Gen. John L. Galvin's assertion that Reforger will be held "every year into the foreseeable future," rumors in the field among American troops were that this year's exercise would be the last—the future ones falling victim to congressional budget cutters.

With the ink hardly dry on the signatures to the INF treaty, the Soviet propaganda machine and its allies in the peace movement and Russian lobby in the West, have targeted NATO conventional forces, particularly NATO air forces and maneuvers of all kinds. *Krasnaya Zvezda (Red Star)*, the official daily of the Soviet military, charged in language not seen in the last several years, that Autumn Forge was "provocative," with its exercises being held "dangerously close to the boundaries of the Warsaw Pact." On Oct. 14, East Germany's Communist Party paper, *Neues Deutschland*, attacked NATO's Autumn Forge exercises as a violation of the agreements of the Conference for Security and Cooperation in Europe and a threat to world peace. *Neues Deutschland's* concern with world peace has hardly prevented the Warsaw Pact's own exercises from being carried out since September throughout East Germany, Hungary, Poland, Czechoslova-



# this year's the last?

kia, and all the western military districts of the Soviet Union.

Despite the uncertainties of the political climate, one thing is certain—the threat posed by the Warsaw Pact has not suffered from either arms-control talks or budget cuts. In fact the Soviet Union's own military modernization and buildup has continued unabated. Moreover, they are in the midst of a fundamental reorganization of their military structure along the lines of special air operations and incorporation of weapons based on new physical principles. It is this context that makes this year's NATO exercises perhaps the most significant. NATO Supreme Commander Gen. John Galvin said at a Reforger press conference that despite economic and political turmoil throughout the East bloc and Soviet Russia, "I see very few weaknesses" in the current ability of the Soviet Union to carry out and sustain offensive operations.

## **Reforger: reinforcing Western Europe**

Reforger exercises the ability of the United States to rapidly reinforce Europe in time of tension, prior to the outbreak of hostilities. Although the reinforcement, aided by prepositioning of almost all necessary equipment in Europe including tanks and armored personnel carriers, could take less than a week, no one entertains the illusion that such a complex maneuver could be held in the heat of battle without encountering almost insurmountable obstacles. Its purpose is to demonstrate a commitment for the reinforcement of Europe by the United States. In his press conference held during the exercise, General Galvin replied to a question on whether Reforger would not fall victim to arms control talks, by stating in unequivocal terms that Reforger would be held every year into the foreseeable future.

Nonetheless, this journalist heard soldiers in the field report that "rumors" in command circles had it that this would be the last, as future exercises would fall victim to budget cuts. Important to note is the fact that the exercise was introduced in 1967 following agreement among West Germany, Great Britain, and the United States authorizing the removal of certain U.S. and British forces from the Federal Republic of Germany.

This year's Reforger troops included the 1st Infantry Di-

vision, based in Fort Riley, Kansas, the 197th U.S. Infantry Brigade, based in Fort Benning, Georgia, and the 3rd Armored Cavalry Regiment, based in Fort Bliss, Texas. All these units have a celebrated past in American military history, particularly in the European Theater. Following their arrival in Europe through the port of Rotterdam, they took part in Landesverteidigung 88 where West German forces exercised "host nation support" which included deployment of West German reservists to lend logistical support to U.S. forces. Here American units were transported across the Rhine by military ferries and bridges built by West German military engineering brigades. But their major role was taking part in Certain Challenge.

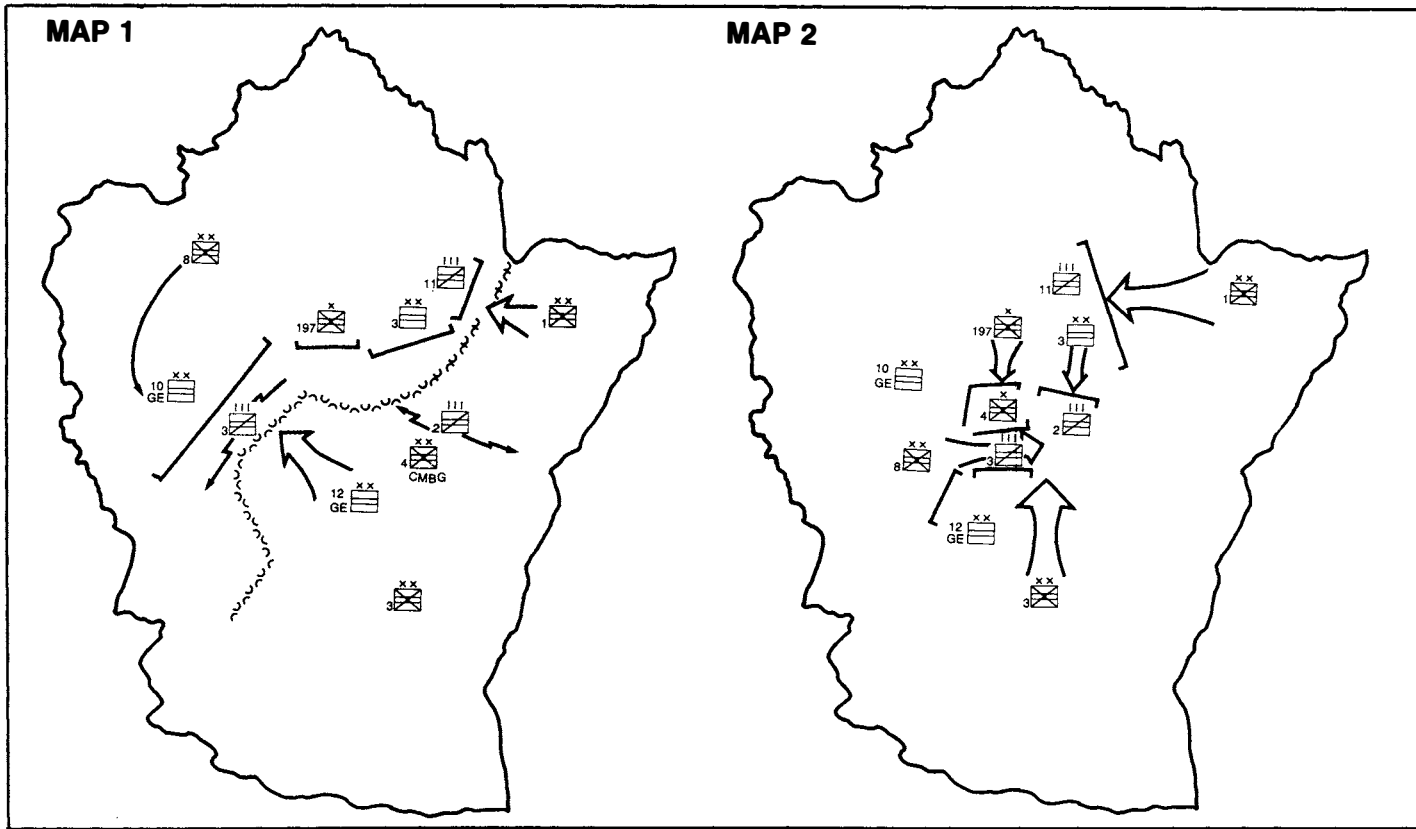
## **Certain Challenge**

The most dramatic exercise, if not the most important, is the annual autumn field training exercise (FTX). Designated Certain Challenge, this year's FTX was a marked departure from the previous year's exercises. Comprising over 125,000 men from the armies of the United States, West Germany, and Canada, as well as France and Denmark, it was one of the largest ever held. Having been in planning for over two years, it reflected some of the better ideas and programs that were put into effect in the American military when Caspar Weinberger was still heading the Defense Department.

Traditionally Reforger and the accompanying FTX would merely serve as an opportunity to get the soldiers out in the field and go through the motions of deployment. This year's was clearly different, reflecting some of the thinking that has been going on within the U.S. Army and its new doctrine, Air Land Battle. More importantly, it reflected some of the thinking going on within NATO in light of changes within the Soviet army's order of battle under the guidance of Marshal Nikolai Ogarkov.

The planners of this year's Certain Challenge had as their purpose the development of an exercise that would give the corps commands, the most important "operational" command level in NATO, an opportunity to actually exercise its responsibilities. This was accomplished through the introduction of "free play" into the exercise. This contrasted sharply with previous years' FTXs, which took on the characteristics of 18th century set-piece battles where they usually followed highly scripted scenarios. The scenario would begin following a period of tensions and build up on both sides of the international border. One would then expect a fictional "Orange" force to conduct a simulated "attack" from the east followed by a simulated "defense" by "Blue" forces in the west, who on Day 3 would automatically conduct a simulated "counterattack." Its most important effect was giving the individual soldier the opportunity to exercise his ability to maneuver his tank, artillery piece, or even his soup kitchen. As far as the ability of the higher command, especially the corps command, the FTX gave very little opportunity to do anything more than act as "battle managers."

## Exercise Certain Challenge in West Germany, October 1988

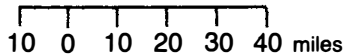


### Key

Divisional or regimental front

Forward line of troops

### Scale



### GOLD FORCES (Southland) VII Corps



1st Infantry Division



4th Canadian Mechanized Brigade Group



3rd Infantry Division



2nd Armored Cavalry Regiment



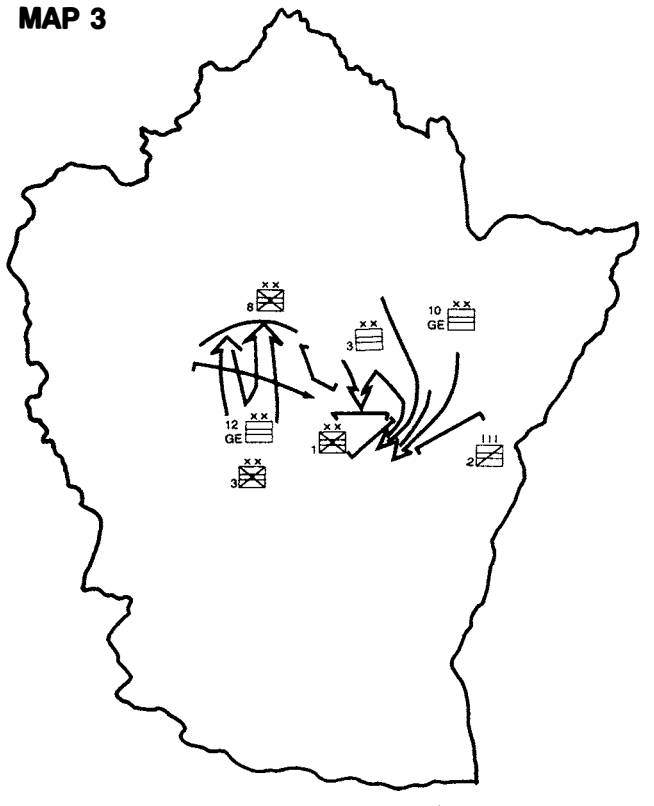
12 Panzerdivision (F.R.G.)

In a free play scenario, the only thing fixed was the initial attack. Furthermore, the scenario pitted two equal-sized forces: in this case, the entire Vth Corps reinforced with elements of the Reforger troops, as well as a West German panzer division, against the entire VIIth Corps also reinforced by a German panzer division and a Canadian brigade, as well as elements of Reforger troops (see key). To avoid political controversy—as it was put by General Saint, Commander of U.S. Army Europe—the exercise was configured on a North-South axis with a scenario for a conflict between two fictional countries, Northland (Vth Corps) and Southland (VIIth Corps). In the scenario, Northland is occupying “disputed” territory, and Southland, following a political deliberation, initiates an “attack” to reoccupy territory.







Both the emphasis on corps-level training and this battle

scenario are of interest in light of changes in the Soviet order of battle. The corps formation is the basic operational formation of NATO’s military structure. Each nation deployed in the Central Region has its forces organized in corps. This includes the British Ist Corps, the Netherlands Ist Corps, and Belgian Ist Corps. The United States has two (the Vth and the VIIth), and West Germany has its forces organized in three corps (I, II, and III). Each corps is responsible for a sector of the Central Front along the German-German and the German-Czech border. Furthermore, it has been suggested by leading observers of the Soviet military that they are reorganizing, from a traditional division-army-front structure to a corps-brigade structure similar to Western armies. The development of operational maneuver groups and airborne operations are considered part of this. Therefore, the

**MAP 3**



**BLUE FORCES (Northland) V Corps**

- |   |   |
|---|---|
| 8  8th Infantry Division         | 197  197th Separate Infantry Brigade |
| 3  3rd Armored Division          | 3  3rd Armored Cavalry Regiment      |
| 10  10th Panzerdivision (F.R.G.) | 11  11th Armored Cavalry Regiment    |

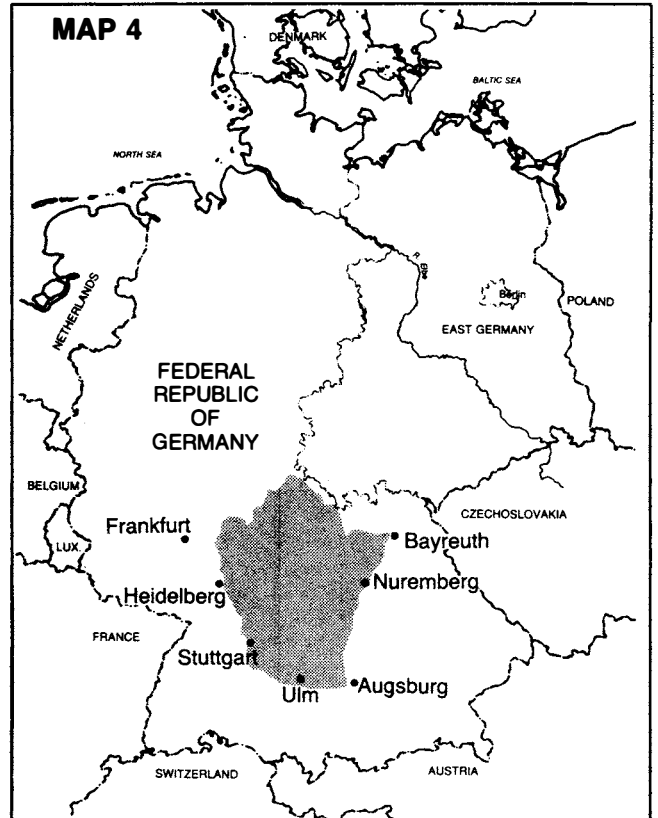
exercise of corps command is crucial.

By contrast, the fictional political scenario, in the view of this author who has had no access to the actual planners of the exercise, is typical of limited war doctrines still floating around NATO circles. This author believes that it reflects thinking that has been expressed, that the Soviets would take a limited action, an occupation of the City of Hamburg, for example, as a military provocation to cause either a political collapse of NATO or an equally limited military counteraction. It would seem from the scenarios that a "limited military action" was executed in Certain Challenge; in this case Southland initiated an attack on Northland who had been occupying "disputed territory."

If that was the case, Certain Challenge held out some interesting surprises. In the two free play engagements where

**The zone of the exercise**

**MAP 4**



Southland initiated the attack, against a Northland prepared to meet that attack, Northland appeared to get the upper hand, a stunning demonstration of the fallacy of "limited set-piece" engagements. But more on this below. The free play also held out some surprises from the corps headquarters staff, down to the individual soldier, whose own deployments corresponded more to missions initiated in an unfolding battle than *pro forma* tasks.

**Limited engagement disproved**

Although it might be too bold to assert that Certain Challenge served as a sort of crucial experiment to show that limited wars or engagements are simply not compatible with the natural laws of war, this author feels the argument can be made. The exercise zone straddled the West German states of Hesse, Baden-Württemberg, Rhineland Palatinate, and northern Bavaria in the Central Region of the Federal Republic of Germany. The zone (see Map 4) is amid six major cities with a regional population of over 15 million people. The main "battle" takes place between the cities of Würzburg and Nuremberg.

Maps 1, 2, and 3 are derived from the official maps of the exercise. The first depicts the opening engagement, where

*NATO Supreme  
Commander Gen. John  
Galvin, at the Autumn  
Forge exercises.*

Dean Andromidas



Southland attacks Northland. The second shows the near-encirclement of Southland by an immediate counterattack by Northland, and the third is the end of the second engagement held in the second week of the exercise.

### **Map 1**

Both corps are deployed on their respective side of the forward line of troops (FLOT). Southland has apparently been given an order by its political leaders to retake the "disputed" territory. It initiates a straightforward two-prong attack along its front. It becomes apparent to Northland that Southland's left wing is the main attacking force, comprising the 12th German Panzer Division and the 4th Canadian Brigade Group, while its right wing, comprising the 2nd Cavalry Regiment and the 1st Infantry Division, is conducting a secondary or holding action, and one division, the 3rd Mechanized Infantry Division, is being held in reserve. It also appears that Southland expects Northland to conduct a defensive action in preparation for a counterattack.

Meanwhile, Northland is by no means surprised. It is occupying "disputed" territory, in a dispute that has already led to a mobilization of not only its enemy, Southland, but of course its own forces. Northland is not only expecting an attack, but is already fully mobilized and behind relatively

well prepared positions. The corps staff of Northland, being competent military officers, have made careful dispositions. A glance at the map will show that Northland's right flank is prepared in classic fashion. The principal force here is the 10th German Panzer Division, which has the American 3rd Armored Cavalry Regiment conducting a screening operation to its front. The latter's mission is to act as a screening force to "feel out" the enemy's strength. On the left, the principal force is the 3rd Armored Division with the 197th Infantry Brigade and the 11th Armored Cavalry Regiment on its flanks. It holds the 8th Infantry Division in reserve.

Departing from "set-piece" scenarios, the corps staff dispenses with the defensive action. As soon as it has determined the main axis of Southland's attack, it throws in its reserve division against Southland's left flank. Since Northland was occupying "disputed" territory, it could be said that they were simply renewing their own attack.

