

# EIR

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Yugoslavia on the brink of civil war?  
AIDS toll in Africa: Blame the World Bank  
De la Madrid's economic lies exposed in Mexico

**LaRouches in Asia: Combat  
instability with development**



# SPETSNAZ



## SPETSNAZ

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

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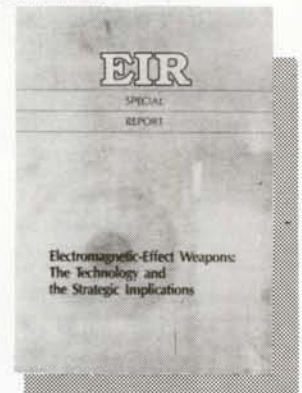
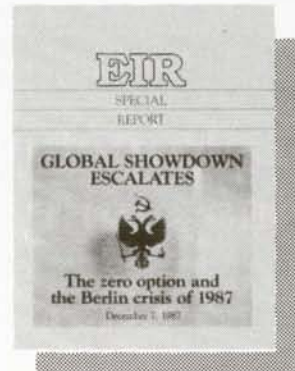
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## From the Editor

Rarely has *EIR* been able to offer readers so broad an array of our unique, independent news coverage as in the present edition. Of course you don't expect the national news media to report on Lyndon LaRouche's trip to Thailand, Japan, and Taiwan, and on the warm reception accorded by those nations' political and scientific elites to the independent U.S. presidential candidate and to his wife, West German political leader Helga Zepp-LaRouche. Turn to pages 28-37 for a first report from this trip, including reportage by Sophie Tanapura in Bangkok, and by *EIR*'s contributing editor Webster Tarpley, who accompanied the LaRouches in Taiwan.

From Mexico City, *EIR*'s D.E. Pettingell writes a minute-to-minute eyewitness report of the brawl that broke out on the occasion of President De la Madrid's annual *Informe*, and which was elaborately camouflaged by even the Mexican news media (see pages 11-14). This gripping story and the accompanying interview with Sen. Porfirio Muñoz Ledo tell why the illegal imposition of Carlos Salinas de Gortari as President of Mexico, announced on Sept. 10, is a tragedy in which Washington is wholly complicit—and from which only Moscow will benefit.

Democracy is being crushed in Mexico in order to uphold economic policies that concentrate power in the hands of the few, and consign millions to die of hunger. On page 6, Agriculture Editor Marcia Merry files our first news report on the birth of a mass political movement to reverse those policies: the new Food for Peace organization, formed at a conference over Labor Day weekend in what was once the world's agro-industrial capital, Chicago.

I would like to draw attention to the four important interviews in this issue: Senator Muñoz Ledo is the strategist for the candidate who really won Mexico's presidential elections, Cuauhtémoc Cárdenas; General Teng was a top aide to the late Gen. Chiang Kai-shek; Mr. Elhanan is an Israeli expert on combatting locusts; and Adm. Daniel Murphy (ret.) has been the senior U.S. military officer in the War on Drugs.

Finally, following up on our coverage last week of the Ramstein Air Show disaster, we invite readers to endorse the call for full investigation of the possibility of sabotage in this and other incidents, printed on page 27.

*Nora Hamerman*

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**Correction:** Due to a production error, the byline was left off the article on page 11 of our Aug. 26 (No. 34) issue, "IMF forces fall in Brazilian population." The author was Silvia Palacios.

## Federal Home Loan Bank Board goes off the wall

by Joyce Fredman

The largest insolvent savings institution in the United States to date, American Savings and Loan Association of Stockton, California, was the latest recipient of the federal bureaucracy's funny money. On Sept. 5, a total of \$2 billion was pledged by the Federal Home Loan Bank Board (FHLBB) to assist Robert M. Bass Group, the corporation set up by Texas corporate raider Robert M. Bass, in prying American Savings and Loan away from its parent company, Financial Corp. of America.

Within 36 hours after this latest maneuver, FHLBB chairman M. Danny Wall was before the House Banking Committee, explaining his contradictory thesis, that although Congress should not be alarmed in the least, and although the FHLBB has everything under control and is fully equipped to deal with the problems of the thrifts, still the FHLBB needs the promissory notes issued by the Federal Savings and Loan Insurance Corporation (FSLIC) to be backed with the full faith and credit of the United States Treasury.

It is no accident that the hearing took place so soon after the American Savings deal. The \$2 billion in assistance pledged by FSLIC is the most costly single rescue for the bank board so far. (But not the most costly transaction; that distinction goes to the merger of eight insolvent thrifts into Sunbelt Savings FSB of Dallas, where the board will inject minimally \$5.5 billion.) Both the chronology of events leading up to the takeover and its new owner, Bass, were bound to raise plenty of questions.

### From Financial Corp. of America to bust

On Jan. 11, 1983, Financial Corp. of America (FCA), the parent company of State Savings, in Irvine California, announced a merger with First Charter, the owners of American Savings and Loan. By August, regulators approved the

merger. The new company kept the names of FCA and American Savings, and Charles W. Knapp became chief executive. Knapp's regime was part of the high-risk speculative trend that was sweeping the country. He paid high interest rates on deposits and made real estate loans that other institutions had rejected.

By August of the following year, the thrift was faced with mounting deposit losses and borrowed \$500 million from Federal Home Loan Bank of San Francisco. As FCA stepped up its borrowings to fend off a worsening deposit run, regulators came down on Knapp. By Aug. 28, 1984, Knapp resigned and was replaced by William J. Popejoy.

Although FCA reported losing \$6.8 billion in deposits in the third quarter in October, by January 1985, Popejoy was sanguine, announcing, "The good news is, the bad news should be behind us soon." Guess again, Bill. By March 8, FCA had revised their estimate of annual losses to \$700 million. On April 1, FCA announced it had lost \$512 million in the fourth quarter, bringing annual losses to \$591 million, an S&L record. On May 16, American Savings disclosed that it had lost \$1 billion in deposits. The saga continued in a similar vein for two more years.

By Jan. 21, 1988, FCA's net worth was wiped out by \$225 million in fourth-quarter losses. FCA's red ink for 1987 was \$468 million! Six days later, it requested a \$1.5 billion bailout from FSLIC for American Savings. It was not until Feb. 4, 1988, that Rep. Fernand St Germain (D-R.I.) began a congressional investigation into the regulatory handling of this insanity.

But as the losses piled up, Danny Wall went into gear. On April 21, confirmation was given that an exclusive pact with billionaire Robert Bass had been signed to negotiate the sale of American Savings. The deadlines for finalization came,

were extended, and passed. On Sept. 5, the agreement was reached: The Bass group invests \$550 million, and FSLIC provides \$500 million in promissory notes and a promise of \$1.5 billion in cash over the next 10 years.

Financial Corp. of America, the nation's second largest S&L holding company, had, as of June 30, liabilities exceeding assets by \$387 million. They will file a petition for Chapter 11 bankruptcy. Popejoy resigned as chairman and CEO of Financial Corp.

### **Bass fishing**

The 40-year-old recipient of this circus has had quite an active year himself. First, Robert Bass had acquired the Westin hotel chain from Allegis Corp. for \$1.53 billion. Then in March, he sold the Plaza Hotel in Manhattan to fellow billionaire Donald Trump, for \$410 million. In May, he bought out the Bell & Howell Co. of Skokie, Illinois, a publishing and information service, for \$702 million. Now Bass has acquired the country's largest insolvent savings institution.

Clearly, the fellow has money to throw around. But like most of his set, he never had to work for it. He is an heir to his uncle's oil fortune. From prep schools like Phillips Andover Academy, he went on to Yale and Stanford. One account has it that Bass spent his free time at Yale making slugs out of soda can flip-tops for use in the parking meters in New Haven. Such are the makings of the Texas upper crust. His seedy character and ruthless raids have been the last straw for some, however, and at long last, Congress has noted that there may indeed be quite a disaster looming on the horizon.

### **Full faith and credit**

Danny Wall came before the House Banking Committee to give testimony as to why Congress should give full faith and credit to the Bank Board. He cited the resolution of 47 "troubled" institutions (more commonly known as "zombies") in 1987 and 54 this year to date, as proof that the situation is completely under control.

Wall also explained the advantages of using notes as opposed to cash—never stating the obvious: that they don't have it. Wall said that interest on the notes is not taxable, as long as certain (vague) criteria are adhered to, as well as the fact that a holder of a note may sell it at a premium. This enables the owner to convert the note to cash. Not a bad idea, considering the note itself is considered worthless in most circles. After 20 pages of justification for his actions, Wall concluded that it is urgent for Congress to pass a resolution backing him up.

"Consequently, one can only judge whether the FSLIC is heading in the right direction based on its recent tract record." That is the most honest statement in his whole testimony.

George Gould, Undersecretary for Finance of the Treasury Department, then submitted his testimony. This testimony was even more absurd. Gould insisted that the actions of the Bank Board are backed by the full confidence of the

government, and therefore any resolution would simply be redundant. Rather, everyone should let well enough alone. Particularly objectionable to the Treasury was the idea of Congress setting any limits or restrictions. "The Bank Board has told the Committee and the public that it will not issue notes beyond its available, identifiable resources over time."

Unfortunately for everyone, they already have.

According to the official figures, the total amount of FSLIC's obligations is conservatively \$22.5 billion. The total annual interest outlay requirement on these obligations is estimated to be \$3 billion. FSLIC's current foreseeable level of premium income is approximately \$1.85 billion annually.

To put this in perspective, during the first half of 1988, FSLIC's actual cash outlays for principal and interest on its notes and bonds totaled \$1.143 billion. This amount is 74% higher than FSLIC's premium and interest collections of \$658 million during the same period last year.

One of the shrewder S&L watchers, Bert Ely, also pointed out that, in fact, this is the most expensive way to deal with the situation. "All the FSLIC notes do is postpone the day when cash is paid out to resolve a failed thrift. Effectively, these notes are nothing more than post-dated checks drawn on the U.S. Treasury. Yet FSLIC notes are a more costly source of funding for FSLIC than direct Treasury debt of comparable maturity." The interest rates are a good three points higher.

### **Stirrings in Congress**

The situation is so egregious that even some of the dolts in Congress are finally waking up to the reality that *EIR* has been reporting on for years. Rep. Charles E. Schumer (D-N.Y.) testified:

"In the same breath, Chairman Wall maintains that the Congress need not be concerned, that the Bank Board has now and will continue to have sufficient resources to resolve the massive problems in the thrift industry. . . . Well, this congressman for one is deeply concerned. . . . Indeed, the ease with which the Bank Board has spoken recently of billions and billions and billions of dollars, makes them sound more like Carl Sagan than prudent regulators protecting the public's interests. . . ."

"Given that the Bank Board has not provided adequate and timely information, that it has consistently underestimated the size of the problem, that it refuses to acknowledge that the crisis is bigger than the Board can handle, it is dangerous to give the Bank Board a blank check. . . . Looking at the transactions already completed, the Southwest Plan seems to be nothing more than a massive shell game in which insolvent institutions are reshuffled, the names changed, and little if any real capital injected, resulting in thinly capitalized weak institutions."

Papering over the problems until the November election is a very high-risk business. And it is becoming more expensive every day.

# 'Food for Peace' comes into being, pledges fight to end world hunger

by Marcia Merry

Over the Sept. 3-4 weekend, some 400 people met in Chicago on the theme, "Food for Peace," and formed an international action group, pledged to battle world hunger, which has every sign of becoming a mass movement. Represented were 30 states, and 10 nations; the largest group of participants were farmers from all locations.

"It is now urgent that we massively expand food production in this and every other country," state the founding principles of Food for Peace. "We must ensure that not one person goes hungry or needlessly dies for the lack of food, which we could easily produce with the correct policy. To accomplish this awesome but necessary task will require that we build an ever-expanding movement in the United States together with our friends from other countries, whose goal will be to feed the world."

