

EIR

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Central banker: Prepare to dump U.S. holdings
'Third Rome' aristocrats run Soviet policy
AIPAC, the drug lobby, and Congress's ayatollahs

**LaRouche attacks Moscow's
disinformation on AIDS**



An EIR Special Report

"EIR has commissioned this *White Paper* to bring the truth on the developing Panama crisis to American citizens and lawmakers, so that decisive action can be taken to stop this campaign, before the United States faces a new strategic crisis on its southern flank."

White Paper on the Panama crisis Who's out to destabilize the U.S. ally, and why

While the *New York Times* and other major media pump out "news" on Panama to fit these plans, North Carolina's Sen. Jesse Helms, the U.S. State Department, and sections of the Reagan administration have joined in a campaign to overthrow Panama's government and Defense Forces, allegedly because they have been taken over by the narcotics trade. Therefore, the United States must bring to power Panama's "democratic opposition" movement.

As this report shows, the principal figures in the "democratic opposition" movement are drug-money launderers, lawyers for cocaine and marijuana traffickers, terrorists, and gun-runners. Their presidential candidate, Arnulfo Arias Madrid, is a life-long Nazi.

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The report includes:

- A "Who's Who" in the drug mob's campaign to overthrow Panama's government;
- The facts on how "conservative" Jesse Helms has joined with State Department one-worlders to implement a destabilization campaign designed by the U.S. Liberal Eastern Establishment;
- How David Rockefeller's Trilateral Commission and the New York Council on Foreign Relations created the "off-shore" banking center in Panama, to handle their debt-and-drug looting of South America;
- Proposals on how the United States can help secure Panama, through a series of Canal-centered development projects, which break Panama's economic dependence on the "off-shore" economy run by the international banking cartel.

EIR

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From the Editor

In the cover *Feature*, the world's leading economist, Lyndon H. LaRouche, Jr. directs a sharp reply to the latest Soviet airing of charges that the Pentagon fabricated the AIDS virus. LaRouche's authority is indicated by the fact that 12 years ago, he initiated a study forecasting the outbreak of deadly new pandemics—like AIDS—if International Monetary Fund austerity policies were allowed to continue. We have appended part of another LaRouche writing on "AIDS and Africa." See *Economics* for a report on how the Soviets themselves are in a war-like mobilization against AIDS, as well as an interview with the head of West Germany's police association on how police must be defended against AIDS infection.

In the *National* report, we direct your attention to another kind of virus: control of Capitol Hill by the "Meyer Lansky" lobby, also known as the AIPAC-controlled Political Action Committees. Following LaRouche's urging in last week's issue to "get the ayatollahs out of the Congress," our investigators have dug up the facts and figures that show how the pro-Khomeini, gangster wing of Israeli and U.S. political life has literally *bought up* the nation's highest legislative body. On page 40, we present a case study of the evil being done to our foreign policy by that control. And on page 59, you will read about how AIPAC's corrupt friends in the U.S. "justice" system have moved to try to silence the LaRouche wing of the U.S. Democratic Party, the only real domestic opposition to AIPAC and the Soviets, on the eve of the September gear-up of the 1988 presidential campaign.

The Soviets, and their Western "Trust" friends, have chosen this moment to "leak" the reality that Moscow today is being run by the old Russian nobility, the people who actually ran the Russian Revolution in 1917 to overthrow the Romanovs and save the Russian empire. For the significance of this as we draw closer to the 1988 deadline for the cult prophecy that Moscow will be the "Third and Final Rome," see the lead articles in our *International* report on page 32 and 34.

Nora Hamerman

EIR Contents

Interviews

7 Ingo Herrmann

The chairman of the *Bund Deutscher Kriminalbeamter* (Alliance of German Criminal Police) discusses protecting police officers from AIDS.

Science & Technology

14 'Case for Mars' meeting maps space strategy

Marsha Freeman reports on a conference of space scientists to discuss planning a mission to Mars. It's going to require a change in White House policy to get there.

Departments

42 Report from Bonn

Iranian mines to go off in Bonn.

51 Andean Report

The battle over the "diferendo."

72 Editorial

On the subject of Khomeiniac mines.

AIDS Update

6 Soviets mobilize to combat AIDS

7 Police must be protected from AIDS

12 AIDS meeting debates insect transmission

69 Kennedy, Waxman introduce AIDS bill

69 House creates second AIDS commission

71 CDC sets new AIDS guidelines

Economics

4 The end of the great bubble

The U.S. banking system lost \$10 billion in the second quarter, the dollar suffered its worst one-week fall in 18 months, and the consumer debt bubble has stalled—but the worst lies ahead in the rest estate sector, where American companies have been making all their money.

6 Soviets mobilize to combat AIDS

While Western governments sleep, the Soviet Union has launched a war to contain the spread of the deadly virus.

8 Currency Rates

9 Foreign Exchange

Again: What will Mr. Baker do now?

10 Banking

Coming unstuck.

11 Agriculture

Top farm fag kicks bucket.

12 Business Briefs

Feature



United Nations

On one thing, the Soviet government, the U.S. government, and the World Health Organization agree: the cover-up of environmental co-factors in the spread of AIDS. Shown here is famine in Chad; economic devastation of Africa created the conditions for AIDS to take off.

22 LaRouche attacks Moscow's AIDS disinformation

A recent article in *International Affairs* is the latest incident in continuing Soviet circulation of the allegation, that human AIDS was synthesized by U.S. governmental laboratories for the purpose of creating a biological agent of chemical-biological warfare. LaRouche, the world's leading authority on the economics of epidemiology, replies.

Documentation: Visna—the sheep viral model for AIDS.

30 AIDS and Africa: Economic collapse must be reversed

International

32 The old Russian noble families run the Kremlin

They're all over the place in key policy positions, the Italian press has documented, and it just goes to show that the purported Great October Socialist Revolution of 1917 is the greatest hoax of the 20th century, in which "boyar" nobles overthrew the Romanovs to secure the survival of their Russian empire.

34 Will Berlin become Germany's capital again?

Lyndon H. LaRouche, Jr. defines those circumstances in which Moscow would peacefully consent to the reunification of Germany, with Berlin as its capital.

38 Soviets attempt response to U.S. challenge in Gulf

40 'Nuking' U.S.-Pakistani relations

43 Libyan rout in Chad sets back New Yalta

44 Project Democracy's Roy Godson: new insights into his family history

46 Israel: Sharon at the center of a political war

47 A new Malvinas crisis now building over Panama

50 Argentine Church rips Alfonsín culture mafia

52 International Intelligence

National

54 AIPAC, the drug lobby, and the ayatollahs in Congress

Here's how the American Israel Political Affairs Committee can so effectively deploy Congress against the U.S. presidency, that vital U.S. national security interests are threatened. Author Joseph Brewda provides the figures to prove this shocking conclusion.

59 U.S. seizes NDPC bank account

Using the same pretext of Boston "contempt fines" employed to forcibly bankrupt organizations of associates of Lyndon LaRouche, the government has now seized the bank account of the political action committee backing LaRouche.

60 LaRouche asks dismissal of 'outrageous' indictment

Excerpts from the motions filed by Boston attorneys for LaRouche, providing the evidence to put the government on trial for illegal and outrageous prosecutorial abuse.

66 Eye on Washington

GAO auditor describes bureaucratic gridlock.

67 Elephants & Donkeys

Carter cousin set to throw hat in ring.

68 Congressional Closeup

70 National News

Italian banker forecasts the end of the great bubble

by David Goldman

To the regret of hospital orderlies, madmen have improbable strength; to the regret of central bankers, market bubbles have improbable durability. The Dow-Jones average of the New York stock exchange closed Aug. 21 at a new record of 2,709, just three-and-a-half times its level of Aug. 13, 1982, when the bull market took off.

The improbable endurance of the stock-market bubble prompted Italian financier Guido Carli, a former governor of his country's central bank, to warn in an interview published in *La Repubblica* Aug. 14 that the madcap discrepancy between underlying earnings and stock-market prices had prepared the conditions for a new crash.

In a page-one editorial, entitled, "The Real Cause of the Fall of the Stock Exchange," Carli writes,

"The reason for the rise of the U.S. stock market is to be found in the decision of the Federal Reserve in 1982 to create more credit, to avoid the banking collapse following the Mexico insolvency. . . . In Italy, the rise in stock prices was provoked by a . . . bank-credit expansion, estimated to be the double expansion of income in nominal terms. . . .

"It appears that while there was an increase of 233.6% in stock prices from August 1982 to August 1987, this fact does not seem to be in line with the development of the underlying real economy. In particular, there was a paper gain of \$1.8 billion, while the companies represented on the Stock Exchange lost 10.8 million jobs. . . . Even if it is true that U.S. unemployment decreased from 9.7 to 5.9%, it is also true that the new jobs have been created in low productivity sectors, and that this has been possible in a country that does not respect the laws of the balance of payments, and thus takes real resources away from the rest of the world, while demanding more financing from abroad.

"Italy cannot follow such an example," Carli concludes. In fact, a close look at the real earnings of the U.S.

economy suggest that Mr. John Law's Mississippi Company was a better investment just before its famous crash in 1721, than U.S. common stocks in August 1987.

The real bull is to be found in corporate balance sheets. Except for a set of swindles now unwinding at a terrifying pace, there are no profits in the U.S. economy. The \$2.3 trillion market in U.S. corporate equity is not simply overvalued; there is no way to ascribe any underlying valuation to it.

These swindles boil down to the following:

1) The faking of U.S. bankers' books to show accrual of interest on non-performing loans, which otherwise exceed the shareholders' capital of those banks;

2) The overvaluation of the U.S. dollar not merely against the Japanese yen and German mark, but above all, against developing-sector nations' currencies, permitting U.S. purchasers to obtain goods at less than half of their domestic purchase price;

3) A consumer debt-bubble which has pushed consumer installment debt to more than a fifth of consumers' disposable income, from a seventh in 1982; and

4) A boom in real-estate values, which has brought corporate real-estate holdings up to \$600 billion, according to a recent survey, or 26% of the total market valuation of U.S. common stocks.

Where the status of these swindles is concerned,

1) U.S. banks lost \$10 billion during the second quarter, and face an additional \$20 billion in loan-loss-reserve additions for Brazil alone, to be applied either in the second or third quarters;

2) The dollar has resumed its collapse (see *Foreign Exchange*);

3) Consumer credit extension stalled during the first half of 1987; and

4) The combination of a 25% national vacancy rate for corporate office space in prime markets, and the elimination of the 1981 tax code's advantages for real-estate investment as of the 1986 "tax reform," have produced a slow-motion collapse of real-estate values.

Where's the beef?

On paper, U.S. corporate profits have risen by 68% from the last quarter of 1982, i.e., the beginning of the bull market. That means nothing. For example, real-estate holdings of the Fortune 500 alone are now valued at about a quarter of all corporate equity, and a huge amount of earnings was derived from real-estate transactions in a market just as speculative as the stock exchange.

Not what profits corporations may report, but what they can actually earn, give some sense of the economy's capacity to support the runup in stock prices. The only transactions which support earnings, ultimately, are sales of goods, since all "sales of services" constitute an overhead-cost component of goods production. A step closer to the truth is taken by looking at the profits of goods-producing industry only, since ultimately, cash flow from sales of goods, supports the economy's entire cash flow.

Here the picture is quite different. Profits of non-durable manufacturing industry were \$54.2 billion in the last quarter of 1982, and only \$41.0 billion in the first quarter of 1987, a decline of 32%. Durable goods manufacturers showed a net loss in 1982 of \$2.5 billion, and a meager profit of \$43.1 billion in the first quarter of 1987.

The financial sector debacle

Where did the big rise in profits come from? The fastest growth occurred in finance, insurance, and real estate, of slightly over 200%. The big banks' \$10 billion loss during the second quarter of 1987 not only wiped that out, but knocked down overall corporate profits by 20%. The financial sector (see *Banking*) faces much, much worse losses to come.

Almost as large was the profit increase for transportation and public utilities, which showed 100% growth. But this jump occurred from extremely low levels, motivated by the massive losses of the airline industry during the early 1980s. The airlines are still in big trouble, so the percentage growth is of minor relevance.

The most important component of profit growth occurred in wholesale and retail trade, i.e., the consumer-debt bubble, where profits grew 73% over the cited period. In absolute terms, this sector's profit grew to \$58.1 billion, the largest single component of corporate profits. That is not surprising, since distribution was the main beneficiary of the American economy's reversion to import-dependency after 1982. A fifth of the U.S. economy's physical consumption today represents net imports. About 40% of these imports come from developing countries, where they are purchased at a fraction of their American cost of production, and often (especially

in the Ibero-American debtor countries) at less than their local cost of production. A big retail chain that can purchase directly from overseas manufacturers, could buy at garage-sale prices abroad, and sell at American prices at home—as long as consumers could keep adding to the debt-mountain which has brought installment debt up to 20% of their pretax income, from only 14% in 1982.

To summarize so far:

- 1) Profits of the manufacturing and transportation sector continue to stagnate.
- 2) The financial sector faces devastating losses.
- 3) Wholesale and retail trade remain profitable only by virtue of the dollar's overvaluation, and consumers' declining ability to absorb more debt.

However, the wholesale and retail sector, i.e., distribution, produce virtual, but not actual profits. America now employs more than 25 million workers in retail and restaurant trade, against merely 17 million in manufacturing. Why should it be necessary to have three workers to sell what two produce? In competent national-income accounting, the distribution sector as a whole represents an overhead cost for the productive sector. Its profits mean nothing, if the products are not there for it to distribute. In fact, insufficient domestic production is available, and the distribution sector makes the great majority of its profits by selling foreign goods at a high markup in the U.S. home market.

The absence of domestic production finds its complement in the absence of domestic high-wage industrial employment; hence the staggering dependence on consumer installment credit to continue consumer purchases, increasingly of imported goods. The distribution sector will be crushed between two problems, namely, America's inability to continue purchasing foreign goods with a falling dollar, and the consumers' inability to keep absorbing debt.

Real estate

But the worst of it all is the real estate bubble, whose commercial component entails \$800 billion in outstanding mortgage debt. According to a recent study by LaSalle Associates, corporations list \$350 billion of real estate on their books, amounting to 15% of the market value of all U.S. common stocks. But speculation has pushed this market value (supposedly) up to \$600 billion. Numerous corporations have found that their most profitable operations involve trading their real-estate portfolios.

Assuming an illiquid real estate market during the next several years as a consequence of tax reform, hundreds of billions of dollars of corporate assets will be devalued. For the financial sector in particular, that is no small issue; Bank of America and other troubled banking institutions saved their necks by selling off headquarters buildings at prices ranging in the hundreds of millions of dollars. Their inability to realize the paper value of real-estate assets may be sufficient to break them, at a time when they are compelled to write off more than their shareholders' capital.

Soviets mobilize to combat AIDS

by Luba George

While Western governments sleep, the Soviet Union has launched a war to contain the spread of the deadly AIDS virus in the U.S.S.R. The Aug. 13 weekly meeting of the Soviet Politburo adopted "additional measures" to stop the spread of AIDS, including "deepening international actions to combat the disease." This was reported front-page by all Soviet newspapers on Aug. 14.

The Politburo statement was followed on Aug. 14 by the Central Committee and the Council of Ministers' announcement of a crash program outlining the "Basic Course in the Development of Defense of the Health of the Population and Restructuring [*Perestroika*] of the Public Health Services of the U.S.S.R. in the 12th Five-Year Plan for the Period up to the Year 2000." The program is directly linked to the military *perestroika* sweeping the Soviet Union. Besides the obvious national security question of containing AIDS and stressing the need to accelerate "basic research" in the areas of "immunology, biotechnology, genetic engineering," etc., the program demands a vast upgrading of sports and physical fitness activities among Soviet youth. The document contains numerous other health-related directives referring to wartime contingencies, making sure that the Soviet health system can "act quickly" to handle any foreseeable situation.

Anti-AIDS measures to be adopted include mandating that every Soviet citizen must have a compulsory annual medical examination, including blood tests. Through the obligatory blood tests, each and every Soviet citizen will be "quietly" tested for AIDS. This will enable the Soviet authorities to take effective quarantine actions for those found to have AIDS.

The announced new health program involves nothing less than instituting over the next 15 years, a complete *perestroika*, or overhaul, of the public health system. It calls for vastly "expanding scientific-research facilities and public health services" for the masses. During this timeframe, investments for hospital construction will double, and 1,500,000 new hospital beds will be added. The Central Committee measures stress the need to "improve measures" against "infectious diseases," and to drastically "improve the quality of domestically produced medical equipment."

Moreover, concludes the document: "The *perestroika* of the public health services and large-scale government measures . . . will enlarge the role of public health services in the development of socialist society and its economy, as well as *strengthening the defense capabilities of the country*. [Emphasis added.]"

That something "big" was in store on the AIDS front in the Soviet Union, was signaled by an article in the Soviet party's youth newspaper, *Komsomolskaya Pravda*, July 30. The *Komsomolskaya Pravda* article broke the Soviet media censorship which has ludicrously understated the number of AIDS cases in the U.S.S.R. (The official Soviet press line had been that "only a handful" of Soviet citizens have AIDS, and several dozen foreigners, mainly Third World students residing in the U.S.S.R.; for this latter category, even privately leaked Soviet estimates spoke of some 200 foreign students with AIDS.)

Komsomolskaya Pravda inaugurated a new media policy by reporting that 1,000 foreign students living in the U.S.S.R. are infected with AIDS. With about 100,000 foreigners studying in the Soviet Union, that represents a 1% rate of AIDS-infected. Such an article is unthinkable in the Soviet Union without Politburo-level clearance. The article called on Soviet officials to deport all AIDS-infected foreigners, and urged all Soviet youths, and for that matter older citizens, to avoid any sexual contact with foreigners, students or otherwise, to avoid becoming infected with AIDS, what *Komsomolskaya Pravda* and other Soviet media call, "the imported disease." The tens of millions of young readers of *Komsomolskaya Pravda* were warned to especially stay away from "intimate contact" with Africans and Americans.

Registering addicts

The Soviet Union is not waiting for the first of the annual medical examinations to begin instituting quarantine measures. One of the AIDS high-risk groups is drug addicts. Beginning last year, the Soviet Interior Ministry has been ordered to locate and register drug addicts. The effects of this operation can be seen through monitoring Soviet newspapers for articles which periodically state the number of registered drug addicts in the Soviet Union. The number of registered drug addicts has risen from about 20,000 to 46,000.

The most recent illustration of this campaign was reported by TASS on Aug. 17, in a long article announcing the end of a successful three-month drug crackdown on illegal poppy fields and opium production in the Soviet Central Asian Republic of Uzbekistan. TASS revealed that the operation, in which "hundreds" were arrested, involved "thousands of police," equipped with "light planes and helicopters." Over 2,000 illegal poppy fields were destroyed, and half a ton of opium was confiscated. In the Soviet war on AIDS, finding the addicts is as important as locating the suppliers. The TASS release illustrated this by noting prominently that "hundreds of addicts" were "identified and registered."

Police must be protected from AIDS

Mr. Herrmann is chairman of the Bund Deutscher Kriminalbeamter (BDK) (Alliance of German Criminal Police Officers). The interview has been translated from the original German.

Although the particulars differ, the concerns expressed by Ingo Herrmann in this interview correspond closely to what policemen and firefighters in the United States have been telling the representatives of EIR's Biological Holocaust Task Force in recent discussions in the United States, about the AIDS threat to uninfected persons in those professions.

EIR: Mr. Herrmann, to be a policeman today in the Federal Republic of Germany and especially in Berlin, is certainly no easy task. Not only is the officer's health increasingly threatened by violent demonstrators, but some politicians, jurists, and sociologists are contesting your right to guarantee the safety of the officers from AIDS infection through the Wanted Criminals computer. Can you first please describe this practice and its background?

Herrmann: In the so-called INPOL system there exists the possibility of storing information about individuals. There is the further possibility of using a certain blank area for remarks. Both capabilities can only be examined by individual, i.e., in the look-up, you must first enter the personal data of a wanted person. The individual indication "ANST" (Infection Danger) as such can refer to the most varied types of infection. Only in the comment area, does the supplemental notation "Caution Blood Contact" indicate the kind of infection threat. So this supplemental comment line is not a concept that can be searched for. Hence it is also not possible to inquire, which persons have this comment line. Therefore, it is false to state that the police are building up an AIDS data bank.

By way of background, already in 1985, the Working Group of leaders of the State Criminal Offices, with the presidents of the Federal Criminal Offices, were concerned with the practical problems that had arisen because of some incidents, and as a result they informed an Interior Ministry

Conference task force of the need to undertake storage of individual supplementary indications and comment lines.

In this connection, it should especially be stressed that the present ground for storing [such data] is exclusively the well-grounded suspicion that a crime has been committed, and not some disease.

EIR: How is the acute danger to officers presented in their daily work? You mentioned elsewhere, that some of your colleagues have already been infected with tuberculosis. Can you give us laymen a couple of clear examples?

Herrmann: The danger of becoming infected with TB rests on different criteria than the danger of infection with AIDS. The danger of AIDS infection consists, according to published medical opinion, at least insofar as police are concerned, mainly in blood contact or also through bites. In the day-to-day duties of police officers, it occurs almost daily that persons resist arrest, which can very quickly come to injury, with open wounds on both sides. Also, it often happens that persons being arrested resist arrest by biting. In some cases it was even established that persons who were likely or actually AIDS-infected, threatened intervening police officers with the disease and with biting.

EIR: Who exactly contests police officers' right to protect themselves, and at the same time defend the virus's right to spread unhampered?

Herrmann: To my knowledge in the recent period, elected officials from all the parliamentary parties have spoken out against the computer storage of individual data related to AIDS.

EIR: In your view, what is the basis for this attitude?

Herrmann: The basis of this attitude often varies with the individual politicians. In part it lies, in my observation, in a kind of data protection hysteria, which seems to have become the world outlook of many. The police have had to observe for years that the necessary protection of data is often interpreted in a way that it becomes protection of criminals.

With respect to the individual indication "Danger of Infection" and the appended comment "Caution Blood Contact," the data-protection argument is completely incomprehensible, since these indications exclusively serve the purpose of warning police officers what precautionary measures are appropriate. The police officer must not be exposed unknowingly to danger of infection on the grounds of data protection. He too has the constitutionally guaranteed right to physical safety.

EIR: Is there any danger that you will yield to pressure and change your current practice?

Herrmann: I, on behalf of the Alliance of German Criminal Police Officers, will certainly not yield to pressure and, moreover, will intercede in the interest of the lives and health

of the criminal police officers for the maintenance of the present procedures. However I can not rule out that the police will have to change their practice on the basis of political decisions. That would mean absolutely for the police officers—and probably not just for them—causing a considerable threat to their safety. I cannot imagine that a politician who is also responsible for the police could make such a decision.

EIR: Is there an international information exchange among police on these questions?

Herrmann: An international exchange of information among police has not, as far as I know, in any case from the German side, been implemented.

EIR: Are you being adequately informed on the present state of probable and proven modes of transmission?

Herrmann: At the federal level and from state to state at different levels, there are circulars, information sheets, etc., which contain the regulations for dealing with risk groups. These regulations stem from recent years and therefore ought to be relatively up to date. The fact that such regulations are contained in the official writings of the police forces, speaks for the fact that the need for updated information on findings about the danger of contagion is foreseen in the future.

EIR: If you could draw up a "wish list," what demands would you like to make and to whom, in order to reasonably guarantee officers' safety in all areas of their activity?

Herrmann: The principal demand is that the present procedures should be continued and used where necessary. The opponents of the present procedures bring up the argument (among others) that the legal grounds for the procedures either are insufficient or in fact don't exist. The federal epidemics law is above all doubted as legal grounds. In case the conclusion is actually reached that there is no legal basis, then one should push for the fastest possible creation of a legal basis.

I also demand that, above all, where the police stations are not supplied, or not in sufficient quantity, with protective clothing, e.g., with leather or synthetic gloves, impermeable gloves, etc., the corresponding protective clothing and other protective gear should immediately be made available.

In general, care for the health of police officers by the service authorities, in light of the threat of AIDS infection, must be intensified.

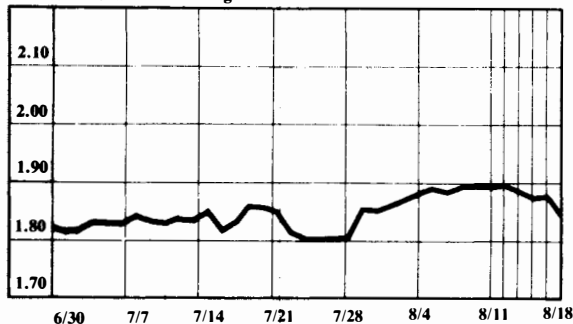
EIR: You have the last word. What would you like to inscribe in the albums of the federal and state authorities?

Herrmann: The police in our democratic republic not only have to protect this state and above all its citizens. The police officers, who in any case are in a risky job, need the state's protection when it is a question of defending them from harm as far as possible.

Currency Rates

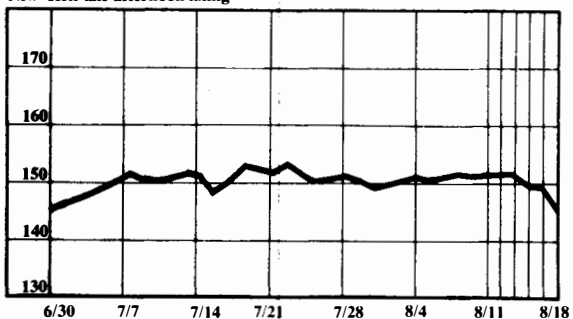
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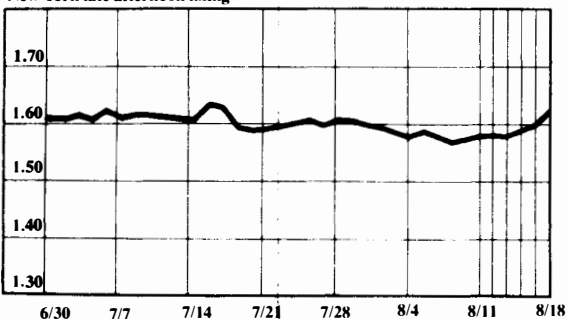
The dollar in yen

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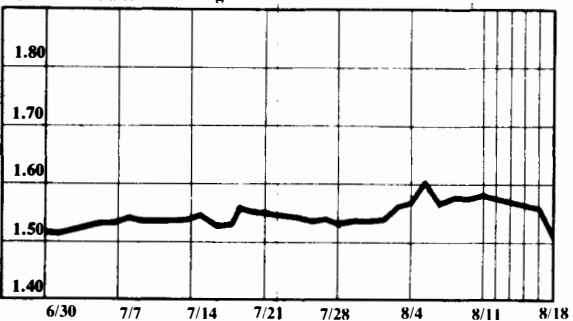
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Again: What will Mr. Baker do now?

Analysts believe Washington will go back to talking down the dollar.

On Friday, Aug. 21, the dollar traded at slightly over 1.82 German marks and 143 yen, against more than 1.89 marks and 151 yen a week earlier—apparently the consequence of the nearly \$200 billion p.a. trade deficit for the month of June announced Aug. 14. The prospect, if not the fact, of a renewed plunge in the dollar's value, is back for the first time in three months.

In fact, there are two factors at work in the dollar's weakness, which has wiped out half of its late spring recovery. The trade deficit is one. Another is the pronounced monetary tightening by the Japanese, West German, and British central banks (see page 4).

Among the best-known dollar bears, few are willing to predict the dollar's short-term course. Stephen Marris of the Institute for International Economics in Washington has just re-published his "hard landing" prediction, but says that he is skeptical about whether the "latest blip" represents a fundamental turn.

It appears most likely that Washington will, as customary, make a bad situation worse, by reacting with the worst of possible policy-responses. That is the view of Dr. Mieczslaw Karczmar, a Deutsche Bank economist based in the United States.

A cheaper dollar will not reverse the U.S. trade deficit, Karczmar argues, for the simple reason that the most important categories of U.S. im-

ports are not "price sensitive," i.e., must be purchased even at much higher prices—capital goods being a principal case in point.

However, the Treasury will return to talking down the dollar, he predicts, for the simple reason that it has nothing else to offer a Congress bent on protectionist legislation. The \$16.3 billion June trade deficit convinced many analysts that the Democratic-controlled Congress can pass protectionist legislation over a presidential veto. "The overwhelming view in Congress is that this is the only action short of protection that could correct the trade decline," Karczmar argues.

Ironically, he adds, this view unites both "liberal" and "conservative" economists across the political spectrum, from ex-Carter official C. Fred Bergsten on the left, to Harvard's Martin Feldstein, Reagan's former economic adviser, on the right.

Some sections of the financial community offer the same advice. The July 27 *Amex Bank Review* argued, for example, "For the U.S. trade deficit to be closed within a reasonable period of time, the U.S. must generate a fast growth in exports, of at least 10% p.a. in value terms. Anything less than double-digit growth will mean either a major cut in imports in volume terms, and/or a rise in U.S. foreign debts to unacceptable levels. . . . In the past, U.S. exports and imports have responded to dollar declines though, as in the 1970s, undervaluation is prob-

ably required and would certainly speed up the process of adjustment. The rest of the world of course must expand their own markets fast enough to absorb a 10% growth in U.S. sales."

But the U.S. imports, net, one-fifth of its physical-goods consumption. Nothing but steep economic decline, or a fundamental recovery of basic industry, can change this. Short of either, any decline in the dollar will raise import costs much faster than it raises export income.

In principle, either a sharp increase in the growth rate of America's biggest trading partners, or a re-opening of the Ibero-American market, might improve the trade deficit. Neither is to be expected.

So the administration appears ready to adopt a wrong solution which, ultimately, may lead to a correction of the deficit—but not the way the administration wants, the Deutsche Bank economist concludes. Further attempts by the administration to talk down the dollar might provoke a negative reaction from the foreign investors who lend this country \$150 billion a year. "Interest rates will rise, and the economy will finally stall," Dr. Karczmar warns. "A recession, of course, could correct the trade deficit. But it is not a viable policy solution. But it is the one we might stumble into."

As reported in this space last issue, Baker hoped that a big rise in exports under trade-policy pressure from Washington, might help the economy limp past the 1988 elections. Enthusiastic predictions concerning the trade-related boost the economy might receive, foundered on the June trade data. Now, in order to head off a trade war instigated by congressional Democrats, the administration may adopt a course of action which will guarantee big trouble long before November 1988.

Coming unstuck

The chewing-gum arrangements for the U.S. banking system are not working.

During the week of Aug. 16,

1) The supposedly solvent Federal Deposit Insurance Corporation was supposed to stand by the bankrupt Federal Savings and Loan Insurance Corporation, if needed. Now analysts warn that FDIC may run out of money. With \$18.4 billion in assets, FDIC is holding \$10.8 billion of assets from failed banks, now being liquidated at a fraction of book value. The fund earned only \$167 million in the first half of 1987, against \$1.4 billion in 1985. Meanwhile, bank failures are eating away at its funds. Combined assets of failed banks doubled to \$8.1 billion in 1986 compared to 1985.

2) One of the nation's biggest and worst-off thrifts, Finance Corp. of America, announced that it is much worse off than it previously said.

3) A renewed outflow of deposits hit the savings and loans in June, raising the prospect that the "government-organized Ponzi scheme" holding them together may not last until October, when their insurance agency is supposed to borrow some new money to bail some of them out.

4) Citibank's \$3 billion write-down of bad foreign debt was supposed to be a salutary house-cleaning. The moment (Aug. 18) Citibank announced that it needed to raise \$1 billion in new capital, the market for bank stocks turned sour.

5) Bank regulators ignored the Aug. 20 deadline for banks to set aside about \$20 billion in reserves against

their non-paying Brazilian loans, hoping that the Brazilians will cough up some interest before the loans stink.

6) Amidst all of this, the Criminal Division of the U.S. Department of Justice is running a turkey-shoot against bankrupt Texas savings-and-loan operators and real-estate developers, who happen to be habitual contributors to the Democratic Party.

All of this casts considerable doubt as to whether the administration's measly \$11 billion re-funding program for the bankrupt FSLIC will ever take place. First, investors are supposed to lend money to a fund which is \$50 billion or more in the hole, on the presumption that the S&Ls, which collectively run a loss, will pay the interest. If the investors' accountants follow the guidelines of the Financial Accounting Standards Board (FASB), they will buy Czarist bonds before touching FSLIC paper.

The S&Ls cannot even treat their shares in the FSLIC as an asset. Four California thrifts have been forced by the Financial Accounting Standards Board to write-off \$80 million they had invested in FSLIC. A handful of big institutions, led by Great Western Savings, had protested that the write off was, in effect, an unprecedented default by a federal agency on its obligations. Wall Street did not agree. "I don't think the whole thing should be restored at once," Peter Treadway, a thrift analyst with Smith Barney, Harris Upham & Co, told the *Wall Street*

Journal. "I put the FSLIC in the same category as Bolivia."

As *EIR* has reported, the 500 or more "brain-dead" thrifts have been kept alive by an FSLIC bucket-brigade, which provides lists of desperate thrifts to deposit-brokers, who then place institutional money with the thrifts in amounts of less than the \$100,000 the FSLIC supposedly guarantees. But the latest data from the Federal Home Loan Board Bank show a \$3 billion net outflow from thrifts during June, against a \$1.4 billion inflow in May, possibly indicating a dead end for these desperate efforts to keep deposits going into "braindead" institutions.

One of the biggest and worst-off S&Ls, Finance Corporation of America, reported \$1.38 billion of problem loans as of June 30, but admitted in an SEC filing that new bank examinations "would have increased significantly" the number, already several times larger than the bank's net worth. The loan problems derive from oil-producing areas, and hotel and motel loans. Ford Motor has offered to take it over, and put in \$1 billion in capital, if the government guarantees it against some future losses.

The worst of it all is that Washington appears to be preparing its cover-story for a collapse of the thrifts, by arguing that fraud, rather than economic and regulatory disasters, account for the tidal-wave of bankruptcies. Twenty Texas savings and loans are the subject of the biggest FBI investigation of bank fraud ever mounted, including 50 FBI agents, among others. The investigation, expected to last two to five years, attacks the heart of political funding in Texas.

Bank regulators say the Department of Justice routinely ignored bank fraud around the country for years, but suddenly became interested when Democratic funders were involved.

Top farm fag kicks bucket

Dick Hanson, dead of AIDS, was a typical "New Age" member of the Democratic National Committee.

On July 23, Minnesota farm activist Dick Hanson died of AIDS. He had been part of the "new wave" of protest leaders, and a member of the Democratic National Committee.

Hanson's political life is a textbook case of the "liberal farm activist" whose "protests" are dedicated to ensuring that nothing effective is done to change the policies destroying the American farm sector. Over the years, he participated in "rural campaigns" against the Vietnam War, nuclear power, and long-distance power transmission lines. He stood for "alternative agriculture" pursuits, such as local-only marketing.

Hanson's personal life was a textbook case of the spiritual impoverishment that comes from "alternative lifestyles" based on an anti-science approach. (His own farm in Glenwood, in notoriously poor condition, was reduced to a mere 40 of the 473 acres he had inherited from his family.)