### **Map 2**

Northland's flanking maneuver is devastatingly successful. The left flank of Southland's left-wing spearhead is driven back to a point where Northland conducts a classic turning maneuver, driving through Southland's spearhead. By the end of Day 2, a considerable portion of Southland's forces

are about to be encircled. Although Northland's stroke is a classic maneuver, it is also very similar to one of the favorite maneuvers in Soviet tactical doctrine.

On Day 3, Southland conducts a counterattack against the flank of Northland's now turning spearhead. The counterattack, although damaging, fails. Its failure was owed to the simple fact that the counterattack took, as could be expected, a matter of hours to organize and then execute. For every hour Southland is preparing, Northland is not only maintaining the momentum of its attack but is "digging in" preparing defensive positions as it occupies Northland's territory.

This author had the opportunity to have been on the ground at the "point" of Southland's counterattack. Its execution reflected all the esprit and enthusiasm that this author has always seen on NATO maneuvers. It appeared effective and even caught an entire battery of eight in artillery totally by surprise, including a few humble journalists. The "umpires" were not so surprised. The decision was a failure, because Northland held those positions for 18 hours, giving them a tremendous amount of time to dig in.

Days 4 and 5 saw a simulated weekend "truce" and withdrawal to holding areas. This aspect is wholly the result of the fact that these exercises are held in the midst of the West German countryside, one of the most densely populated in the world. That circumstance makes the exercise rather like conducting a "war" involving 125,000 men, in suburban New Jersey!

### Map 3

On Monday of Week 2, the truce is broken by Southland once more. In a similar two-prong attack, Southland pushes its left wing forward into the right wing of Northland. Northland this time meets that attack with a defense, falling back into defensive positions. Throwing in its reserves, it breaks through Southland's right flank and initiates another flanking maneuver by Day 3.

It would appear that Southland's two opening attacks failed not because of execution, but simply because they were attacking an enemy in motion protected by prepared defenses.

At first glance the "battle" seemed like two teams on a scrimmage line of a football field, with Northland being the better "team," a view one hopes is not entertained by too many officers. On closer examination, this author feels a fundamental observation can be made. In modern warfare, the margin of success between two opposing forces of equal strength and depth, both being fully mobilized and prepared, is quite small indeed. It is clear that the idea that war would begin only following such a buildup and preparation leaves too little margin for success and too much of a possibility of failure.

It served to underscore two facts concerning the defense

of Europe: 1) the absolute necessity of stationing American Army and Air Forces in the Central Region in view of the massive Soviet superiority; and 2) the fact that the decisive factors in defending the Central Front do not lie simply within the confines of Western Europe, let alone the Federal Republic of Germany. That defense must be premised on NATO's ability to counteract, on a global scale, the full circumference of the Soviet perimeter, thus negating their inherent advantage of having internal lines of supply and great topographic depth, as was demonstrated in the failure of Napoleon, and of the Nazi armies of World War II.

For the same reasons it should be clear that the Soviets, being competent commanders, also would not conduct war planning on such narrow margins. (For full discussion of Soviet airborne operations see *EIR* Vol. 15, No. 38, Sept. 23, 1988, page 30).

On the other hand, on a lower level this type of "free play" held out excellent possibilities for training, with the following being most exemplary:

- *Interoperability among the respective NATO armies.* This was one of the first exercises with multinational forces operating within the same corps command, in this case the 10th German Panzer Division with the Vth Corps (Northland) and the 12th German Panzer Division and the 4th Canadian Brigade Group with the VIIth Corps (Southland). Cooperation apparently worked out with the very characteristic *esprit* within NATO, despite the differences in language, equipment, and procedures.

- *Air Force/Army cooperation.* NATO air forces were conducting their own Cold Fire exercise which interfaced with Certain Challenge. The "free play" held out quite a few surprises for the Air Force-Army interface. Here the "real time" factor or time lag between the time intelligence was received and used for battle mission planning, and then its execution, held out a few surprises as A-10 group attack jet fighters failed to find expected targets or transport planes, and dropped their supplies in empty fields because maneuver units advanced a lot faster than the planning schedules in use.

As with all other military exercises, there were many lessons learned, some as small as field testing a new soup kitchen and rations, all the way up to the more glamorous weapon systems such as the new, very lethal, Apache attack helicopter, the M1 Abrams tank, and Bradley Infantry Fighting Vehicles. Most of all, they serve as a proving ground for the soldiers to test their abilities and build their morale which is absolutely essential for NATO's preparedness.

If future Reforgers and Certain Challenges fall victim to the budget cutters, the losers are clearly our defense effort. If the rumors heard in the field of this being the "last Reforger" become reality, one can expect a wave of demoralization as during the disastrous days of the Carter administration—a lesson that should be carefully considered in times that are strategically more dangerous than in the late 1970s.

# New Soviet command reorganization crafted by Marshal Ogarkov

by Konstantin George and Luba George

Marshal Nikolai Ogarkov, the architect of the Soviet Armed Forces command structure, turns 71 on Oct. 30. Far from retiring into inactivity, Ogarkov is presiding over a new reorganization of the Soviet High Command, under way since early September at the latest. The new changes extend deeper in the Soviet Defense Ministry, and throughout the Warsaw Pact, than the transformation of the Soviet command structure Ogarkov effected in September 1984, when he created wartime headquarters and theater high commands in four theaters of military action (known by the Russian acronym, TVD).

Both reorganizations, the one in September 1984 and the one that is going on as of September 1988, featured a transfer, and promotion, of Marshal Ogarkov from one post to another. In September 1984, when Ogarkov vacated his position as chief of the General Staff, the Western world was inundated with disinformation from the Kremlin, to the effect that Ogarkov had been "demoted." By the end of September 1988, some of the same Western European newspapers which retailed that story four years ago, whose editors seem never to learn from their mistakes, proclaimed the news that Ogarkov had been transferred to Moscow, and was now "retired."

This new disinformation balloon burst on Oct. 12, when the Soviet Defense Ministry daily, *Krasnaya Zvezda*, reported that sitting on the dais at a Moscow Garrison celebration of the Polish Armed Forces the previous day was Marshal N.V. Ogarkov, alongside Main Political Directorate Chief Gen. A.D. Lizichev and Gen. Col. V.N. Lobov, the first deputy chief of the General Staff. In other words, Ogarkov was listed among those generals who are active in extremely high positions.

## The secret reorganization

Indications of a big, still secret command shift, involving forces in the Warsaw Pact, appeared at the beginning of September. On Sept. 1, the Czechoslovak news agency CTK reported that "Marshal N.V. Ogarkov" was in Prague, accompanied by "General of the Army S.I. Postnikov." It has been standard practice for news bulletins to identify Ogarkov by name and rank alone, with no post cited, since his September 1984 promotion to command the Western TVD. When CTK treated Postnikov in the same format, with his post not named, it meant his promotion to a more senior position,

related to or within the wartime theater commands. Since March 1987, Postnikov had been first deputy commander of Soviet Ground Forces.

The promotion of Gen. Stanislav Postnikov was the first wisp of smoke. During September and into October, it emerged that other key Soviet officers, in particular certain deputy defense ministers closely linked to Ogarkov, each with extensive theater command experience, have been given new, expanded, pre-war responsibilities. In some cases, a new post is listed for the officer, while the expanded functions of others are revealed by their deployments. The commanders so identified, to date, are:

- On a Sept. 8 visit to East Germany, General of the Army Ivan **Tretyak**, was identified by the East German news service, ADN, as "deputy commander in chief of the Warsaw Pact," alongside his known post as Soviet air defense chief. Tretyak's career, before becoming a deputy defense minister in July 1986 and commander of Air Defense Forces one year later, included his selection by Ogarkov as commander in chief of High Command Far East, during the 1984 reorganization. Tretyak remains a deputy defense minister, as confirmed in *Krasnaya Zvezda* of Oct. 12.

- On Oct. 5, General of the Army Vladimir **Govorov**, the deputy defense minister heading Soviet Civil Defense, arrived in East Germany. According to ADN, Govorov was briefed on the activities of East German Civil Defense against natural disasters and "other instances of damages," i.e., sabotage. The functions of Govorov, Tretyak's predecessor as Far East commander in chief, have been expanded to cover the entire Warsaw Pact, and to include anti-sabotage measures.

- Budapest, Oct. 2-5: For the first time in history, a Soviet delegation to a Warsaw Pact Military Council meeting was led by the Chief of the Main Inspectorate, General of the Army Mikhail **Sorokin**. Radio Budapest Oct. 2 termed this "an important meeting on military policy." The functions of General Sorokin have clearly been upgraded. Sorokin has a background in airborne operations, having been deputy commander of Soviet Airborne Forces, 1964-69. He was one of the never publicly identified commanders of Soviet forces in Afghanistan, and then, from September 1984 through June 1987, was first deputy commander in chief of the Western TVD, under Marshal Ogarkov.



## Eastern European preparations

The High Command restructuring occurs against the backdrop of Soviet military moves, all vectored toward potential action in the Balkans. These Soviet and Warsaw Pact force actions came during the same time period as the signs of a command reorganization:

- A large array of Western TVD, Southwestern TVD, and Warsaw Pact military maneuvers was epitomized by the Sept. 15-23 "Autumn '88" maneuvers "on the territory of the Ukraine, Moldavia and the Black Sea," commanded by Soviet Defense Minister, General of the Army Dmitri Yazov. These maneuvers, in which reservists were called up, rehearsed precisely the combination of airborne and amphibious offensive operations that would be crucial in undertaking a lightning invasion and occupation of Romania. They marked the first time that an exercise, *de facto* embracing the entire Warsaw Pact, was commanded by a Soviet defense minister. During the exercises, all Warsaw Pact defense ministers were present, and held days of secret meetings with Yazov and other Soviet military leaders.

- There was a chain of major Soviet military exercises starting simultaneously with "Autumn '88." On Sept. 17-22, there were maneuvers in the Belorussian Military District, bordering on Poland. Then, in the last days of September, major exercises were staged by the Soviet Central Group of Forces in Czechoslovakia and the Northern Group of Forces in Poland. In the first week of October, as the Warsaw Pact Military Council met in Budapest, major military exercises were held in the Carpathian Military District, bordering on Romania, Hungary, Czechoslovakia, and Poland.

- The restructuring of Soviet and Warsaw Pact Ground Forces into a more powerful offensive structure of corps and brigades continued. Its epicenter has been the Soviet theater forces of High Command Southwest and the Warsaw Pact forces falling under the Southwestern TVD, namely, Hungary and Bulgaria.

- A frantic pace of deployments by Soviet and Warsaw Pact military leaders beginning with the "Autumn '88" maneuvers, and extending through the Sept. 30 Soviet Central Committee Plenum, into October.

The Sept. 30 Plenum of the Soviet Communist Party's Central Committee, where the top leadership was consolidated under the political heirs of former KGB chief Yuri Andropov, lasted only four hours, ending by the early afternoon. No sooner was it concluded, than the second crucial event of that day began in Moscow—a meeting of all leading political officers of the Main Political Directorate (MPD). Never had such a meeting been held on the same day as a Central Committee Plenum. A pressing, urgent need concerning political preparations in the military was at hand. The speakers were General of the Army **Lizichev**, the MPD boss, and none other than Vadim **Medvedev**, the Central Committee Secretary in charge of Eastern Europe, whom the plenum had elevated to full membership on the Politburo and put in

charge of the Central Committee's Ideology Commission.

Next came an accelerated agenda of military contact in Eastern Europe: **Oct. 2-5**, the above-mentioned Budapest meeting of the Warsaw Pact Military Council; **Oct. 10-13**, Defense Minister Yazov was in Bulgaria, making statements clearly interpretable as threats against Romania; **Oct. 13**, the day Yazov returned, Moscow announced a meeting of Warsaw Pact defense ministers, which convened in Prague on Oct. 17.

## Balkan preparations

Since the autumn of 1987, Moscow has increased pressure on Romania to abandon its refusal to allow Warsaw Pact and/or joint Soviet-Romanian exercises on Romanian territory. Moscow requires a troop presence, or permission for one, on Romanian soil, in order to be able to intervene militarily into Yugoslavia, should it decide to. With the Yugoslav crisis exploding, Moscow's patience over Romania's refusal is wearing thin.

Russia's future intentions toward Yugoslavia were revealed by its Hungarian satellite. In a late summer Radio Budapest interview, Hungary's defense minister, Gen. Col. Ferenc Karpati, stressed, "Hungary . . . and its armed forces" have a "responsibility" concerning the "events . . . in Yugoslavia," and could not remain indifferent to "what happens in Yugoslavia." Sources who read the Radio Budapest transcript, termed it a "proclamation of a Brezhnev Doctrine for Yugoslavia," i.e., the Warsaw Pact giving itself the "right" to intervene militarily in that country, as the Soviets did in Czechoslovakia in 1968.

During his visit to Bulgaria, General Yazov implied the same "right" concerning Romania and Yugoslavia, albeit in more careful language. In Oct. 12 meetings with Bulgarian Defense Minister Dzhurov and party leader Todor Zhivkov, Yazov declared, "Today, we are witnessing the strengthening of union of the brotherly socialist countries, the expansion and renewal of forms of their cooperation, and ever-deeper *combined national-international interests*. . . . Dynamic growth is taking place in cooperation based on the defensive [sic] military doctrine of the Warsaw Pact member countries."

*Krasnaya Zvezda* reported that Yazov had visited a Bulgarian "tank brigade," which terminology confirmed that Bulgarian Ground Forces have been reorganized into the corps/brigade structure of enhanced firepower and mobility. The same reorganization was carried out in the Hungarian armed forces and with the Soviet Southern Group of Forces in Hungary, during 1987, and then extended into the three Soviet military districts, located in the Ukraine and Moldavia, that also come under the Southwestern TVD.

On Oct. 15, Soviet and Hungarian ground and air forces, totaling 17,000 men, began six days of maneuvers, not far from the Yugoslav border. The Hot Autumn in the Balkans, under the reorganized Soviet command, has just begun.

# Paralysis grips Yugoslav leadership

by Konstantin George

The Central Committee Plenum of the ruling Yugoslav League of Communists, held Oct. 17-20, has thoroughly discredited the country's party and government leadership, leaving a political vacuum at the top. The plenum was unable to reach any decision on what to do about the economic and ethnic fragmentation. Instead, the four days of squabbling ended with an "agreement" to postpone for six weeks any sweeping personnel changes or decisions on the economy.

This sets the stage for the eruption of a Balkan crisis of dangerous international strategic dimensions.

Yugoslavia's social-economic fabric has unraveled, thanks to its submission to International Monetary Fund austerity policies, which have produced a collapse of living standards, in which a majority of the population is at or below the Yugoslav definition of poverty level. Unemployment is 20-25% of the workforce, and an IMF-dictated wage freeze has been accompanied by inflation of 250% per annum. The IMF policy has been supported by the Slovenian and Croatian leaderships, who are strongly influenced by the financial oligarchy known as the "Venetian nexus," and its tentacles in the former Austro-Hungarian Empire. In all the years in which the Kosovo crisis, caused by Albanian-supported ethnic Albanian separatists, has been raging, neither Slovenia nor Croatia moved to support Serbia's pleas for early and effective support to crush the Albanian insurrection.

Due to this Venetian-manipulated stance, the phenomenon of Great Serbian chauvinism has been resurrected, personified by the demagogic Serbian party leader Slobodan Milosevic, who took over the Serbian party in a cold coup last year.

## The coming Serbian power play

Contrary to what most of the Western press is reporting, the plenum has immeasurably strengthened the hand of Milosevic and the Serbians. The plenum "accepted" the resignations of four Presidium members, all non-Serbs and all opponents of Milosevic. No replacements were voted in, and Presidium membership now stands at 19.

The Serbian leaders exploited the bankruptcy of the federal leadership to the hilt. Their speakers at the plenum masterfully echoed the population's view, by denouncing the plenum as "yet another exercise in futile babbling," while Yugoslavia's existence is in danger.

The coming growth in political power of the Serbian

group was revealed through their skillful call at the plenum for immediate implementation of an "alternative" austerity package, which would exempt the industrial labor force from austerity, and level budget cuts instead at the organs of the centralized government bureaucracy. Milosevic's plan was presented by Serbian CC member Radovan Radonjic, and constitutes a rejection of further implementation of IMF demands. It calls for a 20% cut in state expenditures, which would hit only the party and state bureaucracy. Within six months, the party and state bureaucracy would be reduced by one-third, and the number of paid "career politicians" by one-half; travel by bureaucrats and managers would be cut by one-half; the number of official cars cut by 40%; all hotels and restaurants which exist to serve the privileged caste would be closed.

In contrast, the party leaderships of Slovenia and Croatia demanded an expansion of the IMF program, focusing on eliminating unprofitable industrial enterprises, which are largely located in the other four Yugoslavian republics. The Serbian plan would instead shove at least one-third of the added unemployment burden upon Croatia and Slovenia (given the more or less equal numbers in the bureaucracy for each republic), and puts Serbia in an excellent bargaining position with the poorer republics, Macedonia, Montenegro, and Bosnia, to say nothing of ensuring a continuation of the mass support for Milosevic.

The next manifestation of that support begins Oct. 22-23, when huge Serbian demonstrations are scheduled to be held in Belgrade and Kosovo.

More important than mass demonstrations, Milosevic has the backing of the armed forces leadership. At the plenum, Serbian generals thinly disguised their threats of a military coup. For example, Defense Minister Veljko Kadijevic declared: "The demand that the military take over by a coup is just as malicious and false as is the demand that the military stay out of politics altogether." The Serbian chief of staff, General Smrkovic, was not so reticent, attacking those "who advocate a civilian society."