## Drought disaster sparks action

The initiative for the conference and the new institution came about over the summer as drought devastated the U.S. and Canadian breadbasket, which accounts for 58% of annual world grain exports. During the 1980s, world weather patterns have been worsening, to the point that simultaneous disasters now ring the globe: the succession of drought and floods in Sudan and Chad, in the Yangtze Valley in China, and most recently the catastrophic floods in Bangladesh, leaving 21 million people homeless.

Diplomats from Sudan and Senegal reported to the conference on the state of emergency posed by locust swarms in northern Africa, and by the lack of food and devastating floods. Agil Elmanan, economic counselor of the embassy of Sudan in Washington, stressed that his nation could be the breadbasket of Africa but for the debt crisis, which has halted all infrastructure improvements. The needed Jonglei Canal sits 65% finished. It could control flood drainage and create enormous irrigation potential.

An emergency resolution was passed pledging to organize attention on and assistance for Sudan.

In the course of the conference, five other resolutions were adopted on pressing matters of food supply: the need to dissolve the General Agreement on Tariffs and Trade (GATT) and break the power of the food cartel that stands behind it; a campaign to reforest the Amazon rain forest to reverse deteriorating global weather patterns; the need to obliterate all

drug production and stop the protection of drug finance, and to shift drug-growing land into food production; the need for food irradiation to protect and permit wider distribution of food supplies; and the necessity of parity prices for farmers worldwide.

The conference was co-sponsored by the Schiller Institute, a transatlantic think tank founded in 1984 by German national Helga Zepp-LaRouche, to promote policies of economic growth and traditional cultural, scientific, and military links among allied nations. Mrs. LaRouche issued a call for action on the agriculture crisis in August of this year, which began by saying, "Unless the current policies of the U.S. Department of Agriculture and the European Community bureaucracy are immediately stopped and replaced with an emergency world food program, not only will hundreds of millions of human beings be threatened with death by starvation, but a worldwide food shortage will threaten world peace in the most dramatic way."

Hundreds of people responded to the emergency conference initiative, because of anger over the blatant lies about the world food situation being promulgated by officials in Washington, Brussels, and elsewhere. The U.S. Department of Agriculture and the EC Agriculture Commission continue to maintain that food stocks are "in surplus," cropland reduction policies (land set-aside) should continue, and that food must continue to flow to the Soviet Union uninterrupted. Officials insist that any disruption of food supplies and price inflation because of the North American drought will be minimal.

## The food output decline

Countering these lies, on Sept. 3, farm representatives gave firsthand reports on the extent of the food crisis around the globe. From North America, Elmer Kichula, of the Canadian Consolidated Agriculture Movement in Saskatchewan, spoke of the drastic fall in Canadian spring wheat. The Canadian government announced in late August that all talks on future grain sales have been suspended, and that outstanding grain export contracts will be filled on a deferred basis. Gerald Kopp, a farmer from Raleigh, North Dakota, described the same devastation to Dakota crops and livestock, reporting, for example, that there is not even sufficient seed from this year's harvest to put in next year's barley and other



small grains crops.

Farmers from France, Denmark, and West Germany spoke on the food crisis in Western Europe. Fritz Hermann, National Board member of the Danish Agriculture Association, reported that in Denmark, one-tenth of all farmers will be forced off the land this year, and another 10% next year. From West Germany, Frido Peper, vice president of the Charolais Breeders Association, reported that a full two-thirds of the German farm population has been dispossessed or soon will be, because of EC food reduction policies. Christian Procquez, chairman of the French Federation of Agriculture for the Marne region, stressed that the fundamental "right of the nation to feed itself" is at stake.

From Ibero-America, two speakers gave stark reports on Colombia and Mexico. Carlos Macías, from the board of the La Laguna Regional Cattlemen's Association in Mexico, reported on the devastation to livestock and feed, especially because of the lack of infrastructure. Dr. Adriano Quintana Silva, president of the Colombian Cereal Producers Federation, reported on how Colombia's agriculture potential has been impeded by cartel food dumping, while the drug trade has been a source of "violence and ruin" in the countryside.

Many other reports were given, and the cap on the global summary was provided by John Neill, a farmer and businessman from New Zealand, who stated that 20,000 of his nation's 60,000 farmers would be out of operation in the next year. Traditionally self-sufficient in grain and a large exporter of sheepmeat and dairy products, New Zealand will soon be dependent on grain imports for over 75% of its needs. All of this is the result of deliberate government, and International Monetary Fund, policies.

An in-depth report on the role of GATT and the policy influence of the Trilateral Commission and food cartel was presented by West German Uwe Friesecke of the Schiller Institute Agriculture Commission. His fellow panelist, Dr. Fred Wills, former Minister of Foreign Affairs of Guyana, ridiculed the euphemisms of the IMF circles, who say, for example, there are problems today of "condensed demand," when they are referring to "starvation."

The editor of the pro-nuclear science magazine, *21st Century Science and Technology*, Carol White, led a panel of presentations on what can be done to reverse the collapse and provide abundant food. Dr. Martin Welt, a pioneer in food irradiation, spoke of the huge gains possible in food storage and preservation through food irradiation technologies. Dr. Frank Salisbury, plant physiologist from Utah State University, showed the huge potential of plant production in controlled environments, which he researches in order to determine how to produce crops on the Moon.

A press conference in Washington, D.C. was held Sept. 9 at the U.S. Department of Agriculture to announce the formation of "Food for Peace." The group will actively campaign for agriculture policy change in all OECD member states, and in most Third World nations.

## Peru plunges into drug-dollar 'shock'

by Mark Sonnenblick

On Sept. 6, Economics Minister Abel Salinas proclaimed President Alan García's long-expected repudiation of his attempt to hasten Peru's development in a world going crazy with monetarism. Peru's new "orthodox shock" program should warm the hearts of the International Monetary Fund and other ideologues of neo-liberalism. But, the productive economy will be eradicated, leaving nothing standing except a thriving cocaine export sector. Brutal gutting of living standards will bring social upheaval which will undermine republican government and virtually hand the country over to the barbaric Shining Path narco-terrorists.

Salinas expounded a drastic package of monetarist and Schachtian measures. The pretext is to fight inflation and save dollars. "This is the hour of austerity and discipline," Salinas said.

The Peru package dismantles existing dirigist measures which promoted productive activities and tried to limit speculation. From now on, the entire economy will be keyed to the "free market" rate at which dollars brought in from booming cocaine exports are exchanged for the Peruvian inti. The inti was devalued to 250 to the dollar, which means it will cost eight times as much to pay for vital imports of food and medicine. The burden will be borne by consumers. The government quadrupled the price of gasoline to \$1 a gallon. Pasta increased 250%, bread 171%, powdered milk 100%, rice 140%. Other prices will double or quadruple during the next 10 days, and then will be frozen for 120 days.

To fool labor, the minimum wage will rise by 150% and wages for other workers will go up \$36 a month. These increases barely compensate for the 50% reduction in real wages since the last pay boost in July. That means living standards of wage earners will be frozen for the next four months at approximately one-quarter of what they were during the first two years of the García government.

As the implementation of the package approached, store shelves went bare as consumers and merchants hoarded goods before prices soared. On Sept. 6, police used tear gas and riot clubs to repulse hundreds of people who began looting stores near Lima's main market. The government reminded the people that a state of emergency, permitting deployment of army troops against civilians, was in effect. After the announcement, Lima was paralyzed—stores closed and buses stopped running. The unions are expected to go on general strike.

The hope generated by the upswing in production and living standards García generated after taking office in 1985, when he limited payments on the foreign debt permitted Peru to contain and roll back the Shining Path terrorists. As García lost courage in his fight to smash his nation's enemies, Shining Path has gained much ground. His Sept. 6 declaration of war against the Peruvian people is a surrender of the minds and hearts of his people to the narco-terrorists.

### 'Bolivian shock' for Peru

Senate President Romualdo Biaggi revealed that the shock policy had been inspired by Harvard economics professor Jeffrey Sachs. Sachs is touted for prescribing the 1985 Bolivian economic shock, which succeeded in reducing its hyperinflation to only 66% a year. That's nice. But Sachs threw Bolivia into the worst depression since the 17th century. He left it with an economy in which cocaine trafficking is at least four times the size of the legal economy.

In Bolivia, "free market rationalization" resulted in the firing of two-thirds of the miners at state-run tin mines. That may sound attractive to advocates of private enterprise. But the country's private manufacturing industry was also wiped out, by the decimation of working class buying power, usurious interest rates, the end of subsidies, and much heavier tax burdens.

Bolivia's gross national product has declined every year since the "Bolivian miracle" began. Yet, the area planted in coca bushes has doubled, going from 198,000 hectares in 1985 to 372,000 in 1987. In the theoretical piece Sachs wrote in the *American Economic Review* last year, he says not a word about cocaine. His only mention of the "parallel economy" is to boast that he helped the government tax criminal profits and use the resulting revenues to pay debts.

Peru has gone broke. The central bank reported that foreign exchange reserves were negative \$260 million. Peru had to ship \$160 million in gold bars to Gerald Metals in Lausanne, Switzerland in early September, to keep open its last trade credit lines with the Latin American Integration Association.

García's chief political adviser, Hugo Otero, gave this explanation for the economic crisis: "The lesson of the past three years is that the international community is not prepared to brook our independent nationalist stance."

Salinas declared, "We must increase our foreign reserves to increase stability and regain credibility in the world of international finance." He implied that Peru would be rewarded by "friendly governments" like the United States, Canada, and Belgium with \$300 million in bridge loans to pay arrears to the World Bank and thus re-enter the lost paradise of well-behaved debtors.

If García believes that, he is not only a coward, but a fool. No amount of groveling and genocidal austerity will bring him a pardon from the bankers for the challenge he once posed to international usury.

# AIDS in Africa: the want 'cost-effective'

by Jutta Dinkermann

The "Global Program on AIDS Progress Report Number 3" from the World Health Organization, dated May 1988, is a prescription for doing nothing about the spread of AIDS because it generally costs too much for a world with "fixed resources." It may, says the WHO, be more "cost-effective" in many countries for the "the Finance Ministry" to make the decision to let people die, especially if they're poor.

The report reads on page 23:

"Global Program on AIDS [of the World Health Organization] and the World Bank are collaborating in studies of the economic impact of AIDS and in measures to improve planning for the expected caseload. The initial phase of the development of a model for estimating the direct treatment-related costs and the indirect costs from the years of social and economic productivity lost owing to HIV infections and AIDS has been completed in three Central African countries during the first quarter of 1988. Issues addressed include: the projected effect of AIDS on the supplies of essential drugs, *the possibility, that AIDS patients will displace other patients, whose problems could be cured using available therapies*, and the threat posed to a country's development prospects by the years of productivity lost owing to AIDS and other clinical conditions due to HIV." (Emphasis added.)

One of the joint WHO-World Bank studies that is being referred to is entitled, "The Direct and Indirect Costs of HIV Infection in Developing Countries: The Case of Zaire and Tanzania," published on April 8, 1988. This is a cynical piece of paper. Its goal, in its own words, is to be "useful to decision-makers who must choose how much of a limited supply of financial resources to allocate to AIDS prevention and control relative to the prevention and control of other diseases or investment programs in other sectors."

In other words: *It is not the World Bank's or WHO's aim to investigate how to expand the "limited resources," so that everybody who needs help, actually will get it.*

The authors of "The Direct and Indirect Costs" define the direct costs of a disease as the cost of treating those who suffer from it. The indirect cost is the value of the healthy years of life it steals from society. They calculate the direct costs of health care per symptomatic HIV-infected persons in Zaire from a low of \$132 to \$1,585, the higher figure 12

# WHO, World Bank genocide

times larger than the lower—depending on whether the patient can choose to seek modern medical care or must stay in the village and be cared for only by relatives. In Tanzania, the estimated direct cost ranges from a low of \$104 up to \$631. Concerning the indirect costs, they estimate that preventing one case of HIV-infection will save an estimated 8.8 healthy life years.