Hanson lived on the farm for the past five years with his boyfriend, Bert Henningson, a teacher at the University of Minnesota-Morris. Both found they had AIDS in 1985—to Hanson's professed shock. He thought he was "safe," having given up going to the homosexual bathhouse in Minneapolis several years ago. He was hospitalized several times in 1986, and after one bout with pneumonia in August, he told the press, "I had an out-of-body experience there, and even

thought I had died for a time."

Politically, Hanson was active with Democratic Party politics and led campaigns for Eugene McCarthy, George McGovern, and Jesse Jackson. He was a vocal member of the gay and feminist caucuses within the Minnesota Democratic Farmer Labor Party, and in 1980, was elected one of the first openly homosexual members of the National Democratic Committee. Hanson was chairman of his local DFL district.

In September last year, he was honored at a fundraising dinner, whose sponsors included Gov. Rudy Perpich, Lt. Gov. Marlene Johnson, St. Paul Mayor George Latimer, Minneapolis Mayor Don Fraser, and Congressmen Bruce Vento and Martin Sabo. Entertainment included folk singer Larry Long playing songs on a medicine man's "healing flute," and the formation of a "faith circle" of friends to impart strength.

Hanson participated in various "alternative" agriculture organizations, and was a founder of the "Groundswell" group a few years ago, whose program consists of "non-violent protest" against farm foreclosures.

His career exemplifies every tenet of the policies of the Ford Foundation, the Field Foundation, the Stern Foundation, and the Institute for Policy Studies. Hanson spent his adult life working for the oligarchical interests represented by the grain cartel (Cargill et al.)

Operating on the policy devised by the Benedictines at the highest level, the liberal foundations, the National Council of Churches, and the Hollywood/Nashville group "FarmAID" have poured money into the activities of groups and individuals like Hanson's Groundswell, typical of a whole network dedicated to presenting an "aura of concern" for the plight of the farm family, while ensuring that nothing effective is done to change Washington's cartel-supplied policy of destroying the family-farm system in the United States.

The cartel interests, which underpay farmers, monopolize food exports and imports, and prevent any emergency debt relief for farmers, are now overseeing a shift from the independent farm-based economy to a neo-feudalist system of big-money, corporate farm ownership, for which ex-independents will work as no better than tenant farmers.

Later this year, delegations of Soviet writers and agriculture "experts" will be touring Iowa to speak about man's mystical relationship to the soil. Minnesota, where Hanson was active, has traditionally supplied a political channel to Moscow, through the Hubert Humphrey Institute of Public Affairs at the University of Minnesota, which provided Walter Mondale with his Kremlin-approved program, for example.

Incidentally, Dick Hanson's watchword, which he wore on his tee-shirt, was "Peace and Agriculture," which he viewed as the perspective of his group, Groundswell. *Groundswell*, incidentally, is the name of a famous book, published in 1965 by the Soviet intelligence service, on the subject of espionage activities in the West by "The Trust," the special arrangement Moscow has with powerful Western financier interests, typified by Cargill.

Business Briefs

Energy

Solar reactor meets happy end

An experimental solar energy plant in the eastern Pyrenees in France was using up more electricity than it could possibly output—as was predictable from elementary facts of energy density. Therefore, the developers of the plant abandoned it in July 1986.

Now, it will be converted into a useful scientific facility, a gamma-ray astronomical observatory, replacing the 200 plane mirrors with parabolic mirrors. *Nature* magazine reports that the conversion of the plant will save 60% of the construction costs of a new observatory.

The Black Economy

EIR releases documents on Peruvian drug banks

At a press conference at the Lima office of *EIR* on Aug. 14, correspondent Luis Vásquez released documentation proving the direct involvement in drug money-laundering of some of Peru's top banks. The evidence—including photocopies of bank papers showing million-dollar cash deposits by drug traffickers in the bank branches in jungle regions—was the subject of *EIR*'s cover story last week.

Vásquez defended President Alan García's decision to nationalize the commercial banks, and said that "narcotics traffic on the international level or in a country cannot subsist or expand if there is no banking system which supports it and a liberal economic policy."

The evening before the press conference, *EIR*'s office received a telephone death threat, from a male caller who said, "We will kill you," and then hung up. The call was received after the distribution of a press release inviting journalists to the press conference.

The press conference was attended by all the main radio, television, and print media in Lima.

Shipbuilding

U.S. yards are turning into waste dumps

Todd Shipyards Corp., the largest independent shipbuilder in the United States, has filed for bankruptcy, after failing to get enough business from the only buyer left in the United States, the U.S. Navy. The company owes \$160 million to the banks, and has not been able to secure workers' compensation insurance beyond Sept. 1. Without the insurance, it will have to close down all operations.

Quincy Shipyards, which shut down in 1986, has been sold to the Massachusetts Water Resources Authority for \$49 million and will be used as a staging area for the Boston Harbor clean-up mandated by the Environmental Protection Agency (EPA). It may also be utilized as a sludge-burning plant for the city of Boston.

This would foil the plans of the shipworkers' union to buy the yard and build ships there again. The corporation set up by the 4,000 former employees of Quincy Shipyard's bid \$15 million for the site, but the bid was rejected as "unreasonably low."

Dirty Money

Probe Drexel, Burnham ties to casino gambling

Drexel, Burnham Lambert, the Swiss-Belgian "junk bond" firm, is under investigation by the New Jersey Gaming Commission for its heavy involvement in Atlantic City gambling casinos, the *London Financial Times* reported Aug. 17.

Drexel, which finances leveraged "junk bond" buyouts on Wall Street, has underwritten more than \$2 billion in securities for the Golden Nugget, Caesar's World, and Bally, according to the report. The investigation is described as "something of an embarrassment to Drexel, Burnham, which is at the center of a lengthy investigation by the SEC and Justice Department for possible insider trading."

Eastern Europe

Poland hit with medicine shortage

Caught in the vise of austerity demands from both the International Monetary Fund (IMF) and the U.S.S.R., the Polish government has for the first time officially acknowledged a serious shortage of medicines.

The Polish press reports that, of the 2,300 most needed medicines, 1,000 are lacking entirely. Of those, some 70% are medicines which were previously imported from the West. The worst shortages include vitamins, medicine for treating circulatory ailments and cancer, and antibiotics.

The IMF's austerity program has also worsened the situation in Yugoslavia. The government has lifted the ceiling on the price of bread, which led to a black market and shortages of black bread for the first time since the early postwar years.

Biological Holocaust

AIDS meeting debates insect transmission

At the First International AIDS Conference in Sao Paulo, Brazil on Aug. 18, a heated debate broke out over the question of whether the AIDS virus can be transmitted by insects.

Dr. Mervyn Silverman of San Francisco, president of the American Foundation for AIDS Research, rejected the hypothesis of such transmission out of hand, asserting as "proof," that children and old people in Africa are not getting AIDS.

Silverman was vigorously countered by Dr. Ricardo Veronesi of Brazil, the former health commissioner of Sao Paulo, who said that 15% of African children do indeed have AIDS, and that infectious anemia, a disease similar to AIDS, is known to be transmitted between horses by insects.

Veronesi told the story of yellow fever at the beginning of this century. One Dr. Finley said it was transmitted by mosquitoes, but his critic, Dr. Carrol, ridiculed him,

and allowed himself to be bitten in order to prove the point. "Three days later, he got the disease."

The two newspapers sponsoring the event, *O Estado de São Paulo* and *O Globo*, failed to report whether Silverman volunteered for the AIDS mosquito bite test.

Silverman, an official of the California Medical Association, was a leading opponent of Proposition 64, the 1986 ballot referendum which would have declared AIDS a communicable disease. The referendum was defeated, following a multimillion-dollar advertising campaign against it.

Inventions

Foreigners apply for half of U.S. patents

Foreigners, led by the Japanese, applied for almost half of the patents granted by the United States in 1986, Patent Commissioner Donald J. Quigg said Aug. 8. "For too many years, we have done far too little to ensure that by our next centennial, one of our most precious national treasures, the American inventor, will still be a surviving species," Quigg told the American Bar Association, according to the *Japan Times* Aug. 10.

In 1986, U.S. citizens were granted 38,124 patents, while foreigners—two out of five of them Japanese—got nearly 33,000. Quigg said that 20 years ago, U.S. inventors were issued 50 times the number of patents as Japanese, but the ratio has shrunk to 3-to-1 now.

Agriculture

Worst drought in decades hits Asia

The drought which is sweeping south and southeast Asia is causing extensive crop losses in several nations:

- **India:** The drought is considered the worst in 80 years, and the summer grain crop is expected to be 90 million tons short.

The government has decided to rush 23 million tons of reserve stocks into the countryside. Whole villages in the states of Rajasthan and Gujarat in the west of India have begun moving about nomadically in search of water.

- **Thailand:** Rice paddy output will be cut by 2 million tons, leaving only about 14.69 million tons for the harvest later this year, according to a report of the Office of Agricultural Economics. The 14% decrease compared to last year will not cause a shortage of rice for domestic consumption, because the commerce ministry has about 5 million tons of rice in stock. But it will reduce the supply for export, the report said. The drought has also damaged maize plantations, and it is expected that maize output will be about 3.6 million tons, a decrease of about 700,000 tons from last year.

- **Vietnam:** The ministries of Agriculture and Food Industry, Energy, and Water Conservation issued a joint statement reporting that over 200,000 hectares of land in the north have been hit by drought, and 305,000 hectares in the south.

- **Kampuchea:** The drought is the worst in a decade, and now the weather bureau is forecasting possible floods later this year.

The Debt Bomb

Brazil's Funaro rejects deal with the IMF

Former Brazilian Finance Minister Dilson Funaro told a select group of leaders of the PMDB party in Brasilia on Aug. 18, that the government should abandon its search for a deal with the International Monetary Fund.

"If Brazil were to go to the IMF," he said, "it would let the creditor nations escape having to recognize their responsibilities for the crisis and the situation of the debtor nations. . . . Worse than making a formal agreement with the IMF, is voluntarily making the adjustments the Fund asks. . . . There is no possibility for development in a country which transfers 5% of its GNP to service the debt. . . . We hold that Brazil cannot pay more than 2% of its GNP without being incapable of implementing a development policy."

Briefly

- **THE GENERAL** Accounting Office recommended that the U.S. Congress earmark \$612 million for AIDS in fiscal year 1988, in a report released Aug. 12. The sum is more than double President Reagan's request of \$247 million.

- **HALF OF AMERICA'S** machine tools are now imported, against 20% in 1978, and U.S. makers are "just hanging on," according to an executive of Monarch Machine Tool of Sidney, Ohio. The Japanese are opening six machine-tool assembly plants in the United States.

- **THE PENTAGON** has started building a multibillion-dollar computerized complex whose prime purpose will be to carry out computer simulations of the Strategic Defense Initiative, the *New York Times* reported on Aug. 16. The National Test Facility will compile all SDI test results in order to produce a unified picture of the system's effectiveness.

- **THE FALLING DOLLAR** has shifted a large part of the cocaine trade to Europe, a U.S. Drug Enforcement Administration official said in Brussels Aug. 19. According to the *London Daily Telegraph*, Ibero-American drug traffickers can now sell 6.6 pounds of cocaine in Europe for the same price they get for 22 pounds in the United States.

- **GM** announced new, "indefinite" layoffs of 2,700 Aug. 20, bringing their total laid-off workforce to 50,000. The new "production schedule adjustment" will remove the second shift at GM's Wentzville, Missouri plant, effective Oct. 19.

- **THE U.S. TREASURY** Department abstained from a vote Aug. 18 on an African Development Bank loan to Botswana for a slaughterhouse for cattle, citing the negative environmental impact of the project. The bank approved the \$7 million project, despite environmentalist arguments that the slaughterhouse would encourage cattle raising and therefore deplete the grazing land.

'Case for Mars' meeting maps space strategy

Marsha Freeman reports on a conference of space scientists to discuss planning a mission to Mars. It's going to require a change in White House policy to get there.

On Aug. 17, NASA released a 63-page report, "Leadership and America's Future in Space," written by a committee headed by astronaut Sally Ride. The report makes the bleak observation that the United States is falling behind the Soviets in the race to explore Mars and in the ability to sustain long-duration, manned space flight.

The Ride committee recommends what might be described as a cautious, though systematic approach to the problem. The United States, they say, should follow a strategy of "evolution and natural progression," rather than repeat the Apollo experience, of a crash program which did not create the permanent infrastructure to continue space exploration. The Ride committee quotes from, and generally supports, the recommendations of the National Commission on Space report, for a manned return to the Moon, before attempting the Mars mission, throwing cold water on the current push from Carl Sagan and his supporters, for a politically motivated space spectacular to go to Mars.

The Ride report's main failing is its lack of a longer-term vision for the space program, in the form of a specific timetable for colonizing Mars, and its willingness to accept as a permanent "given," the constraint of limited budgets. The committee recommended goals that could, by and large, be accomplished by extending today's technology, without pushing out into the frontiers of fusion propulsion, and other technologies that a Mars mission would require.

The committee specifies that there should be a U.S. manned return to the Moon during the year 2000, after an intensive decade of upgraded robotic exploration. This requires a robust Space Shuttle fleet, a heavy-lift launch vehicle, and an operational space station by the mid-1990s, the

committee reports. However, trying to propose long-range goals from today's situation, where NASA is not getting enough funding to get the Shuttle flying, build a new launch vehicle, or finish the space station on time, leaves the committee with too many caveats about being able to pay for the program, and not enough specifics on long-range plans.

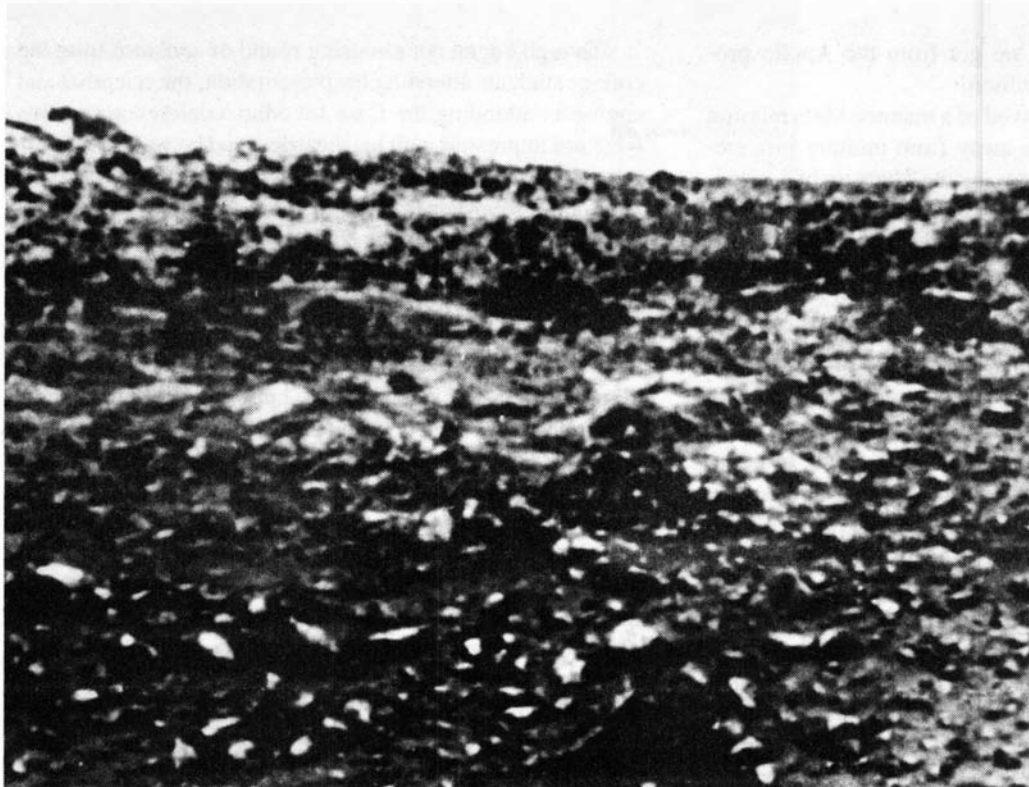
Rather than worrying about how much programs will cost, NASA's responsibility is to present to the White House, Congress, and the American people, the goals for space exploration, and the progression of breakthroughs in science and technology needed to meet the milestones.

Both the National Commission on Space and presidential candidate Lyndon LaRouche have demonstrated that a 50-year perspective for moving human civilization to Mars is eminently feasible. While not bowing to the pressure for television space spectaculars, the goal for establishing a human settlement of Mars, in the second decade of the next century, should be set by NASA, as well.

On July 20-22, the third Case for Mars conference was held, attended by more than 200 scientists and engineers committed to planning the manned exploration of Mars. The meeting in Boulder, Colorado brought together many of the top space-planners in the United States to map strategies for future manned missions to Mars.

Many of the scientists and engineers making presentations had been working on Mars mission scenarios since the 1960s, but last year's release of the National Commission on Space report recommending that this nation send the first crew to Mars by 2010, gave a renewed sense of purpose to the conference discussions.

The kind of technologies reviewed at the Case for Mars



NASA

The surface of Mars, as photographed by the Viking lander in 1976. Space scientists are demanding a timetable which will allow the first American to set foot there—but the budget-cutters and pseudo-scientific kooks are standing in the way.

conference, which included fusion-powered space propulsion, and even more advanced ideas for matter-antimatter propulsion, give a proper answer to the apparent dilemma, posed by the report released by Sally Ride's NASA committee. Only by rapidly developing frontier technologies can the United States recapture its lead in space, and at the same time create the kind of space infrastructure which can open doors to new technologies.

Such a program will be key to revitalizing the U.S. economy as well. We can confidently expect that the Mars colonization project, properly conceived, will be the kind of test bed for new technologies which will guarantee two to three orders of magnitude increase in the ten-to-one economic payback, which resulted from the Apollo program.

A new Office of Exploration has been established at NASA to recommend to the NASA administrator and the nation what the United States should do in space, into the next millennium. The Ride group report is the first fruit of this.

Speakers at the conference were acutely aware that a competent answer to what America's future in space must be, could not come from within NASA, without a transformation in administration policy. Every conference speaker addressed the necessity for a change in White House space policy. There has as yet been no response from the President to last year's report by the National Commission on Space. As conference speakers stressed, though NASA must make the long-range plans, only the chief executive of the nation can set America on the road to Mars.

Carl Sagan's duplicitous drivelt

The day before the Case for Mars conference officially opened, there was a speech by Carl Sagan and a panel discussion, sponsored by the Sagan-led Planetary Society, on why we should go to Mars. Sagan himself, playing to the prejudices and ignorance of his young college audience, made his most outrageous "pitch" yet for a manned U.S. mission to Mars.

Since November 1984, Sagan has been campaigning for a U.S.-Soviet manned Mars mission, on the theme that it would be a step forward to détente with the Soviets. In the past—as in the case of his now-discredited nuclear winter hypothesis—he has shown himself to be dishonest as well as incompetent. His Mars campaign is no exception. He claims that such a mission would have no scientific value and would be 10 times more expensive than unmanned missions, and would take money away from space science. Nevertheless, according to Sagan, it is needed to improve U.S.-Soviet political relations. The Mars mission would, he claims, have the two nuclear superpowers "cooperating in space" as opposed to competing in "militarizing" space. It is his way of getting rid of the U.S. (but certainly not the Soviet) Strategic Defense Initiative.

Sagan tried to argue that economic "spin-offs" from the Apollo program were a fiction, since they could have been replaced with specific programs to produce the new technologies. For example, he drove, the United States could have had a "Strategic Pacemaker Initiative" and gotten the same

heart pacemaker technology we got from the Apollo program, without spending \$20 billion!

He admitted that he conceived of a manned Mars mission as a way to “ease conversion away from military procurements” in the aerospace industry, by the “start-up of a grand, long-term, high-technology endeavor.” “If you wave a trillion dollars in front of the aerospace industry,” Sagan stated, “You get a funding frenzy . . . a powerful juggernaut.”

The National Commission on Space, the NASA Office of Exploration, and every serious space-planner for years, have all proposed that the United States return to the Moon, to develop industry there, and learn how to move human civilization off the Earth, before going to Mars.

Sagan, on the other hand, revealed his duplicity by countering a Mars mission to the establishment of a permanent lunar base. His argument went as follows: “What’s wrong with a lunar base? It is scientifically much duller than Mars, could be a detour or a trap, could take up resources and indefinitely postpone a Mars mission. . . . It doesn’t have enough excitement to maintain interest in a long-term program.” For all of the warnings of experienced space hands that another “Apollo-style” single-shot effort, which built no lasting infrastructure, would be a dead end, Sagan is proposing an international publicity stunt, which is not the same thing as a space program.

The day before this speech and panel discussion, Sagan had led a few dozen U.S. scientists in Boulder in live, direct satellite broadcast discussions with a similar number of Soviet scientists in Moscow, on joint Mars missions. This “space bridge,” as it was described, lasted for four hours, and will be turned into a one-hour Public Broadcasting System program this fall.

In response to Sagan’s performance, Lyndon LaRouche wrote, in an article titled, “Carl Sagan Peddles Soviet Line at U.S. Space Conference”: “If Dr. Carl Sagan, one of the *New York Times*’s more admired anti-science figures, had been around at the time the wheel was invented, Carl would have led a lobby to demand either that the wheel be banned altogether, or that only square wheels be allowed. Carl would have insisted: a) that it shouldn’t be built, b) that it wouldn’t work, anyway, c) society would never gain any pay-back from its use, d) that it was potentially militaristic, because someone might use it to build war-chariots, and, probably also, e) that, as a friend to labor, he must oppose it, because it was labor-saving and would take away jobs from load-draggers.”

LaRouche points out that “one of Carl’s leading points of argument . . . was that mankind would not get a significant pay-back from investment in a Mars colonization program. This is the same argument the Soviet propaganda machine concocted against the U.S. SDI program.” LaRouche proceeds to outline the origin of this argument, and demonstrates how “science works in our economy” and has done so, throughout history.

Though Sagan got a rousing round of applause from the college students attending his presentation, the scientists and engineers attending the Case for Mars conference sessions were not impressed with his theatrics, and he was effectively rebutted by Dr. Thomas Paine, who was the NASA administrator in 1969 when the Apollo 11 crew landed on the Moon. Recently Paine chaired the National Commission on Space.

No limits to growth

Paine stated that the purpose of sending people to Mars is “the limitless growth potential of mankind . . . that will eliminate the malthusian limits to human aspirations.” There is no question, Paine continued, “that there is great national pride and leadership in participating in such programs that are in the forefront of man’s aspirations. I think that the leadership of far-seeing countries will wish to use some of the affluence they develop from past applications of science and technology, to bring the best to this greatest of high-technology human adventures. I think that very few leaders of nations in the future world would not want to have their nation participate.”

“In addition to the chauvinistic, perhaps nationalistic feeling,” Paine stated, “there are a few humanistic, ideological, even religious reasons. The basic desire to preserve life, to expand and transmit deeply treasured human beliefs to posterity, to open up our own past cultural heritage to new environs, new civilizations, is one very strong reason for participating.”

One of the reasons Americans, in particular, will go to Mars, according to Paine, is that the frontier “offers people a new start. The fact that we are celebrating the 200th anniversary of our Constitution this year, is also a reflection that probably not as much would have been accomplished if the human race had remained in Europe,” he said.

What kind of society do we envision on Mars? As opposed to the “pro-space” environmentalists like Gerard O’Neill, who think you can live in space with “low technology,” Paine looked into the future and saw that a “Martian civilization . . . a century or two from now will certainly be an intellectually based culture; will be one that is working toward the limitless future of mankind, under very stringent and difficult conditions, but I think, conditions that will also have many advantages.”

“They will be free,” Paine continued, “of the old world’s diseases, ignorance, fears, outworn prejudices, and rivalries, just as our culture in America has been an advance over that of Europe. It will be a technical pilgrim’s haven; a chance to build a bold, forward-looking new technology-oriented frontier society.”

Looking at the historical and philosophical importance of moving civilization to Mars, Paine remarked, “If we can develop a self-sustaining community on Mars that can live off the land, then we will be demonstrating the first prototype extraterrestrial community”; not a few colonists huddling

together in the cold and the dark, but "a society that is uniquely oriented toward research, development, and exploration."

To locate the current problem of leadership and political will evident today, Paine described how "one of the great disappointments of the 1950s was the failure of the United States to orbit a satellite, when we had it quite within our power to do so. . . . We didn't do it. We were, of course, upstaged by Sputnik, and there was a great deal of feeling that somehow America had failed a little bit in its vision."

America's "technology, its science, had perhaps not been quite as forward looking . . . as might have been. I say that," Paine continued, "because one of the questions that is before our conference, here in the 18th year after Apollo and in the 30th year after Sputnik, is, when will we be ready to explore Mars?" When we are ready, he explained, will depend upon when the technologies are there for this challenging mission.

"There are many new ideas just in the laboratory phase, from using tethers in imaginative ways for moving payloads around . . . new ideas in laser propulsion—a whole host of things, all of which suggest 21st-century technologies for getting ready to move to Mars."

Paine and other members of the National Commission on Space, which was established by the Congress to put forward a long-range plan for the space program, are utterly frustrated by the lack of attention their report has received at the White House. Presidential Science Adviser William Graham is responsible for this blackout. Presumably, Graham wisely realizes that since the only notable thing he did in his short career as acting NASA administrator was allow the launch of the Shuttle Challenger, resulting in the loss of the orbiter and the crew of seven, that perhaps no one is interested in his ideas about the space program.

Current NASA Administrator James Fletcher made a bold presentation at the Case for Mars conference, stepping out ahead of the disorganized White House, and endorsing the Mars mission.

'We should go to Mars'

Dr. Fletcher began his presentation to the scientists, engineers, and mission planners at the conference by stating: "I don't think that the question is whether people will go to Mars—I firmly believe that we should go to Mars, and I am confident that we will go. The question is, when will we be ready?"

"People could very easily be en route to Mars in the early decades or second decade of the next century," he stated. "For that to happen, much needs to be done, in a logical and orderly way. That's why I believe we must begin now to define such a mission, and to define the technologies that will be required for success." Such an upbeat statement on the future of the space program has not been made by a high-level NASA official, since James Beggs was leading the space agency.

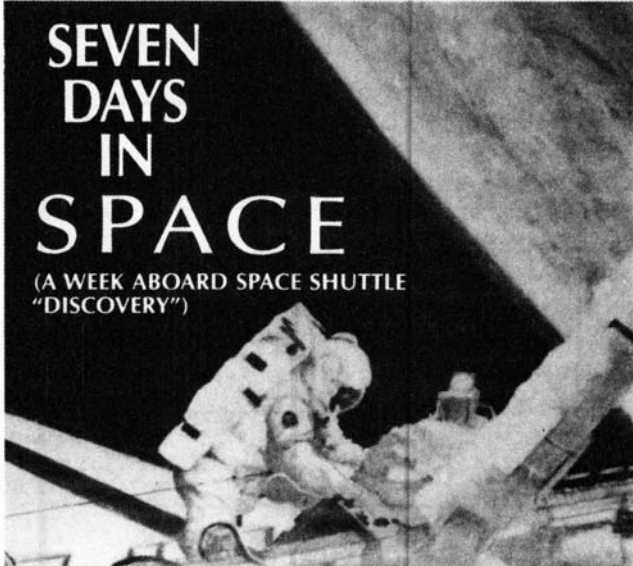
On the question of the priority of another lunar mission,

he said that many people think that "the best way to Mars is by way of the Moon, and Tom Paine's Commission was no exception. They felt very strongly that there are considerable advantages of going back and establishing a base on the Moon—a permanent base, not just a visit, but a place to live and work, before we tackle the bigger job of going on to the planet Mars."

"It's important to learn to live in a world very different from our own," Fletcher explained, "and the Moon gives us that experience. Second, we could test the machinery for closing the loop [in life support systems]. Third, we could use the Moon as a transportation node; it can be a jumping-off place for anywhere else we want to go in the Solar System, particularly Mars."

"Finally, the experience and importance of the laboratories and habitats on the lunar base—that technology can be transformed to Mars missions, certainly decreasing the risk of Mars missions. Remember, the Moon is only a day and a half away. Mars is a year away. You've got to make sure everything works for an entire year," he summed up.

Dr. Fletcher was followed by one of the small handful of astronauts who opened up the Moon to human exploration, exactly 18 years ago. Buzz Aldrin, the second man to step on to the surface of the Moon, on July 20, 1969, announced



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that he, Neil Armstrong, and Mike Collins, the crew of Apollo 11, support a declaration for the human exploration of Mars. Why?

"We believe that the best and most fruitful act[s] in space will include more manned exploration, and pioneering, more pushing out into the unknown areas. . . . I think with strong and forthright leadership, the kind that 25 years ago inspired us to become the first on the Moon . . . we will make the right decisions, and earn the public's unequivocal support," Aldrin stated.

"I think the American people know that space is the future. Space is where some of our children will live. . . . Some groups say we're an instant gratification society, without patience to make a long-term investment. . . . [The American people] know it took almost a decade after Kennedy's challenge to get to the Moon . . . they know that nothing worthwhile happens overnight."

Go with the Russians?

The major thrust of Carl Sagan and the Planetary Society has been to insist that the way to go to Mars is with the Soviet Union. Bruce Murray, Planetary Society spokesman, stated, "either we must compete or collaborate with the Russians" in going to Mars. Somehow competition is now seen as unfeasible, primarily because of the U.S. budget constraints.

Dr. John Logsdon, a George Washington University pro-

fessor, reminded the participants that international cooperation in space is "political in motivation. Going to Mars will involve a major policy decision. We won't cooperate without *two* major policy decisions."

Michael Michaud, the Department of State representative who negotiated the U.S.-Soviet space agreements in the Carter administration and in the current administration this spring, summed up the realities of joint missions with the Russians. A joint mission, "could delay and hold back Mars development, and hold it hostage to shifting political sands. Only with SDI did this cooperation program emerge" on the part of the Soviets, he stated, and they have counterposed it to the supposed "militarization of space." In other words, this is a strictly political initiative, which should play no role in the planning of the U.S. space program.

It was not difficult to imagine how NASA policymakers and others could get pulled into the maelstrom of hoping the Soviets would chip in part of the funding for Mars missions. The Office of Management and Budget's Jack Fellows made sure the Grim Reaper Gramm-Rudman image was clear in everyone's mind.

"This is not the 1960s," Fellows intoned. "The world's grown up, things cost more. It is not clear to me going to Mars is a national priority. Mars has to compete with the entire space program" budget.

But John Aaron, newly appointed head of the NASA Office of Exploration set up by Dr. Sally Ride, stated that the purpose of the Space 1995 report released by his office is to "recapture the high ground of preeminence in space." Just so the government knows exactly what the "competition" is doing, his office has also commissioned studies on the Soviet space program.

Dr. Nicholas Johnson, a respected analyst of the Soviet program, who works for the Teledyne Brown Company in Colorado Springs, Colorado, presented a picture of the Soviet approach and capabilities that would be required for manned Mars missions.

In general, the Soviets have used current technologies to try to solve complex problems in their space efforts, Johnson reported. They used "the same spacecraft for 10 years for all of their unmanned missions," he stated. Similarly, they introduced the Proton booster in the early 1970s, and still use it to launch their unmanned science spacecraft, with only minor modifications, 15 years later.

After a series of failed Mars missions in the mid-1960s and early 1970s, they turned their attention to an intensive study of the planet Venus. With the launch of their Phobos mission next year, they will introduce a third-generation basic science spacecraft, which Johnson expects they will use to the turn of the century. It has a flexible design which can also be adapted to look at the outer planets past Mars, and perhaps also take their scientific instruments back to the Moon.

Though the instruments the Soviets place on their planetary orbiters and fly-bys are considerably less sophisticated than comparable U.S. instruments, "they're doing the mis-

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sions," and we're not, Johnson emphasized.

Although the Soviets have a nearly constant manned presence at their Mir space station, they have had equipment failures, and even with four modules attached, Mir is still only one-half the size of the 1970s U.S. Skylab space station, Johnson stated, to indicate that a lot of work is still to be done before the Russians can launch a crew to Mars.

Johnson shares the assessment of the Soviet capability generally prevalent among U.S. analysts. These analysts tend to overlook the spin-offs to Soviet technology which will come as a result of their own strategic defense initiative, for example, in the area of radio frequency weapons.

Johnson discussed the fact that the Soviets still need reliable, long-term propulsion technologies, which will safely get cosmonauts to Mars and back. They will also have to develop near-continuous communications links, similar to the Tracking and Data Relay Satellite being deployed by NASA. Without this in-space relay capability, the ground mission control can only communicate with crews a small percentage of the time they are in orbit. When people are being sent several millions of miles away, voice and data communications will be their only contact with the Earth for months.

A third area of needed emphasis, according to Johnson, is the development of on-board data processing, more artificially intelligent automatic systems, minicomputers, and general automation. The Soviets have made some advance in this field in the Mir space station, where the cosmonauts do less mundane station-keeping, and more is done by computer or ground control.

But a Mars mission must be almost entirely autonomous from ground control, because some decisions will have to be made immediately, and in many cases, it could take 10 minutes for communications to go back and forth to the spaceship.

A fourth area of work is in power generation and storage. The Soviets have had significant problems in maintaining solar energy storage batteries, Johnson reported. The Soviets have continued an aggressive nuclear power in space program, however.

Redundancy in life-support systems for the crew has not received a high degree of emphasis in the Soviet space program. They will have to "close the loop" in life support, by developing the technology to recycle waste for reuse, since it is too expensive to throw waste overboard and carry along everything you need for the entire trip.

According to Johnson, the Soviets are conducting a "technology assessment program now, collecting data from unmanned missions, and preliminary design will be done in the early 1990s," for a manned Mars flight, in "2000 plus."

The Soviets have planned a series of unmanned missions between 1988 and the end of the next decade. Although it is hard to imagine that they would attempt a manned Mars mission without having gone nearby to the Moon first, they clearly do see it as a goal in the next century.

Precursor missions and strategy

Before the United States can send people to Mars, a number of precursor unmanned missions must be done. Before the first men landed on the Moon, 15 robotic spacecraft explored it from orbit and from the surface. As the Moon is more homogeneous than Mars, it is likely Mars will require more extensive pre-manned exploration.

According to space scientist Bruce Murray, the categories of information needed include:

- Safety for landing. A site must be chosen where there is adequate information about dust, sand, and boulders, and characteristics such as the chemical reactivity of the soil must be known before the materials for landing craft are chosen.

- Environment for mobility. No one we send to Mars will sit inside a spacecraft and look out the windows. In order for crew members to get around by foot and by vehicle, the wind, frost, dust storm and other variables that could affect mobility, must be known.

- Site selection. Criteria must be agreed upon for the selection of one site. This will depend on the relative importance of the exploration of the striking geophysics of Mars, science objectives, etc.

- Materials for long-term exploration. On even the first landing, a scoping study will have to be done, to pinpoint the concentrations of certain materials, which will be prerequisite to sending more people. The most immediate material to find will be water.

Donald Rea, from the Jet Propulsion Laboratory in Pasadena, California presented the program profile for one of the most important, and exciting, precursor missions that NASA is already planning. An automated Mars rover, which



Dr. Thomas Paine, at the Case for Mars Conference in Boulder, Colorado.