Serbia is already functioning as a state within a state, making its own decisions, regardless of what the federal government says. On Oct. 19, the Serbian authorities announced that commissions of the Serbian parliament had completed drafts for instituting a "state of emergency" in Kosovo, "should the federal plenum fail to adopt" the necessary emergency measures. Serbia has thus granted itself national, as opposed to federated republic status. It is only a matter of time before other republics attempt to do likewise. Then a coup and/or civil war will be imminent.

Yugoslav fragmentation will not be allowed to occur in a vacuum. A dangerous cast of foreign actors will enter the stage. Albania, the Soviet Union, Bulgaria—with its territorial claims on Yugoslav Macedonia—and Hungary, with its eyes on the Hungarian-inhabited Vojvodina region of Yugoslavia, are all waiting to strike, when the time is ripe.

# Tonton the Florentine takes France back to the Fourth Republic

by Webster G. Tarpley

Oct. 4 marked the 30th anniversary of the promulgation of Gen. Charles de Gaulle's Fifth Republic Constitution, a system of government which allowed de Gaulle's presidency to assume worldwide strategic importance in the advancement of national sovereignty and economic development. Even after de Gaulle himself had departed the scene, the institutions he had wrought lived on, and were at least in part successful in making lesser men like Georges Pompidou and Valéry Giscard d'Estaing bigger and better than they otherwise would have been. But now, after François Mitterrand has completed his first seven-year term in office, and has been reelected this past May to serve a second such term, if one asks Parisian political observers what remains of the grandeur, dignity, and inspiration of the Fifth Republic, they will promptly answer: "Nothing."

In the decisive sectors of her national affairs, France has reverted to the mediocrity and impotence of the Fourth Republic, to a parliamentary soap opera of government crises, early elections, contemptibly weak coalition governments, and no world strategic role whatsoever. As Maurice Duverger told *Le Figaro*, "the politicians, after the elections, took up the political language of the Fourth Republic again, as if they were feeling nostalgic for a time which was, for them, much more amusing." For his latest book, pundit Duverger has coined the phrase "the nostalgia of impotence," a reference to Mitterrand's return to pre-1958 parliamentary scheming. The word is out in Paris that "the age of heroes is over," not just in France but worldwide. The one country in Europe where the idea of the sovereign nation-state had been revered is now, under Mitterrand, taking a leading and instigating role in imposing the "Europe 1992" lockstep on the continent.

So in France, too, the postwar order, in this case the one founded on Gaullist institutions, lurches toward a pathetic collapse.

Five months after the presidential elections that mandated seven more years of Mitterrand, the French were called to the polls for cantonal (county) elections, whose purpose is to choose provincial administrators. Despite some predictions of a further rout of the Gaullist RPR, which had been led to defeat earlier this year by the hapless mayor of Paris, Jacques Chirac, there were no dramatic shifts in votes compared with previous elections, but: over 50% of those having the right to vote did not choose to do so—the largest abstention in the

history of France, pointing to an unprecedented level of disgust with the political class as a whole. Even Jean-Marie LePen, whose Vichy style and racist demagoguery had made him the surprise of the May presidential contest, saw his National Front sink below 5% of the votes.

The other interesting aspect of the cantonal elections was a series of local breakthroughs by the Parti Ouvrier Européen (European Labor Party, or POE), led by the most promising young statesman in French politics, Jacques Cheminade.

Presiding over the ruin of France is of course President Mitterrand, now almost universally referred to by his nickname of "Tonton," which is what French children like to call their favorite uncle. The presidential elections were dominated by what the political scribblers call "Tontonmania." Tonton is considered a master of intrigue, a ceaseless and successful architect of plots and conspiracies. His other nickname is "the Florentine," a reference to the vulgar Machiavellianism and manipulation which he practices.

Tonton, tormented by his inner void, wants attention and glory, both now and in the history books to come. His administration boasts no accomplishments, but has rather been characterized by that relentless decline on all fronts that is now accelerating. How, then, can Tonton be popular? He tries to do it by being at the center of a prurient and futile political soap opera. Parisian *salons* buzz with gossip about what subtle maneuver Tonton is now cooking up "to get revenge" against a real or imagined insult by an associate or rival. Then the conversation turns to the name of Tonton's latest mistress and the reactions of her wealthy family.

During two years of so-called "co-habitation" with Gaullist Prime Minister Chirac, Tonton developed a technique called *le schmiblic*. This meant that anything that went wrong in France was Chirac's fault, and that anything that went well was credited to Tonton. Now *Le Point* and other journals are filled with soap opera accounts of the plots Tonton is hatching against his own newly appointed Socialist prime minister, Michel Rocard. *Le Monde*, now degraded to a mere mouthpiece of the Socialist regime, writes of Rocard that "The French like him." Tonton's antennae go up. In the Fifth Republic, every prime minister has been dumped to enhance the President's political fortunes. Rocard thinks he can last for 2,000 days, positioning himself to become President in 1995. Tonton begins to spin his web, Cabinet ministers who don't get along with Rocard are invited more frequently to

Tonton's Elysée Palace. Tonton "doesn't like Rocard," asserts one such cabinet member.

In order to get reelected, Tonton assembled a group of perception-mongers and image-shapers including long-time adviser Jacques Attali, former Culture Minister Jack Lang, and one M. Berger from the designer house of Yves St. Laurent. The resulting concoction clearly owes something to Ronald Reagan's 1980-84 profile, but is also adapted to French ideology.

Tonton takes care to appear as a moderate and affable sage, who is not really a socialist, certainly not a right-winger, and who really is not part of politics. Rather, he likes to read books and take long walks, when he is not visiting his mistresses. Presidential speeches offer a series of images upon which fantasies can be hung—never too serious and political. Chirac, after all, was very serious and very political, and look where it got him. Is there a new outbreak of the persistent rumors about Tonton's failing health, this time focusing on a prostate cancer that should do him in within one to two years? Tonton knows what to do: His cut-outs circulate a counter-rumor that Chirac has just been diagnosed with liver cancer and is also not long for this world.

Young people now in their twenties say that they like Tonton because he is clever and flexible. "He knows how to change," said one. Chirac, by contrast, was judged to rigid, and is not liked. "Chirac, he never changes," say the kids. Tonton is often described as an anti-hero, a little man who knows how to make people feel comfortable. On the day he announced his presidential bid, he told a group of none-too-friendly journalists that he had spent the day "reading an old book." Chirac tried to ridicule the Tonton image, but had no policy differences to differentiate himself from the incumbent.

## Nostalgia for Vichy

The fantasy world Tonton offers the French is the never-never land of "Happy France," situated between about July 1940 and December 1942, exactly the time when Tonton was an official of Marshal Pétain's Vichy regime, a puppet state of Nazi Germany. Tonton's favorite writer is the previously obscure Jacques Chardonne, one of whose novels reflects nostalgia for Vichy with the singular motivation that it was easier to seduce women when most of the men were away at war or in the concentration camps.

At the same time, it is clear that Tonton has never gotten over the central experience of his life, the fight against de Gaulle, which he could never win as long as the General was alive. Tonton remains obsessed with his own world-historical inferiority. If, at the Elysée, a visitor unwisely praises de Gaulle, Tonton clenches his fists and grits his teeth in rage and envy.

The reasons why this technique could get Tonton reelected relate to his foreign support, mainly from the United States and Great Britain. Tonton is a State Department So-

cialist with decades of collaboration with the CIA. Just as the CIA has supported Socialist International figures like Willy Brandt and Bettino Craxi against their patriotic and nationalist countrymen, so, too, in France—and more so, since here it was a question of undermining de Gaulle, who challenged the U.S. Eastern Liberal Establishment worldwide, for a time at least. The State Department, CIA, and London provided considerable direct support for Tonton. Then there was indirect support, largely expressed through CIA funding of the racist clown LePen.

In the second round of the presidential elections, Chirac was caught in the following bind: If he dealt with LePen to gain his support, he would lose the centrist-liberal votes controlled by Raymond Barre, a spokesman for powerful international financial interests. If he deferred to Barre, he would alienate LePen's enthusiasts. Chirac characteristically chose a middle path which alienated both groups, thus guaranteeing his own resounding defeat. Tonton could rub his hands in glee: His exquisite stratagem had worked like a charm—with the help of some CIA financing for LePen. Now, since LePen's function has been exhausted, Tonton is making sure that he is rapidly deflated, while the CIA cuts off its financing to the National Front.

Chirac never had a chance. Chirac's credentials were concentrated in two points which he understood rather well: first, that Muslim fundamentalism is a catastrophe for the Western world; second, that extortion of debt payments from the Third World must be replaced by the kind of "New Marshall Plan" approach exemplified by his agriculture minister, François Guillaume. But, back in 1982, when Chirac and the RPR were synthesizing an economic policy to campaign on, they failed to choose one that could provide an alternative to Tonton. At that time, Chirac's advisers carefully studied the neo-Colbertist and dirigist economic views of LaRouche and Cheminade, but rejected these in favor of free-market liberalism, partly in the fatuous hope of buying support from the Reagan administration's legions of greed by doing so. As prime minister, Chirac went so far as to encourage foreign corporate raiders to take over and cannibalize French companies under a program called OPA. The RPR liberals like Balladur, Toubon, and Jupp, responsible for these decisions made sure Chirac would henceforth be a loser.

Tonton was also firmly preferred by the French national establishment, which is dominated by Protestant banking families, whose true loyalties belong to Geneva and to Swiss-based international cartels like Nestlé. These are people like Antoine Riboud, who controls the Paris left-wing daily *Libération*, like Nicholas Seydoux, like the interests linked to Hersant, Bouygues, Mallet, Schlumberger, and Banque de Suez. These are the people who control the Fondation St. Simon and other influential think-tanks. This is the kind of milieu Michel Rocard comes out of, although Rocard's outlook may have been ameliorated by his father, who was a part of de Gaulle's nationalist project of building the French

atomic deterrent, the *force de frappe*. The elder Rocard was reportedly shocked when his son joined the 1968 contestation.

The result: The regime plays the script of the Fourth Republic, with the key roles filled by graduates of the May 1968 destabilizations. Paris bookstands display a study by François Furet, Jacques Julliard, and Pierre Rosanvallon entitled *La république du centre*, (*The Republic of the Center*), which carries the subtitle "The End of the French Exception." This subtitle exactly sums up what Tonton and his financier backers think they are doing: They wish to obliterate the exceptional French tradition of the strong nation-state, and flatten the country back into conformity with the weak states of Western Europe in the context of the 1992 Single Market Act. Tonton and Rocard are in the process of cutting key categories of French defense, including the land-based missiles and submarines which compose the *force de frappe*. France is losing out increasingly to British arms merchants in vital Third World markets, including the Middle East.

One reason why British Prime Minister Margaret Thatcher may be criticizing the single market, suggest Paris observers, is that the theme of empire is again being sounded in London, which now ranks second only to the U.S.A. on the list of world arms exporters. The possibility of a French national policy on grand strategy, international economics and finance, as well as key regional issues is more and more foreclosed. If de Gaulle were alive today, he would be fighting the U.S.-U.S.S.R. New Yalta imperialist condominium and related power-sharing agreements. Tonton is happily subservient to those agreements. De Gaulle, if alive today, would be busily erecting defenses to save France from the imminent second crash of the world financial markets. He would be fighting for a New World Economic Order, for debt relief in the Third World. Mitterrand does no such thing, but rather connives to make each of these situations worse.

### POE candidates movement

But all of these causes are alive in France today, thanks to the work of Cheminade and his European Labor Party. In his office in Clichy, Cheminade sums up the signal successes scored by the POE candidates movement in certain localities in the cantonal vote. Back in July 1984, a *Paris Match* magazine poll of voters and non-voters had given the POE a nationwide base of 1.5%. Now, one POE candidate has received 5.9%, ten did better than 2.5%, and 30 garnered over 1%. In the framework of the proportional system used in France in certain kinds of elections, it is clear that Cheminade has built a solid base for further advances in the June 1989 European Parliament elections. A pro-Dukakis clique in the French administration has obviously come to the same conclusion: Police and officials of the Renseignements Généraux, a parallel to the U.S. FBI, ran amok in Lyons and elsewhere, contacting POE citizen-candidates to intimidate them with absurd and illegal threats. It was an action, the

POE notes, which ought to bring down the Rocard government for violating French law in the service of foreign interests hostile to France.

*Le Figaro* listed the POE results in the cantonal elections under the heading "EXD" or *extrême-droite* (extreme right). The label is absurd. Some years ago Bernard Brigouleix was nearer to the mark when he wrote in *Le Monde* that Cheminade could only be classed as a "Free French left Gaullist." Cheminade tells his audiences that the POE supports "the France of Jean Jaurès, of Louis Pasteur, and of General de Gaulle." The result is lively interest, punctuated by Cartesian-pedantic explosions that "They're not the same!"

Jaurès was a patriot of the French Socialist Party working class movement who was assassinated at the outbreak of World War I in 1914. Cheminade explains that while he has disagreements with each of the three, including de Gaulle, the common lesson that they can teach the France of today is that "we need people who can say no to the logic of institutions when the hour has come to fight for the integrity of values and ideas, who will fight, if need be, against the institutions in the name of the values."

Tontonmania will be dispersed by the world financial panic of the next few months. At that point it will become clear that if France is to have a future, it will be one that prominently features Cheminade and his friends.

## In Defense Policy and as a Military Phenomenon

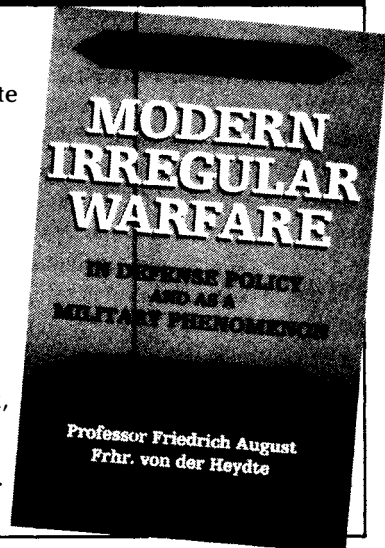
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# Neo-Stalinist coup in Czechoslovakia

by Luba George

The Czechoslovak Communist Party finally held its Central Committee Plenum (twice postponed since June), on Oct. 10-11 in Prague. The Plenum, as Czech news releases underscore, faithfully reflected the consolidation of the KGB's "Andropov Kindergarten" in the Soviet leadership at the Soviet CC Plenum of Sept. 30. This was the most obvious feature of the Prague events, but has been curiously all but absent from the Western media coverage.

The Czech Plenum created a new leadership structure of 18 Central Committee commissions, one for each major policy area. The most vital posts went to those ultra-Stalinist Politburo figures who called in the Soviet troops in 1968 and who will make no concessions to any opposition forces. Jan Fojtik, for example, was promoted to head two commissions, the ideology portfolio and that of education; Vasil Bilak, the aging ideology czar, was placed in charge of foreign policy; and 73-year-old Alois Indra was promoted to head the legal and justice commission—paralleling the rise of his Soviet counterpart, former KGB head Viktor Chebrikov.

The Czech Plenum also followed the Polish model of September, by having the entire government resign, making it the scapegoat for the economic crisis. Prime Minister Lubomir Strougal and Slovak Prime Minister Peter Colotka, both under retirement age, "retired" from the Politburo. The entire cabinet is being reshuffled. The new prime minister, Ladislav Adamec, is an expert on the economy; with the removal of Vratislav Vejnar, the vital post of interior minister, who oversees both police and intelligence/security functions, will also change hands.

The Plenum caps the first phase of a wide-ranging purge conducted since December 1987, when Milos Jakes became general secretary. Forty thousand party members have quit the party (over 5%), reducing membership from 880,000 to 840,000. Most who quit openly criticized the present situation in the country, and criticized the party leadership for "awakening insecurity and passivity among the party members."

The speeches delivered at the Plenum set the tone for a crackdown. During the Oct. 11 meeting, neo-Stalinist Politburo member and ideologue Jan Fojtik assumed a dominant role, making it clear that even the mildest form of political opposition would not be tolerated. Referring to the Soviet invasion of Czechoslovakia in 1968, he declared that "one of the most fundamental lessons of the past" was that there

should be no weakening of the leading role of the Communist Party. "We must not close our eyes to any of the risks of reform," he said, and warned of "growing counterrevolutionary forces," supported or directly organized from abroad.

The backdrop to these developments emerged in August and September. A Sept. 6 *Pravda* commentary charging the West with acting "to prod the forces of counterrevolution into action" in Poland and Czechoslovakia, certified the triumph of the neo-Stalinist trend in the East bloc. It marked Moscow's first definitive reply to a mid-August attack by the Czech leadership on "illusions" in Moscow concerning the resurfacing of "counterrevolution" in Eastern Europe and inside the U.S.S.R. itself. In his Sept. 23 speech to Soviet media leaders, Mikhail Gorbachov himself railed against "illusions" and "confusion" in the Soviet Party.

The Czech challenge had come on Aug. 18—marking the 20th anniversary of the Soviet invasion of Czechoslovakia—in a major article in the weekly of the Czech Writers' Union, *Kmen*, (no.33), by Jan Fojtik's Russian-trained wife, Eva Fojtikova. Fojtikova, a professor of Russian at Prague University, blamed *glasnost* for the emergence of the "counterrevolution." "One must not forget that the U.S.S.R. has not gone through . . . the Hungarian, Czechoslovak, and Polish counterrevolutions—who today still dares to call these events that?—and that the Soviets have had no direct experience in this kind of thing. That is why so many illusions survive, and that is why the danger is so great." She condemned the Soviet "liberal" press for its "sensationalism" and "possibly irresponsible opening of all the sluice gates."

## Moscow's 'industrial milk cow'

Moscow requires the neo-Stalinist direction in Prague today for the same reason it invaded in 1968. Czechoslovakia must remain stable and docile, because its industrial base is one of the pillars for the Soviet economy. The Soviet Union, experiencing a devastating food and economic crisis, cannot afford to allow the situation to develop into "another Poland." Besides the question of their geostrategic importance for Moscow, East Germany and Czechoslovakia are indispensable as "industrial milk cows" for the Soviet Union. Moscow could not tolerate any Czech resistance to Soviet demands for industrial goods.