Worth noting is that, according to this measure, HIV-infection ranks fifth after sickle cell anemia, neonatal tetanus, birth injury, and severe malnutrition, but ahead of childhood pneumonia, cerebrovascular disease, tuberculosis, measles, malaria, and gastroenteritis.

At this point, the unnamed “decision-maker” shows up again. “However, suppose the decision-maker is located in the Ministry of Finance rather than in the Ministry of Health. This individual would want to know whether to reallocate money away from other, demonstrably productive sectors like transport and communication, to the prevention of diseases or perhaps to the prevention of a specific disease like AIDS. The computations we have done to this date are no help to this decision. It is necessary to take a third step, attaching a monetary value to each of the productive healthy life years to be saved.”

The study states that three general groups of the population must be distinguished—the rural, the urban with a secondary education, and the urban with higher than secondary education. By weighting the productive years of healthy life lost to disease by the average income per year of these three groups, they hope “to provide some professional guidance to the decision-maker faced with the problem of inter-sectoral resource allocation.”

In other words, by insisting that the given resources can not be expanded, they provide professional guidance to the decision maker on how to undertake *triage*.

Expressed in hard dollars, the value of future healthy life years they give is as follows:

<b>Zaire</b>	
Rural adults	\$ 890
Urban primary school	\$1,780
Urban secondary school	\$2,669

<b>Tanzania</b>	
Rural adults	\$2,425
Urban primary school	\$3,880
Urban secondary school	\$5,093

The study ends by cynically supposing “that now the Ministry of Finance decision-maker knows that a certain quantity of financial resources could alternatively be allocated either to producing a known monetary benefit in the transport sector or to a health care program which would prevent a certain number of cases of a disease such as HIV-infection. The figures will then permit that decision-maker to place a *minimum* monetary value on those prevented cases. In cases where this minimum produces a monetary return from the health sector investment which equals or exceeds that of the equal cost transport sector alternative, the decision-maker would be guided toward the health sector investment.” (Emphasis in original.)

What if not? And what kind of “choice” is that, given that the building of an infrastructure in the long term and the fighting of diseases are equally vital?

## World Bank AIDS ‘prevention’ proposals

Of course, World Bank officials also deliver their proposals on how to prevent AIDS cases. Given the nature of the power the World Bank has, given the fact that the World Bank is financing WHO’s AIDS policy, and given the fact that the WHO dismisses any collaboration with a nation which does not follow their proposals, compliance is a *must* for every nation to get at least some money.

The abstract of a study by the World Bank with the title, “Implications of Control Measures For the Spread of HIV Infection,” reads as follows:

“The effects of changes in sexual behavior and of medical interventions on the spread of HIV infection are illustrated using an epidemiological-demographic model for transmission and progression of the disease. Parameters were chosen for the model to represent an African country with relatively high HIV seroprevalence, high fertility, and high mortality. *Condom use is the most effective of the interventions assessed. Reducing genital ulcers, providing clean needles, and cleaning the blood supply have minor effects.*” (Emphasis added.)

Then, the actual study begins: “No control measures will be adequate to prevent many infections and deaths from HIV in the next two decades, but changes in sexual behavior could moderate the spread of the epidemic.”

The message is clear: *Nothing but condom use will be proposed to fight AIDS in Africa.* The “scientific” ground is prepared, to prevent Africans from getting AIDS test kits, clean needles, or blood-screening equipment—the absolute minimum needs of any health care structure.

Whoever wants to fight AIDS in Africa has to fight WHO and World Bank killers.

## Israel mobilized to win against locusts

*Shmuel Elhanan is the head of Israel's Department of Plant Protection and Inspection. He was interviewed on Aug. 5 by Marjorie Mazel Hecht.*

**EIR:** There was the danger this spring that locust swarms from East Africa and Saudi Arabia might reach Israel. Are you prepared to defend against them?

**Elhanan:** I will tell you how we have mobilized. I am not shy, but I am reluctant to say if our plan would succeed 100% or not, because we are only speaking about theory, although it is based on past experience and the experience of others.

Fortunately, we have not had to use the plan in practice, because we haven't had locusts since the end of the 1960s. Only in the last two years have locusts reached the northwest of Saudi Arabia, around the Tabuk area. Now, it has really started to be a danger, because in just two to four hours, locust swarms could reach us.

We are fortunate that for years we have had good reconnaissance in case any locusts were nearby. If we would have had direct contact with Saudi Arabia, this might have been better, or with Egypt, and I hope in the future this will be so. Because when you get the messages from FAO [U.N. Food and Agriculture Organization], sometimes it might be too late.

So what we are always building upon is, first of all, our own reconnaissance. This year when the danger of locusts arose, we turned on the red lights. First we went to the public. And you know the media. It was what we call the "cucumber season" or dead season for news, and the media were more than ready for the red lights, and they pumped up the warning and echoed it so strongly that by the afternoon of the morning that I put out the notice, I had somehow to put out a few of the red lights in order not to overly alarm the public.

Being a small country, we are able to do a few things which I think in larger countries are a bit more difficult, or more complex. For years, we have in this department and in other units of the Ministry of Agriculture ready teams for this purpose. We are training them from time to time on maps and topography and so on, and on civilian radio bands in order to be able to mobilize them immediately.

**EIR:** So, over the past 20 years, although you have not had a locust invasion, you have maintained the infrastructure to

mobilize. This is the opposite of Africa, where the locust organizations disappeared over the past two decades, because of the lack of funds.

**Elhanan:** Yes. We have a 24-hour phone line that we publicize that people can call if they see any locusts. Years ago, when we had some locusts every few years, we kept our own vehicles ready, and chemicals, and teams of people who were trained. But we found that we could mobilize fast enough without this. Now, we have a standing contract with air-spraying companies, which can immediately mobilize. In fact, we have more than three companies with agricultural spraying planes—Thrushes, Pipers, and choppers as well, which can be used for reconnaissance or for spraying. They have airstrips all over the country.

We also have a standing contract with a public weed control company, which started many years ago as part of our department. They have suitable equipment for spraying roadsides and public areas by machine. We can use their resources as needed. In addition, we can alert the farmers in nearby areas to mobilize their equipment.

**EIR:** Do you produce your own chemicals—malathion and fenitrothion?

**Elhanan:** We produce some and import some. We could mobilize immediately a large amount produced here if we needed it for spraying swarms. As soon as we had the alert, we checked to find out that we had enough chemical materials and we did. So, all this together, our signal equipment, the 24-hour phone, these companies—and, if a very dangerous alert should occur, I'm sure we could have even gotten help from the Army. . . .

**EIR:** How much territory are you talking about?

**Elhanan:** Israel proper is 27,000 square kilometers. So really, Israel is small, and that's why, with enough planes and equipment, and with proper use, both in air spraying and ground spraying, and with mobilizing farmers, if necessary, I think we would not need any other special help. . . .

**EIR:** Unfortunately, in Africa, we are dealing with countries that don't have telephone systems, that don't have infrastructure. And the situation is terrible, because in the Sahel region, the FAO is predicting as much as 1 million tons of food crops lost to locusts.

**Elhanan:** You have to have the infrastructure in those countries in order to achieve what we have achieved. . . . There is another problem, a fashion of environmentalism. . . .

**EIR:** And when you combine this with the malthusianism of the FAO, I think you get a picture that the FAO and the environmentalists don't care if these people die; they think Africa has too many people.

**Elhanan:** May I say that this is a stupid idea, a stupid notion. To say a thing like that, that Africa is overpopulated, is ridiculous!

# Mexico's nationalist opposition blasts De la Madrid's economic lies

by D.E. Pettingell

Mexican President Miguel de la Madrid delivered his sixth and last State of the Union message Sept. 1 in the midst of Mexico's most serious economic and political crisis since the Institutional Revolutionary Party (PRI) set up its political monopoly in 1929. In an unprecedented act of protest over the economic crisis and the massive vote fraud in Mexico's July 6 national elections, 139 opposition congressmen and four senators, all followers of nationalist presidential candidate Cuauhtémoc Cárdenas, staged a walk-out of the Legislative Palace hall during the last part of De la Madrid's message.

The monologue was broken. The solemn ceremony where the President would deliver, uninterrupted, a lengthy speech before a passive and humble audience, belongs to the past. The farewell turned into an act of embarrassment for De la Madrid and his hand-picked successor, Carlos Salinas de Gortari, who did not dare to show up, breaking a historic tradition where the upcoming President always attends the last State of the Union message of his to-be-predecessor.

The daring show of repudiation for De la Madrid's policies of looting Mexico's standard of living by 65% in the past six years to pay the foreign debt, put an end to the embedded idea that the Mexican President is an all-powerful and sacrosanct individual whose rule can go on unchallenged even though he follows foreign imposed policies against the well-being of the people and the interests of the Republic of Mexico.

Almost three hours after De la Madrid had begun reading his speech, around 1:55 p.m. Sen. Porfirio Muñoz Ledo, who had won Mexico City's senatorial seat by a landslide, stood up and said: "Mr. President . . . Mr. President." De la Madrid turned his head to the first row where Muñoz Ledo was sitting and after identifying his interlocutor, pounded his fist once on the rostrum. Muñoz Ledo, Cárdenas's campaign strategist, had resigned from the PRI over the party's dictatorial tactics. He had been PRI chairman and had occupied several cabinet posts during the two previous administrations and was De la Madrid's ambassador to the U.N. until 1985.

The head of the Lower House, Miguel Montes, a PRI congressman, threatened Muñoz Ledo with expulsion from the hall if he insisted on talking. "He is a senator, he has the right to question the President," Cárdenas supporters shouted. The PRI majority shouted back: "Mexico-Mexico-Mex-

ico!" a common chant at soccer games. "Fraud-Fraud-Fraud!" answered the opposition. De la Madrid, who had remained emotionless through other interruptions, could not hide his anger this time.

"With due respect . . . with due respect," said Muñoz Ledo addressing the President. "Traitor, Judas, Exhibitionist, Clown," the PRI representatives yelled at him. "Let him speak," the opposition demanded.

"We have the constitutional right to speak . . . we have our own popular mandate. . . . If the President does not allow us to speak, we will have to leave in sign of protest," Muñoz Ledo said. He walked out, followed by all the opposition except the anti-nationalist National Action Party (PAN). Shouts of "traitor, traitor" and "son of a bitch" were heard from all corners. The opposition's chant of "the people voted and Cárdenas won" dominated the room as they walked out. Turning to De la Madrid, who was forced to stop reading for 10 minutes, some opposition congressmen said: "Look at the country you are leaving us, you have destroyed the Nation. You are the traitor."

Several PRI state governors went out of control. The governor from Aguascalientes took a swing at Muñoz Ledo, but missed and instead punched a reporter. The expression of hatred in many PRI-men led an observer to comment: "They would lynch him if they could get away with it." Once outside the hall, Muñoz Ledo commented, "What is happening here wears the face of fascism."

## The debt, paid several times

The State of the Union message began at 11:05 a.m. Cabinet members, governors, the Armed Forces high ranks, the diplomatic corps, and many PRI former public servants as well as an army of domestic and foreign correspondents, attended the unusually packed Legislative Hall amid rumors that the opposition would break the rules of the game.

De la Madrid had hardly started to speak when Congressman Jesús Luján from the Popular Socialist Party (PPS), got up and said: "I have a question for you Mr. President." But Luján was prevented from talking by Chairman Montes. It was learned later that Luján just wanted to ask the President why none of the opposition legislators were given a prepared text, when it was widely distributed in Spanish to everyone else and in English to the foreign media.

The second interruption came at 11:45 when De la Madrid praised himself for "clean elections" and called the July vote "historic." Congressman Jorge Martínez interrupted: "The people will not let themselves be represented by electoral fraud." De la Madrid stopped. Montes begged, "Let us not break a republican protocol." "Total repudiation to the electoral fraud!" the opposition chanted loudly. PAN legislators stood up, waving PRI-printed fraudulent electoral ballots in a sign of protest. The interruption lasted five minutes.