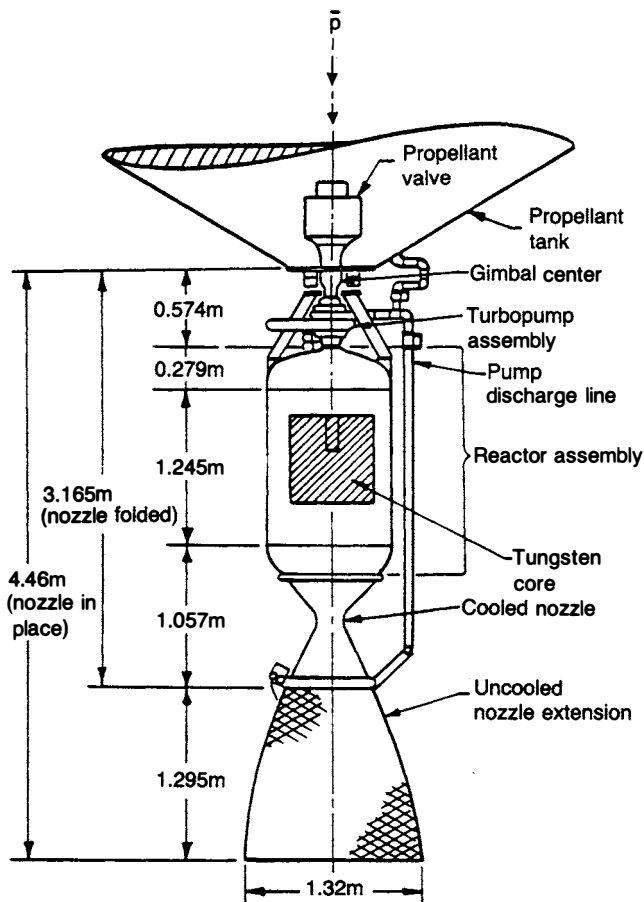
NSIPS/Marsha Freeman

would bring back samples of soil, rocks, and dust from Mars would give scientists the benefit of the best laboratories on Earth to analyze the chemical composition and characteristics of the Martian soil, and will add precious data to the debate about the possibility of life on Mars.

Rea reported that the studies at JPL were accelerated this spring, when the Ride committee setting up the Office of Exploration began filling out the requirements for a manned Mars initiative. Conceptual design studies are being done at the NASA Johnson Space Center, JPL, and by Science Applications, Inc. and will be finished by the end of fiscal year 1988.

The timetable the planners are using, is a new start for

FIGURE 1
The Small Nuclear Rocket Engine
designed during the NERVA program



The nuclear reactor core has been replaced with a possible configuration of the metal-honeycomb used to convert the anti-matter annihilation energy into heat.

Source: S.K. Barowski, *A Comparison of Fusion/Antiproton Propulsion Systems for Interplanetary Travel*, 1987.

the rover sample return in the FY93 budget, with a launch in 1988. By the year 2001, the samples would be returned to the Earth.

New mission profiles are also being explored. From the 1948 publication of Wernher von Braun's basic work, *The Mars Project*, until recently, the baseline mission used was chemically propelled rockets, taking off from Earth orbit. The spacecraft are given an initial velocity or push out of orbit, and coast all the way to Mars.

Using this ballistic or unpowered flight profile, depending upon where Mars is relative to the Earth at launch, the trip takes at least 250 days. The spacecraft would travel about 700 million miles, not the 35 million straight-line distance between the two planets, because the planets continue to move around the Sun.

The return trip, in this baseline mission, would take the same amount of time, and the crew would have to spend more than a year on Mars, to wait for the planets to be in the right configuration for the return. It is starting to become accepted thinking, that this nearly three-year-long trip would probably not be safe for the crew, and would make extraordinary demands in food, water, and other consumables that would have to be carried with the crew from Earth.

The permanent solution to this dilemma is to develop propulsion systems that do not travel unpowered through space, but are constantly accelerating. It is also quite likely that the constant artificial gravity produced as a function of the acceleration, would eliminate or at least greatly diminish the deleterious medical effects of long periods in zero gravity.

The best candidate for 21st-century Mars propulsion is thermonuclear fusion power, which produces high-density energy and will allow a constant-acceleration propulsion design.

At the Case for Mars conference, John Niehoff from Science Applications, Inc., presented an innovative idea for a "piloted sprint mission." The idea is that the entire trip would take a little more than a year, with a 4-6 week stay at Mars. The propulsion used would be chemical fuel—liquid hydrogen and oxygen—but would impart the crew spacecraft a higher initial velocity or give it a bigger push away from Earth orbit, than the previous mission profiles.

Niehoff explained that his design made use of another, newer concept which received a lot of attention at the conference. Called a "split mission" the idea is to divide the cargo and crew requirements into two different spacecraft. For the "sprint mission" the automated cargo vehicle—which includes the fuel for the return trip, the equipment for the surface exploration, and other materials—would have an initial mass of 60 metric tons in low Earth orbit.

The second vehicle consists of the piloted spacecraft and crew, and has an initial mass of 75 metric tons. The major advantage of the split mission, is that since the time it takes the cargo to arrive is secondary, as long as it arrives before the crew, and therefore, it can use a less energetic mission

profile, and go on a conventional ballistic trajectory.

Niehoff estimated that the split mission would reduce the total launch requirement of material into Earth orbit by half, compared to taking everything on the sprint profile. Using more fuel-efficient nuclear electric propulsion rather than chemical fuels, would reduce that launch requirement by another third.

But it is unlikely that a one-year trip would not have serious medical effects. The only long-term solution to taking people safely and frequently to Mars, however, is to push forward on tomorrow's frontier technologies, and go with the propulsion systems that are needed to go to Mars, and beyond.

Propulsion for the next century

A surprising amount of work is being done on propulsion technologies, spanning those that could be ready by the turn of the century, to some that might take almost another century to develop!

On the nearer-term side, Ryan Haaland, from the Air Force Astronautics Laboratory Nuclear Propulsion program at Edwards Air Force Base, California, reported that the Air Force plans to flight-test and demonstrate a nuclear propulsion system by the year 2001. The mission will be an orbital transfer vehicle (OTV), which is needed to take satellites and other payloads from low to higher Earth orbit.

Haaland stated that by 1989 they expect to complete the design for the system, develop components through to 1992, have a ground demonstration in 1997, and the flight test four

years later. They are examining the possibilities for upgrading the 1960s ROVER/NERVA nuclear reactor and propulsion systems, which were canceled in the early 1970s, when the Mars mission was canceled. They are also looking at next-generation nuclear fission technology, such as particle bed reactors, for a more efficient system.

The OTV the Air Force is designing the nuclear propulsion for, will require 300 megawatts of power, and will produce 10-15,000 pounds of thrust. Haaland and his colleagues are on an organizing tour, trying to drum up support inside and outside the military to involve the Air Force, then NASA and the Department of Energy.

A bit further in the future, is fusion propulsion, which *EIR* has covered extensively in the past few issues.

But beyond fusion, and perhaps, into the second half of the next century, are an array of possible propulsion techniques, which if they cannot be used for propulsion, may very well contribute to the multitude of other energy requirements that space colonization will demand. These new technologies are now being thought of in space travel, but are being primarily developed by the SDI program.

These include matter-antimatter systems, though Steve Howe who works on this research at the Los Alamos National Laboratory readily admitted in his conference presentation that we do not know how to produce, store, or use antimatter in needed quantities. **Figure 1** shows a possible design presented by Howe to visualize this far-into-the-future system.

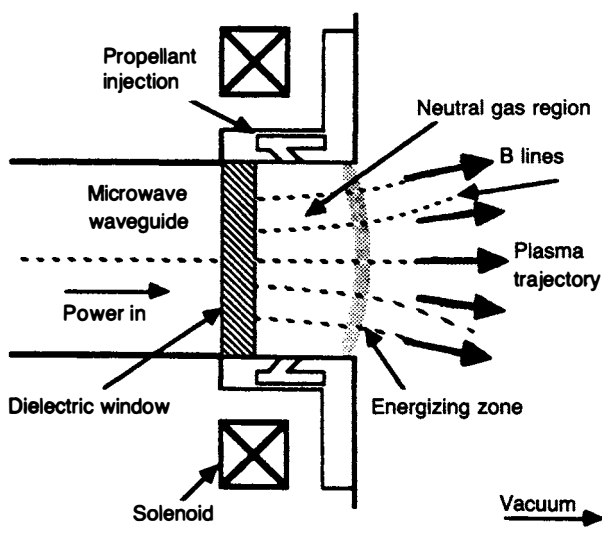
Another researcher from Los Alamos, Bill Porter, described work there on using a plasma to accelerate a particle beam, which could conceivably be a driver for a propulsion system.

Joel Sercel, from the Jet Propulsion Lab, presented a paper on electron-cyclotron-resonance (ECR) plasma acceleration (**Figure 2**). In this design, any power supply can be used to produce microwave energy, which accelerates a tenuous plasma, through the use of magnets. The intensity of the magnetic field surrounding the microwave waveguide is adjusted so the frequency of the motion of the electrons around the magnetic field lines in the plasma, are equal to the frequency of the applied microwave radiation.

According to Sercel, "This frequency matching provides a resonance between the microwave field and the electron-cyclotron motion that enhances microwave-to-plasma coupling." The microwave energy deposited in the electrons accelerates them. This higher-energy plasma could theoretically be used for propulsion, along with any source of microwaves. Though the author suggests that this accelerator could use the microwaves produced by a fusion reaction to accelerate a plasma for propulsion, it is unclear why the fusion plasma would not be directly used.

Only the broadest research program to develop the technologies to go to Mars, will actually get us there, in the next century.

FIGURE 2
Schematic of ECR plasma accelerator



Source: J.C. Sercel, *Electron-Cyclotron Resonance (ECR) Plasma Accelerator*, 1987.

LaRouche attacks Moscow's AIDS disinformation

On Sunday, Aug. 2, 1987, Democratic presidential candidate Lyndon H. LaRouche, Jr. issued a stinging rebuke to the editor of the Soviet monthly journal *International Affairs*. The candidate's letter was prompted by an article, entitled "The Mystery of Skull Valley," blaming the United States for creating AIDS as a military weapon. That article appeared in the June 1987 edition of the publication.

We publish a synopsis of the Soviet article, followed by the full text of the candidate's letter of reply.

In an article titled "The Mystery of Skull Valley," the Soviet monthly *International Affairs* (No. 6, 1987, page 124) writes that the chemical and bacteriological experiments conducted by the U.S. Defense Department in 1968, near Skull Valley, Utah led to the creation of the AIDS virus. The article is written by Nikolai Filippov, who gives a detailed account of the experimentation and the incident which led to the deaths of approximately 6,500 sheep, nothing that "it is reasonable to suppose that during that test use was made of biological agents based on a virus [which] . . . could be visna, a virus which has been intensively studied since the late 1950s in several research centers, including Fort Detrick [sic], Maryland, then the main U.S. center for the development of germ weapons."

The article concludes, "The mystery of those criminal experiments has begun to come to light in recent years. Competent scientists consider that visna was used in the United States for genetic engineering work which resulted in creating HIV [Human Immunodeficiency Virus], a chimeric virus causing an incurable infectious disease in man known as AIDS. Research into HIV at the molecular level has shown that 60 per cent of its genome is identical with that of visna and the rest is built-in nucleotide sequence isolated from the genome of another retrovirus, HLTV-I. HIV, the pathogen for AIDS, was designed in U.S. engineering laboratories on instructions from the Pentagon. The purpose of this virus was to augment the U.S. germ (biological) warfare potential by acquiring a capability for depriving an enemy population of vitally important immunity at the threshold of a major or local armed conflict.

"The conclusion about the complicity of the U.S. military authorities in the appearance of AIDS, the new dangerous disease which affects humans, is shared by John Siale [sic—the author refers to Dr. John Seale] of Britain, Jakob Segal of



Soviet propaganda churns out the line that AIDS was created at Fort Detrick, Maryland. Shown is a cartoon in Pravda, Oct. 31, 1986. The caption above the cartoon states: "The AIDS virus, a terrible disease for which up to now no known cure has been found, was, in the opinion of some Western researchers, created in the laboratories of the Pentagon." The flag on the beaker reads, "Virus 'AIDS'" The label below the cartoon says, "Pentagon AIDS specialists."

the G.D.R., Robert Streker of the United States, and other noted scientists and experts who have carefully analyzed available scientific data. For the time being, they have discounted the events and facts connected with the Skull Valley incident. Nevertheless, they have come to the unanimous conclusion that in designing HIV visna was made use of. Dr. Siale [sic] has said that a scientist who wanted to evolve a virus capable of destroying man's immune system and provoking a disease similar to AIDS would have to resort to visna.

"The 'patent' for inventing HIV should be issued to the United States because it was there that the virus was developed and also because Americans were the first victims of AIDS. The disease, which broke out in New York, was carried to other big cities in the United States and then to other countries and continents. Its virus was transmitted by infected Americans serving at overseas military bases. Besides, AIDS was contracted in the United States by Australian and European tourists vacationing there. HIV spread to the Middle East and other Arab countries which imported blood from donors stricken with AIDS.

"In October 1986, John Siale [sic] quoted during an interview with the *Guardian* an extract from a report prepared by the Pentagon in 1969. It said that in the next five to ten years an infective micro-organism might be evolved that would differ substantially from all pathogens known so far. Its most important property, the report said, would consist in attacking the immune system and internal organs on which

the ability of the human body to resist infectious diseases depends. Consequently, the AIDS pathogen was deliberately created and development was planned and funded. The test at Dugway [Utah] that killed so many sheep in Skull Valley turned out to be part of the Pentagon's program for designing a new biological agent, the AIDS pathogen."

Leesburg, Virginia
August 2, 1987

Editor
International Affairs
Moscow, U.S.S.R.
SUBJECT: "Mystery of Skull Valley," No. 6, 1987

Dear Sir:

Your cited article is the latest incident to come to my attention in continuing Soviet circulation of the allegation, that human AIDS was synthesized by U.S. governmental laboratories for the purpose of creating a biological agent of chemical-biological warfare.

This Soviet campaign began many months ago as a response to my sponsorship of reports exposing two facts: a) That Soviet officials assigned to the World Health Organization (WHO) had acted as accomplices of certain U.S. institutions in spreading misinformation about the nature and extent of the AIDS pandemic; b) That Soviet activists at relevant international conferences sought to induce govern-

ments of Africa to suppress facts respecting the extent of the AIDS pandemic in Africa.

This Soviet campaign made use of misrepresentations of statements issued by a distinguished British physician, Dr. John Seale, a noted figure associated with my efforts to stimulate appropriate public health measures against the spread of the AIDS pandemic. Dr. Seale, who has repeatedly expressed concern that human AIDS might have been the result of one or more laboratory accidents conducted, during the 1960s, in connection with cancer research, was misrepresented to have implied that the United States developed AIDS as a biological agent of chemical-biological warfare.

For reasons which I believe your government understands very well, the notorious Mr. Herbert Romerstein, of Mr. Charles Z. Wick's U.S. Information Agency, and linked to the scurrilous Mr. Roy Godson, chose to amplify Soviet propaganda against me and Dr. Seale on this specific issue.

In spite of this Soviet conduct, I have acted as a 1988 Democratic presidential candidate, to state that I am committed to seeking U.S. cooperation with the Soviet government against the common enemy of all mankind, AIDS. I have caused that proposal to be made known to my government, since prior to the October 1986 "Reykjavik summit," and later made my policies in this matter known to relevant channels and institutions of the Soviet government.

I argue that the kind of Soviet propaganda typified by the cited, recent item in your publication is directly counter to the vital interests of the Soviet state. I identify some relevant points of background, including my own hypothesis on the economics of AIDS epidemiology, and then show the fallacy of the leading argument contained in the cited article.

The first portion of this communication is lengthy, but the importance of including this summary will become obvious. This will tend to be understood more clearly among sections of the mathematics and physics sections of the Soviet Academy of Sciences who have examined my work in economic science, and other features were perhaps grasped more immediately among Soviet biophysicists working in the Vernadsky-Gurwitsch tradition.

1. The epidemiology of AIDS

For reasons understood by Soviet biophysicists, AIDS is a family of human, slow-incubating "retroviruses," for which at least three species are now known. This family has an extraordinarily high rate of mutation and quasi-mutative adaptation to opportunities for infectious transmission.

I situate my views on this in terms of an epidemiological study which my associates conducted during 1973-74, leading to a now-historic report published at the beginning of 1975. This study was conducted in elaboration of an hypothesis which I had submitted to my associates, in written and oral forms, during March and April of 1973. The premises for, and nature of that hypothesis, are of direct relevance to the policy-issues now confronting both of our governments,

and the world in general.

It is widely known that my original work in economic science emerged during 1948-52 as a by-product of my zeal to refute the dehumanizing, false, and mechanistic "information theory" propagated by Prof. Norbert Wiener. My work is situated chiefly in the branch of political-economy known, since the work of Leibniz, as "physical economy." My original discoveries, deal with the problem of intelligible representation (e.g., measurability) of the cause-effect relationship between a quantifiable advance in applied technol-

Using classical epidemiology, our 1973-74 study had forecast, that under a continuation of then-established policy-shaping trends in monetary and economic policies, the eruption of global pandemics was to be expected during the 1980s, marked by the outbreak of a cholera epidemic in the Sahel region of Africa. . . . I argued that, because of the intensity of economic shock expected, such an outbreak of global pandemics must be associated with the eruption of new species of viral pandemics. . . .

ogies and a resulting increase in the (physical) productive powers of labor.

It is relevant to the matter at hand, that my discovery was accomplished in two steps. The first step, was to show that this causal relationship could be so represented. Since the representation defined, implicitly, a nonlinear function, I was obliged to accomplish a second step, that of selecting a mathematical physics program suited for representation of functions of this type. Through exhaustive reexamination of the 1871-83 work of Georg Cantor, I was led to my relevant, correct appreciation of the contributions of Prof. Bernhard Riemann.

Some Soviet scientists, such as the famous Academician Vernadsky, appear to have understood more or less clearly, that Riemannian physics, comprehended from the standpoint in constructive geometry employed by Riemann, permits intelligible representation of true nonlinear functions, as the case of the Riemann Surface illustrates the point most direct-

ly. No competent assessment of medium- to long-range trends in physical economy can be accomplished except by resorting to such nonlinear methods of a Gauss-Riemannian physics. This physics must be comprehended from the standpoint of a complex domain defined by methods of constructive geometry, in terms of multiply-connected, self-similar-spiral action, as the definition of least action.

My 1973 hypothesis on epidemiological forecasting, was premised upon this work in physical economy. That hypothesis was prompted by my knowledge of the policy-shaping trends in U.S. and international monetary and economic policies growing out of the developments of 1967-72; the purpose was to forecast the epidemiological impact of a continuation of such policy-shaping trends into the 1980s.

During 1985-86, my associates and I reexamined our published forecast of early 1975, and found the forecast to have been horrifyingly accurate. My policies respecting public health measures and biological research in the matter of the AIDS pandemic, are based on that reexamination of the 1973-74 study.

Using classical epidemiology, our 1973-74 study had forecast, that under a continuation of then-established policy-shaping trends in monetary and economic policies, the eruption of global pandemics was to be expected during the 1980s, marked by the outbreak of a cholera epidemic in the Sahel region of Africa. On the basis of my hypothesis, which included a Riemannian approach to biology, I argued that, because of the intensity of economic shock expected, such an outbreak of global pandemics must be associated with the eruption of new species of viral pandemics, to become a dominant feature of the pattern of global epidemiology during the 1980s. This warning was included prominently in the forecast published at the beginning of 1975.

That warning is the crux of the problem of defining global policy for combatting the AIDS pandemic. Some added summary of the LaRouche-Riemann method is needed, to make the epidemiological argument clear.

The raw statistical measure used for my measurements in physical economy is "population-density." This compares actual population-density with potential population-density. By "potential population-density," I signify the density of population, per square kilometer of average land-area, which can be physically self-sustaining at some defined level of technology of practice. It is the correlation between an increase (rate of increase) of the level of technology applied, and increases in the productivity of labor, which leads to the notion of a variable "rate of increase of potential population-density," relative to an existing level of technology and population-density.

This leads to a nonlinear function, an array of nonlinear inequalities defined in terms of six primary constraints: 1) per capita market-basket values, 2) energy-density per per-capita unit of population-density, 3) energy-flux density of production modes relative to a standard of coherent radiation, 4)

urban/rural employment, 5) capital-goods/households-goods employment, and 6) level and rate of increase of technology.

Note: Linear econometrics of the Leontief/von Neumann matrix form breaks down in the cases, either that the economic process is undergoing technological progress, or devolving technologically. In fact, a technologically stagnant, or nearly stagnant economy is a devolving one, for reasons of depletion of primary resources as defined by an existing level of technology of production. Not only are the constraints of each matrix-cell variable, under these conditions; the array of rows and columns undergoes structural changes: discontinuities in the linear functions which merely reflect, crudely, the non-linearity of the process as a whole. The image of the Riemann Surface function, as a conceptual model of solutions, is implied.

The question posed to epidemiological forecasting, is the following. What is the result, if the potential population-density continues to fall significantly below the actual population-density? This question, I posed as a retrospective view, from a Riemannian standpoint, of the collaboration between Luca Pacioli and Leonardo da Vinci.

As Soviet historians of science should know, the following is the setting to be considered. On the basis of the work on scientific method by Nicolaus of Cusa, beginning with his 1440 *De Docta Ignorantia*, Pacioli undertook a reconstruction of the proof of the Platonic solids, to replicate a lost proof, by a mathematician at the Cyrenaic temple of Ammon, to which Plato refers in the *Timaeus* dialogue. As Euler and others showed more rigorously, the existence of the five Platonic solids is a limiting condition of intelligible representation in Euclidean space; the meaning of this limit is defined in terms of the Golden Section employed to construct the dodecahedron, from which the other four Platonic solids are derived.

From this vantage-point Pacioli and his collaborators, including Leonardo, reexamined Leonardo of Pisa's Fibonacci series as a model for growth of populations of living individuals (and, implicitly, populations of micro-organisms such as cells). The fact that the Fibonacci series is an harmonic arithmetic series, converging upon the harmonic series defined by the Golden Section, was the premise of the empirical researches reflected in Pacioli's *De Divina Proportione*.

Since Cusa had already established a rigorous basis for a true non-Euclidean geometry, beginning with his anticipation of the isoperimetric theorem in his *De Docta Ignorantia*, Pacioli and Leonardo viewed these matters from the standpoint of a radically constructive geometry, rather than an axiomatic-deductive schema, such as those of axiomatic arithmetic or Euclid's *Elements*. Thus, the kernel of scientific method presented by Cusa, began to emerge as the notion of a universal principle of least action in physics.

In short, today, we know that, between the extremes of astrophysics and subatomic microphysics, all processes which

show the harmonic characteristics of morphology of growth and function congruent with the Golden Section, are either themselves living processes, or are objects produced by a certain kind of action of living processes.

From the standpoint of Gauss's work, beginning his treatment of the elliptic, constructive-geometric determination of the arithmetic-geometric mean, there is no mystery in the role of the Golden Section as such a characteristic of living processes. The Golden Section is merely the characteristic of projections of least action in the Gauss-Riemann domain upon the discrete manifold, as the function of the "fine structure constant" is another reflection of this.

The proper definition of the phenomena labeled "negentropy," is (contrary to Wiener's reliance upon the mechanistic, axiomatic-deductive, statistical methods of Boltzmann): processes of development harmonically ordered in congruence with the Golden Section of constructive geometry. "Negentropy," so rightly defined, is measurable as a function in terms of harmonically ordered increase of the density of singularities within an arbitrarily small interval of action. (The interpretation of this function's effects, from the standpoint of Gaussian, constructive-geometry approach to probability, rather than LaPlace's, leads to a correct view of the statistical result.)

In the LaRouche-Riemann method, as identified above, the proper function for economic growth defines an harmonically ordered series congruent with the Golden Section, a function expressed in terms of increasing density of singularities. Devolution, stated in terms of the same function, is also harmonically ordered, and may be expressed in terms of a decreasing density of singularities. This is true not only theoretically, but in actual cases.

This connection to biological processes is not accidental. My attack on Wiener's "information theory" was premised upon my earlier objections to the leading theses of the Kantian system, as summed up in Kant's *Critique of Judgment*. Kant, as you may recall, argued that the creative processes of thought, as typified by scientific discovery, are not themselves susceptible of intelligible representation. Wiener merely reasserted that in statistical language, from the same axiomatic-deductive standpoint as Kant. Naturally, for reason of what Russell and Whitehead define as the "hereditary principle" of all axiomatic-deductive systems, no creation within the terms of any axiomatic-deductive system is possible. The fault, on this account, lies not with "creation," but with the intrinsic defects of all axiomatic-deductive thinking.

Creative mentation may be described, formally, as susceptible of intelligible ("constructible") representation, in terms of changes in the axiomatics of physical space-time, in the sense of increasing density of singularities. This is a more general statement of the same point introduced by Riemann, in such locations as his inaugural dissertation, *On The Hypotheses Which Underlie Geometry*, and on the feasibility of representation of an arbitrary function as a trigonometric func-

tion in the Gauss-Riemann complex manifold. This coincides with the generation of discontinuities by a continuous function in terms of multiply-connected self-similar-spiral least action.

In scientific discovery, especially those discoveries bearing upon "new physical principles," what occurs, relative to notions associated with axiomatic-deductive systems, is a radical change in at least some among the ontological assumptions underlying an entire body of extant scientific opinion. By restating all elementary scientific propositions in terms of the Gauss-Riemann complex manifold, the act of discovery can itself be given an intelligible representation, as the action lying between the previous and new elementary expression of the function. This approach provides an ontologically intelligible form of representation of the act of fundamental discovery.

Statements in this form, are also, of course, statements in terms of Gauss-Riemann least action. Such statements are the proper, implicitly measurable representation of technological progress. Since ideas for practice, so represented, are statements of mankind's action upon physical space-time, they are of the form of cause-effect functions showing the efficient connection between scientific discovery and increases in the physical productivity of labor.

Yet, this function is also an elaboration of the notion of negentropy in general, and therefore bears implicitly upon that which distinguishes living processes axiomatically from non-living ones.

Hence, if we replace a notion of molecular biology based on axiomatic-deductive methods, with a Riemannian (optical) biophysics, we are able to establish congruence between the progressive or devolutionary impact of economic developments and epidemiology. Those Soviet biophysicists working in the tradition of Vernadsky and Gurwitsch will tend to recognize most quickly the import of what I have just summarized.

Since my critical study of the work of Nicholas Rashevsky, in connection with researches leading into my 1952 discoveries, I have recognized that the flaws within Rashevsky's method, which lead him to a dead-end in perturbation hypotheses, are removed by restating the problems in Riemannian terms. Thus, the standpoint from which to examine the relevant matters, includes a definition of the existence of the cell in a Riemannian way. The function must adopt the mitotic processes as the definition of the existence of the cell as a singularity of the cell process, subsuming parent and daughter cells under a generalized function for mitosis.

To accomplish this, it is essential to make the primary subject-matter that aspect of the mitotic process which can not be intelligibly represented in axiomatic-deductive terms of reference, and which is, nonetheless, that characteristic of the mitotic process which defines the cell as a living process, rather than a statistical proposition in molecular biology. From the standpoint of a Gauss-Riemann manifold, the im-

Visna—the sheep viral model for AIDS

The best model for the devastating way in which a “slow virus” (or lentivirus) like AIDS can spread throughout a community is the case of the maedi-visna epidemic which wiped out the sheep population of Iceland between the 1930s and 1950s. *Maedi* is the Icelandic name for the condition of difficult or labored breathing; *visna* is the Icelandic word for wasting, which is the name given to the slow, progressive viral inflammation of the brain and spinal cord. In other words, the combined disease state of “maedi-visna” is a basic biological model for what in an AIDS victim is a combination of primary pulmonary disease and primary neurological disease.

The disease had been unknown in Iceland until it was introduced by the importation of 20 apparently healthy Karakul sheep into the country in 1933. The sheep—which two rams were infected with the virus—were sent to 14 farms in various parts of the country. Beginning five years later, after the slow-acting virus had silently spread, the country’s stock of 700,000 plus sheep began dying.

After only five years of the beneath-the-surface spread, there were annual sheep losses of 15-30%.

The reason the disease wiped out so many sheep, is that the long period of the asymptomatic carrier or pre-clinical stage of the disease meant that apparently healthy sheep were in fact busily infecting others. In the winter, the flocks were crowded together, like human beings in underheated dwellings in the poverty ghettos of large American cities today. Then, during the summer, the sheep were let loose to roam and mix together freely.

When the maedi-visna epidemic was at its peak in the early 1940s, the disease was prevalent on most Icelandic farms in approximately 60% of the sheep-raising districts. From 1933 until 1944, the total number of winter-fed sheep in Iceland fell from about 730,000 to 450,000 sheep. In short, 38% of the total sheep population was lost during one decade. The only way the epidemic was halted, was that the Icelandic government in 1941 began to systematically slaughter and restock all sheep in the infected areas. It has been estimated that a combined total of 775,000 sheep had either died of the disease or had been slaughtered to eradicate its spread over a 30-year period. The virus was not isolated until the late 1950s. Today, 54 years after the infected rams landed on Iceland there is still no vaccine and no cure to the slow virus despite massive investment in research.—*Warren J. Hamerman*

plications are elementary, and so is the general direction of the experimental hypotheses in nonlinear spectroscopy to be applied.

The form of action within the mitotic process which is congruent with life, is located ontologically in terms of “non-linear electromagnetic spectroscopy,” as Riemannian electrodynamics, as enriched by the work of Beltrami, as opposed to Maxwell’s reductionist schema, aids us in defining the evidence. So, the significance of the work of Vernadsky, Gurwitsch, and their successors in Soviet biophysics is to be situated: I think that now, the purpose of the foregoing summary begins to come into focus for some Soviet specialists.

A few more summary observations, to bring the kernel of my argument, and proposed policy, into focus.

As a working hypothesis, back in 1973, and still today, I assumed that new viral epidemics of mankind are generated within the mitotic process of human tissue. This depends upon the strong hypothesis, that the characteristics of living processes in the large subsume the lawful characteristics of those processes in the small: that whatever seems to occur in the small, that action’s effect is governed by the lawful result predetermined for the process in the large. Hence, since living processes are Riemannian in the large, the laws of micro-actions are Riemannian in the very small—a kind of

“reverse hereditary principle” of constructive geometry, if you choose to see it so.

Rather than seeing simply the dietary consumption of persons as such, we must see this as “fuel” for the activity-levels of tissue, and adopt the Riemannian electrodynamics of those activity-levels as the primary subject of our inquiry. The issue is not that human beings require certain dietary levels as a minimum for healthy life, but rather that those dietary levels are indispensable to sustain a health-giving level of activity within the organism.

What must occur, if we lower the level of activity within the organism below a minimum required for life, or, similarly, consume the energy of the system of the living process to do external work, to the effect of lowering the level of the energy of the system? Restate this: What must result if we lower the negentropy of the system?

According to Riemannian physics, the system must seek to find equilibrium in a lower state for that ecological phase-space (of the species in its environment), to degenerate in the direction of a lower level of negentropy in that ecological phase-space. This is a matter which suggests immediately appropriate experimental inquiry from the vantage-point of optical biophysics.

In other words, I assumed in 1973, and am more strongly

persuaded by results in “nonlinear spectroscopy” today, that lowering the potential population-density significantly below the actual population-density, for extended periods, must not only increase susceptibility to reproduction of viral infections, but tend to generate new ones through some sort of “recombinant effect” occurring within the mitotic process.

For such reasons, it has been my opinion since first receiving intensive scientific presentation of the characteristics of AIDS, that what we face is not simply one human-specific virus of this sort, but, rather, that this first type of AIDS is essentially a marker for an explosion of entire families of rapidly mutating viral epidemics of similar and other characteristics. This view was based on an updated version of the same hypothesis presented during 1973; what the relevant scientists presented to me, into 1985, had the characteristics of the kind of phenomenon I anticipated in the 1973 hypothesis. Recent investigations, showing other species of the AIDS infection, strengthen my views on this point.

My reasons for proposing, repeatedly, a U.S.-Soviet agreement on a joint program for combatting AIDS, should now be much clearer. We face a threat to the very existence of the human species as a whole, a true, apocalyptic enemy of all mankind. This threat must be the first priority in all policy of nations, subsuming all other strategic considerations. The world, and most of its governments, have been behaving as a pack of petty-minded, suicidal fools on this issue.

As I have proposed earlier, it is my estimate that Soviet biophysics working in the pathway of Vernadsky and Gurwitsch, has invaluable contributions to make to a general effort, whereas we in some Western nations are better advantaged in means for producing advanced instruments of “nonlinear spectroscopy” research. The matching of capabilities, to offset the deficiencies of each, would best ensure the earliest success.

We must understand, in weighing the adoption of such a policy, that the issue is not simply combatting one infection, but of defining all the measures, and discovering new principles of biophysical means, for containing and combatting a wave of rapidly mutating new kinds of epidemic infections. Although molecular biology will contribute to this needed result, an assured victory demands a rapid explosion in advancement and scale of development of nonlinear optical biophysics.

2. ‘Skull Valley’ as such

I have responded to the cited article, principally because it is the most sophisticated of the Soviet efforts, thus far, to allege that the U.S. Department of Defense created “AIDS” as a biological agent of chemical-biological warfare. In one aspect, the argument presented in the article is all too plausible, if fatally flawed scientifically, and absurd militarily.

As Dr. Seale has stated repeatedly, the inclusion of visna strains for recombinant procedures in cancer research, is the

most probable variant of the known practices of the 1960s which might have led to the accidental production of a human-specific form of AIDS virus. The argument is, that the use of human tissue for such cancer-research procedures—a widespread practice, internationally, during that period—was the means most likely to produce such an unfortunate accident.

For that reason, any investigation of the possibilities suggested by Dr. Seale, would signify looking back into the 1960s, to identify every instance in which a governmental, supranational, or private biological-research organization was conducting experiments using such procedures, and to determine the areas in which this was conducted—such as among prisoner populations, in the Caribbean, in Africa, and so forth.

Such an investigation is not so much a matter of assigning blame. If we knew exactly how human AIDS had been synthesized, in a laboratory accident, or in nature, this would represent valuable knowledge bearing upon research for a cure.

If human AIDS occurred by recombinant action within human tissue, in a laboratory, then your writer might be correct in asserting that visna was employed as one of the ingredients. My best information would suggest that. Yet, if human AIDS were developed in some other way, from different starting-points, the result would still duplicate visna in a significant degree.

However, the idea of a military use of a human-specific derivative of visna is without basis in fact, as any Soviet expert in chemical-biological warfare could explain in detail. The reasons have been known for a long time, to every power familiar with the techniques and hazards of most categories of chemical-biological warfare, especially in the use of inherently unpredictable biological agents. AIDS has all of the characteristics of a biological agent which would never have been considered as an instrument of warfare, overt or covert, at least not by either the United States, or other Western European power, or the Soviet government: not for reason of pacifist sentimentalities, but simply because such an agent would have been an obviously stupid choice of weapon.

The obvious reasons include: 1) Visna-type infections are long-incubation infections, with highly variable rates of incubation: characteristics directly opposite to those for a chemical-biological agent. 2) Viruses of this class are prone to relatively high rates of mutation, and in a way not susceptible of prediction by means available during the 1960s and 1970s. 3) The potential vectors of transmission of the infection are numerous, but not adequately understood even today. 4) The only way devised for stopping a visna-type epidemic, back during the 1960s (when human AIDS probably began), was killing each and every carrier of the infection. Any chemical-biological warfare planner would vastly prefer the deadly, more controllable hemorrhagics or selected mycotoxins; why meddle with something as dangerous, and

unpredictably so, to both attacker and defender?