Czechoslovakia is Russia's only East bloc source for wide-diameter steel pipe and heavy-duty "Tatra" dump trucks and other construction machinery, without which the Soviet Union never could have developed the Tyumen and West Siberian oil and gas fields at the speed required for them to have become what they are today—the mainstay of Soviet foreign exchange earnings.

If one looks at a map of Soviet pipelines today, one sees that every oil and gas trunk pipeline between Russia and Western Europe, without exception, runs through Czechoslovak territory. This fact alone dictates the necessity of a Soviet garrison in Czechoslovakia.



# Will Indo-Sri Lankan Accord survive the election?

by Susan Maitra

In two separate incidents on Oct. 10, some 60 people were killed in Sri Lanka. Forty-five Sinhala villagers in the north were butchered by the Tamil extremist Liberation Tigers of Tamil Eelam (LTTE), and at least 25 were killed in the south, as nationwide strikes against the Indo-Sri Lankan Accord, called by the Sinhala extremist Janata Vimukti Peramuna (JVP), led to clashes with police.

The date is significant: Oct. 10 should have been a benchmark in resolving the five-year-old ethnic crisis on the island. On that day the merger of the Tamil-majority northern and eastern provinces took effect—part of a scheme for devolution of power to newly elected provincial assemblies that is the core of the Indo-Sri Lankan Accord. But as it is, resolution of the crisis seems as illusive as ever. The LTTE has refused to participate in the provincial elections, crippling the initiative.

Oct. 10 also marks the anniversary of Indian Peace Keeping Force (IPKF) operations, where, under the Indo-Sri Lankan Accord, Indian troops were introduced to disarm the Tamil guerrillas. It was originally envisioned as a several-month operation. The IPKF's inability to bring the LTTE into a political settlement, and the resurgence of extremist violence on both sides of the island's ethnic divide, are only the most dramatic signs that the Indo-Sri Lankan Accord is itself hanging by a thread.

Now, with the December presidential election in sight, a wave of chauvinism is sweeping the island. The ruling United National Party (UNP) has chosen Prime Minister Ranasinghe Premadasa, a Sinhala chauvinist, as its candidate. Premadasa will attempt to outshout opposition leader and former Prime Minister Sirimavo Bandaranaike, head of the Sri Lankan Freedom Party (SLFP), who has already made the Indo-Sri Lankan Accord and the Tamil issue the center of the campaign. Both are wooing the Sinhala extremist JVP, whose chief, Rohan Wijeweera, is a graduate of Patrice Lumumba University in Moscow, turned "Maoist." Curiously, the once-banned JVP appears to be operating these days with a free hand.

Barring an eleventh-hour demonstration of bold statesmanship by Sri Lankan President Junius Jayawardene, there is every likelihood that the election frenzy will sweep away the last hope of a legitimate settlement for the Tamils, along with India's ability to constructively influence them.

## Accord stalled

Even before the recent violence, the Indo-Sri Lankan Accord had run into difficulties. For reasons only they can explain, the LTTE did an about-face and rejected the Accord as soon as it was announced more than a year ago. Their armed resistance has forced India to make a much greater commitment of men and materials to the job of pacification than anticipated—a development which contains its own backfire potential in Sri Lanka and India.

But what appeared to have finally brought the momentum to a halt was the LTTE's refusal to participate in elections for the newly created North-East Province, now scheduled for mid-November. When the Jayawardene administration finally announced the merger of the northern and eastern provinces, where Tamils are a majority, on Sept. 8—a move which was opposed as an intolerable "sellout" even within his own administration—intensive discussions with the LTTE and other Tamil groups were renewed.

To facilitate the discussion and the prospects of the LTTE joining the political settlement, the IPKF declared a unilateral ceasefire in its operation against the militants, which was extended for a total of 10 days.

In the end, the LTTE stuck to its guns, so to speak. On Oct. 6, the Tamil United Liberation Front (TULF), once the largest Tamil political grouping, announced lamely that, since the LTTE had refused to participate in the elections, an unarmed, nonviolent party like itself could not participate either.

Oct. 10 was also the day that nomination for the North East Provincial Assembly elections closed. Three radical Tamil groups with no connection to the LTTE filed nominations for most of the 71 seats, and in 36, mostly in the north, they appear to be running unopposed. In three eastern dis-

tricts of the new province, which have the remaining 35, the Tamil candidates will face candidates from the UNP and the Sri Lanka Muslim League.

A duly elected provincial assembly will most likely emerge in form, but the effort to restart a genuinely viable political process has been seriously enfeebled. For most of the seven-day nominating period, it was impossible to file papers, because election officers and bureaucrats, like much of the civil administration in the north, have continued to boycott their jobs under threats from the LTTE.

Under the best of circumstances, Sri Lanka's ethnic crisis—the result of long-term systematic discrimination by the Sinhala Buddhist majority against the Tamil Hindu minority—would be a tough nut to crack. With all its shortcomings, the Indo-Sri Lankan Accord offered the best hope to date to actually resolve the problem. But now, the entire tenuous undertaking is being subjected to the chauvinist hysteria of the presidential campaign. Prime Minister Premadasa has vowed to get the Indian troops out of Sri Lanka as soon as he takes office, and says he wants to replace the Indo-Sri Lankan Accord with a “friendship treaty.” In spite of his anti-Accord rhetoric and chauvinist credentials, however, most observers believe the ruling party has no chance of holding on to power. Capitalizing on the Accord's loss of momentum, Mrs. Bandaranaike is widely viewed as a shoo-in.

With the keen nose of an opportunist, Mrs. Bandaranaike has consistently opposed the Accord and vowed to abrogate it if she came to power. In a clever move during a recent campaign tour in the Central Province, the former prime minister declared that she had decided to hold “direct negotiations” with LTTE leader Prabhakaran to find a solution to the ethnic problem. In most of her public statements, Mrs. Bandaranaike has carefully included the assertion that, “of course, Sri Lanka cannot have hostile relations with India.” But her alliance with the (among other things) rabidly anti-India JVP, not to mention her close relations with Beijing, belies the rhetoric.

### **The JVP factor**

Mrs. Bandaranaike's own chauvinist credentials are undisputed. It was she who, as prime minister in 1972, adopted a new “republican” constitution that made Sinhala the only official language and elevated Buddhism to the status of a virtual state religion. Mrs. Bandaranaike's husband had earlier established that, if Sinhala racism was not a family creed, opportunism was. As prime minister in 1956, he piloted the Sinhala Only Act, which overnight replaced English with Sinhala as the sole official language of the country.

Significantly, Mrs. Bandaranaike's SLFP is now attempting to form an eight-party opposition front, prominently including the extremist JVP, to back her presidential drive. The avowedly Marxist and Sinhala chauvinist JVP has risen from oblivion during the recent period to play a key role in the current tumultuous events. The group first rose to prom-

inence in 1971 when it mounted a serious armed coup attempt against the government of Mrs. Bandaranaike herself.

In 1983 President Jayawardene banned the organization and put it under siege when the JVP's role in the violence that precipitated the past five years of warfare was uncovered. At the time, JVP links with North Korean operatives in Sri Lanka were mooted. (Sri Lanka was said to have been the base for North Korea's attack on South Korea's cabinet ministers in Rangoon, Burma.) Earlier, according to some analysts, the JVP had sought and received support from South Yemen. Interestingly, however, Mrs. Bandaranaike has maintained that the group has always been strictly indigenous.

Earlier this year, under pressure from a lobby within his own party, Jayawardene lifted the ban on the JVP political activities—in spite of an assassination attempt against himself and his cabinet members, believed to have been masterminded by the JVP, and in spite of ample hard evidence that the JVP was carrying out a systematic terror drive against politicians supporting the Indo-Sri Lankan Accord.

Meanwhile, JVP had established firm links with the fundamentalist Buddhist organizations, and stepped up a recruitment drive among principally Sinhala youth in and around the universities. The Oct. 10 strike call was preceded by large-scale student demonstrations and agitation against the Accord in central and southern Sri Lanka, where JVP draws its strength.

### **Strategic turning point?**

The sharp deterioration in Sri Lanka has potentially serious consequences for the region's stability. The island nation, just 20 miles off India's southern coast, is strategically placed in the Indian Ocean corridor between East and West Asia and its large natural deep-water port at Trincomalee on the east coast—around which the fighting has raged during the past five years—has been the target of superpower designs as a military base for some time.

Both Peking and Tel Aviv have also been fishing in Sri Lanka's troubled waters. The Indo-Sri Lankan Accord had, for the time being, prevented their foothold from broadening, but neither can be expected to sit on their hands now.

The Soviet Union's recent appointment of a KGB agent as ambassador to Sri Lanka, is an indication of new moves afoot. Yuri Kotov was thrown out of France in 1983 for spying for the Soviet KGB. He was brought back into the Soviet Foreign Ministry as Deputy Director for South Asia, and then appointed ambassador to Togo—a position he never took up, presumably because the Togans did their homework and rejected him. Recently, the same Yuri Kotov was sent to Sri Lanka without even so much as a name change.

Whether the move reflects a renewed Soviet interest in Trincomalee, or a broader plan to take full advantage of a collapse of the Indo-Sri Lankan Accord and rupture in Indo-Sri Lankan relations remains to be seen.

## Can Turkey find allies in the West?

*Squeezed between Moscow, Khomeini, and the International Monetary Fund, Turkey needs Western support.*

**T**he West owes a lot to the Turks. Five hundred years ago, the famed world map of Turkish sailor Piri Reis charted a route to the "land across the Atlantic Ocean." Today, Turkey's strong conventional army guards NATO's southeastern flank between Soviet Russia and the radicalized, anti-Western Islamic nations between the Mediterranean and the Persian Gulf. This fact is often neglected in the West's recurring official criticism of "the lack of democracy in Turkey."

Western critics of the current government in Ankara should be warned, however, that the Turks' alliance with the West is not uncontested. It came about by a fierce internal struggle, which the "European" movement of Kemal Ataturk won after World War I, and has had to be renewed by subsequent political leaders of Turkey, including military of the Kemalist faction.

Turkey's State President, Kenan Evren, who completed a five-day visit to Germany Oct. 17-21, belongs to the Kemalist faction. A retired 73-year-old army general, he is a crucial factor of political stability behind current Turkish Premier Turgut Özal. Evren is known for speaking directly.

Two years ago, he accused the German government in Bonn of lending support to extremists working for the destabilization of Turkey from their German exile. Numerous leftist Moscow-controlled organizations, the Kurdish irregulars of the PKK, and Islamic groups operating under the control of Teheran, have their main logistical bases abroad in Germany.

Again and again, bombings, arson, and political assassination, like the recent armed attempt on Turgut Özal, have been designed and carried out by exiles living in Germany. There is a grave problem here, in Germany, that does aggravate relations with Turkey.

Evren felt it directly soon after his arrival in Bonn, when exile radicals provoked fistfights with his supporters at the Cologne-Bonn airport. When he signed into the official guest book of the Bonn municipality, he was attacked by radicals with eggs and stones while walking to his car. One of the eggs hit him. German President Richard von Weizsäcker hurried to play the incident down, telling Evren, "Hopefully, this one egg won't damage our mutual relations." Evren rejoined sarcastically: "Not one egg, for sure."

Later, in his official speech at the state banquet for him, Kenan Evren shocked the guests with a reminder of the incident. "This was just an egg, but it could have been a shot, like the one fired on Premier Özal recently, or the one that hit President Reagan" in 1981.

In his three speeches here in Bonn, the Turkish President minced no words on the lack of Western support to Turkey. He recalled that the Turkish army, Europe's largest in manpower, has a crucial assignment protecting the West along a 800-kilometer border with the heavily armed Soviets, and a 1,600-kilometer border with several radical, anti-Western Islamic states.

Turkey's armed forces, Evren explained, intervened in 1980, when the

country was close to civil war, and helped to reinstate democratic rule by a central government in Ankara. Who, then, should profit from recurring attacks on the "role of the military"?

It was not just for the Turks that the military intervened, but for the Western alliance, Evren said. He raised the question: What would have happened, if Turkey had fallen into the hands of the radical groups that attacked the central government then, under the guise of "democratic rule in Turkey"? Not unlike Khomeini in Teheran, various anti-American, pro-Soviet, and other radical groups would rule Turkey now.

It is not self-evident that the pro-Western current will stay in power, the Turkish President warned. The European Community's refusal to accept Turkey as a full member, and official attacks on the role of the military in Turkish politics, will undermine the Western position in Ankara.

The economic aspect that Evren addressed, when speaking about the European Community issue, is key. In the mid-1980s, Premier Özal tried to get international bank support for several major infrastructure projects, including a nuclear power complex. The Soviets protested, the IMF and Western banks said "no." Western governments, including the one in Bonn, told Özal to "democratize Turkish politics first, then credits will be granted."

The economic embargo against Turkey still holds, and Evren's Bonn visit has not, as far as is known, done much to change this. His calls for the Germans to lend economic and political support to Turkey yielded only vague promises. One reason was that Chancellor Helmut Kohl was preparing his visit to Moscow (Oct. 24-27), and the Soviets hate the Turks. Kohl prefers an "untroubled atmosphere" with Gorbachov.

## A setback for the environmentalists

*Government approval of the Sardar Sarovar Dam project has elicited howls from India's increasingly vocal "greenies."*

**O**n Oct. 5, the Planning Commission gave final clearance to the Sardar Sarovar Dam project, one of the largest components of one of the most ambitious water-management schemes in the world.

The Narmada Valley Development Project, on the drawing boards since 1961, will harness the waters of the 1,312-kilometer Narmada river, India's largest westward-flowing river, and its 41 tributaries, which together define a basin of some 99,000 square kilometers in the states of Gujarat, Madhya Pradesh, Maharashtra, and Rajasthan.

The \$20 billion project consists of 30 major dams, 135 medium dams, and 3,000 minor dams. When completed, the project will irrigate 5 million hectares of land, mostly in the desertified state of Gujarat, and provide 3,200 megawatts of electricity.

The Sardar Sarovar dam, to be built in Navagam in Gujarat, and the Narmada Sagar dam at Punasa in Madhya Pradesh, are the centerpiece of the giant project. The two dams will be the largest of their kind in the world, and will themselves irrigate about 3.86 million hectares of land and generate 2,450 megawatts of electricity. Together, the two dams, which had been held up for several years for environmental considerations, will cost an estimated \$4 billion. Their construction will displace some 147,000 people and submerge some 128,000 hectares of land.

The Planning Commission decision to go ahead with Sardar Sarovar was a kick in the teeth to a growing

and increasingly aggressive "environmentalist" movement. But though the decision is a setback for these "antis," it by no means signifies their defeat.

If the experience of the mothballed Bodhghat Dam project—not to mention the new World Wildlife Fund headquarters now shooting up on prime real estate in the capital—is any indication, the "greenie" challenge to India's development plans is just picking up steam.

The movement was bolstered in June when the World Bank announced that, at the request of the Indian government, it had stopped funding the Bodhghat Dam project. The \$500 million project was the first of a series of dams planned for the Indravati and nearby Godavari Rivers, and was designed to supply 107 megawatts of power to the state's grid during peak demand periods. The World Bank had approved loans to the project in 1984 totaling about \$300 million.

Bodhghat was targeted by a dozen Indian and foreign environmentalist groups coordinated by Survival International, a "native-rights" operation based in London. In May, the coalition fired off a letter to the prime minister telling Mr. Gandhi to halt the project because it would displace some 10,000 tribals "who have evolved a sustainable way of life based on a mixed economy of agriculture, herding, fishing, and forest use."

Though the World Bank took great pains to insist that India did not make its decision on the basis of "outside pressure," Survival International project director Marcus Colchester

made sure the London press got a copy of the letter. Besides Survival International, the signatories predictably included the World Wildlife Fund, Friends of the Earth, Environmental Defense Fund, Sierra Club, and Society for Endangered Peoples, in addition to their Indian coolies.

The major roadblock so far against the environmentalist "intent to kill" the Narmada Valley project appears to be the Gujarat state government, which had the backing of both the ruling party and the opposition party in insisting on the necessity and urgency of the project.

Gujarat Chief Minister Amarsingh Chaudhary refers derisively to "some people in Bombay who have made ecology their hobby and are issuing statements without knowing anything about the project or visiting the site." He has challenged, in particular the "antis'" pretension of concern for preserving tribal cultures. "Do they want to keep the tribals as museum pieces? Are they opposed to the tribals joining the national mainstream and sharing the fruits of development?" asked Chaudhary, of tribal origin himself.

Indeed, the Luddite character of the "anti-big-dam" crusaders is striking. It takes no great vision to poke holes in the dubious procedure of contemporary cost-benefit analysis, but it is on those points where the "antis'" argument does carry some weight that their "wrecker" role is revealed—namely, the macro-corruption that tends to be involved in large projects, the inadequacy or lack of compensation and resettlement of people displaced by the project, and absence of reforestation and other critical ancillary features of the project. These problems are raised not so that they can be solved, but to kill entire projects.

## Retirees march in self-defense

*For the first time in the history of Peru, pensioners are demonstrating against malthusian austerity policies.*

**M**ore than 3,000 members of Peru's Association of Retired Workers (ASTRAJU), many of them ill and on crutches, staged an unprecedented march down the center of Peru's capital city on Oct. 6, to denounce the "pensions of death" and the service of "slow but effective death" that the Peruvian Institute of Social Security (IPSS) is dealing them. They demanded repeal of the austerity package imposed one month earlier by political forces inside the Alan García government working for that country's reconciliation with the International Monetary Fund.