At 12:08, when De la Madrid praised his government's debt payment policies, he was told, "The foreign debt has been paid several times, Mr. President." At 12:25, when the President praised the selling of some of Mexico's most strategic state-owned companies to foreign companies and foreign-controlled Mexican businessmen, he was told, "That is treason to the Fatherland." But De la Madrid persisted: "Of 1,115 public companies that we had in 1983, 765 were sold." "Cananea, Cananea, Cananea!" chanted the opposition, referring to the copper mine of Cananea (Sonora), the biggest in Ibero-America, recently sold by the government to Morgan Bank-linked private interests.

When he praised his wife, Paloma, for distributing free meals to starving children, he was asked "Why don't you refer to infant malnutrition!" Infant mortality and malnutrition have risen since the administration began using 60% of the budget to pay debt to Wall Street banks.

After the opposition left the hall, De la Madrid was able to finish reading his speech. He took the opportunity to attack the Cardenist movement as "adventurist" and "populist" and Cárdenas as a "messianic leader."

The whole nation, watching the State of the Union message on TV at home, was kept in the dark. Both the pro-PRI Televisa private network and the government-owned Imevision, had trained technicians for a month ahead to black out the opposition's rebellion. The screen would show images relating to issues in the address during the intervals the President was forced to stop reading. The networks' microphones were turned off when the chanting was too loud.

### **'Buying' the opposition**

Since the elections, Cárdenas has successfully mobilized Mexicans in "defense of the vote." One day before the State of the Union message, Cárdenas and the leaders of his three-party National Democratic Front coalition, carried out a 200,000 person rally at the Monument of the Revolution, largely ignored by the media. Cárdenas pledged to defend the "popular will." He called on the government to take a sample of 1,000 electoral polls and re-count them, in order to prove that massive fraud has taken place.

The regime has answered with police-state tactics. Six Cárdenas workers have been murdered. Cárdenas followers are under constant threats and harassment. The government is offering, according to reliable sources, 100-500 million pesos (at an exchange rate of 2,300 to the U.S. dollar) to any

congressman willing to split from Cárdenas and join the PRI. Three have already accepted the deal: one from the Authentic Party of the Mexican Revolution (PARM) and two from the Moscow-controlled Mexican Socialist Party (PMS).

A campaign of psychological warfare is being waged to discredit the real Cardenistas as "communists." Although the pro-communist PMS is the smallest and least influential group among Cárdenas's followers, and is not part of the FDN coalition, under Interior Ministry orders the Mexican media grant preferential coverage to the PMS and present PMS Congressman Pablo Gómez (who headed Mexico's Communist Party before it adopted a different identity) as the authoritative voice of the "opposition."

In truth, the PMS was the last party to endorse Cárdenas in an opportunistic move three weeks before the elections, when, according to opposition sources, Moscow gave the green light to infiltrate and try to discredit the Cardenista movement. PPS head Jorge Cruickshank says the PMS is the only party that has so far accepted the offer to "talk" with the PRI and government representatives. The Interior Ministry is using the "reds" to "satanize" the movement, an opposition leader explained.

The next step in the government's agenda is to try to impose Salinas, ramming through his fraudulent victory in the 500-member Congress, where the PRI has now increased to 263. Already Congress, constituted in an Electoral College since Aug. 15, abdicated and proceeded to certify the elections of 500 congressmen during sessions that dragged on for over 24 hours, and were marked by PRI intransigency, irrationality, and illegality. On the pretext of needing to complete the process before Sept. 1 so that De la Madrid could carry out his yearly show, the PRI majority forced the Electoral College to ignore 583 resolutions and many other fraud complaints introduced by the opposition. Some of those resolutions included recommendations by the National Elections Commission to annul elections in districts where fraud was huge.

Mexico and her republican institutions have already been deeply hurt by the De la Madrid government's arbitrary and illegal acts. The government has the last chance to clean up its act and accept Cárdenas's offer for a re-count.

Salinas intends to continue the same genocidal policies which provoked the PRI defeat in the polls, of debt payment, "privatization," and looting. Washington, so say Henry Kissinger and the State Department's Elliott Abrams, wants Salinas in power. But in pleasing Washington, the PRI is playing with fire. To impose Salinas against the will of the people who elected Cárdenas for his debt payment repudiation and nationalist policies, could unleash a process of social unrest that would be very hard to control. The type of anonymous violence that has already taken place, could escalate to levels much worse than during the 1910-17 Mexican Revolution, when 1 million Mexicans died. Only Moscow would profit from it.



## Reagan's neo-liberal policies provoked upsurge of nationalism

*Minutes before President Miguel de la Madrid read his last State of the Union message to the Mexican Congress Sept. 1, opposition Sen. Porfirio Muñoz Ledo, campaign strategist for Cuauhtémoc Cárdenas, granted the following interview on the floor of Congress to a small group of foreign correspondents, which included EIR's D.E. Pettingell.*

**Wall Street Journal:** Where is Carlos Salinas? Why isn't he here?

**Muñoz Ledo:** I don't know, sir. Ask Salinas. He has no special right to be here. The election has not been certified, sir. . . . To public opinion and according to the figures that are available, the candidate with the most votes is Cuauhtémoc Cárdenas. The election is not certified; it is going to be certified next week. Everyone has an equal right to be here. Juridically, there is no difference between Salinas and [Gumersindo] Magaña [presidential candidate for the tiny Mexican Democratic Party, who received the least votes in Mexico's July 6 elections]. Period. . . .

**WSJ:** But this is the first time in many years in which the "victor" is not present at the *Informe*. . . .

**Muñoz Ledo:** The point is there is no "victor." To put "victor" because you want to is purely a publicity maneuver. The figures have not even been authorized by the Federal Electoral Commission. . . . They are figures of the PRI and of the government. . . . I am speaking very accurately, very precisely. There is no victor. The victor in the eyes of all national and world opinion is Cuauhtémoc Cárdenas. But he has not yet been declared President-elect. We hope that he will be.

**EIR:** Nonetheless, the PRI has the majority of votes in the Congress, and is the body in charge of conducting the certification.

**Muñoz Ledo:** Yes, but the PRI cannot confront all the people of Mexico. It is taking a very large risk. I don't know if the PRI will vote automatically. I suppose that they will comply with their duty. I cannot presume that 260 deputies

will come with the intention of violating the Constitution. It is a very risky presumption. To say that 260 deputies of a Congress come determined to violate the Constitution would be very daring. I don't believe it.

**EIR:** The opposition has asserted that by controlling the majority of Congress, the PRI has voted illegally and arbitrarily. What guarantees are there that it will not do the same when it comes to certifying Salinas?

**Muñoz Ledo:** . . . It is very risky for them to do so. Because all the people are in the streets demanding that Cárdenas be recognized. They are going to cause a serious problem in the country if the Constitution is absurdly violated.

**EIR:** What do you expect from this last State of the Union address by Miguel de la Madrid?

**Muñoz Ledo:** That it be given truthfully. It is what one expects of the President of a great nation like this one.

**WSJ:** This paragraph [of the address] struck me. . . .

**Muñoz Ledo:** It is the first time that President de la Madrid took a partisan approach. . . . If he takes sides, he is violating the constitutional mandate that he gave himself. He made a constitutional reform, giving the government, the Executive branch, responsibility for directing the electoral process. The electoral process is not over, therefore the President of the Republic cannot express himself in a partisan manner. It is a violation of the Constitution. . . . It has been many years since De la Madrid has given classes on constitutional law. That is probably the reason.

**La Opinión (Los Angeles):** Why do you think that his address barely touches on the electoral process?

**Muñoz Ledo:** I haven't read it. They haven't given it to us. The representatives of the nation do not have the privileges of the foreign press. How does one jump over an abyss? As quickly as possible. It is obvious that he wants to avoid the theme as much as possible. The more one extends oneself, the more vulnerable one is.

**EIR:** What do you think of the way in which the foreign press, particularly the U.S. press, describes the Cardenista movement in Mexico as leftist?

**Muñoz Ledo:** I have spoken with U.S. experts, and they tell me that it is new, that it is over the last month or less, and that it is deliberate, calling us "leftists," "leftists," "leftists," "leftists."

**EIR:** To what purpose?

**Muñoz Ledo:** To discredit us. I said it in the Senate, commenting on Jesús González Schmall [the PAN senatorial candidate who challenged Muñoz Ledo's victory] who virtually accused us of being communists. I said that he was following the editorial line of the major U.S. newspapers. That when democracy stems from the PAN, Hurray! Hurray! Hurray! But when it comes from a nationalist force, then they no longer like democracy.

It is the great Reaganite trap. Reagan fell into a huge trap, for lack of reasoning and due to an excess of arrogance in believing that one could . . . impose on Latin America a neo-liberal economy, forcing it to pay the debt, punishing wages, halting production, and triggering recession while at the same time believing that one could encourage democratization. . . .

There is an incompatibility between the attempt to win economic hegemony and the attempt to win political hegemony, that can already be seen. The more Reagan forced his hand in economic matters, the more he spoke of democratization, the more a nationalist and progressive democratization emerged. Throughout Latin America the nationalist and popular forces are winning. But despite the fact that the party of Rodrigo Borja in Ecuador calls itself Democratic Left, they don't call it "leftist." . . . Despite the fact that Jaime Paz Zamora in Bolivia has been a member of the left for 25 years, they don't call him "leftist." They call us "leftists." . . .

**EIR:** Regarding Kissinger, what do you think of his recent commentary about Salinas?

**Muñoz Ledo:** Well, that he should love him very much.

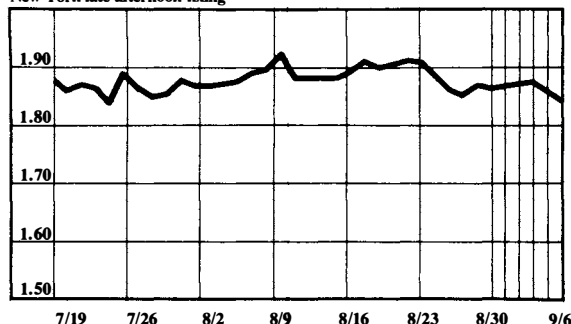
**EIR:** But do you believe that the banks have the luxury of giving Salinas a respite in debt payment, for political purposes?

**Muñoz Ledo:** For the banks it is not a luxury. It is a necessity. It is an enormous problem for the international banking system to continue financing unpayable debts. It is much better to turn them into non-performing assets, with the support of the international financial institutions and of governments, something we proposed seven years ago at the U. N., which is approved in all the resolutions, and which they haven't wanted to do because of the stupidity of the Baker Plan, which is nothing but a way of using the debt for political ends.