The possibility of a willful spread of a human AIDS infection, is limited to the specific sort of lunatic whose objective is to exterminate the human species. To unleash such a pandemic, without possessing first an assured cure for an entire family of both known and unknown species and varieties of AIDS-like infections, could have been done only by a Nietzschean madman, such as some among our radical homosexuals of Western Europe and the United States, today, who willfully transmit their deadly infection to others.

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Visna had been studied for about 30 years prior to the date your author assigns to the Skull Valley incident, and, according to my best information, its essential nature was understood by about 1949. On this basis, no military planner would have permitted the notion that a human strain of visna was a weapon which might contribute to winning a war; it would be conceivable only as a "doomsday machine."

Even as a "doomsday machine," it is a terrible choice. The long span of incubation invites the discovery of a cure for general use before a full-scale "doomsday effect" were inflicted upon the conqueror. I need not elaborate further on this point, since the reasoning is well known to Soviet experts.

Your author asserts that the AIDS infection broke out first in New York City; not only is there no scientific evidence to support this, but such an assumption is contra-indicated by evidence so far. The evidence points toward the probability,

that the infection first appeared during the 1960s, possibly as a result of one or more cancer-research or similar programs of the type indicated, and that this infection began more or less simultaneously in various regions of the world, including Africa. This apparent near-simultaneity of spread among several continents, is the strongest probable evidence suggesting a pattern of laboratory accidents, rather than a spontaneous recombinant effect.

The question is, as I indicated above, at what stage in viral experiments in cancer research, did a number of laboratories, with operations on several continents, begin to use visna or similar animal retrovirus types in recombinant experiments using human tissue samples? Such an elementary epidemiological investigation is urgent, as I stated, for the reason that this may assist us in devising tactics for dealing with the infection, and in estimating the chances for other dangerous recombinants in nature.

As for the Skull Valley case, the following point was overlooked by your author. These types of viruses are specific to animal genomes. If it killed sheep, it was not human AIDS; if it were human AIDS, it should not have killed sheep. The generation of a more potent strain of visna, specific to sheep, might be suspected of being a biological agent of warfare. At least, the argument would be plausible, whereas the notion of human AIDS as a biological agent of chemical-biological warfare is not.

Dr. Seale, which he has repeated on a number of occasions, concerned the possibility of a laboratory accident, not a biological-warfare project by any civilized government. I would add the point, that the production of biological agents and biological research for therapeutic and related purposes require the same kinds of skills and facilities, for obvious reasons reflected in the practice of all nations which have conducted chemical-biological warfare programs in the past. Is it any different in the Soviet Union? Thus, even attributing research to a center subsidized by military agencies, is no indication that the research is for an offensive military purpose.

On the surface, the author's sophistry is a more sophisticated one than I have seen from Soviet publications on this subject earlier. Yet, on close examination, it proves to be a propagandistic sophistry, no more.

It is a counterproductive exercise by Soviet publications. It is as much in your government's urgent interests, as ours, that we reach agreement on cooperative efforts to conquer this monstrous infection. Harsh criticism of one adversary power by another, is proper; this article is not "harsh criticism," but rather strategic folly.

It is time that our governments put the facts on table to one another. What can each contribute to a common, general effort to defeat this common enemy, this deadly adversary of the very existence of the human species?

Sincerely,

Lyndon H. LaRouche, Jr.

Africa and AIDS: Economic collapse must be reversed

Excerpted from "The Conflicting Goals Of 'Anti-Apartheid' Rhetoric," by Lyndon H. LaRouche, Jr., which was released on July 31 and appeared in full in The New Federalist, Vol. I, No. 1, Aug. 14, 1987.

The AIDS pandemic is a "marker" for economic problems of Africa. Let us examine the economic problems of Africa from the standpoint of the challenge of AIDS. . . .

Contrary to the lies spread by many governments and supranational institutions, AIDS is not a sexual disease. The concentrations of the infection found in human sexual fluids is tiny, compared with the titers in the blood or saliva of infected persons. AIDS is essentially a blood disease, of a type which is usually readily transmitted mechanically by biting insects.

AIDS is a "slow virus," akin to the highly fatal slow viruses found in some species of animals. The human form of this virus is new in medical history. Apparently, AIDS appeared in Africa at about the same time it appeared in North America and Western Europe. Indications are, that the spread of the disease began during the 1960s and accelerated during the 1970s, to explode during the 1980s. However, it is threatening now to render entire African nations biologically extinct. What is the relevant difference between Africa and Western Europe, which accounts for the higher rate of spread in Africa?

The answer is elementary. There are two factors chiefly to be considered, to see quickly why AIDS spreads more rapidly in Africa.

First, we need but to recognize that AIDS is spread in many ways, including the now proven fact that biting insects can carry the infection mechanically. Apparently, the deciding factors are the concentration of the virus in the bodily fluids transmitted, and the immunological potentialities of the person exposed to that contamination. From the standpoint of biological science, therefore, the rate of spread of AIDS is affected by the same conditions which affect the rate of spread of any highly dangerous form of contagious infection. Where populations have poorer conditions of nutrition and health, where unsanitary and crowded conditions prevail, the disease spreads more rapidly.

Second, where poor conditions are combined with the conditions of a tropical-disease region, the disease tends to spread at electric speeds. In the United States itself, the famous example of Belle Glade, Florida, illustrates the point. Wherever the conditions of life in the U.S. most nearly approximate the conditions prevailing in the tropical-disease regions of Africa, the rate of spread of the disease among non-homosexual, non-drug-user populations tends to mirror the pattern of spread of the disease in Africa.

No cure or vaccine for AIDS is in sight during the early future; at least, no government has evidence that a cure is likely earlier than 10 years ahead, and the best biological specialists warn us not to expect a cure earlier than that. There is nothing medical practice can do, except to make the sick more comfortable, and perhaps delay death by improved methods and procedures of care.

The only weapon we have available for action today, and during the next years ahead, is the kinds of governmental public health measures proven for all kinds of dangerous contagious infections: Detect the infection, and isolate those infected from persons who are not infected, while also improving nutrition, health, and sanitation of the population generally. Otherwise, the only alternative, to save entire nations, would be to do what was done with similar kinds of infection among animals: kill those who are infected, to prevent them from spreading the disease. Unless we are prepared to resort to the inhuman action of killing those discovered to be infected, we must isolate them, and care for them, hoping to keep them alive until a cure can be developed. That will cost a tremendous amount, an amount larger than present military budgets.

Look at the plight of black Africa accordingly.

The focal point of danger is large urban centers which have large concentrations of poor people living on poor nutrition, in crowded unsanitary conditions. The worst case, is such urban centers within regions of highest degree of proneness to spread of tropical diseases, such as malaria, tuberculosis, dengue, arboviruses generally.

Technically, we can make cities in hot, humid tropical-disease regions relatively as safe as cities in any other climate, on condition that housing, public sanitation, and en-

ergy supplies are adequate. This requires per capita and per hectare energy consumptions on the level of wealthier districts of cities of industrialized nations.

The alternative, is to concentrate cities in regions in which the tropical-disease potential of the environment is less. Unfortunately, the lack of development of basic economic infrastructure in African nations as a whole, is such that population tends to be concentrated in the few urban regions which have sufficient transportation and energy supplies needed to support urban economic activities.

So, the AIDS pandemic in Africa warns us to stop the expansion of slum-ridden, established urban centers. We need new urban centers in environmentally preferable portions of the nations, but this requires the development of basic economic infrastructure to the degree needed to support such new urban centers as functioning, and economically viable units.

For example, in modern optical biophysics, we have demonstrated the feasibility of developing cheap electromagnetic radiation devices, far more effective than insecticides, for controlling the behavior of selected types of insects, such as moving them away from one place to another, or to kill them cheaply and in great masses. Africa could be virtually rid of locusts, mosquitoes, and other most dangerous pests by such methods.

With progress in modern technologies, we can control our environment in these and other ways, to a very large degree. We can also design housing and other buildings, to provide good housing with effective sanitation at the lowest cost possible. We need not worry much about the costs; over 90% of the costs would be represented by the employment of presently unemployed labor. We need but to provide wages in such forms as feeding, clothing, providing medical care, and educating the households of such labor. Less than 10% would involve imported tools and other capital goods. Provide the tools, and provide work for all candidate-members of the labor force, using those tools for urgently needed purposes. A few billions of dollars worth of technology transfer into each African nation would be sufficient to make possible an economic revolution in Africa.

African nations do not need to borrow money. All they require is lines of credit, which permit them to purchase, on credit, the tools and other capital goods needed to put Africa's underutilized labor to work producing essential infrastructure and some new industries.

At present, in major population concentrations within parts of Africa, we have percentages of AIDS-infected persons running to between 15% and 30% of the population as a whole in those regions. This means, that as high as half of the present populations of these African nations will be dead within about 10 to 15 years—by the time that we might expect a cure for AIDS to become generally available. This suggests a hecatomb of as high as 200 million AIDS-related deaths in black Africa by about the end of the present century.

This pandemic is already in South Africa, as well as the adjoining nations. Under present conditions, that pandemic will spread into urban centers, especially portions of urban centers with large black African populations. Soon, if no change occurs in this pattern, the Africans of European extraction will flee to where they can, not to escape the anti-apartheid forces, but to escape from the African AIDS pandemic lapping at their doorsteps.

We must look death straight in the eye. We must count our AIDS-related deaths as victims of a war fought against disease, and against the economic conditions which foster the spread of such disease. We must look death in the eye, and say, "Death, we shall defeat you." We must fight to victory against the scourge of AIDS.

The Africans of European descent face the same enemy. If they flee to Bolivia, as some propose, it will be waiting to embrace them there. In Australia, it will be waiting for them as they alight from the aircraft or boat. It is spreading in Europe, in the Soviet bloc, and throughout the Americas. It is spreading in Asia. There is nowhere to flee for safety; this grinning mass-murderer is waiting to strike everywhere. We must defeat it where we are.

South Africa's role

Where, in Africa, do we have the technological base on which to draw to take the needed economic and related measures against the spread of AIDS? Take a plane, southward, from Frankfurt or Munich. As you leave Italy, you leave industrial development and basic economic infrastructure behind, until you reach South Africa. South Africa is the only powerhouse of industrial technology in black Africa, a powerhouse which must be unleashed for Africa as a whole. Will the Afrikaners agree to this? They have no choice, but to agree: AIDS is not affected by apartheid; it knows no racial distinctions but that of the human species.

Of course, South Africa alone can not supply all of the technology needed in black Africa. The importance of South Africa is twofold. First of all, it is part of Africa, and essentially part of black Africa. It is the spread of economic development within Africa which is the only hope for the future; we must establish it in centers, and spread it from those centers throughout the continent as a whole. Second, South Africa's production can be expanded to meet a major portion of the needs of southern Africa as a whole. The basic lines of communication, trade, and transport already exist, to be expanded for this purpose.

The priority for Africa is an effective war plan against the scourge of AIDS, a scourge which feeds on the folly of racial and tribal quarrels. All who refuse to join in this war plan, will thus, probably, condemn themselves and their races or tribes to death by that scourge. AIDS is the horrible truth bestowed upon those who refuse to accept truth stated in milder terms. AIDS is the measure of which nation, which people, is really fit to survive. . . .

Old Russian noble families run the Kremlin

by Criton Zoakos

The Moscow correspondent of the Italian daily *Il Giornale* told a story to his readers Aug. 15 worth repeating. It will help bring down the last remaining proverbial trees in the forest of the Washington intelligence and national security "community." In an article titled "Descendants of the Great Families of the Tsarist Era at the Pinnacle of Diplomacy," Fernando Mezzetti reports the following:

There is something old in some of the new personages of Soviet diplomacy, who have emerged with Gorbachov's renewal and who, today, with the Kremlin's activism in all fields, seem to dominate the international political arena. . . . The personalities who most stand out in this sense, in the judgment of Western diplomats who have had occasion to meet them and of observers who follow them in the public arena, are, above all, First Deputy Minister of Foreign Affairs *Yuli Vorontsov*, Deputy Minister of Foreign Affairs *Vladimir Petrovsky*, and Ambassador to Washington *Yuri Dubinin*.

Vorontsov . . . comes from the family of the Princes Vorontsov, which is encountered in any book of Tsarist Russian history. Among his direct forebears, one was ambassador to England in the years of the Napoleonic Wars. Other Vorontsovs became, during the last century, ministers at court, field marshals of the Empire, governors of various provinces.

Petrovsky, too, whispers Moscow, comes from a great family of Tsarist Russia. Among his antecedents on his mother's side, there was a Minister of Foreign Affairs around 1860. He, too, is marked by the same attitude as Vorontsov, by a striking tendency to un-

derstatement: It was he who announced with no show of concern, just as one states something of little value, in the middle of a press conference devoted to other themes, that Sakharov would be freed from confinement.

Dubinin, too, comes from way back . . . he is descended, on his mother's side, from the family of Count Witte, Nicholas II's capable minister, who developed the theory to make Europe pay for the modernization of the Empire.

The boyar nobility and the Revolution

There are many, many more scions of old Russian aristocratic families serving today, in vital positions of the Soviet state, especially in the diplomatic and military fields, in the academic think tanks, in the KGB, in the Central Committee, and in other vital centers of policy-formulation and deliberation. The *Il Giornale* article marks a turn, in the way in which the Western press has been treating this terrible open secret: that the purported Great October Socialist Revolution is the greatest hoax of the 20th century, perpetrated by the great "boyar" noble families which overthrew the Romanov dynasty in order to secure the future survival of their Russian empire.

To our knowledge, the *Il Giornale* item represents the first instance in which a mass-circulation, popular newspaper anywhere in the world, except those associated with this news service, reports the fact that the old Russian noble families are running the policies of the "socialist" Soviet Union. The practice, though not its public advertisement, is, of course, much older. Lenin's own first foreign minister, Georgii

Chicherin, the architect of the Rapallo Treaty and of the secret anti-Versailles agreements between Germany and Russia, was the archetypal Russian aristocrat employing “socialism” to further the aims of empire. Another notorious Soviet foreign minister, Vyacheslav Molotov, was the scion of the great Old Believer merchant family, the Scriabins.

This phenomenon has been noticed by very few *aficionados* of history, and is well known among senior intelligence specialists who are familiar with a Soviet secret service organization of the 1920s known as “The Trust.” The significance of the *Il Giornale* item is that it represents the decision of someone in a position of influence, to revive the subject of “The Trust” in a way which becomes the subject of popular attention—in short, there is a growing body of opinion among influential persons in Roman Catholic Italy who wish to undermine the great hoax of the Russian “socialist revolution.”

EIR vs. the ‘neoconservatives’

This issue is, to a large degree, associated with the intense political, intelligence, and legal warfare between the friends and political associates of Lyndon LaRouche, including *EIR*, on the one side, and those political circles associated with Project Democracy and the factions in Washington which were controlling the National Security Council until the Irangate scandal broke. Here, we shall summarize the matter, which is the subject of book-length treatment already in progress: The institutional influences behind the Reagan administration which sponsored Project Democracy were 1) the Hoover Institution, 2) the American Enterprise Institute, 3) the right wing Social Democracy, known also as the “Bukharinite” wing of the Comintern, 4) the Heritage Foundation, and 5) the Center for Strategic and International Studies at Georgetown University.

All five of these influential, policy-shaping forces of the Reagan administration, since 1981, the time of the signing of Executive Orders 12333 and 12334, shared the common strategic objective of facilitating the restoration of the rule of the old Russian noble “boyar” families. All these “neo-conservative think tanks” share the distinction of having their ultimate ideological influences trace back to old European aristocratic alliances. Together, they represent, in the West, the main political support for what the general public considers Mikhail Gorbachov’s policies of reform.

A debate, as it is known, is raging in the West, over the exact significance of these Gorbachov reforms. One side, which includes Gorbachov and the “neo-conservative” outfits mentioned above, claims that *perestroika* and *glasnost* represent democratization, an inward turn, and an effort to bring the Soviet Union into the 21st century. This side argues that the United States ought to support the Gorbachov reforms. *EIR* argues, on the other side, that the Gorbachov reforms are in fact Marshal Nikolai Ogarkov’s military mobilization to prepare the Russian empire for unchallenged world domination, fulfilling the old Russian aspiration of the “Third and

Final Rome,” a strategic orientation of Russian chauvinism associated with the anti-Romanov Russian Orthodox Church, the old anti-Romanov “boyar” nobility which itself designed, created, financed, and launched the Soviet/Bolshevik dynasty of the Russian Empire to replace the Romanov dynasty.

This story has been told in bits and pieces by a great number of “authoritative” eyewitnesses and participants in various of the events which compose the story itself. A group of *EIR* editors and researchers, urged on by the necessity to elucidate the character of the strategic threat posed today by the Gorbachov government, is preparing for publication the complete, authoritative account of “The Trust,” the project of a coalition of powerful, ancient, oligarchical interests which brought to fruition the “Great Socialist Revolution.” In the partial, limited-circulation report of *EIR* editors Al and Rachel Douglas, now representing the bulk of our work-in-progress, certain dramatic revelations have been made about the role of the “boyar” nobility in the Bolshevik Revolution and the subsequent Soviet government. These revelations are consistent with the item in *Il Giornale*, but go far beyond it.

They provide rich documentation of how Russia’s Orthodox land-owning nobility, for example, controlled the imperial secret service, the Okhrana, and how the Okhrana, in turn, controlled Lenin’s first secret service, the Cheka, the KGB’s direct predecessor. Deputy Foreign Minister Yuli Vorontsov’s family, the Vorontsov-Dashkov family, according to Al and Rachel Douglas’s report, was the co-controller of the Okhrana, together with the Ignatiev family. Washington Ambassador Yuri Dubinin’s ancestor, Count Sergei Witte, the Tsar’s prime minister at the turn of the century, had been “commended” by Lenin as a “progressive,” and was himself a nephew of the notorious Okhrana psychological warfare specialist Madame Blavatsky. Ambassador Dubinin probably derives a certain satisfaction from knowing that the person in charge of the Russian language programming at the Voice of America is one Lydia Obolensky, of the princely Obolensky family, one of whose members, Serge P. Obolensky, used to finance Lenin, the same Lenin who found Ambassador Dubinin’s aristocratic ancestor Count Witte, “progressive.” This Obolensky later married a woman of the Astor family in the United States.

The “neo-conservative” influences of the Reagan administration have been favoring the “Gorbachov reforms,” because they bring to the fore the old aristocratic guardians of the imperial “Third and Final Rome” doctrine of Russian foreign policy. They include members of the President’s Foreign Intelligence Advisory Board, the Intelligence Oversight Board, and former and present staff members of the National Security Council. These people have been trying to silence LaRouche and his friends, such as this publication, because of what we have to say about their Russian hoax, among other things. We shall be intrigued to find out what they intend to do with *Il Giornale* and its observant Moscow correspondent.

Will Berlin become Germany's capital again?

by Lyndon H. LaRouche, Jr.

I believe, that if I become U.S. President in 1989, and live to serve a second term, that Berlin might become the capital of a reunified Germany, with the Charlottenburg Palace the seat of government. I say this in all seriousness. I say this not to brag, but as a useful way of illustrating a very important point of statecraft for today's troubled age.

There is a natural division between East and West in Europe, a division determined by the furthest eastern advance of the Catholic Church's influence through the time of the 1439 Council of Florence. So, Poland belongs to the West, and Germany emphatically so. Unless we assume catastrophes of the greatest magnitude in this region, the cultural differentiation between East and West in those regions will persist over generations, and matters must be resolved finally accordingly.

Respecting Germany's reunification, in particular, the typical citizen on both sides of Nikita Khrushchov's fortified wall, dividing Germany, will not be content unless this reunification occurs. Moscow understands this, and seeks to play upon this to Russian imperial advantage. Some on the western side of the wall are willing to entertain very significant concessions to Moscow today or tomorrow, in the hope that reunification might be brought about eventually.

Granted, under present circumstances, Moscow would accept Germany's reunification only on terms strategically advantageous to Moscow's persisting, Dostoevskian ambitions for becoming the world-capital of a "Third and Final," global Roman empire. However, suppose Moscow were to give up such ambitions, and to concentrate instead on a "Westernized" form of agro-industrial development of Russia? Then, Moscow's strategic perspectives would shift, to the effect that assuredly peaceful cooperation in the relations with Western Europe and the United States were more advantageous to Russia than the possession of its colonies in the eastern part of non-Russian Europe.

How could such a change come about? Simply, if Moscow were convinced that its imperial ambitions were a hopeless quest over foreseeable future history. In other words, if the next President of the United States were able to mobilize the great potential superiority of the Western nations, and their political will, to such a degree that the burdens of Soviet all-out pre-war mobilization, called today *perestroika*, were

the only result to be expected from a protracted such mobilization, and also under the condition that Moscow were assured that the West's great superiority would not be used for an attempted conquest of Russia.

Under those circumstances, Moscow would peacefully consent to the reunification of Germany, with Berlin as its capital.

Is this a pipe-dream? Not if one knows the most characteristic features of the pre-history of the present Bolshevik dynasty as I am privileged to know that.

I explain.

The case of Yuli Vorontsov

I have a book. This book is 689 pages long in typed manuscript form, and would run to perhaps double that number of pages in printed book form. This book is entitled, *The Roots of The Trust*, and is by two of my collaborators, Rachel and Al Douglas. The book represents a digest of years of researches by dozens of our collaborators, and includes reliance on primary documents from archives never before reflected in public print. The book contains the essential secrets of the Russian Revolution of 1917, and is key to understanding the Bolshevik dynasty from then to the present day.

There was never a Russian Revolution of 1917, at least not as L.D. Trotsky lies in his famous three-volume *History of the Russian Revolution*, or as leftist professors and others recite the myth of that so-called revolution today. What happened in 1917 was a series of palace coups—abetted by sundry foreign meddlers such as British intelligence, German intelligence, and the Parvus network, all coordinated inside Russia by the Tsarist secret police, the Okhrana. Many of those officials retained their ranks as members of the Bolshevik secret-intelligence service, the Cheka, under Feliks Dzerzhinsky.

What prompts my reference to all this, today, is an article of great importance which appeared in the Italian press this past weekend. The article, "Aristocrats Return to the Kremlin: Scions of the Great Families of the Tsarist Period Return to Diplomatic Top Levels," appeared in the Aug. 15 edition of *Il Giornale*, under the by-line of Fernando Mezzetti.

The article is devoted to noting that key members of the Soviet foreign ministry today are members of the families of

the old, pre-1917 Russian aristocracy. As one of such cases, the article mentions the case of Yuli Vorontsov, a foreign ministry official who ranks among the top three, together with former Soviet U.S. Ambassador Anatolii Dobrynin and Aleksandr Yakovlev, under Yegor Ligachov, in the Soviet Party apparatus today. This is the same Vorontsov who was recently pulled out suddenly from Geneva negotiations, for an emergency flight to Khomeini's Teheran, in response to the allied anti-Khomeini military commitment in the Persian Gulf.

Vorontsov's name has teased me ever since I noted his promotion under the current Soviet party head, "Tsar Mikhail II" Gorbachov. It is the name of one of the two most powerful combines of aristocratic landowning families in pre-1917 Russia, the Shuvalov-Vorontsov clan. This old boyar family, especially the super-conspirator Count I.I. Vorontsov-Dashkov, was at the center of the anti-Romanov plot which, later, with the help of the foolish Grand Duke Nikolai Nikolayevitch, organized the revolutionary upheaval of 1917! Could it be possible, that this Vorontsov was an heir of that family? Yes, says *Il Giornale's* Mezzetti.

The article identifies other current Soviet foreign ministry officials of the same kind of aristocratic pedigrees.

This is hardly unprecedented. The first Soviet foreign minister, Georgii Chicherin, a Moscow aristocrat, descendant of a Venetian family, the Cicerini, which arrived in Moscow in the train of Tsarina Sophie Paleologue. Chicherin had family ties to Vorontsov-Dashkov.

In the United States, we have so-called "Russian experts," among the friends of the Moonies' *Washington Times* editor Arnaud de Borchgrave—like the Moonie organization itself, who insist hysterically that the 1917 Revolution in Russia was a break with all preceding Russian history. Most of the accepted Soviet intelligence doctrines, on which U.S. policies have been based, are premised upon the myth that "Communism" represented an absolute break with preceding Russian history. It is all foolish nonsense, when it is not simply outright lying by the so-called "Russian experts."

For similar reasons, almost everything published on Soviet Communism and the "communist mentality" of the Kremlin is utter rubbish.

I speak of the Bolshevik dynasty of the Russian empire, because the Bolsheviks were created by the Tsarist Okhrana almost to the man, and were brought to power by an alliance between old Russian, anti-Romanov families such as that of Vorontsov-Dashkov and a Moscow-centered faction of anti-Romanov "Old Believers" (Raskolniki) centered in 1917 around the Tsar's head of the War Industries Committees, A.I. Guchkov. Their program was that elaborated in the rantings of another Okhrana asset, novelist Fyodor Dostoevsky ("the Russian Nietzsche"), especially his *The Diary of a Writer*.

Back during the 1920s, the witting circles behind the Bolshevik "revolution" gave the Bolsheviks an estimated 60 mystical years to undergo the three generations of transfor-

mations needed to bring the old aristocracy back out of the woodwork, to resume an open, leading position in directing the Russian Church and state, and to lead both that church and state to the historic mission of exterminating Western Christianity and launch the process of establishing Moscow as the world-capital of a system of colonies, satrapies, and client-states, in the Persian Empire model, as the "Third and Final" empire of Rome.

Stalin's daughter has returned to Moscow. Molotov was rehabilitated before he died. L.D. Trostky has been officially rehabilitated as a revolutionary leader by the official Soviet press. "Tsarina" Gorbachova and her Armand Hammer-funded Soviet Culture Foundation have officially elevated Dostoevsky to Bolshevik sainthood. Soviet defectors return home, one by one. The in-gathering of the Muscovite clans for the great mystical celebration of 1988, is occurring from around the world. For Moscow, the millennium of world-empire is about to begin.

The appearance of the article in this past weekend's *Il Giornale* has all of the character of a Soviet-planted "signal piece." Yu. Vorontsov's ordinarily highly classified pedigree would not be leaked into Western press unless Moscow intended this to occur. Knowing the Bolshevik's mystical mind, one knows what this signifies. "Come home. The egg is hatching. The time has come for all our dark forces to assemble, so that together we shall conquer the world!"

There will be more such leaks, to the same effect.

It is not on the fact of Vorontsov's pedigree that I base this article, but on the fact that it has been obviously leaked in that way at this time.

I know the Bolshevik mind as only honest, non-"Russian expert" scholarship permits one to know that mind, as no ordinary politician would ever understand, and few heads of state and government since we lost such relative giants of recent decades as de Gaulle, Konrad Adenauer, and Indira Gandhi. For that reason, Moscow hates, and respects me all the more. For that reason, I know exactly how to deal with Moscow.

Remove the credibility of the "Third Rome" mission, for which the Bolshevik dynasty was created and tolerated, by the likes of the late Arnold Toynbee and Bertrand Russell, as well as anti-Romanov Russian aristocrats, and one sets thus into motion a new process within Muscovite culture, and within Eastern Europe's Slavic and Turkic populations as a whole.

There are two ways to accomplish this. By war of conquest, and a different way—my way.

Berlin, the capital question

That brings us back to the matter of Berlin.

One of the finest modern European masters of statecraft, not overlooking Richelieu, Mazarin, Colbert, the great Kurfürst, Frederick the Great, and the circle of friends of Friedrich Schiller, was France's Louis XI. Some in Europe have not forgiven Louis, even to this day, for his victorious war to

reunify France, and double its national income during his reign, without really fighting a war against the concert of numerous enemies whom he defeated. There was a magnificent statesman after my own heart.

The trick is to win war against Moscow, without actually fighting a war. This requires two keystone ingredients: making it clear that we do not intend to invade Russia, while showing sufficient strength and strength of political will that they would not risk launching war against us. Oh, they will stamp like Rumpelstiltskin, as Muscovites are wont to do; but they will never be willing to place the *Rodina* at unnecessary total risk for the sake of an adventure today which might be better postponed to the next generation.

You see, the Bolshevik dynasty is a collection of mystics, which believes in "periods of history." The significance of "periods" for Moscow, is like the significance of astrological signs for the foolish fellow studying his horoscope for the month. Since they decided, during the great mid-1982 gathering of the coven back in Moscow, that the time had come, for the "Brezhnev Period" to conclude, and the long-awaited "Andropov Period" to begin, they have been in the "period of breakthrough to world-domination." To show them that that is not the period they are in, is like the effect on some poor superstitious dupe of astrology of suddenly moving Jupiter back 40 or 50 degrees in its orbit—he might, on that account, divorce his wife, and do all sorts of queer things. They are not wild lunatics like Khomeini, but, behind their abacuses, they are deeply mystical.

The trick is to show Moscow that its Magi have miscalculated the astrological signs, that the world is in a different period than their official ideologues have foretold. That is the only effective form of diplomacy in dealing with Moscow on strategic issues. All other kinds of Western diplomacy Moscow ridicules as the contortions of "useful fools."

For example, the first time Moscow placed postwar Berlin under siege, President Harry S. Truman launched a massive Berlin air-lift—unnecessarily. All he had to do, was to authorize the commander of a hopelessly outgunned U.S. armored column to break through to Berlin. Since Stalin would not have risked war with the United States during that "period," the armored column would have made its way through. As a result of the U.S. error of not doing that, we had the Korean War.

Similarly, when Khrushchov ordered his East German puppets to start the Berlin Wall operation, if U.S. forces had simply torn down the wall then, Khrushchov would have backed away from what was sheer bluff, based on Khrushchov's profiling of President John F. Kennedy during the period the two of them were alone in a room together—from which Kennedy appeared very shaken. Because Kennedy backed down in Berlin, Khrushchov continued the Cuba missiles operation already planned at the time the Berlin Wall bluff had confirmed the Moscow soothsayer's opinion that that was the "period" in which to exploit the weakness of U.S. political will.

A U.S. President known to Moscow to have a will more than enough to match their own, is already a decisive factor in Soviet strategic policy-making. This is why Moscow is doing everything so far, since March 23, 1983, but assassinate me, to ensure that I do not become the next U.S. President. That is why I must become that President. It is not enough for a President to be handed the right policies; in times of crisis, the personal will, and depth of personal knowledge of the President, is absolutely decisive in determining whether a good policy is successful, or is doomed to fail because it is spoiled by a succession of wrong moment-to-moment reactions by the man in the Oval Office.

This kind of leadership from Washington's Executive mansion is also indispensable for every nation and government allied with or simply friendly to the United States. The allies and friends must be able to rely absolutely on the U.S. President's moment-by-moment consistency in following a clearly enunciated policy. On this personal, seemingly intangible factor, the current and future history of our civilization depends.

It is also indispensable that Moscow be able to rely upon this, too. Moscow knows my policies, and, despite its unsavory libels and slanders against me, it hates me, but respects me. There must be no inconsistency in U.S. leadership on that account, either. Moscow must be able to depend upon my consistency of policy and will, as an adversary, just as the allies and friends must be. It is the pacifist movements, and vacillating governments, which incite the warlike to make war. To Moscow, this means no war unless they launch it, and they know enough not to launch it if I am President.

It is a dangerous line we must walk, between success and catastrophe; but a consistent moment-by-moment implementation of the right policy will see us all safely through the peril, both our side, and the Moscow side. Another pragmatist in the office of the U.S. President, means Moscow's successful drive to world domination, or nuclear war. Only a President of clear policy and consistency of will can prevent the world now from moving toward the brink of war. We have had too many mere politicians and their pragmatic mediocrities; now, we need more statesmen of the quality of a de Gaulle or Adenauer. With the right statesmen, we shall avoid war and survive.

What I am committed to set into motion, above all else, is a revival of the economies of the Americas, Western Europe, Africa, and Asia, a revival based on the same policies adopted by the first administration of President George Washington, as presented by Treasury Secretary Alexander Hamilton, and as known in the modern history of Germany in connection with the work of the great Friedrich List.

Out of the monetary ashes of the nearly \$14 trillion financial collapse menacing the world's financial structures today, the United States under my presidency will use the powers of regulation given to the federal government under the U.S. Constitution, to bring bankrupt banks out of the rubble of financial chaos, secure the savings of depositors, and keep

those banks functioning as institutions conveying trillions of dollars of new credit, as loans, into agriculture, manufacturing, basic economic infrastructure, and credit for export of capital goods to developing nations.

Within days of being sworn in as President, most of the governments of Central and South America will enter into a new treaty organization with the government of the United States, reorganizing the external debts of those nations in ways to permit tens of billions of dollars of new capital-goods export-credit to flow as hard-commodity trade (not money loans) into the hard nation-building investments of those nations. I shall offer the governments of Western Europe, and other developing nations the same kinds of special treaty agreements.

We shall rapidly reverse the economic trends of the recent 20 years, away from a "services-oriented," "post-industrial society," back toward technological progress in energy-intensive, capital-intensive modes.

This global economic upsurge shall be driven by low-cost credit selectively channeled into such categories of investments in physical output. It shall also be driven by a massive commitment to a 40-year program for establishing permanent colonization of Mars. The immediate economic significance of that program will be that it will serve as the generator of the most advanced productive and related technologies for high-gain industrial and related investments in production on Earth.

The object is to increase the average annual increase of the physical productive powers of labor, for each average member of the labor force, by at least 5% per year, and rising, indefinitely. This will be achieved, first, by shifting larger percentages of the labor forces of nations into employment as operatives, engineers, and technicians in manufacturing and related industries, with a general emphasis on increasing the physical output rates per capita and per hectare. This will be sustained by emphasizing high rates of introduction of labor-saving technologies, to the effect of shifting employment more and more into machine tool and related forms of capital-goods production and infrastructural improvements. The "science-driver" programs, centered upon the Mars-Moon colonization program, will ensure rapid, global radiation of the new technologies needed.

We in the OECD nations have more than twice the population of the Russian empire, and have much higher rates of per-capita productive potential. Also, because of our Western culture, shaped by the influence of St. Augustine's works on statecraft, and the similar benefits of the Golden Renaissance, our labor forces have a much higher cultural potential for assimilating technological progress than do those living under Moscow's rule. If we add to the potential of the OECD nations, the vast potential of the developing sector, our part of the world is vastly superior in strength in every respect.

We need only to become ourselves once again, resume our Western cultural heritage, and realize that it is not only our moral obligation, but strategic advantage, to foster the

highest rates of real growth per capita in developing nations.

It is sufficient that we accept the tax burdens and other burdens of technological attrition in the most advanced military capabilities—which we can easily afford, once we reverse the "post-industrial drift," and Moscow is then condemned to tolerate war-avoidance indefinitely.

It is the prospect of prolonged war-avoidance which will induce Moscow to relinquish its grip on East Germany, and permit Berlin to become again the capital of a reunified Germany. Under those conditions, conditions determined by a great resurgence of our economic growth, I think those in neither part of divided Germany will have reason to quibble very long about the details of reunification.

Why should Moscow accept this? For Russian reasons; it will be advantageous to them to do so. Now that I have said this, Moscow will study this carefully, as it does everything else I write. Sooner or later, they will understand what I have said. By the time I am entering my second term as U.S. President, they will have the facts in hand needed to induce them to accept this, probably as something they propose as their own, original initiative, perhaps citing the old "Stalin note" as precedent: That is the Russian way. Let them enjoy the credit; let us enjoy the result.