The march began in front of IPSS offices with a press conference given by Carlos Pastor, the president of the ASTRAJU, and concluded five miles away in Lima's central Plaza San Martín, where thousands more demonstrators, either too elderly or too ill for the march, awaited them.

Heading the demonstration was a 70-year-old woman bearing the Peruvian flag, while other marchers carried signs describing the government's shock policies as "100 Times Worse than Hitler," and demanding "Down with IMF Genocide." Other signs insisted, "Life Is Sacred," "We Are Retirees, Not Beggars," and "Viva Life. More Increases, Fewer Traitors!"

The marchers were cheered by thousands of onlookers and anti-IMF organizations, among them the Peruvian chapter of the Club of Life, of which ASTRAJU's Pastor is a member. So forceful was the retirees' message on the immorality of the austerity policies, that the police, sent out to

stop the demonstration, ended up escorting the elderly marchers to the Plaza San Martín, an event covered as the lead item by national newspapers and television.

The protests against starvation pensions are nothing new. One marcher showed reporters his pension card, which revealed an income of 6,350 intis, or less than \$15 per month. But the straw that broke the camel's back was the Oct. 4 announcement by the president of the central bank that the government had run out of funds and would be unable to meet promised pension increases to retirees and unemployed affiliated with the IPSS. It also announced that all pension payments would be delayed for nearly two weeks, something which in present-day Peru could spell death for the elderly.

The truth is that the so-called *paquetazo*, or austerity package, has wreaked havoc. In just one month, the policy has produced over 100,000 new unemployed, and a 50% decline in real wages. The cost of basic food items and medicine has increased by 800%, placing them beyond the reach of most Peruvians. The vice-president of the National Agrarian Federation (CNA) warned on Oct. 5 that food production for the 1988-89 season will drop by 45%, because the austerity program is hiking production costs.

On Oct. 5, some 9,000 Lima doctors staged a symbolic strike to demand the resignation of Health Minister Luis Pinillos, in protest against the collapse of the majority of the country's social security hospitals, as a result of the exhaustion of the final

quarter's hospital budgetary allotments—by September!

On Oct. 5, Peruvian Cardinal Landázuri issued a pastoral appeal urging Peruvians to put aside their passivity and demonstrate "their solidarity in practice." And on Oct. 15, Monsignor Albano Quinn, Bishop of Sicuani, issued a pastoral letter characterizing the government's austerity package as "measures of death." "We are seeing mothers returning with empty baskets from the marketplace; the ill returning from pharmacies without their medicine; and students abandoning their classes for lack of means to survive; peasants abandoning their farms and workers fearful of the specter of unemployment."

In his address at the Plaza San Martín, Carlos Pastor said, "I want to speak to you not only as what we are, retirees, but also as citizens of the Republic. . . . We have met here because we are tired of having our dignity, our morality, offended, by these people at the Peruvian Institute of Social Security who are following malthusian policies which can be compared with the tragic moments of Hitler's time. Triage was Hitler's policy to eliminate children and the elderly, because they were 'useless eaters,' and now they wish to place us too in that category. . . . The proof is in the *paquetazo*, or rather, the *narco-paquetazo*."

In a communiqué directed to Alan García personally, the ASTRAJU demanded that the President shut down Ocoña Street, the center for entry of drug-dollars into the economy. They also demanded an all-out war against the drug trade, of the type García had once attempted to fight, and the adoption of a policy for real economic development. All malthusian policies, such as the bill under debate to legalize "voluntary sterilization," must be rejected, the communiqué demanded.

# International Intelligence

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## Malaysian leader hits Project Democracy

Speaking before the U.N. General Assembly, Malaysian Prime Minister Mahathir Bin Mohamed took to task the representatives of the U.S. "Project Democracy," the State Department agents of destabilization internationally. "It would be tragic if a working, prosperous nation is destroyed because some self-appointed democrat felt it was not democratic enough," he declared.

Without naming the Philippines, Panama, Korea, or other nations, he stated, "The 'holier than thou' attitude is out of tune with modern times. As with fanatical religious proselytizers, the so-called champions of democracy are not averse to using undemocratic and coercive means to force their particular brand of democracy on the weak and the poor. Refusal to comply results in all kinds of economic and political arm-twisting."

He also called for the creation of an international agency manned by a fulltime staff to eradicate poverty. He insisted that poverty cannot be wiped out by one nation alone or through ad hoc charitable efforts.

"We see living children being literally devoured by flies," he said. "We see skeletons hobbling around. We see people so ill that we wonder how they survive at all." Mahathir was caustic on the subject of "environmentalism." "Even if we have to spend billions on . . . preserving the beauty of nature, the forest, the rare insect species, and the other things that we claim will enhance the quality of our life, we have no excuse in this day and age to permit such misery to befall millions of fellow humans."

U.N. delegates stood in line to offer their congratulations after the prime minister's speech.

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## U.S. blocking British sales to China

British efforts to sell in-flight refueling equipment to the Chinese Air Force are being blocked by the United States, which is fearful the equipment will boost Beijing's air power dramatically, enabling it to mount

operations in areas currently out of range.

But U.S. Defense Secretary Frank Carlucci is, at the same time, believed to be secretly trying to sell American fighter-bombers to China.

Both the United States and Japan have objected to Beijing's deal with the British FR Group, on the grounds it would give China an increased capability to launch attacks on Japan. The equipment would be fitted first to 20 of China's aging Qiangji-5 fighter and strike aircraft, a copy of the Russian MiG-19. Some of China's H-6 bombers, a copy of the Soviet Tu-16 Badger aircraft, would be converted into airborne tankers.

China does not currently possess any airborne refueling equipment. Once acquired, areas of Southeast Asia would come within range, including large portions of Vietnam, thus considerably strengthening China's hand in disputed places such as the Spratly Islands.

The U.S. protest has led to the deal being referred to the Paris-based CoCom, the Atlantic alliance agency which restricts the sale of sensitive equipment to communist countries.

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## Kaunda attacks approach to AIDS

The President of Zambia, Kenneth Kaunda, told the Long Island, New York daily *Newsday* that many Western scientists and drug companies view Africans as "mere guinea pigs" in the fight against AIDS.

Kaunda said that Africans all too often are being looked upon either as potential recipients of untested drugs and vaccines, or as the subject of AIDS research that brings fame to foreign scientists but no relief to suffering African patients.

"I wish that some international regulations could be formulated which would place controls on these matters. . . . How could anybody think we should be guinea pigs here? Human beings! I can't understand that. We are all one human race, and for any part of it to be treated as guinea pigs, because of their race or I don't know what, is wrong. . . . We should be uniting our forces, weak and strong, coming together, because in the end AIDS knows no boundaries."

Kaunda will give the keynote address to the International Meeting on AIDS, to be held in Montreal next June. Two of the President's sons have died from AIDS.

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## Palestinian council finally to meet

After much delay, the Palestinian National Council is finally expected to meet on Oct. 31. The final date was decided on by Palestine Liberation Organization chairman Yasser Arafat after much pressure by the Soviets to postpone the gathering even longer.

But Arafat decided that if the Likud wins the upcoming Israeli election, the PNC would be unable to make any political concessions to Israel, out of fear that they would be seen as displaying weakness in the face of Israeli hardliners.

The conference will hence be held just one day before the Israeli elections. But under Soviet pressure, reported by *Le Monde* on Oct. 15, the PLO has abandoned the idea of creating a government-in-exile, and will only issue a "declaration of Palestinian independence."

Another feature of the PNC meeting will be the integration of West Bank Islamic fundamentalists who had mounted a challenge to the PLO there, but have now "reconciled."

However, a main question is where the meeting will be held. Palestinian sources report that Algiers was ruled out because of security concerns in the present unstable situation. Tunis may be the next selection. An assassination attempt on Arafat is feared.

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## Taiwan adviser resigns over Moscow trade

Republic of China President Lee Teng-hui's senior personal adviser resigned Oct. 17 amid press reports of a high-level dispute over trade links with Moscow.

A presidential office statement said Shen Chang-huan, the President's secretary who twice served as foreign minister, resigned because of ill health.

But the *United Daily News* reported on Oct. 13 that Shen opposed a visit to the

Soviet Union this month by a 60-member trade delegation and raised his objections at a meeting of the ruling Nationalist or Kuomintang party's top policy-making body.

## Signs of growing Israel-Soviet ties

The "Society for Friendship and Relations with Israel" has just been created in the Soviet Union, with the official support of the Soviet government. The organization was one of the sponsors of a rally on Sept. 27 to commemorate the Babi Yar massacre of Jews near Kiev during World War II.

Although the Soviets authorized such a commemoration last year, this year was the first time that state-supported organizations participated. Also present was the Soviet-run Anti-Zionist Committee, as well as members of the Israeli consular delegation in Moscow. The commemoration received widespread coverage by Tass and Moscow's *Evening News*.

The Israelis, too, upgraded their delegation. Its leader, Gordon Meron, a diplomatic attaché to the embassy in Rome, is to be recalled and replaced by Arich Levin, a diplomat of ambassadorial rank who heads the Foreign Ministry's Research Division, i.e., intelligence.

Meanwhile, Industry Minister Ariel Sharon became the first official to pay a state visit to Hungary, in mid-October. (Prime Minister Yitzhak Shamir's September trip was described as a "private visit.") Of interest, Sharon arrived in Budapest via Sofia, Bulgaria. Although Sharon had requested only a "transit visa" through Bulgaria, Israeli sources acknowledged that he met with Bulgarian officials somewhere en route. There are also widespread but unconfirmed reports that he recently met with Soviet-backed Palestinian terrorist leader George Habash of the PFLP.

Sharon's visit to Hungary is primarily expected to yield economic contracts. Hungary, like most East bloc countries, wants to benefit from Israel's "free trade" agreement with the United States, which allows a third country engaged in a venture inside Israel to re-export its product to the United States duty free.

Over the past year, well-to-do Israelis

are reported to have flooded Budapest. The latest economic survey published there shows that 40% of the gamblers in Hungary's casinos are holders of Israeli passports!

## Italy's De Mita meets Mr. Gorbachov

Soviet leader Mikhail Gorbachov told Italian Premier Ciriaco De Mita in Moscow that he fears a return of anti-Sovietism in the United States during the transition period between the election of the new President and his inauguration, according to the Oct. 16 daily *La Repubblica*. Gorbachov referred to a recent Henry Kissinger article in *Newsweek* as an example of Soviet concern: "Kissinger goes so far as to hypothesize a broader Europe up to Poland and excluding the U.S.S.R. We say no."

Answering a question from De Mita on the Soviet preference in the U.S. elections, Gorbachov said, "I am for the continuity of American policy. The Democrats have some interesting ideas, but they lack the courage to implement them. The Republicans think less, this indeed is true, but they do things, or at least they try to do it."

Gorbachov claimed, "The enemy image here is rapidly vanishing. We don't want at all, therefore, to decouple Europe from the United States. You have to consider this. The U.S.S.R. is also interested in European security and does not represent a threat anymore."

De Mita, for his part, specified the preconditions for a Western "Marshall Plan" for Russia. Speaking at the Soviet Academy of Sciences, he expressed the sentiments circulated by Italian businessmen who are there for the Italia 2000 exposition. "The Soviet Union has to propose a coherent and credible plan to increase East-West economic cooperation. . . . Such issues as currency convertibility, the free circulation of people, goods, and capital, the certainty of the laws, are part of this needed picture. Immediately after these come the necessity to develop great transnational economic projects . . . for real cooperation between the socialist community and European Community and the unified market we will have after 1992."

## Briefly

● **THE PERONIST** candidate, Carlos Menem, has officially launched his campaign for next May's Argentine presidential elections, pledging to live up to his promises of higher wages and lower taxes. Menem has promised a five-year moratorium on interest payments on a \$56 billion foreign debt. Recent polls have given him a 15-point lead.

● **EUROPEAN COMMUNITY** foreign ministers meeting in Greece Oct. 15-16 decided to seek "closer contacts with the Soviet Union." But the meeting was factionalized, as British Foreign Minister Geoffrey Howe urged caution: "We shouldn't assume that the changes mean that Gorbachov is a convert to democracy. He is a Communist Party leader with great problems in his own country."

● **'THE DECADENT** capitalist nations must be lulled to sleep by the greatest peace proposals ever made in history, and when their guard is down, we will crush them with our clenched fist," taught Dmitri Manuilski at the Soviet Military School a few years ago, says F.G. Dreyfus in the October issue of *La Presse Française*.

● **A GREEN PARTY** member of the German Bundestag was caught photocopying a top-secret defense plan for the 1990s. Gertrude Schilling confessed to making copies of the whole plan and providing them to "colleagues and friends" who were "also interested."

● **THE FASCIST JVP**, an ethnic Sinhala chauvinist organization, has ordered the people of Sri Lanka's southern province to deploy two members from each family to all anti-government demonstrations or face execution.

● **PLAGUE** has broken out in areas of southwestern and northern China and is spreading, a senior health official told *China Daily* on Oct. 12.



## LaRouche rips indictment's 'paranoid conspiracy theory'

*Independent presidential candidate Lyndon H. LaRouche, Jr. gave a press conference at the National Press Club in Washington, D.C., on Oct. 17, the morning before the arraignment of himself and six associates on the new indictments issued by U.S. Attorney Henry Hudson of Alexandria, Virginia Oct. 14. The following is Mr. LaRouche's opening statement, and selections from the question period.*

**LaRouche:** I shall make the minimal required reference to the events which occurred last week in Alexandria, and then—but more importantly—devote most of my opening remarks to the significance of the events, and the significance of the political motivation of those in the Democratic Party who are responsible for the conduct of Henry Hudson and his superior—former superior—Mr. [William] Weld.

One could say, of the indictment itself, that all those who perpetrate offenses against God or humanity or both, are sooner or later punished, some in this life, usually for smaller sins, and later, perhaps, for major sins. One might say, for example, of the case of Benito Mussolini, who committed great sins, that according to appearances, he has been punished for his crimes by being reincarnated as Michael Dukakis.

The indictment itself is the biggest piece of garbage I've ever seen. It's largely, as you might determine for yourself, a replay of a theory which is a rather paranoid conspiracy theory, which was aired rather fully in Boston, and after a lengthy trial, which ended in a mistrial. The jurors polled themselves as to their opinion on the case, hearing most of this argument, and voted to exonerate all of the defendants, and also commented that the problems in the case were government misconduct.

Mr. Henry Hudson was part of the team, which was organized under the direction of Mr. Weld, which was responsible for what the federal judge in the Boston case characterized as "institutional and systemic misconduct," and the Alexandria office was a partner in overt acts of government misconduct which are so listed in the Boston legal record.

It's not accidental that this action should come three weeks before the coming election. Mr. Dukakis's backers do not expect me to get a large vote in the election, but to exert a large influence of a certain kind. And I'm going to address that influence, to make clear what, as the boys say, is going on here.

It's probably been observed that most recent presidential campaigns have selected candidates and elected officials who have been, to a large degree, figureheads in the government, at least by the standards set for the President by the U.S. Constitution; that increasingly our government is run, essentially, by an establishment, a corporation, so to speak, an informal corporation of establishment interests which determined what the President will do in the way of major policy, at least long-term policy, and allow the President to make a few decisions on his own on secondary matters.

In the current campaign, we have the dullest presidential campaign in postwar history. The candidates themselves have begun to allude to that—at least Mr. Bush has, under questioning. And one would therefore wonder, with such a terribly dull campaign, and despite differences between Mr. Bush and Mr. Dukakis on issues—particular, isolated issues—in terms of the policy on the economy and many other things, there is very little difference between the two, at least in terms of their present commitments. Therefore, why the heat? And why, therefore, do I come under attack?

Well, in point of fact, as those of you who have been around longer and are more privileged to know, our government, like most governments in the Western world, is run by establishments, in general, in terms of overall policy. But presently, we have what can be broadly defined as three factions in the international establishment, which also correspond to three factions here in the United States.

One faction is the extremely liberal faction, typified in Britain and other parts of Western Europe, as well as here, by Lloyd Cutler, and similar types of people. These are the people who, with the Boston insurance complex which owned Michael Dukakis and has all of his political career, are deciding Mr. Dukakis's policy. So therefore, if Mr. Dukakis were to be elected, the policies of the U.S. government would be set, in all probability, entirely by that establishment, typified by Mr. Lloyd Cutler.

There are two other factions. While I'm not an establishment figure, I function on the level of an establishment figure, and closest to, as I think anyone can perceive, the American traditionalist currents, and typified by not only the military and intelligence and other elements of government professionalism, but by the average constituency-oriented groups inside the Democratic Party, and to some degree, of course, also in the Republican Party.

In between these two extremes—if you would have it—you have the lower extreme, represented by Mr. Dukakis (the lower extremity), there is a large faction that is not quite as enthusiastic for Moscow as Mr. Dukakis has expressed himself to be, not quite as left-wing, which—like Mr. Kissinger, for example—is committed to diminishing U.S. power in the world, diminishing our strength for an arrangement called “global power-sharing” with Moscow. However, it's also obvious that there is a difference between Mr. Cutler and Mr. Kissinger—as Mr. Kissinger has made quite clear recently—and Mr. Kissinger on this account reflects, not necessarily speaks for, but does reflect the attitudes of most of this middle layer of the international establishment. Mr. Kissinger says: Global power-sharing is all right, it's good, but we must be very cautious about how we proceed to these kinds of arrangements.

And so therefore, the question is, in the likelihood that Mr. Dukakis were to be elected, I think most of you would demand an immediate acceleration of the Mars program, and you'd volunteer to be on it, because what he intends to do to the United States is what is called, by people like Michael Ledeen, for example, “universal fascism.” It's a combination of measures taken by Mussolini in Italy, called corporative measures, which Mr. Dukakis has pushed heavily, together with savage austerity of the type that the Brüning and Schacht administrations imposed on Germany. That's the general approach.