## Currency Rates

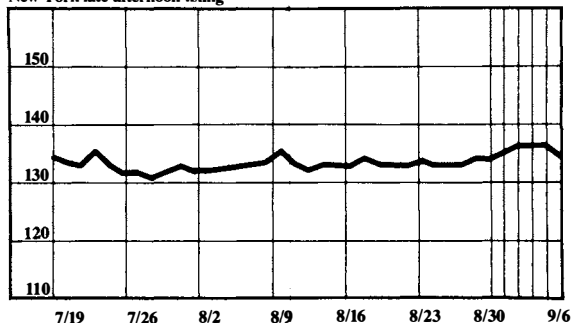
### The dollar in deutschemarks

New York late afternoon fixing



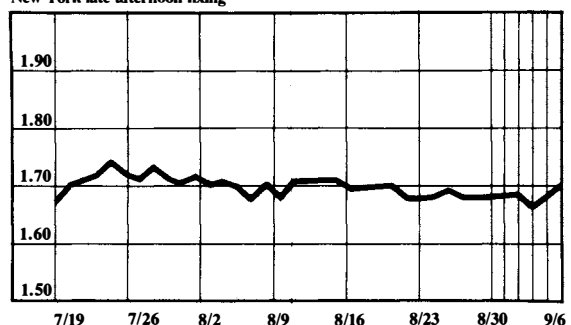
### The dollar in yen

New York late afternoon fixing



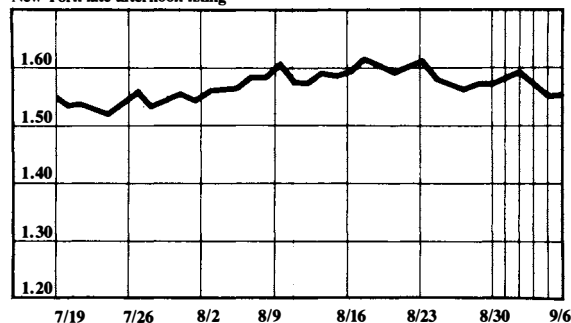
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing





## **Anti-usury law approved in Brazil**

*The new Constitution limits interest rates to a maximum 12%—and clashes with official policy.*

**R**eal interest rates, including commissions and any other remunerations directly or indirectly linked to the granting of credit, cannot be higher than 12% annually, and all charges beyond that ceiling will be considered the crime of usury, punishable by law.”

The above is the text of Article 197 of the new Constitution of the Brazilian Federal Republic, which will go into effect in early October. The anti-usury article, surprisingly approved by the National Constituent Assembly in its final days of session, reestablishes the “law of usury” imposed by nationalist President Getúlio Vargas in 1933, against the oligarchical coffee-growers, who strove to keep Brazil a colony exporting a single cash crop.

The “law of usury,” which established the same 12% ceiling on interest rates, was a vital weapon in the economic armory of the dirigist President, and endured until 1964, when it was overturned by the coup which brought to power the government of Gen. Castello Branco, under pressure from the national and international creditor banks.

The new usury law stands in total contrast to the demented monetary policies of Finance Minister Maílson da Nóbrega, Planning Minister João Batista de Abreu, and the Central Bank technocrats, who are bent on financing the internal public debt by selling government bonds at astronomical interest rates.

Whether the new law succeeds in straitjacketing the monetarists or, as is

the case for numerous policy areas in Brazil, the law is studiously violated by the government of President José Sarney, remains to be seen.

In just the past month alone, the Central Bank offered financial institutions interest rates on government paper as high as 18% a year. With this policy, not only has the internal public debt soared—to the benefit of a handful of speculators—but investment in any real productive activity has been made absolutely prohibitive. This in turn is driving the nation into the worst crisis in its history, buried under nearly \$250 billion in internal and foreign debts.

Its insane monetary policies threatened by the new usury law, the economic team headed by Finance Minister da Nóbrega has mounted an offensive designed to eliminate, or at least delay, implementation of the law through legalistic ruses about supposed juridical ambiguities in the definition of “real interest.”

After all, said da Nóbrega, “which is the concept of real interest? There exists a concept of real interest in the economic field, but not consecrated in the juridical field.”

Da Nóbrega has already ordered the Central Bank not to respect the new constitutional mandate, and instead gave a green light to begin a final round of negotiations on the internal debt, offering government paper at a real interest rate of 15.9%. Central Bank President Elmon Camões pledged: “We are going to carry out

the instructions of the finance minister, in the sense of continuing the current policy independent of what may happen.”

The Central Bank’s director on public debt, Juárez Soares, joined the chorus of attacks against the new anti-usury law, stating, “The limitation on interest rates is a regression; Getúlio Vargas already tried it.”

In addition, President Sarney’s legal adviser, Saulo Ramos, according to the daily *O Estado de São Paulo*, is readying a communiqué for circulation to all official banks, instructing them outright to violate the 12% ceiling, until the new constitutional law can be “interpreted” by ordinary legislation.

The 12% limit on interest rates does not, in itself, constitute a solution to the country’s vast financial problems, but it does pose the necessity for an urgent internal financial reorganization that can channel the more than \$50 billion circulating on the internal speculative markets into real production.

With such a reorganization, the fantastic paper profits of the financial oligarchy could be wiped out in one blow, and along with it their stranglehold on the Brazilian economy.

If, to all this, one adds the fact that the new Constitution explicitly dictates that all international agreements—including those signed with financial institutions—must first be discussed and approved by the majority of the national Congress, the new anti-usury law becomes still more explosive. It is no accident, therefore, that Minister Maílson da Nóbrega took the first plane to New York City, to personally pressure for the signing of an agreement with the international banks and the International Monetary Fund *before* the new Constitution goes into effect.

## Is farm parity pricing 'outmoded'?

*Only the food cartel companies would think so, but that's always good enough for the Department of Agriculture.*

Now that the drought has hit U.S. farmers hard, on top of years of heavy debt service and low farm prices, the need for parity farm price levels has never been greater. Whatever the Agriculture Department's Sept. 12 crop forecast says (the department notoriously overstates harvests and stocks), the corn crop will likely be down by 50%, soybeans down 35%, and spring wheat down 50%, differing by type and location.

The August Drought Relief Act is like a bucket of water for a fire. The core of the act's "assistance" measures simply offers farmers more loans for "drought relief," at a time when farmers need relief from debt. The U.S. farm sector could successfully withstand even the killer Drought of '88, but only in a context of parity prices and reliable agriculture infrastructure—water supply, transportation, and industrial and scientific inputs.

However, for the past few years, the Agriculture Department and related networks of agriculture "experts" on campus, have propagandized that farm parity pricing is outmoded. In September 1987, a report was issued called "Price Parity, An Outdated Farm Policy Tool?" by Lloyd Teigen, an Agriculture Department staff member (USDA, Economic Research Service, Agriculture Information Bulletin No. 531). This report presented a goobledy-gook argument that asserts, "Changes in the structure of agriculture and the distribution of income among producers make parity prices obsolete indicators of farmer well-being."

The report begins by misrepresenting

parity farm prices. Basically, parity pricing means fair pricing. Parity prices ensure that the farmer is getting a price that roughly covers his costs of production, and also gives a return on investment that permits the farmer to continue to conduct present operations, and at the same time, make needed capital improvements. In this way, using the parity mechanism, the food supply is guaranteed for present and future generations.

In both world wars, a policy of parity pricing formed part of the all-out mobilization that produced food for both Allied military and civilian requirements.

However, after the mid-1950s, the federal government abandoned the commitment to parity pricing. In the last 30 years, the prices paid by farmers has far exceeded the prices received by them. A table presented in the Agriculture Department's anti-parity report shows this graphically.

A cartel of a small number of secretive international food trading companies (Cargill, Continental, Louis-Dreyfus, Archer Daniels Midland/Toepfer, Bunge, André/Garnac, Nestlé, Unilever) has consistently underpaid for U.S. farm commodities. The federal farm income support programs (of loans, price deficiency payments, and other mechanisms) have evolved in the last 25 years, to serve the purpose of keeping family farmers at a minimum level of existence, in order to still produce output for the cartel to obtain at below costs of production.

Now, because of the drought, and the deterioration in the overall econo-

my, the entire farm sector is in crisis.

However, the cartel wants its right to underpay maintained under any circumstance. Therefore, the USDA Economic Research Service is coming out with cartel-serving propaganda, about how "outdated" parity pricing is.

What the report calls for as an "alternative" to parity pricing policy, is "parity income policy." By this, the USDA proposes that the government could give a lump sum to small farm producers, who do not have the volume output to benefit if farm prices are raised.

The USDA cloaks its argument in expressions of "concern" for the well-being of the small farmer, but fails to comment on the glaring subsidy to the cartel involved in the USDA plan. The USDA proposes that the government budget give money to a category of small farmers as a sop, while the cartel food companies continue to pay low prices to the larger farm operations, under the rationalization that their volume will guarantee them a "parity farm income" even if prices are low. The USDA anti-parity report features a bar diagram "proving" its point on the desirability of the "parity farm income," by showing statistics titled, "Large-Farm Income Responds More to a 1 Percent Price Increase than Does Small-Farm Income."

The report concludes by saying, "Parity prices were designed to help farmers achieve parity income. But, the means has taken on a life of its own and the end has been all but forgotten. Significant defects in the way parity prices are calculated have eroded the usefulness of parity prices as a federal farm policy instrument. Fixing these defects would make the parity price formula work better. Even then, the parity price is only an instrumental means, and not the goal of farm policy."

## Another day older and deeper in debt

*The situation on the world credit markets brings to mind an old lament.*

As world interest rates continue their steady climb over recent months, attention again comes to the problem of the debt of developing nations. A new report issued by the Mexican national trade union confederation, CTM, points out an alarming fact. Between 1982 and 1987, Mexico has paid fully \$50 billion in interest on its external debt. Yet the country's total identified debt, according to a new OECD study issued in July 1988, went in the same period from \$96 to \$110 billion.

The Mexico case is typical of various developing countries' debt problems. Total developing country external debt grew by some 20% between 1985 and 1987. According to the OECD, total external debt for all developing countries was \$997 billion in 1985, and \$1,194 billion by the end of last year. Indeed, since the explosion of the "debt bomb" in the summer of 1982, their combined debt burden has increased by a staggering 50%!

Especially since U.S. Federal Reserve chairman Paul Volcker in October 1979 launched his credit contraction strategy, forcing market interest rates above 20% for almost three years, the world has been hostage to usurious pressures which have contracted real economic investment and favored creation of a paper financial speculation bubble which only began to burst on Oct. 19, 1987.

The "Third World debt crisis" grew as a by-product of a decision of leading international financial circles around the secretive Bilderberg Group, during the 1970s, to detonate two global "oil shocks" on the world economy, raising the dollar-denominated

price of petroleum from \$2.50/barrel to more than \$40/barrel by 1980. Henry Kissinger and other strategists anticipated "recycling petrodollars" from OPEC, via London and New York banks back to the oil-importing nations that needed to finance this unexpected oil deficit.

But banks such as New York's Citibank or Lloyds in London were clever enough to set "free market" conditions on their developing sector lending. The interest rates for loans made from the unregulated Eurodollar markets to various countries such as Brazil or Argentina would "float" according to world interest rate fluctuations, usually pegged to the London Interbank Overnight Borrowing Rate (LIBOR). By 1982, the debt bubble burst, when Mexico announced to its creditor banks that it simply was unable to service its astronomical debt service obligations under the ever-changing "rules of the game."

This game of the floating interest rate debt is impossible for the debtor. *The more you pay, the more you owe*, with the compound interest rates formulas insisted on by the banks. All "reschedulings" of debt for Mexico, Brazil, and other debtor countries have been accounting manipulations, whose intent has been to keep the book value of loans by the likes of Citibank and Chase Manhattan still legally valid. "New loan agreements" are simply gimmicks by the banks to lend debtors money to repay the same banks an ever-increasing interest burden, often with the funds never leaving New York. It is similar to the formula imposed on defeated Germany in 1919

by J.P. Morgan and the architects of the Versailles Treaty and the Dawes and Young Plans. The consequences of that policy was the Great Depression of the 1930s.

Total Ibero-American debt today is, according to the Economic Commission for Latin America (ECLA), four times annual export earnings, and still climbing. It is no wonder that debtors are reaching the breaking point.

Since 1982, creditor banks have brought in the International Monetary Fund to impose draconian (and ultimately self-defeating) country import freezes, state budget reductions, cuts in wages and living standards, and have subordinated entire nations to repayment of this external debt. Creditor banks successfully forced developing sector states to assume private sector debt responsibility in various "restructurings." While immediate payment obligations were adjusted, the real debt burden soared, because of the cumulative interest payments.

In 1980, total external long-term debt (more than one year maturity) of some 109 developing countries, both public and private debt, totaled \$449 billion. Since 1980, these countries have made impressive repayments to their foreign creditors. Repayment of interest due on some \$449 billion from 1980-86 totaled \$325.9 billion. Repayment on principal of this same debt totaled an additional \$332.1 billion for the same six years. In total, the 109 developing debtors repaid \$658 billion in principal and interest on their initial 1980 debt of \$449 billion.