I think I have made clear the point I wish to report.

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Soviets attempt response to U.S. challenge in Gulf

by Jeffrey Steinberg

As *EIR* goes to press, a new contingent of U.S. military personnel and equipment is arriving in the Persian Gulf, placing the total American force there at 25,000 men and 40 major surface combat ships, augmented by additional U.S. supply ships, a nearby aircraft carrier group, and growing contingents of French and British naval forces. The current American commitment to take whatever military steps may be required to secure the safe passage of commercial ships through the Persian Gulf, is further reflected in the Pentagon's Aug. 20 announcement that a new Gulf Command had been established under the authority of the Central Command and the Secretary of Defense.

This streamlining action effectively places Defense Secretary Caspar Weinberger, the author of the present Gulf deployment and the administration's staunchest opponent of the arms-to-Khomeini/"moderate ayatollahs" policy, in a position of "hands on" control over the Reagan administration's Middle East effort.

Then, the White House confirmed—over State Department howls of protest—in early August that the administration will ask congressional approval for over \$1 billion in arms sales to Saudi Arabia as soon as Congress reconvenes after Labor Day.

Consider, from Moscow's standpoint, the full strategic ramifications of the Reagan administration's July decision to honor Kuwait's request for reflagging and securing its oil tankers, a proposition initially put forward by the Soviets themselves!

Up until the U.S. deployment, Moscow was proceeding unchallenged to establish sole superpower status with all of the major players in the Eastern Mediterranean, including with those moderate Arab Gulf states that had previously been Washington's most reliable allies in the region, Israel notwithstanding.

According to U.S. intelligence sources, Moscow had planned to parlay its recently cultivated diplomatic and military channels to Kuwait into a major regional diplomatic

coup by soliciting Kuwaiti mediation of negotiations for Soviet troop withdrawals from Afghanistan. This reported maneuver was a follow-on to Moscow's cultivation of Jordan's King Hussein to mediate a rapprochement between Iraqi President Saddam Hussein and his Syrian counterpart, Hafez al-Assad.

These and other Soviet initiatives collapsed when the American ships began steaming into the Gulf. Things were not made easier for the Kremlin when, as the ships came in, Weinberger issued statements targeting Teheran and Moscow as the West's primary enemies in the region.

Terrorism

Now, according to U.S. and European sources, the Gorbachov regime has formulated a comeback plan aimed at recapturing some of the pre-July momentum. That plan places greater emphasis on diplomatic maneuvering and terrorist forms of irregular warfare, and specifically aims at preventing a major escalation of military action in the region, action that Moscow now believes would only benefit the United States and her allies.

According to these sources, Moscow aims to:

1) Use its leverage with the Khomeini regime to assure that no precipitous actions are taken that would justify full-scale military response on the part of the United States, France, Britain, or the Gulf Cooperation Council (GCC) states.

2) Place a newly "moderate" Syria in the American-GCC orbit as a means of both boosting Syria's position and prestige as a force in the Eastern Mediterranean and simultaneously increasing the credibility of those American and European policy factions who oppose Weinberger's Gulf policy, but currently lack the leverage to defeat him.

3) Capitalize upon the hardened Western position toward Iran by consolidating Moscow's own policy control inside Teheran.

4) Simultaneously extend Soviet influence inside Iraq by encouraging deepening ties between "moderate" Syria and

the regime in Baghdad.

Moscow is reportedly steering Libyan strongman Muammar Qaddafi into a renewed campaign of international terrorism in league with Teheran, and away from his adventure in Chad where, in any case, he continues to suffer a string of serious defeats at the hands of a U.S. and French-backed Chadian army.

This anticipated Libyan-Iranian terrorist upsurge is being coordinated with Moscow's revival of separatist tribal insurgency along the Turkish-Iranian border region with the Soviet Union, particularly the Turkish Democratic Party in Azerbaijan. This KGB effort is under the personal direction of Politburo member Geidar Aliyev. (Moscow's "diplomatic" warfare effort is being run through the Foreign Ministry under Deputy Foreign Minister and Russian nobleman Yuli Vorontsov.)

On Aug. 17, ABC television journalist Charles Glass, who was kidnapped and held by Hezbollah terrorists for two months, "escaped" from his captors, turned up in the lobby of a Beirut hotel, and was instantly whisked off to Damascus where he was turned over to American authorities. The Syrian government was given immediate credit for the release, prompting a new round of praise for Assad's "moderation" and "repudiation" of terrorism. The purpose of the heroic "escape" story? To avoid any embarrassing questions regarding Syria's continuing ties to the Hezbollah and other Shi'ite terrorist groups operating in Lebanon and the Damascus-Teheran collusion. U.S. intelligence sources had alerted this reporter weeks in advance of an expected hostage release, to improve Syria's "moderate" image.

The Hamburg Trust gets into the act

Complementing Moscow's direct effort to recapture its lost momentum in the Gulf region, a motley collection of predominantly Western agents of the Soviet "Trust" went into action in mid-August in an attempt to make the Gulf the subject of U.S.-Soviet "crisis management." According to the London *Daily Express* of Aug. 20, City of London tycoons Tiny Rowland and Sir Edward DuCann of the multi-billion-dollar Lonrho empire, made a secret trip to Teheran aboard a private corporate jet to make a new hostage-release proposal. Reportedly the duo proposed, in return for the release of Western hostages, to arrange for the sale to Iran of a Hamburg, West Germany oil refinery, a sale that would greatly enhance the marketing of Iranian oil and petroleum products on the European market. *EIR* European investigators have received information that a Hamburg trucking company, Kuehn and Nagel, a reported subsidiary of Lonrho, was in the middle of the effort. The company does extensive overland shipping between Hamburg and Teheran.

This Hamburg nexus also involves the German Oriental Institute, which has reportedly been advising Foreign Minister Hans-Dietrich Genscher since June on his efforts to open

a "third channel" of contact between the Khomeini regime and Western governments including the United States.

Hamburg is a not-accidental point of convergence of Central European oligarchical circles doing business in Iran. Ayatollah Beheshti, one of the earliest controllers of the Khomeini movement, was a longtime resident of Hamburg and a member of that city-state's Freemasonic elite. When American spook Theodore G. Shackley initiated the original phase of the arms-for-hostages fiasco by meeting with "moderate" ayatollahs in November 1984, that meeting took place in a Hamburg hotel.

Congressmen back Soviet option

Back in Washington, congressional opposition to Weinberger's Gulf deployment has somewhat shifted away from a head-on confrontation over the issue of President Reagan's refusal to invoke the War Powers Act. On Aug. 20, fifty-two members of Congress issued a letter supporting a role in any post-Khomeini regime for the Iranian Mujaheddin. A broad collection of senators and representatives, ranging from California's Rep. Mervyn Dymally to North Carolina's Sen. Jesse Helms, signed the statement supporting a group that was born out of the "Islamic-Marxist dialogue," a Soviet project based out of the Islamic religious center in Tashkent, the center of Geidar Aliyev's efforts.

Earlier this year in congressional testimony, State Department Middle East specialist Richard Murphy had opened the door to the Mujaheddin by stating that the party should "play a role" in a post-Khomeini political transition.

U.S. and European sources were quick to point out that the sudden rush to embrace the Mujaheddin came after the dramatic public reappearance of the Young Shah in early August. The heir to the Pahlevi dynasty made a series of strong speeches and gave television and newspaper interviews in Paris, vowing on behalf of the Iranian people to restore Iran to a path of development and sovereignty.

After weeks of simply waiting out the American buildup in the Gulf, in the expectation that some policy rift would bring the troops back home with at best a short-lived diplomatic gain, Moscow has now set a wide range of operations into motion. The sum total of those efforts, however, still falls far short of the kinds of empire-satrap games that Moscow was directing before the U.S. Gulf initiative. As long as Weinberger holds sway in Washington, the American presence in the Gulf will keep up the pressure on Teheran, and will also send clear signals that the United States is not about to surrender the Eastern Mediterranean to Soviet hegemony. Moscow's efforts can then achieve only marginal success at best.

Under these circumstances, a wave of international terrorism may be Moscow's only remaining short-term option to alter a strategic situation which has dramatically changed over the course of the summer to favor the West.

'Nuking' U.S.-Pakistani relations

Ramtanu Maitra analyzes why the whole Indian subcontinent is at stake in the latest Capitol Hill foreign policy blunders.

On July 29, the U.S. House Appropriations Subcommittee on Foreign Operations approved a recommendation to suspend fiscal year 1988 military and economic aid to Pakistan until Jan. 15, 1988. The aid is a part of a 1987-92 U.S. aid package to Pakistan of \$4.02 billion.

The subcommittee move is just one of the salvos and counter-salvos in the storm that has descended on the new aid package for Pakistan. The Symington Amendment, passed by the House in 1977, which prohibits U.S. aid to nations with nuclear technology programs that refuse to submit to the London Club's "international safeguards" convention, will expire on Sept. 30. In 1981, that amendment was waived, despite heavy pressure from the "non-proliferation" lobby, enabling Pakistan to receive a five-year \$3.2 billion economic and military aid package, a move that will have to be repeated next month under even less favorable circumstances.

The stage for this critical battle over the U.S.-Pakistani relationship—and the overriding strategic issues that hinge on it—was set by the recent exposé of a Pakistani trying to smuggle specialty steel, which can be used for uranium enrichment equipment, from the United States to Pakistan. This activated a gamut of congressmen and senators who are ready to put the aid package on the chopping block.

Ostensibly, the tough line adopted by the House subcommittee on Pakistan is to send a clear-cut message that the United States will not "encourage" its allies to develop nuclear weapons. In reality, as the sordid history of the vaunted Non-Proliferation Treaty (NPT) and related anti-nuclear legislation documents, the pressure will only help to weaken the ally in question and its ties with the United States. Particularly so in the case of Pakistan—a nation which is confronting more than 120,000 Soviet soldiers across the border in Afghanistan and a growing militant Shia fundamentalist movement manipulated from across the border in Ayatollah Khomeini's Iran.

It is not just Pakistan that is at stake, but the subcontinent as a whole, with its large Muslim population and numerous pockets of Shia majorities. Pakistan has acted as a buffer for the entire region—including India—preventing both Khom-

eini's "Islamic Revolution" and the Soviets from penetrating deeper.

The geographical location of Pakistan and the Soviet invasion of Afghanistan, as well as the Khomeini takeover of Iran in 1979, have made the country a target for destabilization. While the Soviets and Iranians have been actively working inside Pakistan to whip up an anti-American movement, a kind of "grand alliance" against Pakistan has emerged in the United States that brings together the Israeli lobby, the anti-nuclear lobby, the Soviet lobby, and Eastern Establishment, along with the State Department's geopoliticians. They have seized the non-proliferation club to try to batter and control Islamabad.

A strange coincidence

On July 10, Arshad Z. Pervez, a Canadian businessman of Pakistani origin, was arrested. Pervez had been indicted by a U.S. grand jury in Philadelphia on a charge of trying to illegally export 25 tons of maraging steel from a Reading, Pennsylvania-based steel company to Pakistan. The steel was scheduled to be shipped to one retired Brig. Gen. Inam ul-Huq, who runs an import-export company in Lahore, Pakistan. The brigadier general, who has also been indicted by the grand jury, has "disappeared." The Pakistan government has vehemently insisted that it had nothing to do with the alleged crimes. Unofficially, many Pakistani sources state their conviction that the incident was a "setup" from beginning to end.

There is no doubt that Pakistan has been trying to develop the uranium enrichment facility that is a prerequisite for a weapons program—as well as an essential part of a fully independent program for light-water nuclear power reactor development. One leading Pakistani nuclear scientist, Abdul Qadir Khan, has said on more than one occasion that Pakistan has developed capabilities to make nuclear bombs, although the official Pakistani government policy is to refute such statements. Be that as it may, whether Pakistan has developed the bomb-making capability or not, there is no doubt more to the Pervez incident than meets the eye.

The Pakistani government has no reason to buy specialty

steel from the United States, when it is well known that all potential exporters are under quiet surveillance, at a time when the fiscal year 1988 aid package is in the House and the expiration of the Symington Amendment waiver is close at hand. Even if the Pakistani nuclear program needs 25 tons of maraging steel, that the government would involve itself in such an explosive venture at this time can be virtually ruled out. The weapons program allegations have been a constant source of difficulties in the U.S.-Pakistan relationship, as the government is painfully aware.

There is more to it. In an apparently unrelated case, also in July, two Americans were indicted by U.S. Attorney David F. Levy in Sacramento, California for conspiring with a Hong Kong businessmen to export sophisticated electronic equipment, which includes oscilloscopes, to Pakistan between July 1982 and August 1983. According to experts, oscilloscopes can be used to analyze the high-explosive component of a bomb that triggers the nuclear detonation. It was reported that the oscilloscopes were manufactured by Tektronix Company, an Oregon-based firm.

This orchestrated resurfacing of the "Pakistan bomb" issue had the immediate intended effect of unleashing a new round of condemnations of U.S. support to Pakistan and a concerted effort to terminate it for good. Congressmen in the orbit of the Anti-Defamation League of B'nai B'rith, AIPAC (see page 54, for the story of how the money passes hands) and the broader "Project Democracy" mafia are now asking for Pakistan's pound of flesh and also the blood. The strongest criticism has come from Reps. Stephen Solarz (D-N.Y.), Mel Levin (D-Calif.)—both with strong ties to the "Israeli" lobby—and Senate Foreign Relations Committee chairman R.I. Claiborne Pell (D-Pell, an aristocratic liberal Eastern Establishment spokesman in the Senate, issued a diatribe in the Aug. 5 *Washington Post* accusing the Pakistani government of spreading "lies" and demanding: "It is time to get tough with Pakistan."

By early August U.S. Undersecretary of State and Project Democracy asset Michael Armacost was in Islamabad demanding that Pakistan President Zia ul-Haq open up Pakistan's nuclear facilities to U.S. surveillance, a demand which was politely refused as a patent invasion of sovereignty. Pakistan was warned by the State Department that it faces a cutoff of economic and military aid over the arrest of Pervez. Assistant Secretary of State for Near Eastern and South Asian Affairs Richard Murphy, whose former deputy, Arnold Raphael, has just been sent to Islamabad as the new U.S. ambassador, told the House Foreign Affairs Subcommittee on July 21 that the administration is committed to stopping the spread of nuclear weapons.

In particular, Murphy vowed, the administration is committed to enforcing the Solarz Amendment, a 1985 provision to cut off all aid to countries illegally importing "nuclear-related" material.

On the altar of Yalta

There is method in the madness, as columnists Evans and Novak have labored to point out recently. Secretary of State George Shultz, they report, is pushing a doctrine that links an INF arms accord with Moscow to settlement of "regional matters," especially Afghanistan—the Yalta format. Pakistan President Zia, the syndicated columnists imply, may be a bargaining chip in this process. Evans and Novak cite diplomatic sources for the story of the attempt to use a congressional resolution attacking Pakistan's nuclear program to blackmail President Zia into holding back arms to the Afghan Mujaheddin, to soften the Soviet position on a political settlement.

The implications of sabotaging Pakistan aid can also be seen in the Persian Gulf crisis, where current U.S. policy is a refreshing and important departure from the "New Yalta" pattern. Pulling the rug from under Pakistan is one way to destroy the Gulf policy, where Secretary of Defense Caspar Weinberger has successfully fought for a strategy that can effectively check Iranian and Soviet adventurism and simultaneously begin the process of restoring trust in the United States among countries of the region.

It is not difficult to visualize what will happen if the U.S. aid is cut off. Mushahid Hussain, former editor of the *Muslim*, a news daily published in Islamabad and a channel between President Zia and a faction of the Khomeini government, spelled it out in a recent *Washington Post* feature. In case of an aid cutoff, Hussain said, "Islamabad could hit back by making up with the Soviets on Afghanistan, moving closer to Iran and China and defending its security through a region-based foreign policy rather than a policy tied to the apron strings of a distant Godfather."

Such rumblings have also been heard in Islamabad. On July 26, the *Muslim* called into question the country's "controversial" foreign policy vis-à-vis Afghanistan and the Gulf. Commenting on the prospect of U.S. warships visiting the Karachi port when "hostilities between America and Iran may break out in the Gulf any time," the *Muslim* said, "This will contrast sharply with Iranian friendly gestures when Pakistan was involved in wars with India in 1965 and 1971. American friendship may be a great asset for the regime but nothing would make up for the 'strategic loss' that the country is likely to suffer if, in the process of maintaining a special relationship with, the U.S. Pakistan loses its equation with Iran."

"Mr. Junejo has ruled out any change in the Afghan policy," the *Muslim* laments. "It is apprehended that due to the 'American connection' Pakistan's Gulf policy may also lose direction."

Visitors to Pakistan report that the level of anti-American sentiment is already at an unusual high. Withdrawal of aid will certainly spark a replay of 1979, when militants took over the American embassy, at best.

Iranian mines to go off in Bonn

Foreign Minister Hans-Dietrich Genscher is still seeking the company of "moderate" Iranian terrorists.

The Irangate affair has discredited once and for all that myth of the "moderate terrorists in Teheran," who are to be courted by the West "in the wake of the post-Khomeini era."

But the same policy that led to the biggest political scandal in the United States since Watergate, is still kept alive by Bonn's Foreign Minister Hans-Dietrich Genscher, who claims he is doing it "also on behalf of other governments in the West, including that of the United States."

What was once the relic of President Carter's Mideast policy, picked up by the "secret government" inside the Reagan administration, is official government policy in Bonn, in spite of mounting protest from other governments in the West. Thus, the British have been strongly critical though via non-public channels, when Genscher gave his consent to the accreditation of Syria's new ambassador to Bonn, Suleiman Haddad, who is known for his Soviet GRU connections.

Haddad is well-remembered in London from the time when he was military attaché at the Syrian embassy in Nicosia, Cyprus, and coordinated terrorist operations against the British on Cyprus from 1967 to 1978. Also the terrorists that assassinated one of Egyptian President Anwar Sadat's closest confidants, Yusef el Sibai, in Nicosia in February 1978, received instructions and weapons from Haddad, who was expelled from Cyprus shortly thereafter.

Genscher arranged, furthermore, the accreditation of known terrorist operative Mehdi Ahari Mostafavi as Iran's new ambassador to Bonn—a

man whose name was mentioned as one of the main string-pullers behind the 1979 hostage seizure at the U.S. embassy to Teheran. Mostafavi has also been named as one of those who worked closely with GRU-trained Iranian operatives in building the network of Shi'ite terrorists in Lebanon. In December 1986, he was expelled from Austria after 18 months of serving as Iran's ambassador to Vienna. Officially a diplomat, Mostafavi, in reality, had been working to build a "European-wide terrorism network with Vienna as its control-center," as the Austrian press revealed in numerous articles.

The Mostafavi accreditation in Bonn has been attacked in the French media. The influential Paris daily *Le Quotidien de Paris* wrote on Aug. 17 that by "giving his consent to the appointment of a—and not just any—terrorist," Genscher went "too far."

In spite of heavy criticism from London and Paris, Genscher maintains that his policy is "in the interest also of other Western governments," and is currently concentrating on an initiative to make official "contacts between the Iranian moderates and the West." Bragging that the government in Bonn is "the only one in the whole West that Iran keeps official contact with at the moment," Genscher is engaged in a special effort right now to repair the "damage" caused by the Irangate investigations.

In private discussions, some among Genscher's advisers admit quite frankly that this damage is "considerable." Starting out with Genscher's infamous official trip to Teheran in July 1984, the first ever of a West-

ern government official after the fall of the Shah, contacts with the Khomeini regime were intensified. In June 1986, a meeting between German officials and "Iranian moderates" in Hamburg discussed a special initiative to end the Gulf war at the expense of Iraq.

As sources have pointed out, Genscher's pro-Iranian initiative was ruined shortly after, however, when the Irangate scandal blew up in the United States. "This affair closed down many of the carefully developed channels into Teheran," one source stated, "and it took a lot to restore the contacts, as there is deep mistrust in Teheran."

The agreement with Teheran that Genscher and his Iranian foreign minister colleague Velayati would meet in Bonn on July 23, was taken as the "long-expected signal from Iran . . . that the thread lost one year ago could be taken up again." In other words: Genscher intends to continue his Iranian policy from the point reached by June 1986. A prominent Genscher argument is, by the way, not to arbitrate "on behalf of other Western governments," but rather to bring German industry into "a favorable starting position once the war ends and reconstruction begins."

This cannot work, as relations between the West and Iran are heading for open military conflict in the Persian Gulf zone. The situation of late August 1987 is not like the one in June 1986. By aligning with Iran's terrorists so openly, as if the "secret government" inside the Reagan administration has not suffered heavy damage, Genscher has begun a very dangerous game. If his policy is continued, it will move Germany into political isolation, and likely bring down the whole Kohl government—which may be in the "interest of other Western governments," indeed.

Libyan rout in Chad sets back New Yalta

by Thierry Lalevée and Mary Lalevée

What has happened since the beginning of August in the central African nation of Chad, has an importance going far beyond Chad itself, even beyond Africa.

Libya's occupation of the northern province of Chad, the Aouzou strip, since 1973, was a blatant violation of the sovereignty of an African nation, and the West's toleration of that Libyan occupation was a clear signal that the West would do nothing to counter Libyan—and Soviet—efforts to undermine and overthrow African governments.

Now that has changed. The Chadian national army's decisive rout of Libyan troops occupying the town of Aouzou in the Aouzou strip on Aug. 8 means that for the first time for years, Libyan—and Soviet—dictates in Africa have been challenged.

Chad's armed forces conducted a brilliant flanking operation to seize the town of Aouzou, sending mobile units in to attack from the north, where the Libyan defenders were positioned to face attack from the south. Chad troops in Toyota trucks raced in from the northeast, having "annihilated" a Libyan column about 65 kilometers southeast of Aouzou. One Western diplomat was quoted saying, "They just blew in real fast, hell-bent for leather—God help anything that got in their way."

The Libyans lost 650 men in the battle, while Chadian losses were put at 17 dead and 54 wounded. Since the beginning of this year, Libya has lost 6,000 men, of whom perhaps one-third were non-Libyan members of the Islamic Legion, and two-thirds were Libyan.

A Chad diplomatic source commented that Libyan troops "have no will to fight," and that is why Libya has now altered its strategy, avoiding direct confrontation and relying on air bombardments. On Aug. 18, Chad announced that its forces had shot down a Libyan MiG fighter and a helicopter over Aouzou, and there are almost daily Libyan bombardments of Chadian positions. At stake in the complete rout of Libya's forces, is the ability of the West to upset Soviet diplomatic and military gains in the last month.

The Chadian victories will emerge as just as important as

the Western military build-up in the Gulf, aimed at checking Iranian terrorism. Indeed, behind the successful Chadian reconquest of the city of Aouzou, is a war for the future of the entire continent. Chad is the strategic center of Africa, a landlocked, largely desert nation, bordering Libya in the north, Sudan in the east, Central African Republic in the south, Cameroon, Nigeria, and Niger in the west. A long-discussed water project to bring water from the vast waters of the River Zaire up to fill the Lake Chad basin, now virtually dried up, could reverse the desertification of the entire Sahel and green the Sahara.

The significance of Aouzou

A rocky piece of desert, the Aouzou strip was forcefully annexed by the Libyans in 1973, using as a pretext the 1935 Rome Treaty between French Foreign Minister Pierre Laval and Benito Mussolini, which sold the land to the Italians. However, as the treaty was signed by the French President, Albert Lebrun, nor ever ratified by the Italian or the French parliament, it has no international value.

Its importance for Libya is twofold, from the Aouzou strip, Libya can control the Tibesti Mountains, hence the Northern Chadian desert. Secondly the strip is reportedly rich in uranium, a prime raw material for Qaddafi's dream of developing his own military nuclear capability. Following last February's successful Chadian offensive, which freed the entire national territory in the north from Libyan occupation, the liberation of Aouzou was the next target.

Chadian President Hissène Habré had two good reasons to launch the offensive now, despite calls by fellow members of the Organization of African Unity (OAU) or Western powers, to rely on international arbitration at the World Court of Justice in the Hague. In parallel with intensified talks between Washington and Syria in recent months, State department officials had also intensified indirect negotiations with Libya's Qaddafi, through the Algerians. Coherent with American-Soviet negotiations for sharing power in the Middle East, similar plans were being drafted for Northern and Central Africa.

In exchange for having the Soviets and the Algerians commit themselves to produce a new and moderate Qaddafi, American officials promised to stop any operations against Qaddafi. That has included exerting political, economic, and military pressures on Chad to stop claiming sovereignty over Aouzou.

Qaddafi back on defensive

Permanent Libyan occupation of the strip was being condoned by American officials, in the name of the Northern African deal with the Soviet Union under Gorbachov's "openness" (*glasnost*) policy. Other victims of such deals have been both the Egyptians and the Moroccans who have been ordered, with the threat of further cuts in the economic and military aid packages, to reconcile with the madman. In fact, Qaddafi has been using that diplomatic momentum to

rebuild his own forces. Libya is known to have planned an offensive against Chad, sometime in the fall. In recent months, it has built a new airbase at Mantah al Sarah close to Egypt, Sudan, and Chad. It also used economic blackmail against Sudan to strengthen its forces in its western Darfur region.

These were good reasons for Habré to call Qaddafi's bluff now. There are also indications that despite public statements to the contrary, large intelligence and military factions in both France and the United States, which disagree with a "New Yalta agreement" with the Soviet Union, helped Chad as much as they could. In the last two months, some Libyan opposition groups have also joined forces, at least politically, with Habré.

So far Libyan reactions have demonstrated that Tripoli was taken by surprise. Its army is still licking its wounds from last February's defeat. Furthermore, the Soviet Union has not yet replaced any of the millions of dollars worth of military equipment that the Libyans left behind in their hurried retreat.

Libya's inability to muster an immediate ground offensive has been shown by the exclusive use of its air forces against Chadian cities. Qaddafi knows that he has to retaliate. However the statement on Aug. 11 by French Defense Minister André Giraud has shown Libya's limits. Giraud underlined that, without getting involved in Aouzou, France "is committed to the national integrity of Chad" and would be forced to retaliate "including above the 16th parallel" (the former demarcation line between Chad and Libya-occupied Northern Chad) if the bombardment were to continue.

French President Mitterrand's position is not quite so clear. According to Arab League Secretary General Chadli Klibi, who was received by Mitterrand on Aug. 14, he and Mitterrand "reached agreement to consider that there were two distinct problems." The first was "the national unity of Chad," and the second was "the Aouzou strip, which is the subject of international documents, especially French-Italian, and which belongs to Libya according to these documents." This implies that Mitterrand accepts the validity of the Laval-Mussolini accord, flying in the face of Prime Minister Chirac's strong commitment to the territorial integrity of Chad.

However, on Aug. 19, while visiting French forces which are part of the "Epervier" force in Chad to assist the Chadian army, Mitterrand declared that since Chad had won back its sovereignty and unity, the concept of the "16th parallel" was no longer a "military fact," but merely a "geographical fact," i.e. that French troops were no longer restricted to acting south of the parallel.

Qaddafi is once again on the defensive. His failure to retaliate will provoke dissatisfaction inside his own army, but to do so could give Paris and N'djamena a good pretext to inflict another defeat on Libya. Once again, the Libyan army has been defeated by a black African army, no academic issue for the racist Libyans.

Project Democracy's new insights about

by an EIR investigative team

Georgetown University Labor Studies professor Roy Godson, a key figure in the U.S. "parallel, secret government," made a confidential trip to Great Britain during the month of July, *EIR* has learned.

Although Godson is under investigation in the U.S. for shady Iran-Contra financial deals, according to rumors printed in the U.S. press, it may just be a coincidence that in the weeks following his visit, a new round of back-channel hostage deals with the Khomeini regime has been launched from Britain, centered around Lonrho Corporation chief executive "Tiny" Rowland.

What has immediately drawn the attention of security experts is that Godson's visit to the U.K. coincided with a sudden, intense new wave of slanders in Britain against Lyndon LaRouche, labeling LaRouche a Soviet-connected "ex-communist." As editor of the curiously named magazine *Soviet Disinformation*, Godson has expended great energy in circulating the lie about LaRouche being some kind of "Soviet agent." Usually, wherever he goes, this filth follows.

One known fact about Godson's July visit, is that he met with three British leaders of an entity called the "Labor Committee for Transatlantic Understanding" (now in the process of changing its name to the "Trade Union Committee for Transatlantic Understanding"), including Alan Lee Williams, former president of the English-Speaking Union; John Flood, deputy chief of the Union of Shop, Distributive, and Allied Workers; and Peter Robinson, a top official in the U.K. National Union of Teachers.

Godson's connection to the "Transatlantic Understanding" group has recently been a subject of investigative exposés in the U.S. press. Nominally, the group exists to reinforce ties between pro-NATO and pro-defense trade unionists on both sides of the Atlantic. But, like many "Project Democracy" fronts, it actually serves as a policy vehicle for the British Fabian Society and for various social-democratic agencies with historical links to the Soviet ("Bukharinite" wing) intelligence services.

Roy's godfather

The key to the "Transatlantic Understanding" group is also, notHso coincidentally, the key to the career of Roy Godson: his father, Joseph Godson, was a highly influential figure on the British scene until his death last year. Social-democratic insiders in Britain refer to Roy Godson as "Joe's

Roy Godson: his family history

son," speak of Roy Godson's position at Georgetown as having served as a "connection for his father into the U.S.," and affirm that Roy got his Georgetown position ultimately through his father's influence.

One informed London source referred to the elder Godson as an "extremely active person" on the British scene, for approximately four decades, with good connections not only into Fabian/social-democratic and trade union layers, but also to the Israelis (his second wife, Ruth, was, in the 1950s, personal secretary to the Israeli ambassador to the U.K.). Two trade union sources privately affirm that Joe Godson was also active with the "Movement for Moral Rearmament" group, the gnostic-conservative organization which spawned the Reverend Moon sect during the post-World War II period.

According to available accounts, Joe Godson was born in Germany, and left Germany to escape Nazi persecution at an early age. At some point, he joined the U.S. Foreign Service, and, by the late 1950s, he became the labor attaché at the American embassy in London, a position which carries with it extensive political leverage. From the mid-1960s to 1971, he variously served at the State Department, at the U.S. embassy in Yugoslavia, and at the U.S. consulate in Edinburgh. After his 1971 retirement, he spent most of his remaining years in the U.K.

About 1970, Joseph Godson formed the Labor Committee for Transatlantic Understanding, together with Alan Lee Williams, then personal secretary to the Secretary of State for Defense. Williams has an interesting "Trust" pedigree of his own, including consultancy to the British Foreign Office and Fabian Society on arms control, disarmament, and détente during the 1970s; membership in the U.K. branch of the Trilateral Commission beginning 1976; and membership on the Advisory Council of the European Discussion Center, Wilton Park, 1975. Wilton Park is a key post-World War II agency of the "Trust," crucial in designing and perpetuating the disastrous Anglo-American occupation policy for West Germany.

'The Schmidt connection'

The "Germany connection" has been important in the growth of the Labor Committee for Transatlantic Understanding. While the backbone of the group is in the U.K. itself, with a trade union membership today of about 150, it is through the West German Social Democratic Party (SPD),

particularly through the wing of the SPD linked to former Chancellor Helmut Schmidt, that contacts have been built in Europe. Joseph Godson's top European-continent collaborator was reportedly Peter Corterier, a defense expert in the Schmidt SPD wing, who is today working at NATO headquarters in Brussels. Through Corterier, such "right-wing social democrats" as Anne-Marie Renger and others, have been co-opted onto the group's board.

Other "Transatlantic Understanding. . ." European coordinators include Portugal's Mario Soares and Venice, Italy's Carlo Ripa Di Meana, the Commissioner for Culture at the European Commission in Brussels. Ripa Di Meana has been central to Project Democracy, through his collaboration with Jeane Kirkpatrick and others, in various strange capers involving Soviet cultural "dissidents" who have brought Dostoevskian Russian culture into the West.

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Sharon at the center of a political war

by Robert Greenberg

Over the last few months, an unlikely combination of forces, including Israel's Labour and Likud parties and the country's military leadership, has launched simultaneous attacks on Ariel Sharon, the minister of industry and trade, with the clear intent of destroying his political career once and for all. The question that has been asked by U.S. observers in response to this development, is whether Sharon will simply become a scapegoat for all of the incidents which have created serious tensions between the United States and Israel, such as the Jonathan Pollard espionage affair and Israel's role in the Iran-Contra scandal; or, are the attacks on Sharon part of a more serious effort by Israeli factions to dismantle the apparatus that Sharon has represented?

As has been exhaustively documented in *EIR's* Special Report, "Moscow's Secret Weapon: Ariel Sharon and the Israeli Mafia," Sharon has been the point-man for the creation of a Greater Israel, which, along with a Greater Syria, would police the Mideast as part of an arrangement between the Western and Soviet condominium of forces known as the Trust. It was in his capacities as minister of agriculture, defense, and now industry and trade, that Sharon began to implement a plan to turn Israel into a New Venice, a center of money-laundering and gun-running. The expansion of Jewish settlements into the occupied territories of the West Bank and Gaza Strip, and Israel's plan to build the Lavi jet as a key part of its arms export program, were centerpieces of this program.

While it is not yet clear if the entire network that Sharon represents is being targeted, it is certain that over the last few weeks, Sharon's entire program has been threatened with destruction. Any attack on the larger apparatus will have immediate reverberations within the so-called secret government apparatus in the United States, which apparatus has worked hand-in-glove with Sharon and the Israeli mafia. Among the persons whose heads would be immediately on the chopping block, are national security consultant Michael Ledeen, presidential candidate Alexander Haig, Defense Department official Steven Bryen, former Defense Department official Richard Perle, and the entire grouping surrounding former CIA official Ted Shackley.

A national inquiry

The most recent development in the attack on Sharon, was a call by Israeli Foreign Minister Shimon Peres for a state inquiry into the conduct of the 1982 invasion of Lebanon, which was carried out while Sharon was defense minister in the government of Menachem Begin. This unprecedented move by Peres, reversing his previous stance against such an inquiry, came one day after Sharon gave a rambling four-hour speech at Israel's Jafee Center of Strategic Studies, attempting to rebut the charges that he, on his own, masterminded the 1982 invasion. Sharon insisted that the entire Begin government knew about the plan, and thus had to take equal responsibility.

Sharon's defense of both his actions and the invasion created an uproar in the 500-person audience. Chief of Staff Mordechai Gur called Sharon's speech "the lie of the century," while Arye Naor, the former personal secretary to Begin, who wrote a book denouncing Sharon's role in the invasion, called his speech "an example of the newspeak of George Orwell." Former Defense Minister Ezer Weizman, whom Sharon accused of drawing up the plans for the invasion, simply called Sharon a liar.

In calling for the inquiry the following day, Peres made clear that Sharon was the target. Dismissing Sharon's speech as a "media event," Peres stated, "It's not that we weren't told, rather that we were told the opposite. I personally called Mr. Begin. Mr. Begin knew nothing of the bombs. He told me he would check with Sharon."

These are merely the latest in a series of recent attacks against Sharon, ongoing since June. It was in June that Sharon attempted a political coup to take over the leadership of the Likud Party, only to be defeated by a coalition of Prime Minister Yitzhak Shamir and up-and-coming political figure David Levy.