So, from Mr. Dukakis, if he were elected, we would get nothing but bad—especially the poor, especially the ordinary working people, and especially those to whom Mr. Dukakis

and the Democratic Party purport to be appealing in this election.

If Mr. Bush were to be elected, what would happen? Well, we don't quite know. But we know that since the Dukakis election gives the United States a hopeless prospect—but if Mr. Bush is elected, the question is, what can we do to ensure that the combination of policy-shaping influences around the next administration—not just Mr. Bush as such, but the next administration—is a combination, probably, of this middle layer, which Mr. Kissinger, in a sense, is identifying with, though he does not represent it in a large sense, and the traditionalist, nationalist group, which believe in technological progress, which believe in the rights of the elderly, which believe in traditional American things, and that this combination might be able to steer this country safely, as an influence on the administration, through the next four years.

And on that subject, in conclusion, the next two years are going to be the most dangerous in the history of the United States. What's happening in Yugoslavia is only a portent of what's about to break out. We must expect that, between Nov. 9 and the inauguration, there will be an explosion of pent-up issues which will confront the U.S. government during the transitional period, with financial, economic, strategic, foreign policy, and other kinds of problems, unlike anything that's been faced by any transitional period of government in our recent history. That, in the next four years, probably based on the kinds of decisions we make in the next two, the essential future of the United States—and perhaps civilization—will be determined for a century to come. And that's what's at stake.

Mr. Dukakis's group, the people behind him, and the people associated with him—that's documented enough in the printed material available, so I won't go into that. But if they get into power, I see very little chance for the United States in the future. I see the next two years as a series of the worst blunders imaginable. And I see the prospect of the survival of the United States and civilization as we have known it approaching an end—in effect, an end of an era, not merely of the postwar era, but of a much longer span of time.

If Mr. Bush were elected and we have the right combination of forces around the government, a bipartisan combination, then there's a chance that the United States might respond to crisis with policies which make sense, and that our nation might survive.

And therefore, my advice to the voters, which I try to make as clear as possible, in television broadcasts and other means, is: Don't vote for a pretty face. Don't vote the way you voted in recent elections. Don't vote for somebody who you vote against in the next round of elections. Look at what you're voting for. In the case of Mr. Bush, we don't know what we're voting for. I'm not going to vote for him personally, but those who are going to vote for him, we don't know

what we're voting for. Mr. Bush has certainly not made that clear.

But we do know that the American citizen ought to vote to make sure that that citizen, and the constituency interests he or she represents, should represent a significant stock interest in shaping the policies of the next government. And therefore, those who are rallying with me, either directly in supporting my activities, but not always my campaign, and those who are rallied inside the Democratic Party—even inside the Democratic Party machines, and Republican machines—who are rallied about the kind of idea I represent, for the organization of the government under, say, a Bush administration: that we must act to effect the condition in which the majority of the American people have an effective stock interest in the combination which controls the next

administration.

I'll take questions now.

**Q:** Mr. LaRouche, will you be appearing in Alexandria this afternoon for the arraignment of—

**LaRouche:** I expect so, they've got to—

**Q:** How will you plead?

**LaRouche:** Well, of course, this is a piece of garbage. I'm certainly not guilty of any of this. This, if you'll notice, is nothing but, in large part, the same theory of the case, which was tried in Boston. The only exception to the Boston case, which is not being simply repropounded here as a replay of the Boston case which the jury rejected, is the tax allegation.

Now, that's not a tax evasion allegation; that's an alle-

## Judge sets date for LaRouche trial

A trial date of Nov. 21, 1988 was set at the arraignment of Lyndon LaRouche and six associates, by U.S. District Judge Albert V. Bryan, Jr., in Alexandria, Virginia on Oct. 17. LaRouche, William Wertz, Edward Spannaus, Michael Billington, Dennis Small, Paul Greenberg, and Joyce Rubinstein all pled not guilty to the charges of conspiracy to commit mail fraud, specific counts of mail fraud, and conspiracy to defraud the Internal Revenue Service.

All the defendants were released on \$5,000 bonds, secured by their personal recognizance. Judge Bryan said that he saw no problem with travel by the defendants, and refused to place any such restrictions on the defendants as part of their conditions of release.

Assistant U.S. Attorney Kent Robinson sought and failed to get the court to approve restrictions on foreign travel for candidate LaRouche, whose wife, Helga Zepp-LaRouche, is a citizen of West Germany. Judge Bryan overruled him, saying, "Travel is just not a problem in this case. It is not something that concerns me."

In setting the early trial date, Judge Bryan, the chief judge of the district, vindicated the reputation of the Eastern District of Virginia court, as the "rocket docket." Numerous pretrial motions scheduled by the defense, however, have the potential of derailing the fast track.

### Transfer motion filed

Lawyers for LaRouche and six associates immediately

filed a motion at the arraignment itself, requesting the transfer of the new case to the federal court jurisdiction in Massachusetts.

The motion argues that, since the new prosecution is substantially identical to the one brought against LaRouche and some of his same associates in Boston in 1986-87, it should either be transferred to the judge who knows the case in Boston, or merged with the old case, which is now scheduled for retrial in Boston on Jan. 3, 1989.

The transfer motion asserts that "having selected Boston as the forum for this national prosecution more than two years ago, the government should not be allowed to now in effect 'transfer' the case to Alexandria because it does not like the results achieved in Boston.

"To allow the government to forum shop for a better venue at the eleventh hour of this national prosecution by filing the overlapping and duplicative Alexandria indictment would not only be unfair and result in duplication of judicial, governmental, and defense resources, but would also be inconvenient and against the interest of justice."

In support of this motion, the defense demonstrates in great detail that the two indictments are virtually identical, not only in their charges of a form of "loan fraud," but also in utilizing many of the same overt acts, alleged victims, and witnesses.

### Undue burden

The defense also argues that to proceed with the new trial would be "unduly burdensome" on defendants. Arguing that the new prosecution in a new jurisdiction violates the defendants' constitutional rights, the motion reads:

"The due process considerations raised by this case are extremely serious. Defendants' limited financial and emotional resources are already strained as a result of the

gation—a very peculiar, most mysterious one, an allegation of a conspiracy to evade a tax liability which I didn't have and which the government does not claim I had. Now you should recognize that this is purely political stuff. Such kinds of nebulous charges, made two to three or four weeks before an election against the candidate for election. . . .

**Q:** I'm still a bit confused as to how a Republican administration, Republican Justice Department, a Republican United States Attorney, who's been in power for seven and a half years, could be influenced by Michael Dukakis to bring this indictment. Can you explain?

**LaRouche:** Well, you look at the pamphlet which has been put out by the campaign, which documents the connection of Mr. William Weld with Mr. Michael Dukakis. Mr. Weld,

protracted federal prosecution in Boston, as well as the various state prosecutions. The continuation of this highly duplicative prosecution in a geographically distant district would only exacerbate the situation. It already has obliged the defendants to retain additional counsel, as well as pay the expense of Boston-based counsels' travel to, and living expenses in, Virginia. Second, it has forced them to divide both their time and their energy between the Boston and Alexandria prosecutions. This inevitably has resulted in a diffusion of the defendants' ability to defend themselves.

"Given all of its resources and power, the government should not be permitted to use multi-district prosecutions when the effect is diffusing defendants' ability to effectively defend themselves. Indeed, carried to its logical extreme, the government would have to concede that if, in a case of national scope with multiple alleged frauds occurring all over the country, it may proceed simultaneously in two districts, then it may, *a fortiori*, proceed simultaneously in five or ten or even each of the ninety-five federal judicial districts. Obviously, such a practice is not only fundamentally unfair, but would also infringe upon defendants' Sixth Amendment rights. Indeed, by forcing the defendants to over-extend their resources, the government may ultimately deny defendants the effective representation of counsel."

Indeed, government spokesmen through the press have often expressed their aim of using criminal prosecutions to try to drain the LaRouche movement of resources.

The transfer motion also argues that the dual prosecutions in Alexandria and Boston are intended to eviscerate Lyndon LaRouche's presidential campaign, and will accomplish such by diverting monies to legal defense. "Though extremely effective, this strategy should not be countenanced by this Court," the brief concludes.

even though he's nominally a Republican, belongs to the same faction in Massachusetts and around the country to which Mr. Michael Dukakis belongs. Mr. Michael Dukakis was his superior at one point. He has done political dirty tricks for Mr. Dukakis in Massachusetts, as against former Mayor Kevin White, an action by Mr. Weld on Mr. Dukakis's behalf, which was denounced by the superior court as using methods analogous to Soviet methods of prosecution. One must recognize that inside the Justice Department itself there is a left-over residue of professionals dating from the period of the Kennedy administration and Ramsey Clark, people who in that period were associated with Walter Sheridan. These are not Republicans. These are part of the Justice Department establishment—professionals—and they've been built up over the years; they're called the "Kennedy machine" inside the Justice Department. And the "Kennedy machine" is very angry with us—since it's made a deal with Mr. Dukakis—that we are not doing nice things to help Mr. Dukakis. And therefore, the "Kennedy machine" inside the Justice Department has gone along with this operation. . . .

**Q:** Mr. LaRouche, can you tell us what your income was over the years, that you were supposedly evading paying taxes on?

**LaRouche:** No, the government does not charge I was evading taxes! Read the indictment carefully. The government does not charge that, for a very obvious reason. I have made clear, publicly and on the legal record, in detail, my personal tax liability, or income situation, over a period of more than a dozen years. The government has never questioned those statements, and those facts, and that evidence. They had no case for coming with a tax evasion case in this case, because I have no money income; most of it is the gifts of friends, or I'm hosted by a variety of organizations of various parts of the world, including governments, international associations, conferences, etc., etc.

So, I have no income, and the question of whether any of the expenses expended on my behalf are a benefit to me fall in the category: Did you report a tax return when your friend picked you up in a car, or a stranger, to take you out of the rain? Did you report it at the rate you would have spent for a taxi for the same service? Or did you report every time somebody served you a canape at a house party?

So, in this kind of situation, there is no tax liability. The government knew that, no matter how they would construe these things, in point of fact, I would not reach the threshold of income, even by a stretch of the imagination, for which I'd be required to file a tax return. So, the government knows I have no income. Therefore, what they said is, "Oh, how can we get him on taxes? Well, we can't get him on taxes, so let's try something else. Let's say that he did something, which might have tended to cause him to conceal income if he had been liable for taxes." And the thing is a screwball charge. . . .

# Mark Richard and Justice Dept. moles

by Joseph Brewda

According to the accounts of several U.S. sources, Assistant Attorney General Mark Richard is a major figure behind the series of Stalinist-style legal prosecutions of Lyndon LaRouche and his associates that began in 1984. It was Richard, these sources say, who masterminded the recent Oct. 14 trumped-up indictment of LaRouche on "conspiracy to commit tax fraud," and played a key role directing the Boston trial of LaRouche on charges of obstruction of justice. That trial ended in a mistrial last May due to the government's withholding of exculpatory material, and related illegal practices.

That Richard has been a key LaRouche enemy buried in the Department of Justice bureaucracy coheres with a pattern of treasonous actions over the years. Richard is just one of a network of figures planted in the DoJ, especially since the tenure of Attorney General Ramsey Clark (1967-69), who have worked to further Soviet strategic objectives. Others in this ring include former Assistant Attorney General Stephen Trott, former Criminal Division director William Weld, former Carter Criminal division director Philip Heymann, and former Rep. Elizabeth Holtzman (D-N.Y.).

On behalf of these interests, Richard has:

- Overseen the DoJ's Office of Special Investigations (OSI), whose "Nazi-hunting" operations are determined by Soviet propaganda and intelligence requirements. OSI targeting of the U.S. missile program for "harboring Nazis," for example, has harmed Strategic Defense Initiative research.
- Suppressed numerous cases which demonstrate the Soviet, Soviet-British, and Soviet-Israeli penetration of the U.S. government. These cases include the EATSCO arms conduiting case, which implicated former CIA Deputy Director Ted Shackley; and the Jonathan Pollard case, showing the Israeli intelligence link to the KGB.
- Misdirected the Iran-Contra investigation to protect such allies as former Criminal Division director William Weld, also of known leftist sympathies.
- Penetrated the Central Intelligence Agency, National Security Council, and related U.S. intelligence agencies by providing "damage-control" for various incompetently de-

signed or executed operations, such as the Iranian arms sale policy.

All of these closely associated figures, Mark Richard, Elizabeth Holtzman, William Weld, and Ramsey Clark, have achieved high positions in the U.S. law enforcement and intelligence community. This network would have been an obvious target of U.S. counterintelligence immediately after World War II; it now helps run it.

## Richard's powers

As one of four assistant attorneys general in the Criminal Division, it might appear that Richard's importance could not be so great. In fact, Richard oversees the five most important of the division's 15 units. These include national security, which handles all criminal matters pertaining to intelligence and security issues; international litigation, which handles all liaison with foreign law enforcement and intelligence; the OSI, the only U.S. agency to maintain formal ties to Warsaw Pact intelligence agencies; and the fraud section, long alleged to be a safe-haven for CIA and other intelligence officials operating under DoJ cover.

Because of his control over these units, Richard is the DoJ representative to several of the "interagency task forces" that usually meet at the National Security Council. One of the few results of the Iran-Contra hearings was to show that these often unnamed task forces, composed of representatives from most intelligence agencies, often wield more real power than entire federal departments. This method of establishing an "invisible government" outside of any formal table of organization, was perfected by Henry Kissinger.

It is through membership in such interdepartmental committees that Richard oversees the application of President Reagan's Executive Order 12333, and related directives. These measures authorize using the DoJ to "neutralize" purported national security threats, through malicious, frivolous, or otherwise fraudulent prosecutions. Such unconstitutional decrees remain the "justification" for the legal warfare against LaRouche.

Richard joined Ramsey Clark's Justice Department in 1967, the period when the Communist Party U.S.A. had announced its policy of the "march through the institutions." Clark's vast reorganization of the DoJ certainly helped aid this infiltration. While we have no information that Richard was Soviet-tied prior to joining the DoJ, other of his future associates who later entered the government certainly did.

These moles include future Congresswoman and Brooklyn District Attorney Elizabeth Holtzman, then an anti-Vietnam War leader; future Assistant Attorney General Stephen Trott, then a member of the Communist Party-linked folk music band, "The Highwaymen"; and future Criminal Division director William Weld, then funding the radical *Real Paper* of Boston. How did Clark's moles rise in the federal bureaucracy?

*To be continued.*

# Dukakis Democrats mobilize for fraud

by Stephen Parsons

Despite media reports anticipating the lowest voter turnout ever, the Dukakis campaign may be preparing a scenario for election day mimicking the 1976 Jimmy Carter surprise: an "unexpectedly high voter turnout" in key swing states, resulting in a "surge" of support that carries the little Duke to a razor-thin upset victory.

The scenario is being set through a combination of Democratic voter registration drives and a determined "get-out-the-vote" operation, in which registered voters, who either don't exist or stay at home, would be systematically voted for by Democratic and labor machines.

The paw prints for such shenanigans are evident in many locations. In the Houston/Harris County area, a surge of at least 25,000—and perhaps 50,000—voter applications were made in the last two days of registration. Although county tax assessor Carl Smith said his employees would work double shifts to process the applications, other officials readily admit that there is insufficient time to verify the identities and addresses of these registrants, who will be automatically placed on the rolls for the November election.

California had a similar last-minute burst. Registration in Los Angeles County is now at a record 3.7 million voters, with thousands of applications pouring in during the closing days. Said local Dukakis campaign volunteer Roslyn Smith, "It's just going mad around here. People seem to be coming in like crazy, and there's a lot of younger people, first time voters."

At least some of these "first time voters" were organized by gang members in Los Angeles's south central ghetto. At a Jesse Jackson rally on the last day of registration, they helped sign up 1,000 voters—and received \$1.50 per registration! One community organizer estimated that perhaps 100 gang members in this area alone have been out on the streets earning pocket money this way. It's safe to say that this group has not been exactly discriminating in who they sign up—or sign for.

In Ohio, people could even register on forms available as McDonald's hamburger tray liners—while in some black neighborhoods, the state Democratic Party was offering 50¢ for every new registration!

## Buying the vote

In a dull election characterized by uninspiring candidates, predictions of high voter turnout should set off alarm bells in Bush campaign circles. For example, although an already high 72.52% of registered voters actually voted in Harris

County in 1984, Smith is predicting an 82% turnout this time. Harris County party secretary Jack Carter expects "the strongest get-out-the-vote effort this county has ever seen."

Officials are predicting a 30% higher Hispanic vote in Texas than in 1984—650,000 versus 493,000 four years ago. Nationally, there are now almost 5 million Hispanics registered to vote, double the number eligible in 1976. Ninety percent are clustered in nine states, including Texas and California, which comprise 193 of the 270 electoral votes needed to elect a new President.

To exemplify the financing of vote fraud, according to well-placed sources, a \$2.5 million vote-buying fund has been distributed to Jesse Jackson-linked black ministers in Houston. In September, a local black newspaper revealed that Democratic candidates, including vice presidential nominee Lloyd Bentsen, were paying "endorsement fees" to black ministers who in turn used the money for "personal matters."

Much of this voter registration has been accomplished through the auspices of numerous "non-partisan, non-profit" organizations like Project Vote and the Southwest Voter Registration Project. These outfits have functioned as a virtual Democratic Party political action committee, in violation of their tax-exempt status. Project Vote, for example, features on its board of advisers such notable non-partisans as social democrat William Winpisinger of the International Association of Machinists; David Cortright of the pro-Soviet, anti-nuclear group SANE/FREEZE; and former Maryland Democratic Rep. Parren Mitchell.