Despite repaying the original debt plus an additional \$109 billion by 1986, these 109 countries' total external debt outstanding in 1986 was \$882 billion. Little wonder that Citibank and company have little desire to end their debt games.

# Business Briefs

## Narcotics

### Drugs, economic crisis on Non-Aligned agenda

The global scourge of drug abuse and narcotics trafficking are among the top issues to be discussed by a Non-Aligned Movement conference that opened in Cyprus Sept. 5. Senior officials started work on a draft final document on economic problems that identified drugs, debt, drought, hunger, and environmental deterioration as key problems. Foreign ministers of Non-Aligned states met Sept. 7.

"Drug abuse and illicit trafficking are a scourge that seriously weakens the social fabric of nations, threatening their security and undermining their social, legal, economic, and cultural structures," said the draft document for the six-day conference. Delegates from the 101-nation Non-Aligned Movement will consider a call for all states to take concerted action to combat the problem of the consumption, production, and trafficking of narcotics. States were also urged in the draft to provide economic and technical assistance to drug-producing countries to speed up the search for alternative crops acceptable to farmers. The draft said many governments were unable to press ahead with much-needed development projects because of the costs of fighting the "grievous problems" of drug abuse and trafficking.

It also wants attention paid to the "growing and pernicious link between terrorist groups and drug trafficking."

On other issues, the conference will focus on the acute economic crisis facing African countries weakened by debt, drought, food shortages, and low commodity prices.

The draft conclusions for the conference urged creditor countries and international banks to negotiate with debtor developing countries on measures to solve the debt crisis. The draft said the total external debt of developing countries, many of which are Non-Aligned, stood at \$1.2 trillion at the end of 1987, with an increasing number of nations suspending interest payments.

One proposal before the conference was a call for the setting up of an emergency program of financial aid for nations chronically short of food.

## Relief

### P.R.C. appeals for disaster aid

The People's Republic of China has issued an appeal for international aid for three provinces hit hardest by floods, typhoons, and drought, the official Xinhua News Agency announced Sept. 3, according to a report in *Stars and Stripes*, the U.S. Army newspaper.

A report released by the Chinese Ministry of Civil Affairs stated that severe weather in Zhejiang, Heilongjiang, and Hubei provinces, has resulted in 500 deaths and nearly \$2 billion in damages.

The report said that more than 25 million people had been affected in some way, and that "the Chinese authorities have taken various measures to help the disaster area. . . . Help from foreign countries and international organizations will be accepted."

The worst crisis, it said, is in the coastal Zhejiang province, because of flood and drought conditions.

## Third World

### 'People drop dead, and no one cares'

A close associate of former West German Chancellor Helmut Schmidt at his Inter-Action Council of Former World Leaders told a journalist Sept. 6 that the consensus among Western elites is against any significant aid programs to the developing sector, including to disaster-distressed countries like Sudan and Bangladesh.

He said, "The South is not a priority, people are much more worried about how the dollar is doing, taxes, the stock market. In the American election, no one mentions these problems. The Western view is that the Third World is going down and down as a priority. People are dropping dead, and no one cares."

"Economic development of the South is sliding down as a priority at a fantastic rate. Schmidt is very cool to the problems of the

South. As he put it once, 'I will never be elected or re-elected by advocating giving 5% more aid to the South.'

"... A major initiative to distressed countries, whether it be for water management or large projects, is totally out of the question, in the prevailing view. There is simply no political climate for any big enterprise in the South."

## The 'Recovery'

### Record number in poverty in Houston

The number of people living in poverty in Harris County (Houston), Texas since 1980 has increased at nearly twice the statewide rate, according to a study by the Texas Department of Health and Human Services.

More than 480,000 Harris County residents, 16.56% of the county's population, lived below the federal poverty level of \$11,200 for a family of four in 1987. That represents an increase of 6.18% since 1980, compared to a statewide increase of 3.74%.

The number of Texans living below the federal poverty level was estimated at 3.07 million, or 18.4%, at the end of 1987, a 1.03 million increase over 1980.

Presidio County in West Texas had the state's highest poverty level, with 55.11%. Dallas County had 13.9% in poverty; Bexar County (San Antonio) had 22.01%; and Travis County (Austin) had 18.05%.

## Food

### Soviet Turkic regions suffer worst shortages

The worst food shortages inside the Soviet Union are occurring in the Turkic Central Asian republics, where meat, dairy products, and sugar are nearly non-existent, according to reports from the Soviet Union.

In Central Asia, meat consumption is officially reported at 40 kg per person per year, or 2 lbs. every nine days.

## Briefly

The food crisis is also severe in the Transcaucasus, normally a food surplus region. In Georgia, for example, meat, butter, and sugar are strictly rationed, and fruit and vegetables are non-existent in the state shops.

As elsewhere throughout the Soviet Union, fruits and vegetables are only available—at exorbitant prices—through private markets maintained by peasants.

A Sept. 1 *Pravda* article on food rationing began by quoting a resident of the Ural industrial city of Chelyabinsk denouncing the private peasant markets—which analysts take as an omen of a coming “anti-kulak” (rich peasant) campaign.

“In the free market shops, they’re selling meat, poultry, milk, butter, as if it were in another country, while we—are we to be treated like animals? Because in Chelyabinsk, all the [state] stores are empty.”

The *Pravda* article mentioned that meat is now rationed in 26 regions of the Russian Republic, butter in 32 regions, and sugar in 53 regions.

### East-West

#### ‘Joint ventures’ called disappointing

A new Soviet analysis of “joint ventures” with Western firms has found the results to be very disappointing, according to a report in London’s *Financial Times* in early September. The analysis was published in the Communist Party journal *Kommunist* by I. Ivanov of the Foreign Economic Commission of the Council of Ministers.

Ivanov’s report was apparently written to persuade skeptical party leaders to make more concessions to Western firms engaged in joint ventures. It says that little has emerged from ongoing venture deals.

Moscow plans 320 joint ventures over the next seven years, 140 of which involve high technology.

Of existing such ventures, West Germany leads with 13, Finland has 9, and Italy 8. U.S. firms have only 7.

But, says Ivanov, the typical venture investment is tiny, most capitalized at under 5 million rubles. Western partners are very

skeptical and cautious, not the least because of restrictions on Western companies’ abilities to repatriate profits from their Soviet companies.

Meanwhile, leading West European banks are planning the first bank “joint venture” with Moscow, according to a report in the French daily *Le Figaro* of Sept. 5. The Western European banks Kreditanstalt of Vienna, Crédit Lyonnais of Paris, Banca Commerciale Italiana, and Kansallis-Osaka-Pankki of Helsinki will announce that before the end of the year, they will join to form a new bank with a Soviet director and 51% control by Moscow.

The bank is to have an initial capitalization of 1 billion French francs (\$160 million). An as-yet-unnamed West German bank, British, and possibly Japanese banks are also to join the new consortium.

Most Western banks already have a “joint venture” partnership in Hungary, the Central European International Bank, in which the Hungarian National Bank is the majority stockholder.

### European Community

#### Moot food trade pact with Moscow

Henry Lord Plumb, president of the European Parliament, was to raise the possibility of a Soviet-European Community agricultural trade pact, during three days of meetings in Moscow that began Sept. 6.

According to a report in London’s *Daily Telegraph*, Plumb is heading the first top-level European Community delegation to the Soviet Union since formal relations between the Soviet bloc’s Comecon and the EC were established in June.

During this visit, Plumb will argue that such food trade cooperation could lead to a solution of many world food problems. He was expected to tell his Soviet counterpart that a combination of EC and Soviet efforts could help to reduce famine in many countries, particularly in Central Africa. How was unclear. Given the Soviet food situation, Moscow is only likely to be interested in new shipments of food to Moscow, not Africa.

● **HEALTH INSURANCE** premiums paid by federal workers and the U.S. government will jump an average of 26% next year, and the cost of some popular health plans will go up 40% or more, according to the federal government’s Office of Personnel Management. The average premium paid by non-Postal Service employees, now \$58 a month, will increase to \$73 a month.

● **UNCTAD** has called on commercial banks to forgive at least 30% of the debt of 15 heavily indebted developing nations. London’s *Financial Times* immediately attacked the proposal Aug. 31: “Whole debt forgiveness will weaken creditors’ hold over debtors. Once granted, debt relief cannot be ungranted. It therefore marks a sharp break with the principle of conditionality, the foundation-stone of the current approach.”

● **A RECORD** grain harvest is reported from West Germany, 27 million tons, 13.8% higher than in 1987. East Germany, however, suffered a sharp drop in its harvest, 10% below last year.

● **LONRHO CORP.**, run by gangster and British Crown agent Tiny Rowland, plans to buy Iran’s share in the German Friedrich Krupp Corp., at something between 0.7 and 1.4 billion Deutschmarks. Iran has held 25% of Krupp since 1974, LonRho a 50% share in Krupp International Trading Corp. since March of this year. Involved in the transaction are two German banks, West Landesbank and Dresdner.

● **UNION BANK** of Switzerland is closing its private client stock brokerage affiliate in London. According to the bank, the action is a result of low stock trading volumes since “Black Monday,” Oct. 19, 1987. Senior London financial sources say the move is only the first indication of large new layoffs to hit the London, New York, and Tokyo financial centers.

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## X-ray laser: the full report of the GAO

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*Part 3 of Charles B. Stevens's report on recently declassified materials that reveal that EIR publicly, and Teller et al. in secret reports, were right about the potential of this anti-missile technology.*

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For years, the opponents of the Strategic Defense Initiative have focused attacks on the X-ray laser and Dr. Edward Teller and other scientists' claims for that technology's anti-missile potential. During those years, Teller and others could barely defend themselves, because the facts about the system was classified top secret. Then, in June 1988, the Government Accounting Office issued a report, "Strategic Defense Initiative Program: Accuracy of Statements Concerning DOE's X-Ray Laser Research Program." Teller stood vindicated.

In this issue, *EIR*, unique among public sources in its projections for the X-ray laser since 1982, publishes the full text of the GAO report.

In the same period that the GAO report was issued, declassified versions of Dr. Teller's secret letters to various government policymakers were released. Those letters were published in *EIR* last week (No. 36), along with letters from former Lawrence Livermore National Laboratory scientist Roy Woodruff, seeming to dispute Teller's claim that "a single X-ray laser module the size of an executive desk which applied this technology could potentially shoot down the entire Soviet land-based missile force."

Ironically, the letters from Woodruff, whose claims were seized upon by such sources as the *Los Angeles Times* to claim that Teller and other Livermore scientists were overstating the case for the technology and deliberately misleading the nation's top policymakers, actually support and expand on the most crucial aspects of the projections made by Dr. Teller and *EIR*. This was also the conclusion arrived at by the Government Accounting Office, which undertook an investigation of the charges against Teller at the request of anti-SDI congressmen.

### What the X-ray laser is

A full description of the X-ray laser appeared in *EIR* two weeks ago (No. 35). In principle, its workings are quite simple. A primary H-bomb generates a burst of intense, incoherent X-rays. If this intense X-ray output is properly tailored, then it will generate X-ray lasing action when incident upon material containing the appropriate chemical elements. When a sufficiently intense X-ray laser pulse hits the surface of a target, the interaction generates a highly focused particle beam which penetrates to the interior of the target, destroying all electronic elements and circuits.

It is clear in stark military terms that the X-ray laser and other directed-energy weapons represent a general transformation in the meaning and performance of firepower. They can kill a missile target when only a few joules per gram of target is achieved, but in fact, can generate pulses in excess of billions of joules. This provides an indication of the ultimate potential firepower involved. They can kill billions of warheads, in principle.