Following that setback, the new Israeli military leadership, under the direction of Israeli Defense Forces head Dan Shomron, began taking on Sharon and his pet projects. In June, Shomron, along with the Air Force Chief of Staff, began denouncing the Lavi project as a waste of money, which, if carried out, would only undermine Israeli security by taking resources away from other badly needed projects. This attack on the Lavi, according to Israeli and U.S. sources, was carried out in coordination with U.S. Secretary of Defense Caspar Weinberger, who has been against the project from the beginning. The fate of the Lavi, which rests with the Israeli Cabinet, is as of yet undecided.

Following these attacks, the military took Sharon head-on when, in his capacity as industry minister, he attempted to dispatch bulldozers to begin clearing the way for new settlements in the West Bank settlement of Avnei Hefetz. In a highly unusual move, Central Command (West Bank) head General Mitza deployed his troops to stop the bulldozers, issuing a statement that he, and not Sharon, has jurisdiction in the West Bank.

A new Malvinas crisis is now building over Panama

by Gretchen Small

While U.S. State Department officials continue to issue their assurances that the Reagan administration's campaign to oust Panama Defense Forces commander, Gen. Manuel A. Noriega, enjoys wide popular backing in Panama and will soon succeed, the worst nationalist backlash against the United States in decades is building in Panama. The U.S. news media's blackout of any news which throws in doubt this assessment, has only worsened Washington's miscalculations on the Panama crisis.

General Noriega has made it clear that he does not intend to resign, that he has the backing of the military, and that he enjoys widespread popularity with Panama's civilian population, if not its bankers.

National and continental support against the United States is quietly building, as the U.S. campaign is increasingly viewed as an attempt to eliminate Panama's military entirely, as the first step to reneging on the U.S. treaty commitment to return full sovereignty to Panama on Dec. 31, 1999.

American policy toward Panama is blindly leading to a new hemispheric crisis, equal to or greater than that created by U.S. support for Great Britain against Argentina during the 1982 Malvinas War. U.S. relations with its neighbors, and in particular, U.S.-Ibero-American military cooperation, have never fully recovered from the damage caused by that 1982 decision, made under the direction of then-Secretary of State Alexander Haig, to ignore hemispheric treaty obligations.

The Teddy Roosevelt problem

"This is our Malvinas," Noriega told an Argentine audience during a mid-August interview. Radio de la Plata's Carlos Varilla had questioned Noriega on the Reagan administration's non-negotiable demand that he be removed from office. "We have left behind the times when the policemen dictated guidelines to Latin American peoples," the Panamanian general answered. "The attack comes from all sides, but the Panamanian people are perfectly capable of defending

themselves."

Noriega likened U.S. propaganda that he is a "corrupt dictator" involved in narcotics, to the campaigns of slander and vilification run against other Ibero-American nationalist military men, including Argentina's Gen. Juan Domingo Perón and Peru's Gen. Juan Velasco Alvarado. "When someone hoists the flag of national dignity, when someone defines himself and says, I am not a 'yes man,' right away, if you are a leader, you must run the risk of being slandered."

Teddy Roosevelt rides again in the United States, Noriega warned. The U.S. campaign "portrays the policeman with the same rifle and the same big stick Theodore Roosevelt used at the time of the 'big-stick' policy, which the United States has imposed on us since 1904. . . . Here is where we have the whole problem. The whole problem lies there."

For his part, Noriega's Argentine interviewer characterized the recent U.S. actions against Panama as "a very grievous meddling in Panamanian internal affairs by the U.S. embassy," so "offensive" that, had it been any other country in the Americas, "relations with the United States . . . would have probably come to an end, at least temporarily."

Washington has been forced to acknowledge that it has as yet received no support from Ibero-America for their anti-Panama campaign. In fact, U.S. actions were censured by an unprecedented majority of Ibero-American nations, when the Panamanians took up the matter at the Organization of American States on July 2.

U.S. 'secret government' hit

On Aug. 11, the four leading members of Panama's diplomatic team assigned to the United States, broadcast an extraordinary, nationally televised "Report to the Nation" on their efforts to halt the emerging U.S.-Panama crisis.

Special Ambassador Aquilino Boyd opened the program with a warning that the U.S. media's disinformation and outright lies on the situation in Panama is playing a significant role in Washington's miscalculations on the Panama crisis.

"I want all Panamanians to understand how grave this aspect of the problem is," Boyd stressed. "To illustrate the problem to you, I can say that if they would give us one dollar for every word of slander, the half-truths, the crafted reports, and the most extraordinary exaggerations which have been published in the U.S. newspapers, you could pay all the foreign debt of Panama, and have money left over."

Ambassador Boyd warned his audience that what is at stake is not the career of one man, Noriega, but an effort to return Panama to the status of a colony, by turning civilians against the military. There are "some misguided people" in the United States, Boyd said, "who seek to disavow what various generations of struggle for sovereignty and the independence of the country, managed to achieve in the Torrijos-Carter treaties, thanks to the union which had been produced between the people and the National Guard."

"One message I believe we have made very clear [in the United States], is not to try to destroy the Defense Forces of Panama, because the medicine could result in worse than the disease for them," he said.

In his report, José Blandón, Panama's Consul General in New York, named the "invisible government led by the group of McFarlane, Poindexter, and North" as the agency which had launched the anti-Noriega war, which he called "a campaign essentially aimed at the liquidation of the government of the Republic of Panama."

Students who have joined the opposition, should "meditate a couple of minutes" on what we have found here, Blandón urged. Do they know that they have fallen into a trap laid by this "dictatorship of three" which "hid information from the President of the United States himself?" It was Poindexter and North who initiated the campaign to destabilize General Noriega, after Noriega refused to support the Contra policy, and instead argued that the Central American militaries must participate in the search for peace in the area, Blandón charged.

Admiral Poindexter provided the "dossier of false information" which *New York Times* reporter Seymour Hersh used to write the June 12, 1986 attack against Noriega which is still used to "prove" Noriega's "corruption," he reported. Blandón named two ex-members of the National Security Council, Norman Bailey and Constantine Menges, as the sources for Poindexter's dossier, and charged that the purpose was to "create confusion against Panamanian leaders and cover up what was occurring in the Iran-Contra case."

Without a military, a colony

Panama's opposition movement has made public that it and its foreign backers, are indeed seeking the outright elimination of the military. On July 19, the opposition daily *La Prensa* ran a guest opinion column entitled "Between Utopia and Reality: Panama Does Not Need an Army." Author Gabriela Ortega was succinct: "To have a valid and true democracy, we must dismantle the misnamed Defense Forces, Civil Police, Coast Guard, and Border Police. . . . Until we do

this, we will not have democracy in Panama." If Panama is attacked, it can call on U.S. troops to defend it, she concluded.

The article held up Costa Rica, which has no army, as the example to be followed. As crazy as such an argument may seem, Ortega was merely repeating a policy outlined by the U.S. State Department in an August 1984 policy paper on "Democracy in Latin America and the Caribbean." That paper praised the Costa Rican Constitution as exemplary, precisely because it "permanently eliminated the army . . . to end any institutionalized military threat to elected civilian government."

On Aug. 12, Panama's right and necessity, as a sovereign nation, to have a national military, was the central issue addressed at the celebrations marking the third anniversary of the creation of Battalion 2000, the Defense Forces' elite corps which is preparing to take charge of the defense of the Panama Canal on Dec. 31, 1999.

Panama's history has been one long fight against "interventions and humiliations by a foreign power" which sought to prevent Panama from being a "free and independent nation," General Noriega told the military men and civilians attending the rally. The first act of Teddy Roosevelt's government, to ensure Panama did not escape from colonial status, was the elimination of its army.

"We remember that one year after the separation [from Colombia], in 1904, Gen. Esteban Huertas was sent to Europe, on the excuse of carrying out some studies of vital importance for the National Army. It was a strategy of the United States," Noriega stated, "which did not want an organized army in Panama."

"The government of that day followed orders, and dissolved this army. . . . The National Army was transformed into a police force. . . . We then had a 'whistle and nightstick' police force, without presence, unattended, and ignorant—at the orders of the domestic oligarchy and a foreign army," Noriega continued.

In 1915, the local oligarchic government followed U.S. orders again, and forced the police to turn over all heavy weaponry, leaving them only their revolvers.

In 1919, U.S. troops occupied Panama's northern province of Chiriqui, and stayed for two years, he added.

Under Noriega's command, the professional military has been reestablished, for the first time since 1904. Other speeches given by military men at the celebration, joined Noriega in their commitment to maintaining that professional army, and its commander, General Noriega.

"The PDF of today is not the Guard of yesterday," Col. Elias Castillo stated. "Our commander, Gen. Manuel Antonio Noriega, embodies in the highest degree, the virtues of the Panamanian soldier, and therefore is an honor to the institution which he heads."

Both officers emphasized, as Ambassador Boyd had in the diplomats' "Report to the Nation," that Panama's military is

distinguished within the region for the support it has won from the population, as the leading institution in the country defending their economic and social betterment, through the PDF's emphasis on "civic action."

"We say to our brothers in arms in Latin America, civic action is preventive," Noriega said. "It is the identification of the uniformed man with the needy population. It is the gun converted into pick and shovel in the hand of the peasant. . . . We feel proud that our . . . Civic Action programs were taken by U.S. General Gorman to other countries as an example, and were considered by General Galvin to be the realization of peaceful coexistence."

Colonel Castillo reminded the troops that the PDF has adopted the self-conception of being "Christian knights" with the responsibility to slay "the demon of ignorance, abandonment, and backwardness." It is this commitment which has kept Panama from being pulled into "the vortex of violence which provokes desolation and death" engulfing Central America, he added. "These are the battles where sovereignty stops being a simple word, to become a sign of victory."

General Noriega warned again: The reaction to the United States' attempt to keep colonial relations to Panama has only begun. "There exists a third force, silent and on the sidelines, which will claim positions or situations. I have met with them

several times, and I want to make clear publicly before the nation . . . that they exist. These are the popular forces, which have not yet joined in at the negotiating table."

From slander to assassination threats

The U.S. State Department's "big stick" tactics seem to worsen in direct proportion to the weakening of domestic opposition inside Panama.

The opposition's Aug. 18 general strike was an acknowledged failure. Originally planned to continue indefinitely until Noriega resigned, the strike's organizers were soon forced to reduce the plan to a one-day strike. When that failed, organizers blamed government repression and threats. Nonetheless, despite large U.S. government support, the opposition has shown itself incapable of gaining support outside the offshore financial center and circles of radical left-wing university students.

On Aug. 13, the *Washington Post* identified the existence of a special Justice Department task force seeking to get Noriega charged with drug-running, and if possible, extradited to the United States to be tried. Running that "get Noriega" operation is none other than Deputy Attorney General Stephen Trott, the same official who, along with Assistant Attorney General William "Soviet Justice" Weld, suppressed any investigation into cocaine running by the Nicaraguan Contras. Trott and Weld are also the men running the Justice Department's "Get LaRouche" campaign.

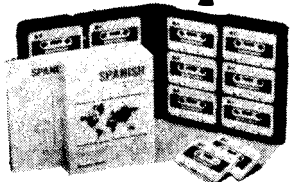
According to the *Post*, on July 16, Trott called a special meeting at Justice, at which he ordered every relevant U.S. government agency to go out to "pull together" anything that existed on Noriega, to "see if it was prosecutable." Now, under Trott's direction, FBI and Drug Enforcement Administration officials are busy collecting "every snippet that they have" on Noriega—the man to whom U.S. DEA head John Lawn, only a year earlier, had expressed his "deep appreciation for the vigorous anti-drug trafficking policy that you have adopted."

Threats to assassinate Noriega have also been floated. That "option" was suggested in an editorial guest column published in the *Baltimore Sun* on Aug. 8.

Gwynne Dyer, writing from London, compared the Reagan administration's "problem" with getting Noriega to resign, to similar U.S. problems in Vietnam in the early 1960s. "The U.S. eventually found it necessary to organize the assassination of its original ally, Ngo Dinh Diem, whose corruption, inefficiency, and massive unpopularity were hampering the war effort," she wrote. Her conclusion: "General Noriega is still grimly hanging on to power, but Washington has tacitly given its assent to his removal. It will probably not be long."

When *La Estrella de Panama* reported that a plan to kill General Noriega existed, the U.S. embassy in Panama issued a protest note, and demanded a correction—from *La Estrella*, not the *Baltimore Sun*.

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Argentine Church rips Alfonsín culture mafia

by Cynthia R. Rush

The Argentine Bishops' Conference has put President Raúl Alfonsín on notice that it will not stand idly by while the ruling Radical Civic Union (UCR) attempts to replace the nation's strongly Catholic cultural matrix with the pessimism, hedonism, and relativism appropriate to the post-industrial society which international bankers want to impose on Argentina in the name of "democracy."

In a document published on Aug. 5, the bishops confronted the government on the issue of the latter's educational reform—part and parcel of its economic austerity program—whose program for sex education and liberalization of school curricula has outraged many citizens. The bishops warned against those who, under the guise of "modernization," seek "a real change in culture, that is, of the values which constitute the Nation's lifestyle, and which make up its identity."

This controversy came to a head recently when educational authorities tried to ram through a pilot sex education program in the province of Mendoza. But as early as May 1986 the National Directorate for Middle School Education began circulating a call by the "Community Psychology Workshop" to create "a sex education workshop for health." Among the topics to be discussed at this workshop, were "sexuality . . . new contributions to sexology . . . erogenous zones, masturbation . . . the teacher as a sexual orienter." The circular, which was distributed to high school teachers, emphasized that "the proposed methodology implies that each individual become the protagonist of his own learning process, through lucid, graphic, and bodily experiences, expositions, and work in groups."

As has already been seen in the United States and other industrialized nations, these sex education programs have only one purpose: to substitute the family's role in teaching moral values with a system in which all notions of absolute truth or morality are discarded; the student is left to experiment with whatever makes him "feel good"—drugs, sexual perversion, even suicide. Children "educated" in this manner, can hardly make judgments about what is good or bad in the society around them.

The bishops' document addressed this issue directly: "A false conception of freedom cannot erase the distinction between good and bad. Freedom is man's capacity to realize

[his potential], choosing the path of what is objectively good and just." The document underscored that "the healthy pluralism which we accept, cannot lead us to an unbelieving relativism."

Hedonists rally

Italo Di Stéfano, archbishop of San Juan and president of the Church's Pastoral-Social Affairs Commission, put it more bluntly. In a late-July comment to the press, he warned: "Argentina's decline is evident. With its economy wasted, its productive forces diminished, the family disintegrated, religion discredited, and the national community dispersed, the systematic insinuation of hedonism is upon us. . . ."

Pointing to the Education Ministry's promotion of sex education workshops, Di Stéfano warned that "we no longer stand before a neutral State. Shortly, we can expect that the much-publicized Argentine homosexual munity will also demand that its practices be taught" in schools!

The target of what Di Stéfano correctly characterized as "cultural aggression," is Argentina's traditionally strong current of cultural optimism, due in large part to the development of its scientific and technological capabilities. Gen. Juan Perón's founding of the nuclear energy program in the 1950s was one such achievement.

The International Monetary Fund, and its local allies, have almost succeeded in dismantling Argentina's industrial and scientific apparatus, through repeated application of "adjustment" programs, such as Raúl Alfonsín's orthodox Austral Plan. The *Washington Post* could hardly contain its enthusiasm when it reported on Aug. 14 that Argentina's nuclear program has come to a virtual standstill.

Coinciding with this, the Argentine population has witnessed a dramatic increase over the past four years in the national drug trade and drug consumption, especially among youth, the unbridled growth of pornography, and well-financed propaganda campaigns favoring divorce, abortion, and "sexual freedom." This is what UCR national Deputy Federico Storani had the nerve to call, "the transition to democracy." It's no wonder that Moscow's Latin American Institute of the Soviet Academy of Sciences loudly proclaims that Alfonsín's "democracy" is "the route that we want to follow!"

The bishops replied: "We want to grow in those values which define us as a Nation. . . . We want to be Argentines, part of Latin America with 500 years of evangelization, part of a world which advances in science and technology, to which we must offer the values of our identity, while we [become] enriched with theirs."

Storani tried to dismiss the bishops' response, claiming that "authoritarian elements" in the Church wish to "limit the [population's] freedoms." Apparently, not all Argentines agree. In the Aug. 2 special election for governor in San Juan, the UCR candidate lost the race, accused among other things, of being the candidate of "free sex."

The battle over the 'diferendo'

Will Venezuela and Colombia step back from the brink, before a new "Central America" explodes in South America?

A Colombian ship patrolling coastal waters off the Colombian Guajira Peninsula was approached by several Venezuelan warships Aug. 9 and ordered to withdraw under threat of attack. The corvette *Caldas* refused to budge, claiming it was well within Colombia's 12-mile territorial waters limit. The standoff lasted over a week, while Venezuelan xenophobes gave public vent to their outrage at the "invasion" and Venezuelan President Jaime Lusinchi fired off a formal letter of protest to his Colombian counterpart, denouncing the "provocation."

The Venezuelan military was put on alert, and heavy artillery and F-16 fighter-bombers moved to the frontier. Venezuelan Army Minister Italo del Valle conducted a 72-hour "efficiency" tour of all border posts, and various Venezuelan national guard post commanders were reportedly urging Venezuelans living in Colombia to return home at once. *El Mundo* in Caracas reported "intense movement of patrols" on both sides of the border.

On Aug. 17, the Colombian Navy withdrew the *Caldas*, and sent three rocket-carrying corvettes to the disputed area to "carry out sovereignty maneuvers," according to the Bogota daily *El Tiempo*. Colombian naval sources denied that the *Caldas* had abandoned Venezuelan territory, "because it never left Colombian waters."

Media in both countries are hyping tensions. *El Siglo* in Colombia lied that the two Presidents had brawled over the telephone, later denied by both

sides. Venezuela's *El Universal* wrote that if Colombia did not yield this time, Venezuela could take "more drastic action, including in the military, social, or trade areas." The border between Venezuela's Paez state and the Colombian department of Vichada has been closed, and other common border regions "virtually closed," according to sources.

Both Presidents have gone into closed-door sessions with their cabinets, their military commanders, diplomatic advisers, ex-Presidents, heads of political parties—you name it. Each has emerged claiming the full solidarity of their people in a "just cause."

The oil-rich maritime territory in dispute is the so-called *diferendo*, a bone of contention between the two Andean neighbors since at least 1939. There have been similar incidents in the past, triggering hostile exchanges which eventually died away. Nearly every administration, Venezuelan and Colombian, has been able to claim at least one negotiated "agreement." And so the dispute dragged on.

What makes this time different? First, there is the narco-terrorist factor. Colombia is a nation being hit by Soviet-run irregular armies which combine drug traffickers and terrorist bands from at least four nations. It is therefore highly vulnerable to destabilization. The constant incursions of the narco-terrorists across the border into Venezuela, and the extension of drug-trafficking routes into that country, have posed the need for a joint war to combat narco-terrorism.

Blocking such a unified strategy is easily accomplished, by bringing the heated *diferendo* issue to life.

Second, there is the economic factor. While both countries are suffering from declining export revenues and soaring debt service costs, Venezuela has suddenly found itself without the funds to meet operating needs and debt service charges. Its desperate calls for fresh credit have been met by counter-demands from international bank creditors for agreement to a refinancing scheme bearing conditions impossible to meet. Faced with a difficult election period, President Lusinchi could stand a diversion. Only this one could get out of hand, very quickly.

In a speech Aug. 19, Lusinchi denounced the Colombian government's defense of the *Caldas* affair as "a biased and slanderous interpretation," and charged that "nothing can justify the invasion of maritime territory over which our country . . . has irrefutable rights." He ominously warned Colombians living inside Venezuela to "cooperate." He also rejected as "unviable" a Colombian government proposal to form a mixed "permanent conciliation commission" to appeal to the international court at The Hague for a solution to the conflict.

An Aug. 17 editorial in the Bogota daily *El Espectador* had the most rational comment to offer about the conflict, which it labeled "anachronistic": "The possibilities for joint economic development, in parallel action and dedicated to defense of continental democracy, are immense. . . . We also feel that it would be criminal to give ourselves over to an arms race . . . that the merchants of death will try to instigate, knowing well that it is the best way to fill their pockets. [And] we must not forget those who, for political reasons, could be interested in

International Intelligence

Patriarch Demetrios I visits Russian Church

Demetrios I, the Patriarch of Constantinople, flew from Istanbul to Moscow on Aug. 18, on a 12-day official visit to the Russian Orthodox Church, the first such trip by the spiritual head of world Orthodoxy for 400 years.

Demetrios said that his visit was designed to strengthen the historical bonds between Constantinople and the Orthodox churches of Russia and Georgia. His mission, according to the *Times* of London, "oddly enough" has the consent, if not the approval, of both Greece and Turkey. He flew to Moscow on an Olympic Airways plane specially chartered by the Greek government; he is traveling on a Turkish passport.

In Moscow, the Patriarch is expected to meet not only Patriarch Pimen of the Russian Orthodox Church, but also Mikhail Gorbachov. From Sept. 11-29, Demetrios will visit Bucharest, Romania, Belgrade, Yugoslavia, and Sofia, Bulgaria, as well as the Orthodox center at Chambesy, near Geneva, where preparations are in progress for the next Orthodox Council. He will visit Greece Nov 13.

Soviets take the lead in submarine design

With Soviet advances in "superconductive materials" and "smaller electromagnets," according to the latest edition of *Jane's Fighting Ships*, "it is willful self-deception to ignore the probability that there is today at sea a submarine of tremendous power, of considerable silence and propelled not by a propeller but by skate-like ripple of water."

Capt. John Moore, who edited 15 of the annual naval publications, states that he believes that a number of Russian submarines, including the Victor III, Sierra, and Akula Classes, are fitted with the new revolutionary, magnetohydrodynamic, propellerless propulsion system, and with a much smaller

engine based on superconductivity. He contrasts innovative Soviet designers with the "conservative" approach of their Western counterparts—particularly in the United States. "There has been little basic change in American attack submarine affairs during the last 15 years," Moore writes. "Because of conformism, conservatism and complacency, the U.S. Navy will not have a radically new design of submarine at sea until 1994."

Moore urges NATO to invest "large sums of research and development money" to deal with the threat. In case of war, "both sides would be crucially dependent on the capability of their ASW forces and, in 1987, any complacency on the part of the Western authorities could be as disastrous as was the British attitude 50 years ago."

Dope bankers, communists mobilize against García

On Aug. 13, Peru's Chamber of Deputies approved the law, submitted by President Alan García, nationalizing the commercial banks. But the law still has to be approved by the Senate, and the dope bankers' faction, led by Sen. Manuel Ulloa, the former prime minister and Chase Manhattan Bank representative, is mobilizing to block it.

The measure was announced by the President on July 28, in an effort to stop drug money-laundering and capital flight. But when a judge issued an injunction against the nationalization, García submitted it to the legislative branch for a vote.

The measure will face a tough fight in the Senate, where García's APRA party is weaker than in the lower house. With APRA controlling almost exactly half the Senate, it will depend on votes from the United Left. The Communist Party is trying to box García in, by demanding amnesty for jailed terrorists and nationalization of companies allegedly linked to the bank cartels, without any compensation—as the condition for their support.

Ulloa's newspaper *Expreso* is charging García with fomenting "class struggle," and

Manuel D'Ornellas, the paper's top columnist, concludes that García himself is responsible for the coup d'état which is coming.

The political battle is being fought out in the streets, with mass demonstrations by both sides on a daily basis. On Aug. 14, bank functionaries held a rally, demanding García's ouster. García is addressing rallies all over Lima, and plans to take his campaign to the outlying cities of the jungle as well. In his speeches, he is drawing a distinction between industrial capital, which furthers the development of the nation, and financial capital, which thrives on usury and the narcotics traffic.

Khomeini's son meets U.S., Israeli officials

Ruhollah Khomeini's son Ahmed met with Israeli and American negotiators in Geneva over a three-day period, according to accounts published on Aug. 14 in the Swiss dailies *La Suisse* and *Tribune de Genève*.

The meetings were prompted by the Iranian desire to "keep channels of negotiations open to avoid a direct military conflict" in the Persian Gulf, according to *La Suisse*. The Iranian delegation also met with Israeli negotiators on Aug. 11 to review the case of two Israeli prisoners in Teheran. Quoting "West German sources," the newspaper reported that meetings were held in two hotels and various safehouses provided to the Iranians by a retired certain Italian private detective.

Ahmed Khomeini is known to visit Switzerland regularly. Besides keeping channels of negotiations with Washington open through this means, he is known to have several private bank accounts at Crédit Suisse and Lloyds, where he has built up a several hundred million-dollar war chest, for the "post-revolution period."

West German Foreign Minister Hans-Dietrich Genscher is also known to have a Crédit Suisse bank account, which Iranian exile sources say was opened for him in order to receive the commissions on his var-

ious deals with Khomeini's son-in-law, Sadegh Tabatabai.

Colombia mafia chief released from prison

Pablo Escobar, the Colombian mafia chief-tain, was released from jail on Aug. 12 by Judge María Inés Ramírez de García, along with 14 other mafia killers. They had been detained for one year on charges of murdering Justice Minister Rodrigo Lara Bonilla in 1984. Lara Bonilla was a staunch advocate of the War on Drugs. The judge ordered the lifting of all arrest warrants and embargoes on Escobar's properties.

José Salgar, whose father-in-law, *El Espectador* publisher Guillermo Cano, was murdered by Escobar's gang, issued a statement expressing his shock at the judge's move, "after seeing atrocities as great these days as the amnesty for those directly responsible for the national crisis, to see them lift the embargo from the goods of the mafia, amnesty those responsible for crime, absolve the heads of this national dissolution." Salgar called for "an urgent alliance between business groups, the Church, and the press to rescue our country from the crisis."

Soviets move to boost relations with Israel

Nimrod Novik, a representative of Israeli Foreign Minister Shimon Peres, met for 10 hours in Bonn, West Germany with Vladimir Tarasov, a Middle East specialist and senior official of the Soviet foreign ministry, the weekend of Aug. 15. They agreed to establish regular political contact between Israel and the U.S.S.R. for the first time in 20 years.

Peres is expected to meet with Soviet Foreign Minister Eduard Shevardnadze in New York in August.

Other subjects at the Bonn meeting included an international peace conference on the Middle East, the status of Soviet-Israeli

bilateral negotiations, and Jewish emigration from the U.S.S.R. Following the meeting, Peres told the Israeli media that he had "cautious optimism" about the results, but that Soviet attitudes toward Israel were still being worked out.

Meanwhile, Israel and Hungary are resuming diplomatic contacts, with the opening of offices in each other's capitals. The *Financial Times* of London reported on Aug. 19 that there have been several high-level meetings between Hungarian and Israeli officials recently, the first since Hungary cut off relations with Israel after the June 1967 Arab-Israeli war. In July, Yeshayahu Anug, the deputy director-general of the Israeli foreign ministry, traveled to Vienna, where he held talks with officials from the Hungarian foreign ministry.

Sri Lankan President escapes assassination

Sri Lankan President Junius Jayewardene survived an assassination attempt against him on Aug. 18, just two weeks after India and Sri Lanka had reached an agreement to defuse the ethnic-separatist tensions in the region. One member of Parliament belonging to Jayewardene's United National Party was killed in the attack, and several ministers and parliamentarians were injured.

A group called the Patriotic People's Movement claimed responsibility. This is a Sinhalese group opposed to the peace agreement, which granted the Tamil minority an autonomous region, and disarmed the Tamil guerrillas. For months, a war has been building between the Sinhalese Buddhists of Sri Lanka and the minority Hindu Tamils.

At the time of the assassination attempt, Jayewardene was giving a speech to members of his party on the peace agreement, when shots were fired from a small service room. The Indian government sent a message of condolence.

Jayewardene, after the shooting, urged the Sinhalese population to be calm, and said that attempts to destroy the peace plan will not succeed.

Briefly

● **EUROPEAN LEADERS** must advise President Reagan against the zero option arms-control deal, writes Gerald Frost, director of the Institute for European Defence and Strategic Studies in London, in the *Times* of London on Aug. 20. "Without substantial improvements, a deal based on the 'zero-zero' option risks a neutral West Germany, the crumbling of an already battered Western Alliance, and the end of the U.S. as a superpower," he warns.

● **MOSCOW** is promoting the growth of the Azerbaijani separatist Turkish Democratic Party in the eastern region of Turkey bordering the U.S.S.R. and Iran, according to U.S. intelligence sources. The intent of the operation is to intensify pressure on Turkey, and put the sensitive border regions under de facto Russian military control.

● **THE SOVIET** foreign ministry has set up a department of Japanese Affairs, in the newly established Bureau of Countries of the Pacific Ocean and Southeast Asia, Kyodo press reported, citing sources at the Japanese embassy in Moscow on Aug. 14.

● **ARMAND HAMMER** personally delivered to the Israeli prime minister's office three new identity cards "supplied unexpectedly by the Soviet Union" in John Demjanjuk's "Ivan the Terrible" war crimes trial, reported the *Jerusalem Post* Aug. 12. Prosecution lawyers are trying to discredit the testimony of a documents expert, Edna Robertson from Florida, who claims that certain documents used against Demjanjuk are forgeries.

● **THE JAPANESE** Astronomers' Association, which consists of 500 professionals, issued a statement Aug. 13 opposing the Japanese government's decision to participate in research for the U.S. Strategic Defense Initiative, the *Japan Times* reported Aug. 14.

AIPAC, the drug lobby, and ayatollahs in Congress

by Joseph Brewda

On Aug. 17, Reagan administration spokesmen officially confirmed earlier reports that the White House will submit to Congress a proposal for a \$1 billion arms sale to Saudi Arabia to Congress when it reconvenes this fall. The proposed weapons sale, which will include 1,600 Maverick anti-tank missiles and 14 F-15 jets, is urgently required to build up Saudi Arabia's capabilities against the lunatic Iran regime, and to provide crucial support to the U.S. fleet now stationed in the Persian Gulf. Informed sources state that if the package is blocked by Congress, the political, and military, repercussions in the Middle East will be devastating.

The Saudi proposal is essentially a resubmission of an earlier package which had been announced by the White House last May. Within two weeks of the announcement, 260 congressmen co-sponsored a resolution calling for blocking the sale, and President Reagan withdrew the proposal. The reason for these congressmen's behavior is to be found in the operations of an obscure Washington-based organization called AIPAC, the American Israel Public Affairs Committee. Immediately after the announcement of the first proposed sale, AIPAC mobilized its congressional stooges. It is now hard at work sabotaging the second.

Insiders in the administration correctly see the upcoming September fight with AIPAC as the greatest test yet of whether the U.S. presidency, and this President in particular, has the will to overpower what is popularly referred to as the "Israel lobby." If Reagan cracks under AIPAC pressure, it is doubtful that anything of value will come out of the President's remaining months in office, despite the promise the Gulf deployment holds for reversing seven years of insane strategic policies pursued by the United States in the region.

AIPAC's capabilities within the Congress are impressive. As far back as 1970, AIPAC played an instrumental

role in derailing the Nixon administration's "Rogers Plan" to secure peace in the Middle East, by mobilizing 250 congressmen against it. As a result of the collapse of the Rogers Plan, the United States got Henry Kissinger as Secretary of State, "détente," the 1973 Middle East war, and the crippling increase in world oil prices. It was AIPAC that blocked a U.S. arms sale to Jordan in 1986, sabotaging motion for a Mideast peace plan at that time. On Aug. 5, AIPAC induced 100 congressmen to file an outrageous suit in U.S. District Court in Washington, to compel the President to invoke the War Powers Act as authority for his Gulf deployment.

What is this AIPAC, that it can so effectively deploy Congress against the U.S. presidency and vital U.S. national security interests?

The AIPAC empire

AIPAC had been formed as a registered lobbying organization back in 1951 by I.I. Kenen, then a paid, registered agent of the Israeli government. While the formal purpose of AIPAC is to lobby the U.S. government on behalf of "pro-Israel" policies, it would be more accurate to designate the lobby's policies as "pro-Meyer Lansky," reflecting its mob origins and control.

Being formally registered as a lobby, AIPAC is precluded by U.S. law from any involvement in electoral fundraising. Only Federal Election Commission registered "political action committees," or PACs, are legally allowed to engage in such fundraising. Despite the law, AIPAC effectively controls the largest group of single-issue PACs operating in the United States today, to the degree that AIPAC funds can make, or break, congressmen or senators. These PAC contributions are not the only source of power of an organization like AIPAC by any means. There is also blackmail, and the

conducting of vast amounts of illegal funds outside of PAC reporting procedures. But the money officially mobilized by AIPAC's PAC empire, in itself, goes a long way toward explaining Congress's bizarre behavior on Middle East-centered issues.

A recent study by the *Wall Street Journal's* John Fialka gives some insight into this syndicate.

AIPAC has two ruling bodies, its executive committee, and its national council. Of the 131 members of AIPAC's executive, at least 26 are known to be chairmen, treasurers, or controlling officers of PACs; of the 200 members of AIPAC's national council, at least 23 have similar positions. Typifying this arrangement, AIPAC's president, Robert Asher, directs a PAC, as does AIPAC's chairman of the board, and two of its six regional vice presidents. These 49 AIPAC officers control 40 PACs, whose total legal contributions during the 1986 congressional campaign was \$3.6 million. By comparison, the largest single-issue PAC empire, outside of AIPAC, that run by the National Association of Realtors, contributed \$2.7 million.

These 40 AIPAC PACs, moreover, are the leading edge of the estimated 80-90 "pro-Israel" PACs operating today, which contributed upwards of \$6.9 million in the 1986 campaign cycle. Most of these 40-50 other PACs give money based on AIPAC's lead, and many are most likely formally controlled by AIPAC.

The drug lobby and Congress's ayatollahs

Tables 1 and 3 list the top AIPAC congressional and senatorial recipients, drawn from an *EIR* analysis of Federal Election Commission records of PAC contributions to the 1986 campaigns. **Tables 2 and 4**, listing the committee positions of these congressmen and senators, give some indications as to why these individuals were chosen.

Any group which contributes 5% or so to a candidate in a tightly contested election, can determine the victory. But these figures only tell a small part of the story, as can be seen below. AIPAC has 55,000 members. One of its PACs, NAT-PAC, controlled by former AIPAC political director Richard Altman, has 41,000 members. The aggregate membership of AIPAC and its 40 PACs, even allowing for extensive overlapping membership, is consequently large, and obviously inclined to give large sums in an election. These contributions are all based on whether or not a candidate gets the AIPAC seal of approval, in the tons of AIPAC and PAC literature sent out each year to its membership and broader periphery.

What percentage does the combined AIPAC PACs, PAC membership, and sympathizers contribute? Take the case of former Illinois Congressman Paul Findley, whose 20-year tenure was ended by a AIPAC mobilization against him in 1982. According to AIPAC director Tom Dine, \$685,000 of the \$750,000 raised by Findley's successful opponent Richard Durbin, was mobilized by AIPAC's propaganda campaign. Thus, in this case, where AIPAC's known PACs officially contributed \$77,000 to the Durbin campaign, the

actual total funds mobilized for Durbin were almost nine times that amount!