But perhaps the most significant area of vote fraud will come from the AFL-CIO's "Operation Big Vote." According to knowledgeable sources, the international labor unions have phone banks calling lists of their members to determine which workers have decided not to vote. Then, just as big city machines routinely cast tens of thousands of votes originating from the local cemeteries, the labor vote could be "secured" for Dukakis.

In virtually every key swing state, including Ohio, Illinois, Michigan, and Pennsylvania, the AFL-CIO COPE (Committee on Political Education) apparatus and international unions have obtained computer printouts listing every single voter, and matched them with their union membership and retirees lists. They then generated their own printouts profiling every union member—party affiliation, frequency of voting, etc. Based on this information, different types of targeted mailings are done, with personal followup by local union leaders.

One objective is to shift to Dukakis those Democrats who crossed over to vote for Reagan. In Michigan, UAW leaders estimate that if their members increase turnout from the level of 69% in 1984, to 75% this year, and combine that with a 75-80% vote for Dukakis versus only 62% for Mondale in 1984, Bush will lose Michigan. To insure this result, those who are identified as not voting, may then have their votes cast anyway.

# CIA official says watch perestroika, don't finance it

*CIA Deputy Director Robert Gates gave two speeches in mid-October, in which he veered sharply from the State Department's appeasement approach toward the Soviet Union. The speeches warned that the success of the reforms instituted by Mikhail Gorbachov would only make the Soviet Union "a more competitive and stronger adversary in years ahead." Thus, his policy recommendation, which is representative of an increasing number of U.S. intelligence professionals, is that we should watch perestroika, not finance it.*

*Not surprisingly, the State Department immediately declared that Gates's rare public statements did not represent policy. Gates and his allies in the intelligence community have stuck to their guns, reportedly telling the State Department that while his analysis may not be policy, it certainly is reality.*

*We reprint excerpts of Gates's Oct. 14 speech to the Colloquium on Science, Arms Control, and National Security sponsored by the American Association for the Advancement of Science, entitled "Recent Developments in the Soviet Union and Implications for U.S. Security Policy."*

It is typical that we in the West, and particularly in the United States, with our focus on personalities in politics, should focus on Gorbachov's personnel moves, who is up and who is down, who is in and who is out. . . .

This morning I would like to put aside the discussion of personalities . . . in the Soviet leadership, and focus instead on what is genuinely important.

The selection of Mikhail Gorbachov as General Secretary in the spring of 1985 signaled the Politburo's recognition that the Soviet Union was in deep trouble—especially economically—trouble that they recognized was affecting their military power and position in the world. . . .

They coalesced around an imaginative and vigorous leader who they hoped could revitalize the country without altering the basic structure of the Soviet state or Communist Party.

## **Strengthening the leadership**

There has been consistently strong support in the Politburo since 1985 for modernization of the Soviet economy. . . . Even so, nearly every step Gorbachov seeks to take toward structural economic or political change is a struggle and support in the Politburo for his initiatives shifts constant-

ly, from issue to issue. . . .

Gorbachov probably can count on only 3 or 4 of 12 Politburo members as being totally his own men, consistently supportive across the board. . . .

In sum, Gorbachov has declared war on the party apparatus, much as Stalin did in the late 1920s. . . .

Taken as a whole, the reform measures put in place in Gorbachov's three-year tenure are an impressive package. Nevertheless, the reforms do not go nearly far enough. . . . The reforms, even if fully implemented by 1991 as intended, will not create the dynamic economic mechanism that Gorbachov seeks as the means to reduce or close the technological gap with the West. To the contrary, aggressive implementation of the reforms is causing serious disruptions and turbulence in the economy.

An important milestone in the evolution of Gorbachov's views was recognition that the revitalization of society and economy could succeed only if there were significant changes in the political arena as well. The regime appears to be moving on at least three fronts to create the political climate it seeks.

- The first is ideology. . . . He seeks to expand his room to maneuver by an increasingly open attack on stagnation in ideology. . . .

- The second front is democratization. . . . Gorbachov apparently believes that without such reform, it will be impossible to break the resistance within the party to his agenda. By the same token, as he demonstrated two weeks ago, the old methods remain available. . . .

- The third front is *glasnost* or openness. Tight central controls over the flow of ideas and information lie at the heart of the Soviet system. . . . The new leadership believes that this approach is incompatible with an increasingly well educated society, complex economy, and the political needs of the moment. I see other motives as well. . . .

- to criticize officials Gorbachov sees as hostile

- to highlight problems he wants to attack

- to coopt intellectuals and particularly engineers and scientists to be full partners in the attempt to modernize the economy

- to compete with foreign and other unofficial sources of information

- to print the news and put an official spin on it



—to break the back of domestic resistance and increase his room for maneuver at home.

### Implications for foreign policy and strategy

There seems to be general agreement in the Politburo that, for now, economic modernization requires a more predictable, if not benign, international environment. . . . First Gorbachov wants to establish a new and far reaching détente for the foreseeable future to obtain technology, encourage investment and trade, and above all, avoid large increases in military expenditures while the Soviet economy is revived. Gorbachov must slow or stop American military modernization. . . .

Second, a less visible but enduring element of foreign policy—even under Gorbachov—is the continuing extraordinary scope and sweep of Soviet military modernization and weapons research and development. At this point we see no slackening of Soviet weapons production or programs. Soviet research on new, exotic weapons continues apace. Virtually all of their principal strategic weapons will be replaced with new, more sophisticated systems by the mid-1990s. . . . Their defenses against U.S. weapons are being steadily improved, as are their capabilities for war fighting.

The third element of Gorbachov's foreign policy is continued pursuit of Soviet objectives and protection of Soviet clients in the Third World. . . . Soviet objectives in the Third World . . . remain adversarial and seek to diminish U.S. global influence and reach.

The fourth element of Gorbachov's foreign policy is new and dynamic diplomatic initiatives to weaken ties between the United States and its Western allies, China, Japan, and the Third World; to portray the Soviet government as committed to arms control and peace. We can and should expect other new and bold initiatives, perhaps including unilateral conventional force reductions that will severely test alliance cohesion. . . .

Gorbachov is prepared to explore—and, I think, reach—significant reductions in weapons, but past Soviet practice suggests he will seek agreements that protect existing Soviet advantages, leave open alternative avenues of weapons development, offer commensurate political gain, or take advantage of U.S. unilateral restraint or constraints. . . .

For the next several years, the benefits of arms control . . . are primarily strategic and political, not economic.

The political benefits . . . are evident. It has the potential to bring downward pressure on Western defense budgets, slow Western military modernization, weaken resolve to counter Soviet activities in the Third World, and open to the U.S.S.R. new opportunities for Western technology. . . . Arms control gives credence to Soviet claims of their benign intentions and makes them appear to be a far more attractive partner to other countries in political, cultural, and economic arenas.

Arms control is an attractive proposition from Gorba-

chov's point of view for its strategic impact as well—as long as any agreement incorporates basic Soviet positions: permitting continued modernization of heavy ICBMs and deployment of mobile ICBMs, preventing the United States from deploying an effective space-based missile defense, and constraining air- and sea-launched cruise missiles . . . deep cuts in strategic offensive arms, with these provisos, offer the means to limit the growing number of hard target weapons in the U.S. arsenal and constrain U.S. progress in the development of advanced strategic weapons. . . .

The result is likely to be a Soviet political challenge to the U.S. abroad that could pose greater problems for our international position, alliances, and relationships in the future. . . .

### Conclusions

. . . Westerners for centuries have hoped repeatedly that Russian economic modernization and political reform—even revolution—signaled an end to despotism. Repeatedly since 1917, the West has hoped that domestic changes in the U.S.S.R. would lead to changes in Communist coercive rule at home and aggressiveness abroad. These hopes, dashed time and time again, have been revived by Gorbachov's ambitious domestic agenda, innovative foreign policy, and personal style. . . .

While the changes under way offer opportunities for the United States and a relaxation of tension—Gorbachov intends improved Soviet economic performance, greater political vitality at home, and more dynamic diplomacy to make the U.S.S.R. a more competitive and stronger adversary in the years ahead.

. . . We should ask ourselves if we want the political, social, and economic revitalization of the historical and current Soviet system. I think not.

What we do seek is a Soviet Union that is pluralistic internally, non-interventionist externally, observes basic human rights, contributes to international stability and tranquility, and a Soviet Union where these changes are more than a temporary edict from the top. . . .

We cannot—and should not—close our eyes to momentous developments in the U.S.S.R., but we should watch, wait, and evaluate. As long-time Soviet-watcher William Odom has said, we should applaud *perestroika*, but not finance it. We should not make concessions based on hope and popular enthusiasms here or pleasing personalities and atmospheric or superficial changes there. We should, however, take advantage of opportunities where the terms are favorable to us or where we can bring about desirable changes in Soviet policies. . . .

Whether Gorbachov succeeds, fails, or just survives, a still long competition and struggle with the Soviet Union lie before us. Preserving the peace and fostering an enduring relaxation of tensions depend upon our seeing this reality clearly. . . .

## Dukakis: A reincarnated Mussolini

Independent presidential candidate Lyndon LaRouche's quip that Michael Dukakis is a "reincarnation" of Benito Mussolini, was the lead item on the Oct. 17 news broadcast of Boston's WBZ-TV, along with the incredibly feeble reply by the Dukakis camp.

As part of its coverage of a press conference which LaRouche had given in Washington earlier that day, at which he labeled the latest indictments handed down against him a "dirty trick" by the Dukakis network, and warned that Dukakis was prepared to usher in a period of "universal fascism" in the United States, the television station flashed a picture of Mussolini on the screen, followed by a film clip of LaRouche stating that "great evil will be punished sooner or later, as in the case of the Italian dictator, Benito Mussolini, who has returned as Michael Dukakis."

That was followed by a WBZ reporter quoting the Dukakis reply: "LaRouche's charges are too ridiculous to offer a response," said a campaign spokesman. "LaRouche's historical knowledge is poorly founded. It is quite clear the governor could not have been reincarnated as Benito Mussolini, as Mr. Dukakis was already living at the time of the dictator's death."

## Shultz to lose out in Bush cabinet?

According to reports circulating on the Washington grapevine, George Bush as President is likely to retain most of the individuals currently holding cabinet posts. The two major exceptions are Secretary of State George Shultz and Pentagon chief Frank Carlucci.

The Oct. 24 issue of *U.S. News and World Report* says that Bush is likely to pick former Texas Sen. John Tower for the Defense post, and has already promised Foggy Bottom to Jim Baker. Bush is also looking for a top post for confidant Brent Scowcroft, the retired general now based at Henry Kissinger's consulting firm.

The magazine reports, "Bush's preference is for continuity," and among those he wants to stay on are National Security Adviser Colin Powell, Attorney General Richard Thornburgh, Secretary of the Treasury Nicholas Brady, Secretary of Labor Ann Dore McLaughlin, and Secretary of Education Lauro Cavazos.

## Dukakis economists seek consumption tax

A group of seven leading Democratic economists—several of whom are publicly identified with the Dukakis campaign—issued a report in mid-October calling for a national consumption tax.

Published under the aegis of the Washington, D.C.-based "Rebuild America" outfit, the report contends that imposing a consumption tax (national sales tax) is required to force a shift in America's spending from consumption to investment.

That's economists' gibberish. Such a punitive levy would actually accomplish the opposite. Living standards would be driven downward, es-

pecially for those in the lower income categories, and purchasing power would evaporate, sending the economy yet another ratchet lower.

## Bush picks up Teamster endorsement

Mike Dukakis's flagging presidential bid received another blow when the International Brotherhood of Teamsters, the largest labor union in the United States, endorsed George Bush on Oct. 17.

The decision was the result of a poll of the union's membership, which gave the endorsement to Bush (but not his running mate, Dan Quayle), by a small margin.

Although the Teamsters have accused the Reagan administration of trying to crush the union, after the Justice Department moved earlier this year to take over the union, it obviously sees Dukakis as an even greater threat to its survival.

## Massachusetts sues to keep nuclear plant shut

Dukakis hasn't let the presidential campaign stop his vendetta against nuclear power.

He announced Oct. 12 that the state of Massachusetts will file a lawsuit to prevent the restarting of Boston Edison's Pilgrim nuclear power plant. He said that state and local officials oppose its reopening until emergency plans for evacuation of residents near the plant have been tested and approved.

This is the same tack Dukakis has used to sabotage the operation of the Seabrook plant in neighboring New Hampshire.

The Nuclear Regulatory Commission gave the plant a clean bill of health in August.

## Scowcroft: Bush not ready to lead NATO

Gen. Brent Scowcroft, who was the National Security Adviser under President Ford and is now the head of Vice President George Bush's National Security Task Force, was remarkably candid in comments made exclusively to this writer Oct. 19, that Bush is ill-prepared to lead the NATO alliance through rough tests it will face during the transition between the Nov. 8 election and inauguration day.

As honorary chairman of Bush's task force, no one would know better than Scowcroft about the vice president's preparedness to take the reins of leadership in NATO, and Scowcroft did not mince words about his grave concerns for what is going to happen once the election is over and, probably, Bush becomes the President-elect.

"I fear that sometime right after the election, Gorbachov is going to make a bold initiative in the area of conventional arms control, offering to remove two soldiers for every one in the West," General Scowcroft said. "This will be made to look very good to the average European citizen, who will assert great pressure on his government to accept the offer."

But, Scowcroft warned, the offer will only be a public relations ploy, aimed at manipulating popular opinion, especially in Europe.

"In reality," Scowcroft said, "the asymmetry that exists among conventional forces between NATO and the Warsaw Pact is much greater than two-to-one. It is more like four or even six-to-one. But that will not be well under-

stood in the West, and therefore I fear that a conventional arms reduction offer by Gorbachov will have a lot of appeal, even though its effect will be to give the Soviets an even greater edge."

## Alliance called 'fractured, vulnerable'

General Scowcroft, who is also a vice president of Kissinger Associates, Inc., was one of a panel of speakers at an Atlantic Council forum held in the House Foreign Affairs Committee hearing room, and spoke with me at length after the forum broke up. I challenged him to respond to the remarks made by Robert Gates, deputy director of the CIA (see article, page 64) when he predicted that the Soviets will make arms control proposals aimed at "severely testing alliance cohesion."

At first, Scowcroft complained about the Gates speech, saying that it was "overly pessimistic" and failed to measure the "inadequate" pace of Soviet economic reforms against any objective criteria. But then Scowcroft suddenly began agreeing with Gates's assessment on the issue of arms control. He made his prediction about what Gorbachov would do after the election in the United States, adding, "The problem is that NATO does not have its act together" to counter Gorbachov's ploy.

"Nobody in NATO has taken the lead to do this," he grumbled. "Look at the last NATO summit [last March in Brussels]. All they did was sit around and congratulate each other for the INF treaty." As a result, he said, NATO is now fractured, passive, and vulnerable to a phoney Soviet arms reduction "offer."

"Who is responsible for this condition?" I asked.

"Bureaucracy," General Scow-

croft said, with a sneering, obvious contempt for what the word represented. But it was also an evasion. So I asked again: "Who would have to provide the leadership to get NATO out of this condition?"

"It would have to come from the United States," he said. I could not permit him to be so vague, and insisted, "Who, in particular, in the United States has not been doing his job? Would it be National Security Adviser Gen. Colin Powell?"

"I think it would have to be the President-elect," Scowcroft said. "He would have to be prepared to get NATO together right after the election and assert leadership."

But, General Scowcroft went on, "It is not going to happen. Now, [Bush] is thinking about nothing but the election. . . . I don't know that anything is going to get done after the election, either. I doubt if anything will happen before the inauguration in January."

That means NATO is in trouble, and not only in the event that Gov. Michael Dukakis gets elected.

## 'Impossible to know Soviet intentions'

During the Atlantic Council forum, all the principal speakers said that the West should "keep its powder dry," but that they were hopeful of the changes the Soviets claim they are making.

Jim Shinn of the NATO Information Office, for example, said, "It is impossible to know the Soviets' ultimate intentions." Scowcroft himself said that "it remains to be seen if Soviet promises are sincere, or merely tactical."

Afterwards, when I asked General Scowcroft if there was any solid evidence that the Soviets were "sincere," he couldn't provide any.

## Congress to close down military bases

The Congress has prepared the way for shutting two dozen U.S. military bases as part of a program of austerity cuts in the defense budget. Because the issue is a sensitive item for those members of Congress in whose districts those bases are situated, the Congress worked out a round-about procedure for dealing with the problem, which sharply reduces congressional participation in the process.

"There is something in the heart of every politician that loves a dam or a harbor or a military installation," laments Sen. Phil Gramm (R-Tex.), who has become something of an Attila the Hun when it comes to cutting budget deficits.

The bill was approved 82-7 in the Senate and 370-31 in the House.

Under the legislation, which President Reagan is expected to sign, a 12-member commission appointed by Defense Secretary Frank Carlucci will have until Dec. 31 to present a list of recommendations for bases that should be closed or reduced in size. If the secretary accepts the recommendations, he must submit them to Congress by Jan. 16. Congress would then have until mid-April to overturn the recommendation, by passing a resolution of disapproval. To discourage congressional meddling, the resolution would permit only the rejection of the entire list and would be subject to a presidential veto.

Rep. Dick Armey (R-Tex.), who helped write the base-closing legislation and guide it to passage in the House, said the "beauty" of the bill is that it protects individual members of Congress from political punishment at home and from political intimidation

by the administration. The inconvenient influence of constituency pressure is thereby eliminated from the legislative process!

## Senate backs compromise on sanctions against Iraq

The Senate approved on Oct. 11 legislation designed to curb Iraq's alleged use of chemical weapons against its Kurdish minority. The legislation, approved 87-0, would bar export of weapons and sensitive technology to Iraq and require the United States to oppose loans to Iraq by international financial institutions.