Based on experiments through 1984, Dr. Teller and his leading collaborators at Livermore Laboratory had concluded that it was possible to realize an X-ray laser which could develop virtually as many beams as desired, and fire each at a separate target over thousands of miles. That is, a single weapon could produce more than 100,000 separate beams and destroy all Soviet missiles, warheads, and decoys over several thousand miles. From a military standpoint, the X-ray laser would thus appear to fulfill President Reagan's objective of making ballistic missiles "impotent and obsolete." The GAO report that follows, confirming the accuracy of this projection, has left the foes of SDI at long last speechless.

# The GAO's report vindicates Teller on the x-ray laser

*The full text, including notes, of "Strategic Defense Initiative Program: Accuracy of Statements Concerning DOE's X-Ray Laser Research Program," issued June 30, 1988, as a United States General Accounting Office Briefing Report to the Honorable George E. Brown, Jr., House of Representatives.*

United States General Accounting Office  
National Security and International Affairs Division

June 30, 1988

The Honorable George E. Brown, Jr.  
House of Representatives

Dear Mr. Brown:

Your letter dated October 26, 1987, requested that we review certain allegations regarding the X-ray laser research program being carried out at the Lawrence Livermore National Laboratory (LLNL) as part of the Strategic Defense Initiative (SDI) program. LLNL is operated by the University of California under a contract with the Department of Energy (DOE). Specifically, you were concerned with how the results of this program have been presented to the Congress, administration officials, and the American public.

The X-ray laser is important to the SDI program because the final SDI design could depend upon whether the X-ray laser is feasible. If the Soviets could build an X-ray laser, then the survivability of American space assets could be questioned. Therefore, the United States would have to design its ballistic missile defense system to either survive or counter a Soviet X-ray laser attack.

According to your letter and discussions with you, the basis for your concern was statements contained in correspondence between Mr. Roy Woodruff, former LLNL Associate Director for Defense Systems, and the University of California concerning a grievance filed by Mr. Woodruff with the University on April 3, 1987. You said that this grievance alleged that reprisal action was taken by the then LLNL Director, Dr. Roger Batzel, against Mr. Woodruff following his resignation as Associate Director for Defense Systems. Contained in this correspondence were claims that technical information about the X-ray laser program had been misrepresented to the Administration. Mr. Woodruff said

that LLNL scientists, Drs. Edward Teller and Lowell Wood, had made "overly optimistic and technically incorrect statements regarding this research to the Nation's highest policy makers." Mr. Woodruff also said that he was prevented by Dr. Batzel from sending correcting information to those who he believed had received inaccurate information about the X-ray laser. Furthermore, you told us that Mr. Woodruff indicated his resignation was prompted by what he felt were insupportable claims by Drs. Teller and Wood.

At our request, Mr. Woodruff identified specific X-ray laser statements by Drs. Teller and Wood that he felt were "overly optimistic and technically incorrect." These statements concerned the status and the potential of the X-ray laser as a military weapon and were contained in

—Dr. Teller's December 22, 1983, letter to George Keyworth,<sup>1</sup> Science Adviser to the President;

—Dr. Teller's December 28, 1984, letters to Ambassador Nitze, Chief Arms Control Negotiator, and Robert McFarlane, National Security Adviser to the President; and

—Dr. Wood's April 23, 1985, briefing to William Casey, Director of the Central Intelligence Agency (CIA), and Stanley Sporkin, CIA's General Counsel.

As agreed with your Office, we compared information about the X-ray laser program presented by Drs. Teller and Wood (categorized by Mr. Woodruff as the other LLNL channel) to congressional and administration officials with the information presented to these same officials by LLNL X-ray laser program and LLNL management personnel (categorized by Mr. Woodruff as the official LLNL channel).

We provided a classified briefing to you on the results of our review on February 25, 1988. This report is an unclassified version of that briefing and therefore includes general, rather than specific, information about the X-ray laser. Brackets show where general information was substituted for specific information that is classified.

## Summary of findings

We found that the LLNL official channel, which included Mr. Woodruff,<sup>2</sup> had made statements about the status and potential of the X-ray laser, which were similar to most of the statements identified by Mr. Woodruff as being "overly optimistic and technically incorrect."

Mr. Woodruff prepared letters to send to Dr. Keyworth

and Ambassador Nitze clarifying the statements made by Dr. Teller. However, Dr. Batzel said that he preferred that Mr. Woodruff's clarifying letters not be sent, and they were not. We found that Mr. Woodruff presented his opinions on information that had been provided by Dr. Teller to Dr. Keyworth and Ambassador Nitze. Mr. Woodruff told us he did not have opportunities to present his views to Mr. McFarlane and Mr. Casey.

In addition, we asked selected LLNL scientists, who had specific knowledge about the X-ray laser program, for their opinions as to the accuracy of the statements challenged by Mr. Woodruff. From these interviews, we concluded there was no general agreement among these scientists regarding the accuracy of the statements.

### **Proposed new LLNL policy on dissemination of views and opinions**

The LLNL Executive Officer told us that LLNL generally adheres to the University of California tradition of permitted free and open expression of individual viewpoints to persons inside and outside LLNL. At the University of California's request, LLNL plans to issue a formal, written policy with respect to the dissemination of official management views and opinions, versus personal views and opinions, expressed by individual scientists outside of the laboratory.

### **Mr. Woodruff's objections to Dr. Teller's letter to Dr. Keyworth**

In his December 22, 1983, letter, Dr. Teller discussed the status of the X-ray laser program. Mr. Woodruff felt that Dr. Teller's letter to Dr. George Keyworth contained "overly optimistic, technically incorrect" statements and specifically objected to two of Dr. Teller's statements. These statements were that (1) three factors measured in a nuclear test were in "essentially quantitative agreement" with predictions and (2) the X-ray laser program was, in his opinion, ready for engineering. Mr. Woodruff wanted to send a letter to Dr. Keyworth clarifying Dr. Teller's letter. However, Dr. Batzel said that he preferred the clarifying letter not be sent, and it was not.

According to Dr. Teller, the purpose of his letter to Dr. Keyworth was to inform him that LLNL had successfully demonstrated X-ray lasing. In addition, Dr. Teller, being a theoretical physicist, felt the basic scientific question, can an X-ray laser be demonstrated, had been answered. Therefore, in his opinion, all that remained to be accomplished was "engineering."

### **Mr. Woodruff's proposed clarification letter:**

In his unsent letter of December 28, 1983, Mr. Woodruff said he wanted to "mitigate" what he felt were "premature conclusions" arrived at by Dr. Teller. Regarding the first statement, he wanted to change the phrase from "essentially quantitative agreement" to "solid *qualitative* agreement,"



*Dr. Edward Teller. "Being a theoretical physicist, [he] felt the basic scientific question, can an X-ray laser be demonstrated, had been answered."*

implying a lesser understanding of X-ray laser physics.<sup>3</sup> In addition, he wanted to clearly state that many physics questions remain to be answered and that military application for the X-ray laser has not been established.

Concerning the second statement, Mr. Woodruff wanted to state that (1) the X-ray laser was not ready for engineering at this time and (2) critical physics scaling and characterization experiments needed to be carried out before the weapons feasibility of the concept could be assessed. Only then could LLNL be ready for engineering. Dr. George Miller, the current LLNL Associate Director for Defense Systems, supported Mr. Woodruff's views and stated that the X-ray laser was not ready for engineering then or now.

### **Dr. Batzel's reasons for not sending Mr. Woodruff's clarification letter:**

Dr. Batzel, then the LLNL Director, expressed the view that Dr. Keyworth would not misinterpret Dr. Teller's letter. Accordingly, as far as he was concerned, there was no need for a clarification letter. Dr. Batzel told us that Dr. Keyworth is a knowledgeable physicist and had been briefed on the X-ray laser program. Furthermore, Dr. Batzel said he believed Dr. Keyworth understood that Dr. Teller is a theoretical physicist and, like others, knew Dr. Teller to be a "technical optimist."

### **Mr. Woodruff did communicate with Dr. Keyworth:**

Although Mr. Woodruff did not send his clarification letter, we found that he distributed a memorandum dated January 13, 1984, which described the X-ray laser program status. This memorandum was addressed to Dr. Keyworth as



well as to various Department of Energy (DOE) and Department of Defense (DOD) officials. In this memorandum, Mr. Woodruff made statements similar to some of Dr. Teller's statements, which Mr. Woodruff had questioned.

For two of the three factors cited by Dr. Teller as having results that were in "essentially quantitative agreement" with predictions, Mr. Woodruff stated that the results were "in excellent quantitative agreement with predictions." Regarding the third factor, Mr. Woodruff stated that results "are in solid qualitative agreement with predictions." He further stated that there may ultimately be "sufficient quantitative agreement" to achieve greater understanding of the laser physics and that more data and experimentation were needed before the feasibility or potential of an X-ray laser weapon could be determined.

Finally, in addition to communicating his views in his January 13, 1984, memorandum, Mr. Woodruff met with Dr. Keyworth on February 15, 1984. Mr. Woodruff told us that, at this brief meeting, he presented the X-ray laser program's status and clarified Dr. Teller's letter.

#### **Opinions of selected LLNL scientists:**

We asked selected LLNL scientists, who had specific knowledge about the X-ray laser program, for their opinions as to the accuracy of Dr. Teller's statements. There was no uniformity of opinion among the scientists who offered an opinion regarding the accuracy of these statements.

#### **Mr. Woodruff's objections to Dr. Teller's letters to Ambassador Nitze and Mr. McFarlane**

In his December 28, 1984, letters, Dr. Teller described the potential of the X-ray laser. Mr. Woodruff regarded Dr. Teller's letters as being "overly optimistic." Mr. Woodruff told us the statements in this letters appeared to describe the X-ray laser as almost a reality when, in fact, it was an evolving concept and, at best, a paper weapon. These statements concerned (1) the time frame for developing Excalibur and (2) certain statements about Super-Excalibur.<sup>4</sup>

With regard to Excalibur, the specific comment regarded by Mr. Woodruff as being "overly optimistic" was the following.

—"We expect to be able to realize this advance [Excalibur level of brightness]<sup>5</sup> in [the foreseeable future]." (letter to Nitze)

With regard to Super-Excalibur, Mr. Woodruff objected to the following statements.

—"Assuming even moderate support, together with considerable luck, this [Super-Excalibur concept] might be accomplished in principle [within a few years]." (letter to McFarlane)

—"While this progress has by now some solid experimental foundation, theoretical calculations indicate that beams can be directed even more precisely giving rise locally to an

additional [deleted] enhancement, giving rise altogether to a seemingly impossible [Super-Excalibur] enhancement." (letter to McFarlane)

—"The overall military effectiveness of X-ray lasers . . . may thus be as large as a [Super-Excalibur level of brightness]. . . ." (letter to Nitze)

—The Super-Excalibur concept "seems likely to make X-ray lasers a really telling strategic defense technology. For instance, a single X-ray laser module the size of an executive desk which applied this technology could potentially shoot down the entire Soviet land-based missile force, if it were to be launched into the module's field of view." (letter to Nitze)

In his December 1984 letters, Dr. Teller primarily discussed the new Super-Excalibur. At that time, Super-Excalibur existed primarily as a theoretical concept. Experimentation had begun on components that could be used in Super-Excalibur, but no nuclear tests of the concept had been performed. Shortly after Dr. Teller's December 1984 letters, the official LLNL channel, including Mr. Woodruff, included mention of the significantly higher Super-Excalibur brightness goal in oral presentations and written materials about the X-ray laser program.

#### **Mr. Woodruff's proposed clarification letter:**

To clarify Dr. Teller's December 28, 1984, letter, Mr. Woodruff prepared a letter to Ambassador Nitze, dated January 31, 1985. However, Dr. Batzel preferred this letter not be sent, and it was not. In this letter, as the Associate Director responsible for the X-ray laser program, Mr. Woodruff said he wanted to correct what he felt was the overly optimistic balance in Dr. Teller's letter and to present his views as to both the status and potential of the X-ray laser as a military weapon.