Going to Table 1, we can therefore calculate that if the same "gear ratio" of AIPAC PAC contributions to total AIPAC influenced contributions is maintained, as in the Durbin case, 16 of the 27 top AIPAC PAC recipients in the 1986 congressional elections received more than 20% of their total receipts directly through AIPAC's mobilizations! Six of these 27 received over a third; and one, Edward Feighan, over half from the AIPAC network. Ask any congressional aide how his congressman would respond to the demands of a organized constituency bloc which accounted for over a fifth of his campaign financing. Even if AIPAC director Dine's projections are somewhat exaggerated, his account roughly corresponds to the perception of AIPAC's capabilities by Congress.

Moreover, AIPAC has the capacity to field large sums unexpectedly in remote states, for targeted campaigns. Thus the largest recipient of AIPAC PAC sums in 1986, Thomas Daschle of South Dakota, was flooded with funds from as far away as Miami, New York, and Los Angeles, in order to allow Daschle to successfully bounce Sen. James Abdnor, an Arab-American. One-third of the total contributions given in the 1984 congressional elections by self-defined pro-Israel PACs, went to members of the House Foreign Affairs Committee and the Appropriations Subcommittee on Foreign Operations. Forty-four percent of the \$1.8 million raised by pro-Israel PACs for Senate in 1984 went to the opponents of five Republican senators who had voted for the 1981 AWACS sale to Saudi Arabia.

AIPAC is certainly an expert in PAC law. Its board member, and top attorney, David Ifshin, had been Walter Mondale's campaign counsel, and was implicated in Mondale's laundering of \$3.5 million in funds, through illegal Mondale PACs, in the 1984 campaign. Despite the fact that Mondale was caught red-handed in overt fraud, the campaign was merely required by to pay \$350,000 by the oh-so-understanding FEC. Perhaps this reflects the fact that Ifshin, a Humphrey-Mondale operative since his days as president of the CIA-funded National Student Association, helped draft the PAC guidelines in the 1974 amendments to the 1971 Federal Election Campaign Act.

And to say AIPAC is an expert in money laundering would hardly be an overstatement. AIPAC's board is graced by Kenneth Bialkin, for example, the attorney of mafioso Robert Vesco, whose firm helped launder \$250 million of Vesco's funds from Switzerland. Bialkin is joined on the board by Max Fisher, whose career as a mobster started as a bag man for the notorious Purple Gang, and later progressed to become the head of the Jewish Agency, which even the Israeli government bitterly complains is looting it.

Then there is former AIPAC director and current AIPAC board member Morris Amitay. Despite the efforts of AIPAC recipients like Sen. Daniel Inouye (D-Hawaii) to suppress any mention of Israel at the recent, farcical, Iran-Contra

hearings, the name Amitay has come to the surface. It was Amitay who approached National Security Adviser dewsigned Richard Allen back in 1980 to sound out the incoming Reagan administration on its policy toward Israel's arm sales to Iran. As the world now knows, the Reagan administration accepted Amitay's offer, made on behalf of then-Israeli military attaché in Washington Gen. Menachem Meron. Just how much of the millions, which subsequently flowed back and forth to Iran, went through the AIPAC PAC network? Look at the behavior of the Inouye crowd in suppressing the Israeli role in the Iran sales, and judge for yourself.

For such reasons, every incumbent senator running for reelection, but one, agreed to meet AIPAC during the 1985-86 campaign, according to AIPAC's Tom Dine, as did 49 senatorial and 205 House challengers. Former AIPAC director Morris Amitay, who now directs his own AIPAC PAC,

estimates AIPAC's "reliable base" as 200 members of 485 in the House, and 40-45 members of the 100-man Senate.

AIPAC does not restrict itself to buying congressmen. Already, most Democratic and Republican presidential campaigns are heavily infiltrated by AIPAC operatives, whose role is to secure large financial receipts—for a price. Naturally many of these candidates, such as Republican contender Robert Dole, will line up and oppose the Saudi arms package, or mouth similar AIPAC nonsense. Dole recently suggested that Israel serve as the military anchor for the "dangerously soft underbelly" of NATO, and suggested that the United States explore the willingness of Israel to fill the "strategic gap." Dole's deputy finance chairman is Leo Bell, a member of AIPAC's executive. Dole's chief campaign strategist, Noel Koch, had been a leading counter-terrorist specialist at the U.S. Defense Department, until he was ousted for his com-

TABLE 1
AIPAC PAC contributions to 1986 congressional candidate winners (above \$10,000)

Congressman	Total AIPAC-controlled PAC contributions (\$)	Total PAC contributions* (\$)	Total receipts (\$)	AIPAC contributions as % of total PAC contributions	AIPAC contributions as % of total receipts	% of election victory
Feighan, Edward (D-OH)	40,250	345,029	659,975	11.0	6.1	55
Smith, L. Jack (D-FL)	36,500	308,283	774,467	11.8	4.7	70
Carr, Bob (D-MI)	26,250	448,672	734,919	5.8	3.6	57
Wolpe, Howard (D-MI)	25,250	252,649	878,634	10.0	2.9	60
Gedjenson, Sam (D-CT)	24,529	294,448	975,785	8.3	2.5	67
Obey, David (D-WI)	22,750	261,906	473,017	8.7	4.8	62
Kostmayer, Peter (D-PA)	21,750	338,700	662,578	6.4	3.2	55
Weber, Vin (R-MN)	21,150	283,203	942,499	7.5	2.2	52
Robinson, Tommy (D-AR)	17,250	296,867	730,648	5.8	2.4	76
Collins, Cardiss (D-IL)	16,750	230,570	304,742	7.2	5.5	80
Levine, Mel (D-CA)	15,250	121,524	711,129	12.0	2.1	64
Lewis, John (D-GA)	15,250	157,994	381,754	9.7	4.0	75
Fascell, Dante (D-FL)	15,000	144,550	473,480	10.3	3.1	69
Coughlin, Lawrence (R-PA)	13,600	226,446	705,258	6.0	1.9	59
Owens, Wayne (D-UT)	12,600	389,113	699,328	3.2	1.8	55
Johnson, Tim (D-SD)	12,500	230,864	438,138	5.4	2.7	59
Wright, Jim (D-TX)	12,000	176,011	1,220,895	6.9	1.0	69
Hamilton, Lee (D-IN)	11,550	124,400	286,915	9.2	4.0	72
Gibbons, Sam (D-FL)	11,500	560,270	903,485	2.0	1.3	100
Evans, Lane (D-IL)	11,500	334,136	632,359	3.5	1.8	56
Stallings, Richard (D-ID)	11,250	271,815	474,969	4.1	2.4	54
AuCoin, Les (D-OR)	11,250	438,377	958,023	2.6	1.2	62
Torricelli, Rob. (D-NJ)	11,250	170,048	579,688	6.6	1.9	69
Miller, John (R-WA)	11,000	156,174	594,170	7.0	1.9	51
Cardin, Benjamin (D-MD)	10,958	143,977	518,530	7.6	2.1	79
Richardson, Bill (D-NM)	10,750	244,188	370,329	4.4	2.9	71
McHugh, Matthew (D-NY)	10,250	85,414	279,235	12.0	3.7	68

*Including non-Zionist lobby PACs.

TABLE 2

1986 congressional AIPAC PAC recipients by key congressional committee (over \$6,000)

Congressman	Total receipts (\$)	Committees
Feighan, Edward (D-OH)	40,250	Foreign Affairs Subcomm. on Europe & Mideast
Smith, L. Jack (D-FL)	36,500	Foreign Affairs Subcomm. on Europe & Mideast
Carr, Bob (D-MI)	26,250	Appropriations
Wolpe, Howard (D-MI)	25,250	Foreign Affairs Subcomm. on Africa, chair
Gedjenson, Sam (D-CT)	24,529	Foreign Affairs Subcomm. on Western Hemispheric Affairs
Obey, David (D-WI)	22,750	Appropriations Subcomm. on Foreign Operations, chair
Kostmayer, Peter (D-PA)	21,750	Foreign Affairs Subcomm. on International Operations
Weber, Vin (R-MN)	21,150	Appropriations Comm.
Robinson, Tommy (D-AR)	17,250	Armed Services Subcomm. on Mil. Installations
Collins, Cardiss (D-IL)	16,750	Gov't Operations Subcomm. on Gov't. Activities, chair
Levine, Mel (D-CA)	15,250	Foreign Affairs Subcomm. on Europe & Mideast
Lewis, John (D-GA)	15,250	
Fascell, Dante (D-FL)	15,000	Foreign Affairs Comm., chair
Coughlin, Lawrence (R-PA)	13,600	Appropriations Comm.
Owens, Wayne (D-UT)	12,600	Foreign Affairs Subcomm. on Europe & Mideast
Johnson, Tim (D-SD)	12,500	
Wright, Jim (D-TX)	12,000	Speaker of the House
Hamilton, Lee (D-IN)	11,550	Foreign Affairs Subcomm. on Europe & Mideast, chair
Gibbons, Sam (D-FL)	11,500	Ways & Means Subcomm. on Trade, chair
Evans, Lane (D-IL)	11,500	
Stallings, Richard (D-ID)	11,250	
AuCoin, Les (D-OR)	11,250	Appropriations Subcomm. on Defense
Torricelli, Rob. (D-NJ)	11,250	Foreign Affairs Subcomm. on Europe & Mideast
Miller, John (R-WA)	11,000	Foreign Affairs Subcomm. on Int'l. Economic Policy
Cardin, Benjamin (D-MD)	10,958	
Richardson, Bill (D-NM)	10,750	
McHugh, Matthew (D-NY)	10,250	Appropriations Subcomm. on Foreign Operations
Mrazek, Robert (D-NY)	9,900	Appropriations Subcomm. on Foreign Operations
Coleman, Ronald (D-TX)	9,500	Appropriations Subcomm. on Mil. Construction
Wolf, Frank (R-VA)	9,500	Appropriations Comm.
Glickman, Dan (D-KS)	9,250	Science, Space & Technology Comm.
Hayes, James (D-LA)	9,250	
Skaggs, David (D-CO)	9,250	
Sawyer, Thomas (D-OH)	9,000	
Kyl, Jon (R-AZ)	8,750	
Mica, Dan (D-FL)	8,750	Foreign Affairs Subcomm. on Int'l. Operations, chair
Bryant, John (D-TX)	8,500	
Burton, Dan (R-IN)	8,500	Foreign Affairs Subcomm. on Africa
Ballenger, Cass (R-NC)	8,500	
Baker, Richard (R-LA)	8,000	
Lancaster, Harold (D-NC)	8,000	
Sweeney, David (R-TX)	8,000	
Gordon, Bart (D-TN)	7,750	
Bunning, Jim (R-KY)	7,500	
Foglietta, Thomas (D-PA)	7,500	Armed Services Comm.
Gray, William (D-PA)	7,500	Budget, chair; Appropriations Subcomm. Foreign Operations
Owens, Major (D-NY)	7,500	Government Operations Comm.
Yatron, Gus (D-PA)	7,500	Foreign Affairs Subcomm. on Human Rts. & Int'l. Org., chair

TABLE 3

AIPAC PAC contributions to 1986 senatorial candidate winners, out of 34 races (above \$10,000)

Congressman	Total AIPAC-controlled PAC contributions (\$)	Total PAC contributions* (\$)	Total receipts (\$)	AIPAC contributions as % of total PAC contributions	AIPAC contributions as % of total receipts	% of election victory
Daschle, Thomas (D-SD)	163,780	1,153,906	3,515,482	14.2	4.7	52
Cranston, Alan (D-CA)	130,907	1,236,898	10,851,596	10.6	1.2	49
Reid, Harry (D-NV)	121,740	817,377	2,089,246	14.9	5.8	50
Specter, Arlen (R-PA)	120,863	1,256,626	5,450,763	9.6	2.2	56
Kasten, Robert (R-WI)	100,000	1,095,726	3,196,093	9.1	3.1	51
Leahy, Pat (D-VT)	70,000	822,931	1,919,740	8.5	3.6	63
Fowler, Wyche (D-GA)	68,350	600,086	2,912,638	11.4	2.3	51
Wirth, Tim (D-CO)	65,200	845,855	3,819,308	7.7	1.7	50
Sanford, Terry (R-NC)	58,500	571,787	4,181,701	10.2	1.4	52
McCain, John (R-AZ)	44,500	773,152	2,510,092	5.8	1.8	61
Inouye, Daniel (D-HI)	42,025	540,450	1,173,721	7.8	3.6	74

plicity in the Israeli arms sales to Iran.

Alexander Haig's chief campaign spokesman is Daniel Mariaschin, until recently the political affairs director at AIPAC, and prior to that the director of the leadership division of Kenneth Bialkin's Anti-Defamation League. Haig's chief liaison to Western Europe and Israel is Michael Ledeen, the central figure in the Irangate scandal, who was kept out of the Senate Irangate hearings by AIPAC's Inouye. It was Secretary of State Haig, and his aide Ledeen, who negotiated the initial Reagan administration Iranian arms deals with AIPAC-linked Israeli Gen. Ariel Sharon, back in 1980-81.

Who's funding George Bush? Ask his finance co-chairmen Max Fisher and Gordon Zachs—both from AIPAC, and

both members of the AIPAC-linked National Jewish Coalition of the Republican National Committee. The NJC claims it had been formed to represent "Jewish interests" to the White House. The NJC's actual nature is indicated by its treasurer, stock market swindler Ivan Boesky, and its director, Chris Gersten, former political director of AIPAC.

Then there is Sen. Albert Gore (D-Tenn.), who was persuaded to run by AIPAC moneybags Nathan Landau, who was earlier a top funder of Mondale. Meanwhile, Delaware Democrat Joseph Biden's youth director, Jonathan Kessler, just left his job as youth director at AIPAC, while Biden's campaign organization was formed by ADL lawyer, and former FEC commissioner, William Oldaker.

TABLE 4

1986 senatorial AIPAC PAC recipients by key Senate committee (over \$40,000)

Senator	Total receipts (\$)	Committees
Daschle, Thomas (D-SD)	163,780	*
Cranston, Alan (D-CA)	130,907	For. Rel. Subcttee on East Asia & Pacific, chair; Select Intelligence Committee
Reid, Harry (D-NV)	121,740	*
Specter, Arlen (R-PA)	120,863	Appropriations Military Construction Subcttee; Select Intelligence Committee
Kasten, Robert (R-WI)	100,000	Approp. Subcttee on Foreign Operations
Leahy, Pat (D-VT)	70,000	Approp. Subcttee on For. Operations, ousted chair; Select Committee on Intelligence
Fowler, Wyche (D-GA)	68,350	*
Wirth, Tim (D-CO)	65,200	*
Sanford, Terry (R-NC)	58,500	*
McCain, John (R-AZ)	44,500	*
Inouye, Daniel (D-HI)	42,025	Approp. Subcttee on Foreign Operations

*First elected to Senate in 1986

U.S. seizes NDPC bank account

Warren J. Hamerman, the chairman of the National Democratic Policy Committee (NDPC), the multi-candidate political action committee founded by Lyndon LaRouche and other Democrats in 1980, issued the following statement on Aug. 19. Mr. Hamerman was the only citizen in the United States to testify against the nomination of William Weld to head the Criminal Division of the Department of Justice:

“After sitting on an outdated and erroneous judgment for well over a year, the same U.S. Justice Department which has flaunted its non-compliance with constitutional procedures in the Iran-Contra secret government investigation, yesterday moved in to try and financially choke and silence the nationwide political action committee of the LaRouche wing of the Democratic Party.

“Acting on Aug. 18, under orders from the Boston U.S. Attorney’s office now preparing for the September trial of Lyndon LaRouche and associates, Assistant U.S. Attorney C. Wingate Grant from Richmond, Virginia, and Chief Deputy U.S. Marshal Richard M. Reynold, marched into the First American Bank of Virginia with a summons to collect \$86,266.94 from the National Democratic Policy Committee (NDPC).

Just the first move

“The government has indicated that this is only their first move against the NDPC and expects to collect a multimillion dollar contempt fine against the NDPC as soon as its appeal is over. The ‘garnishment summons’ against the NDPC was issued out of the same Eastern District of Virginia office under U.S. Attorney Henry Hudson, which supervised the forced bankruptcy of three other LaRouche-associated organizations last April.

“The government left the bank with a check for \$1,214 in NDPC funds which represented all but \$1 of the amount which was in the account at the time. A bank official reported that never before had the bank been ordered to write a check on the spot to the U.S. Treasury in this manner.

“The pretext for the collection was the same contempt fines for ‘non-compliance’ with the Boston Grand Jury which

was at issue in the April bankruptcy caper. As Justice Department officials have stipulated, the NDPC and other organizations had produced ‘hundreds of thousands’ of documents in compliance with the Grand Jury subpoenas. The action against the NDPC was timed to occur just prior to the gear-up of the 1988 presidential campaign season and barely one month before the scheduled opening of the Boston trial against Lyndon LaRouche and his associates.

Attempt to silence candidates

“The action is a blatant attempt to try and silence hundreds of thousands of citizens from rallying around the policies associated with LaRouche and his associated candidates.

“The bank account seizure was orchestrated by Assistant U.S. Attorney David Schiller in Richmond, the anti-LaRouche operative who masterminded the unprecedented April 21 bankruptcy seizures. Schiller testified last month that his associate Wingate Grant had reviewed all of the bankruptcy filings. Such a politically sensitive action could not have been taken without explicit approval from the highest levels of the Justice Department.

“Since William Weld is both the head of the corrupt ‘Get LaRouche’ unit in the Department of Justice, coordinating the activities of federal and state prosecution teams around the country against LaRouche associates, and had to face a direct challenge himself to his nomination from the NDPC, there can be no doubt that he was integral to approving this latest action.

“Since its formation in 1980, the NDPC has coordinated the campaigns of thousands of candidates for federal, state, local, and party offices around the United States. Not only did the NDPC wage a vigorous campaign for last year’s anti-AIDS Proposition 64 ballot initiative in California, but it is currently associated with the drive by hundreds of thousands of California citizens to put the public health measure back on the ballot.

NDPC opposes Soviet aims

“The NDPC was the only organization in America to oppose the nomination of Richard Burt as ambassador to West Germany; the only organization to oppose the renomination of Paul Volcker as head of the Federal Reserve; and the only organization to oppose William Weld to head the Criminal Division of the Justice Department.

“The same Justice Department which is cozying up to the Soviet Union on joint projects such as the deportation of scientist Arthur Rudolph, condemnation of Austrian President Kurt Waldheim, scandalizing of U.S. defense contractors as in the General Dynamics case, and the murder of Karl Linnas, has now shut down the American newspaper most hated by Moscow, brutally silenced the scientific foundation behind the Strategic Defense Initiative, and is now targeting a free political association of candidates which is associated with the Soviet’s Public Enemy Number One, Lyndon H. LaRouche, Jr.”

LaRouche asks dismissal of 'outrageous' indictment

Attorneys for presidential candidate Lyndon H. LaRouche filed multiple motions in Boston federal court on Aug. 14, seeking dismissal of the indictment brought against him on June 30, 1987.

While at least 24 separate motions were filed, the major motion charges that LaRouche has been targeted for legal harassment under "national security" provisions for almost 20 years, in a politically motivated campaign by his enemies in the government. LaRouche further argues that the indictment against him, one count of "conspiracy to obstruct justice," is a product of unconstitutional techniques directed against him and his associates under provisions of Executive Order 12333, the current guideline for foreign intelligence and counterintelligence activities.

LaRouche, his two 1984 presidential campaign committees, three other organizations, and 13 of his associates are presently scheduled to go on trial in Boston on Sept. 21, 1987, on charges of credit card fraud and conspiracy to obstruct justice. Substantial pretrial questions remain to be decided, including suppression of part of the search conducted by federal authorities, and the question of grand jury abuse.

In addition, the government has initiated new collateral actions in its overall attempt to shut down LaRouche's presidential campaign, and organizations associated with his policies, before trial. These include the collection of a bogus judgment for "contempt" from the National Democratic Policy Committee, on Aug. 18, and a campaign of demanding testimony from American witnesses in West Germany, in order to avoid providing them with their U.S. constitutional rights.

Taken as a whole, the motions, and memorandum of facts, provide the evidence to put the government on trial, for illegal and outrageous prosecutorial abuse. In what follows, *EIR* publishes the bulk of the memorandum of supporting facts, which presents the case for government misconduct. In future issues, we will publish the memorandum detailing a pattern of similar misconduct in the creation of

"credit card fraud" charges against LaRouche's political associates.

Memorandum in support of motion of Lyndon H. LaRouche, Jr. to dismiss indictment

Statement of facts

A.—BACKGROUND

From the inception of the official investigation in this case and long before, the principal target of the investigation has been Lyndon H. LaRouche, Jr. As will be developed in this factual proffer, LaRouche has been the target of investigation and indictment for reasons other than criminal activity. Rather, the motive governing this investigation and the repeated pretextual investigations of LaRouche over a 19-year period is impermissible under the U.S. Constitution: it is to eliminate a political figure and associated political organizations from the American and international political landscape because they, in the exercise of their Constitutional rights, represent a perceived threat to existing institutions and power structures.

One of the clearest statements demonstrating this motive is found in a 1973 FBI document. The document, annexed as Exhibit 1, demonstrates that: in 1973, the FBI obtained knowledge of discussions within the Communist Party USA about "eliminating" LaRouche and the threat of the NCLC. The FBI took no steps to prevent this or even to warn LaRouche of the threat. Rather, the FBI's NCLC case agent gloated: "it is felt that if the subject [LaRouche] was no longer in control of NCLC operations that the NCLC would fall apart with internal strife and conflict."

As is fully set forth in Exhibit 2, the government's actions against LaRouche have historically been premised on "national security" grounds. The "national security" predicate for investigation has allowed the employment of extraordinary and secret investigative techniques which have been

found to be otherwise constitutionally repugnant and impermissible. (See Exhibit 2.)

The government's domestic security investigation of LaRouche involved a program of selective prosecution under the state and local statutes, a government-fed "black propaganda" campaign featuring publication of derogatory information in national news outlets, and government monitoring and interference with the finances of publishers of LaRouche's writings. The United States government characterizations of LaRouche and his activities as "national security" threats was widely disseminated abroad, to the deliberate damage of foreign policy initiatives undertaken by LaRouche and his associates.

Information developed in the course of such "pretext" criminal investigations and in the course of unlawful national security investigations has been utilized, in turn, to isolate and harass political supporters of LaRouche and to neutralize his political influence through both direct and indirect means.

In 1977, the "domestic national security investigation" of LaRouche described in Exhibit 2 was "officially" ended without an indictment. The immediate outcome of the Church and Pike Committee hearings on intelligence activities was a prohibition, under domestic security guidelines and on constitutional grounds, of the types of activities conducted against LaRouche and his associates during the 1968-1977 period. While there is evidence that the government continued its activities against LaRouche under the FBI's foreign counterintelligence guidelines and policies and procedures of other agencies, the predication for events immediately material to the present indictment begins in 1981 with the signing of Executive Order 12333 by President Reagan. . . .

In 1982, defendant believes, the national security investigation of LaRouche was re-initiated. This investigation was conducted under the terms of Executive Order 12333. One known predication for the investigation was the deliberate falsehood that LaRouche and his associates were acting as agents of foreign influence. (See Exhibits 4 and 5, *infra*.) This conceptualization took various forms, but with the same desired effect—to trigger and justify activities under Executive Order 12333.

Unredacted sections of an FBI letter evidencing this investigation, dated September 24, 1982 and concerning "Lyndon LaRouche and the *Executive Intelligence Review*," state that it is the FBI's conclusion that many of NCLC's activities "are often propitious to Soviet disinformation and propaganda interests." The letter further states:

there is no firm evidence that the Soviets are directing or funding LaRouche or his organization. It is entirely plausible, however, that the Soviets have developed and may be developing sources within the NCLC who are in a position to interject Soviet inspired views into

NCLC activities and publications. It is likely that the Soviets will attempt to capitalize on or exploit NCLC sentiments. . . .

(See Exhibit 4.) The author of this letter was James E. Nolan, the Director at that time of FBI Foreign Counterintelligence. Such a characterization could not be espoused at this level without having the desired causal effect.

On January 12, 1983, FBI Director William H. Webster wrote a letter to Oliver Revell which stated in pertinent part:

At the PFIAB meeting today, David Abshire raised the subject of the activities of the U.S. Labor Party and Lyndon LaRouche. . . . [He] wondered whether the FBI had a basis for investigating these activities under the guidelines *or otherwise*. A number of the members present, including Edward Bennett Williams, raised the question of *the sources of funding* for these U.S. Labor Party activities. In view of the large amounts obviously being expended worldwide, the question was raised whether the U.S. Labor Party might *be funded* by hostile intelligence agencies. . . .(Exhibit 5, emphasis supplied).

Under combined Executive Orders 12331, 12333 and 12334, the President's Foreign Intelligence Advisory Board ("PFIAB") is a controlling agency over the activities of the President's Intelligence Oversight Board, the legal auditor of special and covert operations undertaken by the intelligence community. Again, such a characterization could not be imposed without having the desired causal effect.

Despite the obvious spoor, it was unclear, as top secret covert operations are intended to be, whether a national security operation was under foot and controlling the environment.

On July 17, 1987 defendant Paul Goldstein received a response to an FOIA request asking for documents pertaining to either any foreign counterintelligence or related investigation or electronic surveillance of several named individuals and organizations. The National Security Agency responded that it had such documents pertaining to the Schiller Institute. (Exhibit 6.) The Federal Bureau of Investigation also responded that it had such documents pertaining to the Schiller Institute.

The Schiller Institute is an international public affairs organization founded by LaRouche's wife, Helga Zepp LaRouche, and in which Mr. LaRouche and other defendants have been extremely active participants. It was founded in the summer of 1984 and began extensive activities in the fall of 1984, simultaneous with the launching of the instant criminal investigation. The Schiller Institute is named in the search warrant executed in this case, and was a subject in the grand jury investigation and other investigations leading to this indictment. It has been a primary proponent of

LaRouche's economic, defense and foreign policy initiatives in Latin America, Asia, Western Europe and the United States. It has also been a primary opponent of the Reagan administration's Contra policies. While the Schiller Institute is not a defendant herein, it continues to be a focus of interest to the "intelligence community" in general and to the prosecution in the instant case in particular. As recently as August 11, 1987 AUSA [Assistant U.S. Attorney] Rasch and FBI Agent Egan were in West Germany asking questions regarding, *inter alia*, the Schiller Institute.

To LaRouche's knowledge, individuals responsible for the circulation of the fabrication that he is a "Soviet disinformation agent," in addition to the FBI and the Department of Justice, include Roy Godson, individuals associated with the AFL-CIO, including Tom Kahn, Herbert Rommerstein [sic] of the U.S. Information Agency, John Rees, sections of the ADL, individuals associated with the League for Industrial Democracy, the Heritage Foundation, John Norton Moore (consultant to the Intelligence Oversight Board), Robert McBrien (Deputy for Security Affairs, and Crisis Management, Department of Treasury), and Don Jameson, a former CIA official and a partner of Ted Shackley.

Many of these individuals functioned as informants to the FBI in the 1968-1977 COINTELPRO investigation of LaRouche while conducting private hostile actions against LaRouche, and coordinating these activities with the FBI. Each is an active opponent of LaRouche's political policies and upon information and belief is a private member of the U.S. Intelligence Community as authorized and approved by Executive Order 12333. Collectively, these individuals represent an identifiable faction within the U.S. intelligence community which also incorporates the Justice Department's Office of Special Investigations and Deputy Attorney General Mark Richard. The activities of many of these individuals have been the subject of recent Congressional investigation and are, upon information and belief, the focus of investigations by Special Prosecutor Lawrence Walsh. These individuals played prominent roles in the Reagan administration's "contra" program, a program which the defendant adamantly opposed.

During the 1984 Presidential campaign, the most visible of the operations of this grouping against LaRouche were in the preparation and dissemination of an NBC Television News Broadcast, "First Camera." That broadcast attempted to "expose" LaRouche's relationship with the Reagan administration and the Intelligence Community. The FBI, the CIA, and the Anti-Defamation League (ADL) provided primary information for that broadcast, as did many of the individuals involved in the defamatory characterization that LaRouche was a Soviet disinformation agent. (Exhibit 7.) The NBC broadcast called for a full-scale government investigation of "LaRouche's finances." The reporter for that

broadcast, Pat Lynch, continued to collaborate in U.S. Attorney Weld's investigation and with the FBI. An article published in the *Wall Street Journal* by reporter Lynch and Dennis King, in fact, provides a roadmap to the government's initial investigation in this case and is usefully compared with the government's search warrant affidavit. (Exhibit 8.)

U.S. Attorney Weld opened the present investigation by publication through NBC affiliate WBZ in Boston during LaRouche's libel case against NBC in Alexandria, Virginia. In the fall of 1984, LaRouche was warned by sources within the Intelligence Community that Oliver Revell, the FBI, elements of the CIA and the National Security Council and various private operatives were about to undertake a major offensive against him, the purpose of which would be to permanently eliminate his political influence. Events since that warning speak for themselves.

In addition to the derogatory propaganda campaign represented by the First Camera broadcast, other aspects of the investigation immediately leading to the present indictment parallel the illegal activities formerly denominated under the rubric "COINTELPRO" and justified by the government on national security grounds.

The United States, throughout the course of the instant investigation, has stated its public intention to bankrupt political organizations and associations associated with LaRouche. Various leaks of derogatory, defamatory and scandalous materials have been made to the national news media for the sole purpose of destroying the financial operation of the defendant entities and organizations in this case. (See Exhibit 9.) When these tactics failed to contain popular support for LaRouche's policies, the United States ultimately took the extraordinary step of involuntarily bankrupting two corporate defendants in this case. The unprecedented nature and effect of this action demonstrates with crystal clarity the level of vituperation existent within the Justice Department and the extent to which they are willing to go to bring down LaRouche and his colleagues.

Simultaneously, the government has utilized political supporter and contact lists obtained in the course of the criminal investigation to subject these individuals to repeated harassment and interrogation by various government agents. In addition, the government has utilized this investigation and the parallel national security investigation to identify, isolate, and neutralize U.S. and foreign governmental officials who had collaborated with LaRouche. The government has and is acting to end all such relationships as is demonstrated by its repeated assertions that LaRouche represents interests inconsistent with the national interest. These assertions have the additional, and equally significant function, of serving as the triggers for operating under Executive Order 12333, et al.

Associates of defendant have been subjected to multiple

state prosecutions under novel and selective legal theories with the full knowledge and participation of the U.S. government and the prosecution in this case. According to state prosecutive theories, the taking of a loan evidenced by a promissory note by a political organization is the sale of a "security" and failure to register as a dealer in such "securities" is a violation of state criminal statute.

The full implications of the parallel national security investigation to this case are not presently known. Based on the available evidence, however, LaRouche is able to point to the following:

1.—Under the present terms of Executive Order 12333 and 12334, it is possible for the Government to refuse to disclose or to falsely deny the relationship between the Government and Roy Frankhauser or Forrest Lee Fick. The government states that Frankhauser and Fick falsely claimed to work for the CIA and that LaRouche believed them. The Government's own case is that Frankhauser and Fick initiated the "conspiracy to obstruct justice," and much of the government's evidence centers on statements attributed to Frankhauser and Fick.

2.—The PFIAB memo cited above indicates a full counterintelligence investigation of LaRouche and all sources of funding directly or indirectly involving him. The techniques employed in such an investigation are secret under the FBI's counterintelligence guidelines and under Executive Order 12333. There has been discussion in the intelligence community to the effect that such techniques involve "neutralization" of a counterintelligence target. (See Exhibit 3.)

Investigative techniques authorized on national security grounds include warrantless searches, break-ins, and penetrations of political organizations by government agents and sting operatives. LaRouche does not know to what extent information unlawfully derived from the national security investigation was utilized in the criminal investigation, or the extent to which the national security investigation was utilized to justify otherwise unconstitutional and unlawful techniques in the course of the criminal investigation.

3.—In February of 1986, the FBI held what has been described as a "mass meeting" in Boston to launch new investigative strategies. At this point, according to the court testimony of participants, U.S. Attorney Weld was seeking a national tax investigation of LaRouche and his associates. U.S. Attorney Weld's approach was rejected by conference participants according to their testimony. The remarks attributed to Weld by the January 1986 FBI memorandum announcing this conference demonstrate that as of that time and despite the dramatic escalation of the Boston investigation, Weld had no case against LaRouche except for the original WBZ television allegations against volunteers working in the Boston office of the campaign prior to November 1984. Weld was concerned, however, that "the fundraising continues." (See Exhibit 11.)

In March of 1986, however, two associates of LaRouche won Democratic primary elections in Illinois. The spate of panicked media coverage which followed featured prominent disclosures from the Boston grand jury investigation in an attempt to discredit LaRouche and his associates. In April of 1986, Forrest Lee Fick presented himself to NBC television in a wild national broadcast in which he purported to "expose" LaRouche and Paul Goldstein in violent activities. Fick became the government's lead witness against LaRouche and his associates in or about June of 1986, resulting in the re-initiation of grand jury proceedings.

William Weld has a demonstrated personal animosity and malice toward LaRouche. His business records demonstrate he was a funder of the *Real Paper* in Boston, a left-liberal publication active in harassment of LaRouche and his parents during the 1970s. LaRouche was also highly critical of Weld's conduct of the money-laundering case against the Bank of Boston.

LaRouche charged that in a case involving offenses totaling \$1.2 billion, the Bank of Boston and its officers had escaped with a "slap on the wrist" fine. Political associates of LaRouche charged that U.S. Attorney Weld's family interests, White Weld, were closely connected in the agencies involved in the money-laundering crimes at issue in the case. The U.S. Department of the Treasury, following investigative reasoning also formulated by LaRouche, discovered that the New England region represented an outstanding concentration of the types of irregularities in banking transactions associated with drug money laundering. This view of the significance of the Bank of Boston case was expressed publicly by Assistant Secretary of the Treasury John Walker. Associates of LaRouche in widely circulated fliers throughout the Boston area questioned the propriety of Weld's handling of the Bank of Boston case. Weld's personal animosity toward LaRouche has been cited in public news accounts. For example, the October 7, 1986 *Washington Post* carried the following statement:

In late spring of this year, awaiting confirmation by Congress, Weld galvanized Justice and FBI officials in Washington, sources said. He demanded action from the U.S. Attorney's office in Alexandria, which had been relatively inactive on the LaRouche investigation, according to the sources.

"Weld just threw a hand grenade into the Department of Justice," one law enforcement source said. The feeling was, "Let's hit them."

As previously indicated, certain of LaRouche's editorial and policy positions were used by his antagonists as the ostensible basis for the pro-Soviet and disinformation characterizations they were espousing. In fact, LaRouche and the Reagan administration had substantial and fundamental policy differences which provided an additional incentive

for operations against him and his colleagues.

Although LaRouche was helpful to the National Security Council in developing and promoting what became known as the strategic defense initiative (SDI), and also helpful to the Reagan administration in other matters, there are areas of very sharp political differences, including the issue of "Contra" policy, in which LaRouche has been a significant adversary of the administration's strongly asserted commitments to policy:

1.—The most general conflict with the administration, especially since April 1983, has been on the matter of national and foreign monetary and economic policies. This is defined by a document presented to the administration during the first week of August 1982, entitled "Operation Juarez," outlining emergency actions to be taken in response to an imminent outbreak of an international debt-payments crisis. Probable actions against LaRouche under Executive Order 12333 guidelines are dated from September and October of 1982.

In this vein, before and after the interval of August-October 1982, LaRouche has been an opponent of the Reagan administration's continuation of Federal Reserve System policies, the so-called "Volcker Policies," which Federal Reserve Chairman Paul A. Volcker himself once accurately described as "controlled disintegration of the economy."