Other sanctions, including denial of export-import credits, restrictions on imports and exports between Iraq and the United States, and a downgrading of U.S. diplomatic relations with Iraq, which would have been mandatory in an earlier, tougher Senate bill, would, in this bill, be left to the discretion of the President, who could disregard them if Iraq provided verifiable assurances that it is not using poison gas or planning to do so.

Sen. John Heinz (R-Pa.) warned that the bill has "deep flaws" and could wind up hurting U.S. businesses more than Iraq, which could then turn to other countries for weapons and sensitive technology.

## Hearings arranged to approve new SDI director

At the urging of the administration, the Senate Armed Services Committee held a hastily arranged hearing to consider the appointment of Lt. Gen. George L. Monahan, Jr. as new director of the Strategic Defense Initiative

Organization. At 5:00 p.m. on Oct. 11, Pentagon officials were informed of the following day's confirmation hearings.

The nomination of Monahan to the post was seen as being supported by the Joint Chiefs of Staff, who have been cool in their support for SDI, as they felt it took money from more traditional military projects. Some senators wanted to see the SDI put into the hands of a civilian, and thus transferred from Pentagon control.

Under pressure from hostile legislators and a dwindling defense budget, supporters of the SDI have gone more and more on the defensive. The resignation of Lt. Gen. James Abrahamson as SDIO chief may have been conditioned by the fact that the original "total shield" concept of the SDI had been virtually abandoned by some of the leading proponents of the SDI.

During the hearings, Sen. James Exon (D-Neb.) questioned General Monahan as to whether it would be possible to craft an impenetrable shield against Soviet nuclear-tipped missiles. "We have to go through many, many decisions yet before we know exactly where the SDI program is going to go," said Monahan. He pledged that he would be a provider of technical facts and cost data about SDI, rather than an advocate for the program, as some in Congress have accused General Abrahamson of being.

Secretary of Defense Frank Carlucci commented in a speech in Anaheim, California on Oct. 12, "Even a partial strategic defense system would be a great improvement, in terms of strengthening nuclear deterrence. What even a partially effective SDI can do, is to put a very large question mark in the mind of the planner considering a first strike."

It is expected that the nomination of General Monahan will be approved before the Congress adjourns.

## **D**rug bill debate focuses on death penalty

The Senate on Oct. 13 defeated numerous attempts to eliminate the controversial death penalty from the drug bill now under consideration. Three amendments were submitted to replace or to place limitations on the death penalty clause.

The bill states that the death penalty would be allowed for major drug operators who intentionally or recklessly kill or order killings, or for others, such as hired killers, who commit murder as part of a continuing drug enterprise. The death penalty would also apply to anyone who kills a law enforcement officer while committing a drug-related felony.

The Senate approved civil penalties of up to \$10,000 for possession of any amount of illegal drugs intended for personal use.

## **P**roxmire tries again for a new banking bill

As the 100th Congress draws to a close, Sen. William Proxmire (D-Wisc.) made an 11th-hour attempt to try to pass banking legislation that would expand banks' securities powers into corporate debt, and ultimately, corporate equities. Senate Majority Leader Robert Byrd (D-W. Va.) had agreed to let Proxmire take his bill to the floor on the night of Oct. 11. Byrd later reneged, in the face of threatened delays from Sen. Alfonse D'Amato (R-N.Y.), the chief defender of the securities industry in the Senate.

Similar legislation has been tied up in the House because of jurisdictional battles between the House Banking Committee and the House Energy and Commerce Committee, which has responsibility for the securities industry.

As it is so late in the session, however, there is little chance that such legislation will be taken up by the 100th Congress.

## **S**anctions take toll on South African blacks

On Oct. 13, the Government Accounting Office (GAO) issued a report analyzing data for the first nine months of 1987, and found that South Africa's major exports to the United States had fallen \$417 million from the same period last year. The total decrease in South African sales abroad was put at \$469 million.

South African government figures, released at the same time, show that the various boycotts, lending restrictions, and other economic punishment imposed by the international community have helped limit South Africa's economic growth between 1980 and 1987 to 0.4%.

The stagnation in growth has already taken its toll on the living standards of South Africans, hitting the poorest sections of the population—the blacks—the hardest.

But not only South Africa is hurt by the boycott. The other states of southern and central Africa that rely on the mining and industrial potential of the South African economy have also been affected.

The supposed intent of the sanctions was to force the South African government to eliminate the apartheid system more rapidly. The net effect of

the sanctions has, however, been to undermine the limited reforms of the Botha government and to strengthen the right-wing opposition to Botha within South Africa, threatening a racist backlash in that country.

## **C**ongress passes \$1 billion AIDS package

The AIDS Federal Policy Act was approved by Congress on Oct. 13, but without the controversial confidentiality clause which had been attached to the bill. The original bill, initiated by Rep. Henry Waxman (D-Calif.), would have imposed, under the rubric of confidentiality, stiff fines of up to \$10,000 on anyone who revealed that another person was a carrier of the deadly virus. It was because of this provision, and the lack of even moderate stipulations that would have required mandatory testing, that the bill had been opposed by a handful of conservative Republican congressmen.

When the bill was passed by the House, it was then to be sent to conference committee to be reconciled with the Senate AIDS bill. Sen. Jesse Helms (R-N.C.) blocked appointment of a conference committee in the Senate by threatening a filibuster. After dropping the provisions for confidentiality, Sen. Ted Kennedy (D-Mass.) introduced a new version of the bill, which was passed by voice vote.

The legislation calls for adding at least 780 full-time employees to the Public Health Service for AIDS research in the coming fiscal year. The bill authorizes \$600 million in funding for research, and \$100 million to be spent on home health care for people infected with HIV. \$100 million will go to education, and \$100 million will be spent for anonymous testing.

# National News

## NASA wants manned lunar base by 2004

NASA Administrator James Fletcher has recommended a manned lunar outpost by 2004, as a staging area for a Martian landing. In a speech to the National Press Club Oct. 18, Fletcher referred to the report of a task force headed up by Dr. Sally Ride, which had outlined three possible projects for the future space program:

1) A four-person expedition to one of the Martian moons, Phobos or Deimos, by the year 2003.

2) An expedition to Mars, landing by 2007.

3) The establishment of a scientific base on the Moon, landing by 2004.

4) Establishment of a lunar outpost by 2004, which could serve as a staging area for a Martian landing by the year 2014.

"But if the next President were to ask me the day after election day to name the most promising of the options NASA is exploring," said Fletcher, "I'd name the fourth option: a manned lunar outpost.

"We could test the machinery for 'closed loop' ecological systems that would be essential for future planetary voyages. A permanent scientific observatory on the Moon would be an indispensable tool for studying the Solar System, the galaxies, and the universe. And the resources of the Moon, the lunar rocks, could be mined to make liquid oxygen, and perhaps, liquid hydrogen, for propellants to fuel future spaceships to Mars. Finally, the experience and inheritance of equipment, laboratories, and habitats of a manned lunar outpost could be transferred, if we so chose, to Mars missions. Thus, they would go a long way to help reduce the risks and costs of building a Mars outpost."

Fletcher also stressed the strong support the space program is receiving from the public. Two recent polls found that two-thirds to three-quarters of the American people support an expanded space program.

Fletcher said that the space station "is the key to human capability to live and work in space longer than we do now—much longer. . . . Without it, I can assure you,

this nation will not have the place to test the technologies and systems needed for people to live in space for periods of long duration."

He also stressed that, from the space program came "not only new knowledge, but also new industries, new products, new jobs, and greater innovation and productivity . . . to benefit the American economy and raise Americans' standard of living."

## Dole questions funding for Philippines pact

Senate Republican leader Robert Dole, in a Senate speech Oct. 18, questioned how the money would be found to implement the military basing accord signed between the United States and the Philippines.

The pact will allow the United States to continue to use Subic Bay Naval Station and Clark Air Base until 1991, in return for more than \$1 billion in U.S. aid.

"Just how that money is going to be found in a foreign operations budget already carved to the bone to meet other base rights and peacekeeping commitments is not readily apparent to this senator," Dole said.

He suggested that Congress and the President set a goal "to ensure that our allies and friends—who have been getting a free ride—bear their fair share of this enormous burden of projecting American power around the world to protect freedom."

Manila and Washington officially signed a new agreement on the bases in the Philippines on Oct. 17, and a day later, in Washington. The agreement will give the Philippines \$1.46 billion in U.S. aid in 1990-91, the State Department said.

Philippine presidential spokesman Teodoro Benigno noted that the agreement "will help to create an atmosphere of stability in the Philippines," and "will help the Philippines cope with problems of economic recovery and help businessmen plan for the future."

The agreement specifies that "the executive branch of government will make its best efforts to obtain from the Congress \$962 million in U.S. assistance for 1990-91." Additionally, the United States will target

\$500 million of Overseas Private Investment Corporation and Export-Import Bank assistance for the Philippines through 1991.

## Court rejects murder of patient

The New York State Court of Appeals rejected medical murder in a ruling Oct. 14, which prevented the family of a conscious elderly woman from removing her feeding tubes and starving her to death. A four-judge majority made the ruling, which is counter to the pro-euthanasia direction of state courts throughout the country.

The court made the decision despite statements by the daughters of Mary O'Connor, both nurses, that their mother had often said that she found people kept alive by artificial means to have "a pitiful existence." Chief Judge Wachtler noted that emotional statements in response to seeing someone die, could not be taken as a binding statement of intent to be taken off life support.

The pertinent part of the ruling read:

"Every person has a right to life, and no one should be denied essential medical care unless the evidence clearly and convincingly shows that the patient intended to decline the treatment under some particular circumstances. . . . If an error occurs, it should be made on the side of life. . . ."

"Although Mrs. O'Connor's statements about her desire to decline life-saving treatments were repeated over a number of years, there is nothing, other than speculation, to persuade the factfinder that her expressions were more than immediate reactions to the unsettling experience of seeing or hearing of another's unnecessarily prolonged death. . . . Her statements to the effect that she would not want to be a burden to anyone are the type of statements that older people frequently, almost invariably make. If such statements were routinely held to be clear and convincing proof of a general intent to decline all medical treatment once incompetency sets in, few nursing home patients would ever receive life sustaining medical treatment in the future. . . ."

## Briefly

### Du Pont Co. disputes DOE on Savannah River

The Du Pont Company, operator of the shut-down Savannah River, South Carolina nuclear plant, says that the Department of Energy is overstating problems with the plant. The plant's three reactors generate tritium for America's nuclear warheads, and have been beset by various alleged safety problems.

Tritium is an essential element in nuclear explosives. It is highly radioactive, decaying at a rate of 6% per year. Therefore, it must be continually replaced in order to maintain the country's nuclear deterrent. Were Savannah River to remain closed much longer, defense spokesmen say that they may have to let many warheads in the arsenal decay, to service priority warheads.

But Richard E. Heckert, chairman and CEO of Du Pont, said the reactor could be started up at any point, and that the Department of Energy was overstating the problems for political reasons. Heckert said he thought the department wants to get money from Congress for new reactors, and therefore, is overstating problems with the old ones.

### Washington's mayor on 'checks and balances'

Washington, D.C. Mayor Marion Barry was interviewed by the *Washington Times*, which interview was published on Oct. 19. He was asked if he thought he was "making too many concessions to Congress, to [Washington Redskins] owner Jack Kent Cooke, the D.C. City Council, the courts. It seems as though you're always having to wrestle." The good mayor replied: "I'm not wrestling. . . . That's the normal flow of politics, checks and balances. That's why you have a council and a mayor and a judiciary.

"I don't mind being checked. When I'm checked, I'm checked. . . . But when it happens, people can't understand that. It's

like going into a house of ill repute and being surprised to find people of ill repute there. 'Oh, what are they doing here!' I mean, what do they expect to find in a house of ill repute? So, don't be surprised to find checks and balances in a government."

Unquote.

### U.S. network credited for Chile's troubles

Abraham Lowenthal, executive director of the Inter-American Dialogue, a front group for the Aspen Institute, wrote in the *Los Angeles Times* Oct. 13 that even anti-Reagan liberals can "applaud [the Reagan administration's] skillful approach in Chile since 1986."

The Inter-American Dialogue became notorious for advocating "selective legalization" of dangerous drugs in a report issued in May 1988.

He said that top honors for the operation in Chile go to Ambassador Harry Barnes, who was appointed in 1986 and carefully used diplomacy, "not so blatant as to provoke nationalist reaction," to set up Gen. Augusto Pinochet's recent defeat in a presidential plebiscite.

Lowenthal also singled out for accolades "U.S. AID, the National Endowment for Democracy, and related Democratic and Republican party institutes," collectively termed Project Democracy, the subject of a widely circulated *EIR* special report, *Project Democracy: The Secret Government Behind the Iran-Contra Affair*.

This network in Chile, said Lowenthal, "actively helped to facilitate the registration process, supported opinion polls that enabled the opposition to design its campaign, provided valuable technical and political advice, and helped to make possible the establishment of an independent press. . . . Chilean political leaders, some of whom used to denounce Yankee intervention in Chile, worked closely with American consultants to expand political space in Chile."

Military sources in Chile confirm Lowenthal's version, saying they were defeated not by Moscow, but by Washington.

● **THE FEED** Materials Production Center near Cincinnati, Ohio, which processes uranium for nuclear warheads, could be shut down over charges of "ecological mismanagement." A class-action suit seeking \$300 million in damages has been filed. The government is now admitting that the private operators (first, National Lead, and then, Westinghouse) have discharged at least tens of thousands of tons of uranium into both the air and the water.

● **ALABAMA** health authorities are reporting a sharp rise in sexually transmitted diseases. Health authorities have reported a 300% increase in drug resistant gonorrhea, and a statewide 20% increase in syphilis. There were 922 cases of syphilis, versus 756 for the same period last year.

● **600,000** people have registered to vote in 1988 in New York City since Jan. 1, the Long Island daily *Newsday* reports. That is at least 100,000 more than in past presidential years, an official at the Board of Elections said.

● **NUCLEAR** Regulatory Commission guards had to drag out Gov. Michael Dukakis's chief energy aide, after he disrupted their Oct. 14 meeting. Peter Agnes, chief aide to Dukakis on nuclear energy, started shouting down at the commissioners as they prepared to vote in favor of reopening Massachusetts's Pilgrim Nuclear Power Plant.

● **GEORGE BUSH**, at a Michigan campaign appearance Oct. 18, pledged that he would never unilaterally withdraw troops from Western Europe and challenged Democrat Michael Dukakis to pledge the same.

● **HENRY KISSINGER**, campaigning for George Bush in Seattle, Washington, said "Dukakis, in my view, represents a radical orientation in his views on national security and foreign policy. Bush represents the mainstream in foreign policy in the postwar period."



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## Editorial

### *What a Bush victory means*

Democratic presidential nominee Michael Dukakis proposes to turn the United States into a copy of former left-winger Benito Mussolini's Fascist Italy. That is the truth behind Dukakis's corporatist politics. Since Lyndon LaRouche cannot win the next election, this leaves George Bush as the only option for President, even though there is no guarantee that he would be a good President.

Even though he is not going to win, the LaRouche independent candidacy is extremely viable. People will be murdered in the hundreds of millions, by famine, disease, and war, unless U.S. policies are changed. Effecting this shift is the task which LaRouche has set for himself.

Were LaRouche to carry even one or two states, the role of his electors in the Electoral College might be the deciding margin in determining who would be the next President. Even the fact that he racks up a sizable vote will not be unimportant in determining the policy direction of a Bush administration.

It is important that there be a large vote in the next election. Dukakis must not be allowed to win, but the real objective is not just keeping Dukakis from power, but weakening the power of his controllers. If Bush is elected, he must be freed from the domination of those ultra-liberal backers who have had a foot in both camps.

It is essential that the policies of the next administration be influenced by a bipartisan traditionalist grouping. Only then will there be any hope for this nation to steer through the terrible financial, economic, food, and strategic crises which will immediately face the President in the post-election period.

The trans-Atlantic establishment which controls the American government, whether a Democrat or Republican is in power, is, broadly speaking, divided into three factions, which function above the level of party politics per se. There are the one-world liberal fascists now supporting Dukakis; there are the traditionalists best represented by LaRouche; and there is a center grouping.

This center grouping is represented by Henry Kissinger, who has been recently warning publicly against the danger of conceding too much to the Soviets. These center forces accept the idea of sharing global power with the Soviets, but they worry that the West is in danger of conceding too much, too quickly.

They caution that the West must never give away so much, that it can no longer remain a major player in the global "balance-of-power" game.

The London-based International Institute for Strategic Studies has just concluded in a report, that there is no basis in fact to support the Soviets' contention that they are moving toward a new defensive posture in military-strategic thinking and deployment.

While the IISS is certainly on the right track with this warning, no one should forget that *they* were instrumental in creating the New Yalta policy of redividing the world into spheres of influence with the Soviets, in the first place. It is this center grouping who were the architects of the policy of appeasement under the name of *détente*, and they must not be permitted to dominate a Bush presidency as they came to dominate the Reagan administration.

The choice in this election is a grim one; nevertheless it is necessary. The election must result in a George Bush victory, since there is no possibility that LaRouche will be elected. Yet the LaRouche election campaign must contribute to shaping the policies of the next President and Congress.

A Dukakis victory will ensure that the Soviets are emboldened to more aggressive adventures in future. With Michael Dukakis in the White House, the United States would be destroyed as a sovereign nation within the next four years.

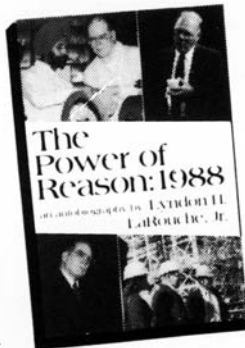
This is not an election to sit out. The electorate must make the best of a poor choice. After all, the voters themselves are to blame that LaRouche was not the choice of the Atlanta Democratic National Convention.

On November 8, vote! Vote LaRouche if you can! But make sure that Michael Dukakis is not elected.

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