LaRouche has also opposed strongly the administration's support for what are known as "IMF conditionalities." LaRouche has made three characterizations of U.S. support for such "conditionalities":

(a) That they constitute immoral usury, contributing to the general misery and accelerated mortality rates of nations subjected to these conditions, and are thus actions tantamount to crimes against humanity.

(b) That they do not solve the financial crisis confronting the U.S., but merely worsen the crisis by means used to postpone it, threatening the national financial bankruptcy of the U.S. banking system and other institutions.

(c) That the effects of such "conditionalities" include great strategic advantage to the U.S.'s avowed principal adversary, the Russian empire under its present Bolshevik Dynasty.

It is LaRouche's information and belief that these economic and financial issues are the principal motive for the politically-motivated, covertly directed legal harassment of himself and persons associated with him supporting his own financial and economic policies.

2.—LaRouche has strongly opposed a dogma circulated influentially within the Reagan administration since mid-1983, the dogma that the Russian Empire of today is a "crumbling empire." LaRouche has insisted that the contrary is true, and that U.S. policies premised on assumptions of the "crumbling empire" dogma tend toward concessions to the Soviet Government which could be at least as disastrous as the Chamberlain-Daladier Agreements with Hitler at

Munich, during 1938.

For this and other reasons, LaRouche has strongly opposed the President's stated commitment to negotiating the so-called "Zero Option" Agreement with Moscow.

3.—LaRouche has held up to international ridicule the President's repeated assertion that, since approximately April 1983, the U.S. economy has been in an economic upsurge.

4.—LaRouche has strongly opposed the official policy of the Reagan administration on assessment and policy respecting the so-called AIDS Pandemic.

5.—LaRouche, while actively supporting actions taken by the administration against the drug-traffic, has characterized the Reagan administration's war on drugs and policy toward international narco-terrorism as token, inconsistent, vacillating, and ineffective.

6.—LaRouche strongly disapproved of the appointment of Richard Burt as U.S. Ambassador to West Germany, arguing that the effect could be catastrophic in its tendency to contribute to decoupling of military alliance between the two States.

7.—LaRouche strongly opposed and has denounced the Reagan administration's orchestration of the overthrow of the government of Philippines President Marcos as an obnoxious folly fostering the destabilization of the U.S. strategic position in the Pacific Basin. LaRouche opposes a similar effort by elements of the U.S. intelligence community to mobilize an insurrection in Panama.

8.—LaRouche has denounced the U.S. Intelligence Community for attempting to conceal drug-running activities of the Contras, in the face of legal evidence that operations coordinated by Lt. Col. North were assisting in the transit of such drugs into the U.S.A.

9.—LaRouche has denounced complicit elements of the U.S. Intelligence Community, including the ADL and the Office of Senator Jesse Helms, for their continued political assistance to the terrorist gang which claimed credit for the assassination of the defendant's personal friend, India's Prime Minister Indira Gandhi.

LaRouche's opposition to the administration's "Contra" policy brought him into sharp conflict with an individual named "Nat," who represented himself as the Intelligence Community controller of Forrest Lee Fick. Prior to Fick's appearance on NBC and role as a Government witness, "Nat" and Fick solicited LaRouche's support of the Contra effort, allegedly requesting such support on behalf of the Intelligence Community. LaRouche refused this entreaty. Many of the individuals who privately funded the Contra effort were also financial supporters of LaRouche. It is LaRouche's information and belief that his associates successfully dissuaded these individuals from providing sums requested by Lt. Col. North's fundraisers, including "Spitz" Channell and Roy Godson.

These and related political differences between the President's Intelligence Community and LaRouche are promi-

ment among the Intelligence Community's apparent motive for the vindictive targeting of LaRouche to legal harassment.

B.—THE WIRE AND MAIL FRAUD CHARGES

[Large section omitted here—Ed.]

C.—THE CONSPIRACY TO OBSTRUCT JUSTICE CHARGE

The conspiracy to obstruct charge in the indictment is obviously primarily derived from the testimony of Forrest Lee Fick. The charge against the defendant is constructed as follows:

1.—In late November, 1984, and again in early December 1984, Fick and Roy Frankhauser caused to be written and transmitted to the defendant and others a so-called COMSTA-C report, in which words are used which are presently construed by the government to represent Fick's efforts to initiate a conspiracy to obstruct justice. It is indicated that Fick has reported this, *ex post facto*, to have been his intent.

2.—Fick alleged that LaRouche orally adopted Fick's recommendation to enter into a conspiracy to obstruct justice.

3.—The government has chosen to create entire sentences from isolated words taken from selected notebook entries of third persons, and to construct those fictitious sentences as statements allegedly issued from the defendant's lips. The government represents this construction as an interpretation of isolated words based on the allegations of the same Fick. According to the government, this construction, taken from notebooks, corroborates the statements of Fick.

4.—As LaRouche testified to the Grand Jury, the suggestions by Fick to enter into a conspiracy to obstruct justice were completely repudiated by LaRouche.

The construction of the government's charge is thus primarily premised on the credibility of Fick, who, the government has simultaneously stated, lied to the defendants when he stated he was associated with the Central Intelligence Agency and the U.S. intelligence community.

Fick's relationship to LaRouche is admitted by the government to be based on Fick's representation of himself as a private member of the U.S. Intelligence Community, in a manner consistent with the specifications of Executive Order 12333. Fick associated himself with Roy Frankhauser during 1982 until the Spring of 1985. It is LaRouche's information and belief that Frankhauser has been a member and asset of the CIA and the intelligence community as defined by Executive Order 12333, during and prior to the period of events alleged in the indictment. It is LaRouche's further information and belief that a false denial of the fact of Frankhauser's status, as re-enforced by the sworn testimony of Lt. Col. Oliver North in the recent Congressional hearings, reflects a standard practice of lying by the intelligence community under the terms of Executive Order 12333.

While there is other evidence of Frankhauser's intelli-

gence community status, the bona fides of Fick and Frankhauser were represented to defendant by an individual introduced to defendant under the pseudonym "Nat." It is LaRouche's information and belief that "Nat" was and is a well-known, high-ranking official of the Central Intelligence Agency, in the covert operations directorate.* Nat represented himself to LaRouche as the intelligence community controller of Fick, further inducing LaRouche to believe that information, advice and recommendations passed through Fick and Frankhauser were coming from the CIA and the intelligence community as defined under Executive Order 12333. Thus, the government, through its covert agents, made recommendations to LaRouche and his associates, and is now using those very recommendations as evidence of obstruction of justice.

During 1986, Nat and Fick had attempted to secure LaRouche's support of the Reagan administration's Contra policy in Central America. Following Fick's dismissal as a security guard for a company providing security services for LaRouche, Fick entered into collaboration with NBC-TV and the Anti-Defamation League of B'Nai B'rith in a defamatory campaign against LaRouche, and appeared on an NBC broadcast, making allegations that LaRouche and Paul Goldstein engaged in violent plots against public officials. It is significant that immediately prior to his severance, Fick admitted association and collaboration with Jimmy Rosenberg, a one-time paid agent of the ADL.

The only other claims against LaRouche in the indictment consist, again, of government constructions of a third person's notebook entries. These government constructions purport to represent LaRouche's statements about U.S. Attorney William Weld ("vicious personal attack on William Weld") and proposed legal actions concerning the grand jury investigation ("stall and appeal"). LaRouche demonstrated the complete falsity of the government's construction of these notebook entries in his testimony before the grand jury, and contends that his indictment for his actual actions and activities in exercising his First Amendment rights and seeking legal redress for an unlawful government investigation represent simple prosecutorial retaliation for the exercise of Constitutional rights.

In short, it is LaRouche's contention and belief that the case against him is not predicated on facts, but is a construction cut out of whole cloth; a construction fashioned and fabricated by elements of the "intelligence community" under Executive Order 12333 representing gross governmental misconduct to the extent that the governmental involvement in the alleged criminality has reached and passed a demonstrable level of outrageousness.

*Defendant is prepared to make an *in camera* showing with respect to the identity of "Nat" in compliance with relevant statutes relative to classified information and the identity of intelligence agents.

GAO auditor describes bureaucratic gridlock

A senior auditor for the Government Accounting Office, which analyzes the functioning of government bureaucracies for the Congress, told *EIR* that a paralyzing lack of leadership has left almost every federal agency adrift in a morass.

He helped to author a GAO report, released to Congress this month, on the handling of the AIDS crisis by the Department of Health and Human Services (HHS), and was eager to get a copy of it into the hands of the *EIR* editors for evaluation.

He said the report documents the same lack of federal leadership in the AIDS program, leaving talented people trapped within the bureaucracy incapable of acting effectively.

He said even where routine testing programs for AIDS are being tried, such as in Illinois, they are failing because of lack of planning and effective leadership. Long lines in the Illinois program, for example, are killing it off there, he said.

The auditor contrasted the treatment of AIDS to the handling of past pandemics, such as tuberculosis. "I remember when I was a child," he said, "if someone in a household had the measles, there was a sign posted on the door warning all comers." He said it is hard to imagine the confused attitudes toward these questions within the government on AIDS.

He noted, for example, that all the HHS projections on funding costs to treat AIDS are skewed by 1) counting full-blown AIDS only (i.e., not "AIDS-Related Complex"), and 2) by projecting that only 30-40% of all

AIDS virus carriers will eventually come down with the disease.

However, the auditor was not optimistic that his AIDS report would shake things up in the national bureaucracy. "Congress mandates the GAO to produce these reports, but five out of six times it does nothing about them when they come out," he said.

GAO audits of the Labor, Interior, and other massive government bureaucracies produced equally grim horror stories, he said, but no one in Congress lifted an eyebrow at the documentation.

"What you have in these bureaucracies are persons who have lost all dedication to getting things done, who have become cynically demoralized, and are only putting in their time. They have seen too many cases where it seems to make no difference whether they take the trouble to do something right or not, and their attitude has created an overall paralysis," he said.

During his recent audit of the HHS, the largest single government agency next to the Defense Department, he said he would go into different sub-agencies to ask what was going on with their programs, and would be answered with cynical laughter. "It only exists on paper," he would be told.

Since appointment to the top leadership posts of these agencies is political, and often a revolving door, the leaders never provide any consistent direction. They use the posts to posture for their next political appointment, he said.

The only person who behaved differently as a leader was Elliot Richardson, who went into a number of government agencies during the Nixon administration, and completely overhauled them, he said. However, his "new directions" only dismantled whatever functioning older order was there, because the minute he left one post for another, everything he set up was torn down and thrown away.

Congress seems to care as little as many of the bureaucrats who are rotting away wasting our national resources while major crises, like AIDS, are threatening our entire society, he said.

Gramm-Rudman monkey wrench

More recently, the Gramm-Rudman deficit reduction fixation in government has diverted the attention of every agency away from task orientation to sheer survival. The hours of the day are now dominated by figuring out how to justify the continuation of a program's funding, rather than in executing the program most effectively. Efforts at protecting job security, rather than excellence in functioning and creativity, have dominated the energies of thousands.

If the American population is demoralized by the inability of Congress to move legislation, they would be truly dismayed to find what has become of the machinery of their government, according to this veteran observer's inside look.

For example, it is frightening to think that the government's disastrous AIDS policy (refusal to test, insistence on "safe sex" education, squandering of funds, etc.) is based more on protecting bureaucratic inertia than on wisdom.

Yet the impotence of bureaucratic mediocrity has cast its spell over everyone, and the only "leaders" in town are the ones from Wall Street slamming their fists on tables demanding the budget be cut.

American voters had better keep this pathetic view of "inside Washington" in mind when they ponder the kind of leader they will send to the White House next year. Will any "pretty face" do, or somebody who can really turn the place on its head?

Elephants & Donkeys

by Kathleen Klenetsky

Carter cousin set to throw hat in ring

Scuttlebutt has it that Sam Nunn, the great hope of the Trilateral Commission and Jimmy Carter's fourth cousin, is about to jump into the Democratic presidential race.

The senator from Georgia is expected to make some kind of announcement in September. His strategy is to avoid Iowa and New Hampshire—letting these contests knock out the weaker candidates—and to focus instead on making a dramatic showing in the March 8 Super Tuesday primaries.

Chuck Robb, former Virginia governor and a co-founder with Nunn of the self-styled centrist group, Democratic Leadership Council, has made it known that he will work full-time for Nunn's campaign, at least until he launches his own campaign to unseat Virginia Republican Sen. Paul Trible.

Nunn, who supports the Contra cause, is the current darling of the Project Democracy crowd, one of whose media spokesmen, George Will, described his vision of "President Nunn's Team" in the Aug. 3 issue of *Newsweek*.

Will's suggestions/predictions for the Nunn cabinet would be funny, if they weren't so downright frightening. Unfortunately, they aren't simply the products of Will's frequently fevered imagination, but a good guess at who is likely to make policy were Nunn—God forbid—elected President.

For Secretary of State, Will suggests Robert Strauss, the Democratic Party wheeler-and-dealer whose rela-

tionship with the late Averell Harriman's wife, Pamela, has raised eyebrows even in their dissolute circles. Next to Strauss, George Shultz looks like the hardline hawk of the century.

Will's choice for the Pentagon is equally egregious: retired Adm. Jim Woolsey, who was hired by key Iran-gate figure Michael Ledeen to defend him during the congressional probe. Woolsey currently serves as counsel to the Center for Strategic and International Studies, the Washington think tank which is home to Henry Kissinger and Zbigniew Brzezinski. CSIS prides itself on being the prime mover in the United States in the scheme to decouple Europe from the United States. Nunn, whose infamous "Nunn amendment" would have forced a U.S. military pullout from Western Europe, has had a formal relationship to CSIS for years.

As national security adviser, Will suggests Brent Scowcroft of Kissinger Associates and CSIS. Scowcroft is among the more outspoken critics of the Strategic Defense Initiative.

For CIA director, Will would install Lane Kirkland, a board member of Project Democracy's National Endowment for Democracy, and a product of Jay Lovestone's Soviet penetration operation.

For Agriculture, he suggests another Moscow-linked figure: Archer-Daniels-Midland head Dwayne Andreas, a frequent guest of the Russian ruling elite. ("But have Lane Kirkland keep an eye on him because he is a bit too fond of selling to the Soviet Union," Will adds, in an obvious—and laughable—effort to protect his conservative image.)

Will's other candidates are all just as bad: environmentalist maniac Bruce Babbitt for Interior Secretary, Lazard Frères' Felix Rohatyn for chairman of the Council of Economic Advisers, and Scott Matheson, former Utah gover-

nor and chief counsel to the Harriman family's Union Pacific Railroad, for Commerce Secretary.

And you thought the Carter administration was bad!

Labor rank and file: thumbs down to Seven Dwarfs

The AFL-CIO leadership, which rammed the early endorsement of Walter Mondale down the rank and file's throat in 1984, is finding it a lot more difficult to sell a presidential candidate this time around. There's as much, if not more, lack of interest in the Seven Dwarfs, as the media has dubbed the non-LaRouche gaggle of Democratic candidates, within labor's ranks as any other segment of the party.

One leader of a large international union told the AFL-CIO Political Works Committee in mid-August that no candidate of either party got more than 10% in preference polls of the membership.

Another union leader, William Wynn, who heads the 1.3 million member United Food and Commercial Workers Union said Aug. 13 that it is "premature" for labor to endorse a candidate because most union members are undecided. A poll of his membership showed that 41% responded "none of the above" when asked which of the candidates they preferred.

In Iowa itself, the Seven Dwarfs fare even worse. A whopping 61% of 300 Iowa Democrats surveyed for Boston radio station WMJX in mid-August said they were still undecided. Of the candidates, the highest ranker was Massachusetts Gov. Mike Dukakis—with 8%! And he may have done that well only because *Playgirl* magazine named him one of the 10 sexiest men in America.

Helms blasts Soviet SALT violations

Sen. Jesse Helms (R-N.C.) charged on the Senate floor on Aug. 7 that the Soviet Union, contrary to arms-control apologists in the Senate, is in violation of the sublimits to the SALT II Treaty as well as the overall treaty limitations.

Helms addressed the question of why Soviet leader Mikhail Gorbachov had admitted the deployment of the new SS-24 missile at the same time that the Soviets are going to extreme lengths to conceal deployment of the system. "The Soviets are probably admitting deployment in order to try to impress and even scare the U.S. with a further increased Soviet ICBM threat," Helms said. "But consistent with their extensive camouflage, concealment, and deception program for the SS-24," Helms said that they obviously hoped that the United States would not detect more than two SS-24s and "the U.S. would therefore believe their deception plan to announce SS-24 deployment as consistent with SALT II."

The deployment of more than two SS-24s, without a compensating dismantling of other MIRVed ICBMs, puts the Soviets over the 820 MIRVed ICBM sublimit in SALT II. Since at least January 1987, the deployment of no fewer than five SS-24s has been detected. The Soviets have also now confirmed deployment, but, said Helms, "It is significant that for the first time the Soviets are not revealing their production figures for railroad rolling stock." The SS-24 is rail mobile.

U.S. intelligence "has already given Congress important unclassified testimony that Soviet factories for the mass production of the SS-24 missile and its rail mobile launchers are al-

ready built," Helms said. President Reagan recently warned Congress to expect rapid, covert deployment of many more SS-24s.

Helms pointed out that the 1,200 sublimit for MIRVed ICBMs and SLBMs (submarine-launched ballistic missiles) has also been violated, as the Soviets began sea trials of the fourth Delta IV SSBN and the fifth Typhoon SSBN submarines. Intelligence specialists have also assessed that a Soviet decision to break out of SALT II would mean deployment of air-launched cruise missiles (ALCMs) on their Backfire bombers, exceeding the 1,320 sublimit of MIRVed missiles and ALCM armed bombers.

House halts anti-Turkish resolution

The House defeated H. Res. 238 calling for a national day of remembrance of the Armenian genocide of 1915-23, a resolution calculated to inflame U.S.-Turkish relations, by a close vote of 189 to 201 on Aug. 7.

The resolution split the conventional liberal, conservative, pro- and anti-defense voting blocs. But the large number of Republicans backing the resolution indicated that Turkey-bashing has significant Reagan administration support.

Representatives Gene Taylor (R-Mo.), Steve Solarz (D-N.Y.), William Dickinson (R-Ala.), Jim Moody (D-Wis.), and other opponents of the resolution halted it on the grounds that the alleged genocide by the Ottoman Empire is still a hotly contested historical question, that it will only incite and justify further atrocities by Armenian terrorists, and that it would offend Turkey, a key NATO ally.

"Sixty-nine American historians,

all specializing in Turkish, Ottoman, and Middle Eastern studies, have publicly denounced the misrepresentation and misleading intent of this resolution," Dickinson pointed out. A civil war raged behind the lines of the Turkish-Soviet front during World War I, when disease and famine also took its toll.

"There were atrocities; however, Armenians living in western Turkey far from the Eastern Front were unaffected," Rep. Frank Horton (R-N.Y.) said. "This belies the definition of genocide." Archives on the period, especially in the Balkan countries, remain closed.

"Since 1976, more than 70 Turkish diplomats and innocent bystanders, including 4 Americans, have been assassinated by Armenian extremist and terrorists groups," Rep. Doug Bosco (D-Calif.) noted. "It is absolutely senseless for us to commemorate this history, when the words themselves are enough to cause mindless terrorism against a nation's citizens and diplomats," Representative Taylor warned.

Rep. Carroll Hubbard (D-Ky.) noted that his constituents believed that Cuba or the Soviet Union was behind the annual House attempt to embarrass a certain nation. "Yes; it is incredible that our NATO ally and good friend Turkey is the victim, even again today," he said.

Conte seeks repeal of Budget Act

Rep. Silvio Conte (R-Mass.) announced on Aug. 7, just before Congress adjourned, that he intends to introduce legislation to repeal both the Budget Act and the Gramm-Rudman-Hollings balanced budget law, when

Congress returns in September.

"The budget process virtually guarantees that we will not be able to act on appropriations, and that there will be a big CR [continuing resolution]," Conte said, pointing out that the budget process prevents Congress from deliberating on appropriations that help determine future economic growth.

Advocates of replacing our constitutional republic with a parliamentary system have long schemed to use the budget process to aid in their designs.

"In 11 fiscal years under the Budget Act, we have met the deadline for adopting the first budget resolution once, in 1977," Conte said. In the last five years, "out of a total of 65 appropriations bills, only 9 were signed before the start of the fiscal year, and 38 bills were carried for the full year in a CR," he said.

"Repeal the Budget Act. Repeal Gramm-Rudman-Hollings," Conte said. "Then the President will propose, and the Congress will dispose, and the responsibility for deficits and CRs will be absolutely clear."

Kennedy, Waxman introduce AIDS bill

Sen. Edward Kennedy (D-Mass.) and Rep. Henry Waxman (D-Calif.) introduced legislation on July 31, S. 1575 and H.R. 3071 respectively, to establish a testing policy for AIDS.

The bill provides \$400 million per year for the next three years to expand voluntary testing programs, and would require extensive counseling before and after testing. Proponents of the bill point out that the waiting period to get an AIDS test voluntarily is as long as three months in some states.

The major focus of the bill, however, is to protect the civil rights of those infected with the virus. Grants can be made to testing centers only as long as they "ensure the confidentiality of information and records with respect to individuals counseled or tested."

A very narrow exception to strict confidentiality would allow doctors to inform spouses or sexual partners of the risk, or to inform a blood bank, but only after a court procedure.

Penalties would be leveled against an individual who violates confidentiality of test results or discriminates against someone who has AIDS. "A person may not discriminate against an otherwise qualified individual in employment, housing, public accommodations, or governmental services, solely by reason of the fact that such individual is, or is regarded as being, infected with" the AIDS virus, the bill reads. The AIDS victim can sue, and civil penalties of \$2,000 may be levied for discrimination or breach of confidentiality.

Presidential aspirant Sen. Albert Gore (D-Tenn.), a co-sponsor, denounced the idea of routine testing. "The President made testing a goal in itself—doing more to set back AIDS policy in one day than he had already done in six years of silence," Gore said.

House creates second AIDS commission

The House passed legislation to create a second national commission on AIDS, H.R. 2881, by a vote of 355 to 68 on Aug. 4.

Proponents argued that Congress needed a coordinating body and more

input into the AIDS issue, and that it would not duplicate the commission recently appointed by the President. The President, the Speaker of the House, and the President *pro tem* of the Senate would each appoint five members.

The commission would have to produce comprehensive recommendations to deal with AIDS within a year, and would have to report again at the end of two years, with an option to continue its work at the discretion of the President. It is funded with \$2 million.

The chief sponsor of the bill is Rep. Roy Rowland (D-Ga.), the only medical doctor serving in the House. The primary activity on the bill was by the House Committee on Veterans Affairs, chaired by Rep. Sonny Montgomery (D-Miss.). The bill was also passed by the House Energy and Commerce Committee, but without hearings in the Health Subcommittee chaired by the civil rights for AIDS advocate, Rep. Henry Waxman (D-Calif.).

The Veterans Committee issued a report on the bill which clearly indicated their motivation. "The Committee is alarmed," the report said, "that meaningful and impartial national policy which is consistent with the expectations of the American public has not yet emerged. Time is of the essence, and critical choices that should be made cannot longer be delayed."

In addition to creating a commission, the Veterans Administration would be required to compile a synopsis of all medical research worldwide on AIDS. "The Veterans Administration hospital system must be a vital part of the national effort to fight AIDS," ranking Veterans Committee member Rep. Gerald Solomon (R-N.Y.) said.

National News

FEC rules in favor of The LaRouche Campaign

The Federal Election Commission Aug. 20 unanimously upheld arguments made by The LaRouche Campaign (1984), and voted to override the recommendation of its Audit Division that the FEC require a \$54,607.65 repayment by Lyndon LaRouche's campaign committee.

After a brief oral exposition by Daniel Blessington of the General Counsel's office, summarizing the case, Commissioner Joan Aikens asked for comments from the Audit Division, whose arguments of nearly three years' standing had just been rejected by the general counsel. The auditor stated that The LaRouche Campaign had made hundreds of thousands of dollars of campaign expenditures after losing matching funds, and that these were illegitimate. The general counsel said that there was nothing illegitimate about them, and that qualifying or not qualifying for matching funds was irrelevant. The Commission voted 5-0 to override the Audit Division recommendation.

The Audit Division's recommendation raised a fundamental constitutional issue, of whether the FEC could tell a presidential candidate when he must stop campaigning. The issue was whether expenses incurred after the campaign was disqualified for matching funds, but before the Democratic Convention, were legitimate campaign expenses. TLC argued that LaRouche was still seeking the nomination up through the convention, and that the FEC could not tell a candidate to stop campaigning. The FEC has now officially agreed.

Congressmen ask Shultz to support Mujaheddin

A letter signed by 52 Congressmen, urging Secretary of State George Shultz to recog-

nize The People's Mujaheddin in its fight against Khomeini, is being circulated on the Hill by Rep. Mervyn Dymally (D-Calif.) and Rep. Helen Delich Bentley (R-Md.). Both congressmen are strongly supported by the American-Israel Public Affairs Committee, which is allied to the Ariel Sharon faction in Israel strongly supporting Khomeini's regime in Iran.

"Even when the actions of rulers have not been in the best interest of the people, we have emphasized our relationship with the rulers" of Iran, the letter states. "A more serviceable policy would have its roots in recognition of the Iranians who have not surrendered to the ruling dictatorship, who resist at the risk of their lives."

The letter adds that the State Department has acknowledged the role of the People's Mujaheddin in current power struggles, adding: "Adopting a policy which gives primacy to the struggle of the Iranian people to achieve freedom and democracy is the best way to position our country for the future."

It is apparently the Sharon faction's calculation that the mullahs' regime's best chance of surviving lies in manipulating the United States into supporting an Iranian opposition, the "Islamic-Marxist" Mujaheddin, as ineffectual in Iran as the Contras are in Nicaragua.

Intelligence man offers covert action guidelines

Former high-level intelligence community official George Carver has joined in the debate on the restructuring of covert operations initiated by Lyndon LaRouche and *EIR*'s exposure of two 1981 Executive Orders numbered 12333 and 12334. Under those Executive Orders, intelligence agencies could target political opponents for infiltration and harassment virtually without legal criteria, and "farm out" such operations to private persons and groups. The events of the Iran-Contra affair were also carried out under those Executive Orders.

Carver, writing a commentary in the

Washington Times Aug. 17, echoed many of the prescriptions contained in LaRouche's "Draft Executive Order Replacing Executive Orders 12333 and 12334" (see *EIR*, July 24, 1987). Carver stressed that the basis of any covert action strategy must be a sense of "national mission."

"There must be a sense of proportion and perspective such that a goal to free hostages would never put at risk larger, long-term national interests." Covert operations are necessary and a very important part of national security, he said. But, "they must be limited to trained, experienced professionals and never be entrusted to zealous, well-meaning amateurs."

"No such operations should be basically inconsistent or incompatible with publicly proclaimed governmental policy," although at the same time, there must be a reasonable chance of keeping them secret, and "quietly supportive" of national goals.

Carver also stressed, "From an American (though not necessarily an Israeli) perspective, the Iranian arms shipment violated every one of these standards. Similarly, it is unwise to supply the Contras covertly."

Byrd asks probe of early arms sales

Senate Majority Leader Robert Byrd, citing a report in the *New York Times*, has asked congressional investigators to broaden their probe of the Iran-Contra affair to include arms sales to Ayatollah Khomeini in the early 1980s. So far, investigators have treated the Iran arms sales as if they only began in 1985.

Said Byrd, "Of particular note is a column by Flora Lewis of the *New York Times*, which indicates that the secret policy of arming the Ayatollah may even have begun early in the 1980s, and that this bribery and ransom strategy was on the minds of the inner circle of presidential advisers even before his administration took office. What other explanation is there for the allegation

Flora Lewis notes, of a meeting between Mr. [Richard] Allen, the first security adviser to the President, and a campaign official who apparently met with Iranian officials during that presidential campaign, and who may have been linked to Israeli shipments of weapons to the Ayatollah in the early 1980s."

Lewis's column quotes exiled former President of Iran Abolhassan Bani-Sadr saying that negotiation of arms sales was under way during the Carter administration in 1980, but was stopped because Iranian strongmen Rafsanjani and Ayatollah Beheshti did not want Carter to win the election. Then, "there was a meeting in Paris between a representative of Beheshti and a representative of the Reagan campaign," according to Bani-Sadr.

Writes Lewis: "Mr. Bani-Sadr says that these and subsequent events confirm for him persistent rumors that the Reagan campaign offered arms if the hostages were not released until after the 1980 election. In effect, they were released at the same time as Mr. Reagan was inaugurated."

Democrats get largest contribution ever

Joan Kroc, widow of McDonald's hamburger-stand founder Ray Kroc and owner of the San Diego Padres baseball team, has given the Democratic Party \$1 million, the largest donation the party has ever received.

Mrs. Kroc said she gave the money because she was concerned over President Reagan's use of the military, particularly in Lebanon, Libya, the Persian Gulf, and Central America.

Like her late husband, Kroc had been a heavy contributor to the Republican Party for decades. Now, however, McDonald's is trying to open up fast-food eateries in Moscow. Paul Kirk's Democratic National Committee has agreed to lobby Gorbachov for such arrangements.

Judging by Mrs. Kroc's own statements, the \$1 million will be used as part of

that lobbying, to mobilize against U.S. policy in the Persian Gulf on the Soviet government's behalf.

CDC issues new AIDS guidelines

New federal guidelines to protect health care workers against AIDS have been issued by the Atlanta-based Centers for Disease Control. The 18-page guide for doctors, nurses, and other medical personnel was formally released on Aug. 20.

The guide says that precautions such as use of gloves, masks, and goggles should be taken by health care workers at any time that "contact with blood or other body fluids of any patient is anticipated."

The CDC also said, "The increasing prevalence of [the AIDS virus] increases the risks that health care workers will be exposed to blood from patients infected" with the virus.

Dr. Harold Jaffe, head of the CDC's AIDS task force, was quoted in the Aug. 21 *Baltimore Sun*:

"The minimum level of infection-control precaution should be to assume that any patient might potentially be infected. And health care workers should follow precautions appropriate to protect them."

Rather than focus on AIDS, Jaffe said, the new guidelines emphasize "universal" precautions against exposure to blood and bodily fluids.

Jaffe's obvious purpose in the latter sleight-of-hand is to avoid admitting that AIDS, far from being a venereal disease, the implicit touchstone of the CDC's long-term cover-up of the AIDS epidemic and its "safe sex" campaign, can in fact be caught through "casual contact," i.e., contact by any number of means with the bodily fluids of infected persons. Hence, under intense pressure from terrified health workers, the CDC has recommended "gloves and goggles" precautions, while calling these universal, not AIDS-oriented.

Briefly

● **ALBERT GORE**, Democratic senator and presidential aspirant, has cited a study by a non-profit association to defend "junk bonds" as a "godsend" to industry. Gore said that the study "helps clear up the misconception that junk bonds are inherently bad and that they are used exclusively as a tool for hostile takeovers."

● **THE IOWA** governor's office is sponsoring a major conference on Aug. 28 in Cedar Rapids on expanding East-West trade. The idea for the meeting came out of Gov. Terry Bransted's visit to Moscow last year, spokesman Richard Vohs disclosed Aug. 14. Participants will include Soviet and U.S. officials and various American businessmen, discussing "joint ventures and eliminating some of the U.S. restrictions on trade."

● **MICHAEL LEDEEN**, a key "Irangate" figure, has started an intelligence consulting company, ISI of Chevy Chase, Maryland, with former Defense Department official Richard Perle, now a State Department adviser, intelligence sources say.

● **SABOTAGE** was not the cause of a Northwest Airlines plane crash in Detroit that killed an estimated 157 Aug. 16, says the FBI. But U.S. intelligence sources believe that the crash was probably a result of a "test" of capabilities by Soviet *spetsnaz* (special forces) saboteurs. Over the recent period, several unpublicized breakdowns of U.S. communications systems are believed to have been run by the Soviets to test their *spetsnaz* capabilities.

● **JONATHAN POLLARD**, the imprisoned Israeli spy, is very bitter at Israel, and according to intelligence sources, might soon divulge new facts about his activities, with dramatic results in both the United States and Israel.

On the subject of Khomeiniac mines

The object of the U.S. military mission in the theater of operations associated with the Persian Gulf, ought to be to break the will of the Khomeiniac dictatorship of Iran insofar as this can be accomplished by rendering impotent those classes of actions which the United States and our relevant allies and other partners have prohibited that regime to undertake. This action, should be intended to restore the strategic credibility of the United States, by resolutely and effectively turning one of the most vital strategic flanks of the combined forces of the United States and its allies as a whole. The success of the mission in the theater of operations associated with the Persian Gulf is therefore an integral and vital part of the general strategic mission of the United States.

Rules of engagement, therefore, must be interpreted for practice according to the requirements of that mission.

The Khomeini regime's deployment of naval mines as a supplement or surrogate for other means should not be tolerated as a ruse by which the mission's object might be frustrated. Under present circumstances, the detected presence of naval mines in waters used by neutral shipping warrants automatic hot-pursuit military action against relevant military bases and capabilities of the Khomeini regime. Any other warlike Iranian action against neutrals, such as the recent bombardment of a Norwegian tanker and the firing at and stopping of a Yugoslav cargo vessel, should warrant immediate hot-pursuit response.

Officials of the Khomeini regime have repeatedly avowed publicly that naval-mine warfare is a state policy of that regime in the waters of the relevant theater of operations. They have adopted any errant naval mine in those waters, to the effect that, were a naval mine deployed by forces not placed by agencies under the direct control of that regime, the existence of the mine would be as if that regime had deployed it. These repeated declarations by that regime remove all reason to require commanders to report the confirmed name, rank, and serial number of such a mine before taking appropriate forms of

hot-pursuit action immediately against relevant capabilities of the Khomeini regime.

The same rule should apply to terrorist acts and other lethal forms of covert operations. The Khomeini regime has adopted such actions publicly, and repeatedly, as its current policy. If such an action were taken by agencies not under the direct control of that regime, the action would be the same in effect as if that regime had directed it. Decisive application of lethal military force against every one of the known and expected manifestations of the Khomeini regime's all too well known practice of employing violent insanity as a deliberate means of state policy—this ought to be the underlying principle of the American and allied military deployment in the Persian Gulf today.

The State Department must be kept out of this.

The traditional methods of crisis management must be kept out, as must any off-the-wall notion that we ought to reason out some sort of a "consensus" with the ayatollahs. Woe to that nation which shall reach a "consensus" with this band of demented mullahs. The only language they understand is that of the application of compelling force.

The instant you stop applying this compelling force, the demented mullahs, instantly, stop understanding.

For instance, it was noticed that after the U.S. naval deployment was completed with the arrival of the *USS Guadalcanal*, the Iranian "Supreme Defense Council" announced that it has "no objections" to the U.S. convoys, and that they themselves are committed to protecting free navigation in the Gulf. The Council's spokesman, Dr. Kharazi, after this well behaved declaration, slyly added, "The question is, if there is calm in the Persian Gulf, why should the United States not withdraw its naval forces?"

The answer of course, is simple: If there is calm in the Gulf, its presence proves that the American naval deployment is having its effect. Remove this deployment, and the turmoil and violence will return instantly—unless the Khomeini regime is first wiped out.

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magazine."**

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