Concerning Excalibur brightness, Mr. Woodruff stated that at the current funding level, the Excalibur level of brightness could not be achieved [in this century]. If additional funding were provided (approximately \$150 million per year for the next [several] years), this goal could be achieved [in the foreseeable future]. Beyond that, development of a full X-ray laser weapon system would require an additional [deleted] years and several billion dollars.

Concerning Super-Excalibur's brightness and the potential for shooting down the entire Soviet land-based missile force, Mr. Woodruff stated they did "not have sufficient understanding nor data to be quantitative about the possibility of achieving these results." Furthermore, in his clarification letter, Mr. Woodruff stated, "Will we ever develop a weapon close to the characteristics described in the above quote?<sup>6</sup> Not impossible, but very unlikely."

#### **Dr. Batzel's reasons for not sending Mr. Woodruff's clarification letter:**

According to Dr. Batzel, there was nothing in Dr. Teller's letters that violated any laws of physics. In addition, Dr.

Teller identified the Super-Excalibur concept as “in principle,” and the letters contained many qualifiers.

Dr. Batzel told us he had no problems with Mr. Woodruff’s comments concerning the X-ray laser. However, he was concerned with Mr. Woodruff making budgetary comments and requesting specific funding from Ambassador Nitze. He told us that the normal budgetary process is through DOE and that this process should not be circumvented. He preferred this letter not be sent and that Mr. Woodruff make his point in person to Ambassador Nitze.

#### **Mr. Woodruff’s briefing to Ambassador Nitze:**

Mr. Woodruff briefed Ambassador Nitze for about 2 hours on February 7, 1985. In this meeting, he said he talked about SDI, nuclear versus non-nuclear issues of interest within SDI at that time, and the letter from Dr. Teller. According to Mr. Woodruff, he reviewed Dr. Teller’s letter to Ambassador Nitze in considerable detail and had ample opportunity to state his views. However, Mr. Woodruff told us he did not leave written documentation with Ambassador Nitze.

#### **Mr. Woodruff did not contact Mr. McFarlane:**

Mr. Woodruff did not write a clarification letter to Mr. McFarlane. Since Dr. Batzel preferred he not write to Ambassador Nitze, he said he concluded the same would be true for a letter to Mr. McFarlane.

Mr. Woodruff did not meet with Mr. McFarlane, but he did meet with two National Security Council staffers on February 20, 1985. However, according to Mr. Woodruff, the X-ray laser was not discussed at this meeting.

#### **LLNL statements about the X-ray laser potential:**

We found the official LLNL channel, including Mr. Woodruff, made statements in oral presentations and written materials about the potential of the X-ray laser program, which were similar to many of the statements made by Dr. Teller in his letters to Ambassador Nitze and Mr. McFarlane. These statements generally supported achieving Excalibur [in the foreseeable future] and discussed the possibility of developing Super-Excalibur. We did not find any statements addressing when, specifically, Super-Excalibur might be achieved.

#### **Achieving Excalibur level of brightness [in the foreseeable future]:**

The official LLNL channel, including Mr. Woodruff, had prepared estimates of when the Excalibur brightness goal could be reached. These estimates were based upon LLNL receiving budget and program support, which have never materialized. However, they generally supported Dr. Teller’s December 1984 statement of [in the foreseeable future]. For example

—At the June 23, 1982, presentation to the White House Science Council Military Technology Panel, Dr. Tom Weav-

er, then the X-ray Laser Program Leader, gave an X-ray laser presentation that included an estimated date for achieving the Excalibur brightness goal of [deleted]. Mr. Woodruff attended this meeting.

—At the February 17, 1983, presentation to the White House Science Council Technology Panel, the estimated date had [slipped a few years] but was still within Dr. Teller’s time frame. Mr. Woodruff and Dr. Weaver also attended this meeting.

—On May 15, 1984, LLNL submitted a Program Plan for X-ray Laser Weapon Technology Development in Support of the Strategic Defense Initiative to the DOE Office of Military Application. This plan, that personnel at LLNL, Los Alamos National Laboratory, and Sandia National Laboratory had prepared, indicated that the Excalibur brightness goal could be achieved [in the foreseeable future].

#### **Super-Excalibur brightness:**

Shortly after Dr. Teller’s December 1984 letters, the X-ray laser program officials and Mr. Woodruff began to mention the significantly higher Super-Excalibur brightness goal in presentations and written materials. Mr. Woodruff’s statements, made shortly after Dr. Teller’s letters, are presented below.

In a February 6, 1985, letter to the DOE Office of Military Application, Mr. Woodruff stated that Super-Excalibur had been discussed within LLNL for quite some time. In addition, he stated that although Super-Excalibur is conceptually much simpler, the physics may prove to be more difficult. A few days earlier, Mr. Woodruff had circulated an earlier version of this letter within LLNL.

In this earlier version, which was not distributed to DOE, Mr. Woodruff stated:

“Much work and many experiments need to be done before we will know if this idea [Super-Excalibur] is viable, and it is much too early to sell this as anything more than a concept. However, it is a very good idea, and we should and will proceed to develop it as rapidly as possible.”

In a February 13, 1985, presentation to the Senate SDI Working Group, Mr. Woodruff presented X-ray laser information. This presentation included the Super-Excalibur brightness goal, but did not include a specific date for achieving this goal.

We did not find estimates by the official LLNL channel that gave specific dates when the Super-Excalibur brightness goal could be achieved. The official channel estimates contained dates for achieving the Excalibur brightness goal with Super-Excalibur to follow.

We asked selected LLNL scientists, who had specific knowledge about the X-ray laser program, for their opinions as to the accuracy of Dr. Teller’s statement about how soon the Super-Excalibur brightness goal would be achieved. Most of the scientists who offered an opinion regarding the accuracy of the statements felt that achieving Super-Excalibur

[within a few years] was conceivable or not impossible, especially if considerable support were available.

#### **Super-Excalibur application:**

In his letter to Ambassador Nitze, Dr. Teller discussed the potential of a single X-ray laser destroying the entire Soviet land-based missile force. As this was a potential application for a concept, which at that time existed primarily as a theoretical concept, we did not examine the official LLNL records for statements relating to this potential application.

However, during a hearing before the House Committee on Armed Services on February 19, 1986, Dr. Batzel was asked whether there was quantitative data to support this potential application. Dr. Batzel said "there are no data at this stage of the game which would support that." Concerning his testimony, Dr. Batzel told us that although there were no quantitative data to support Dr. Teller's executive desk concept, tests had been conducted pertaining to certain aspects of Super-Excalibur. Dr. Batzel also said there were no data refuting Dr. Teller's concept.

#### **Mr. Woodruff's objections to Dr. Wood's briefing to CIA**

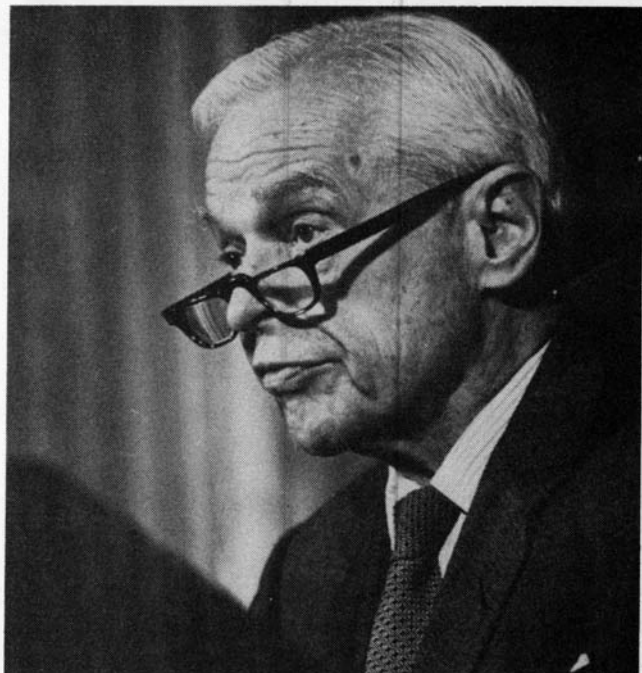
On April 23, 1985, Dr. Wood briefed William Casey, Director of the CIA, and Stanley Sporkin, CIA's General Counsel, on the X-ray laser research program. Copies of this briefing were distributed to various DOE and DOD officials.

#### **Mr. Woodruff's objections to certain statements:**

In one part of his briefing, Dr. Wood stated the X-ray laser can have "as many as [specific number of] independently aimable beams." In another part of his briefing, Dr. Wood presented five conditions that he stated had been accomplished by the X-ray laser nuclear tests. Mr. Woodruff objected to the statement concerning the number of independently aimable beams and to two of the five stated conditions.

According to Mr. Woodruff, the statement concerning the number of independently aimable beams was an example of Dr. Wood "selling Super-Excalibur." He also felt that Dr. Wood's use of artist's drawings depicting possible X-ray laser usage implied an unwarranted reliability to something that did not exist other than as a theoretical calculation.

With regard to the two of the five conditions that Dr. Wood stated LLNL nuclear tests had achieved, Mr. Woodruff stated (1) LLNL had not produced the amount of laser energy claimed by Dr. Wood and (2) the usage of the term intrinsic energy conversion efficiency was inappropriate and he believed this specific level of efficiency had not been achieved. According to Mr. Woodruff, intrinsic energy conversion efficiency refers to the efficiency of a single laser beam, not the overall efficiency of a possible weapon configuration. Therefore, achieving this goal did not mean that a laser weapon was possible.



Stuart Lewis

*Arms control negotiator Paul Nitze. Woodruff briefed him "in ample detail" on his views on Dr. Teller's letter, but "did not leave written documentation."*

#### **Mr. Woodruff's contacts with recipients of briefing:**

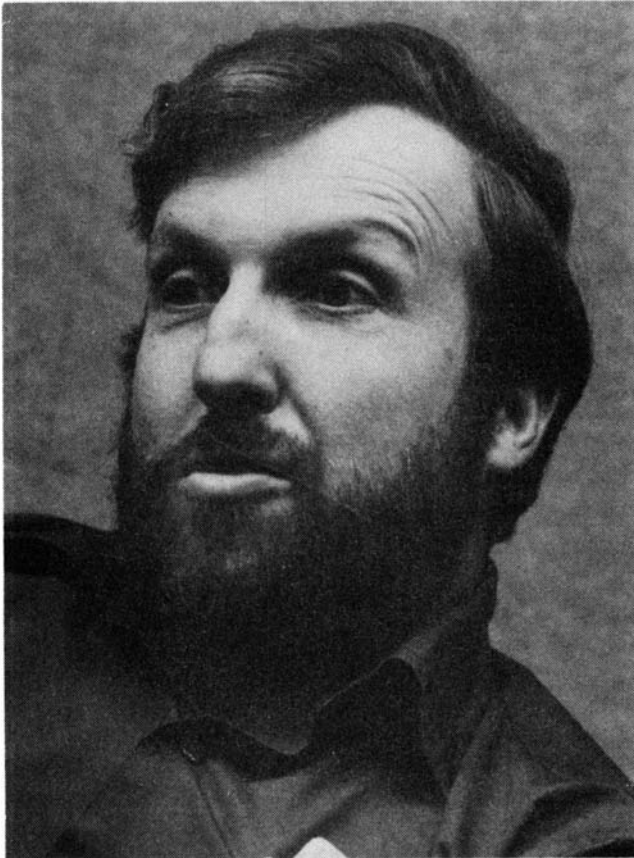
Mr. Woodruff told us he could not arrange a meeting to present his opinions and views to Director Casey. However, he did successfully present his views and opinions to most of the other recipients of copies of this briefing.

#### **LLNL statements regarding Dr. Wood's CIA briefing:**

In the case of the independently aimable beams of the Super-Excalibur concept, we found the official LLNL channel made a statement that was similar to Dr. Wood's statement in his briefing to the CIA. Wording similar to the phrase challenged by Mr. Woodruff, "as many as [specific number of] independently aimable beams," was presented by Dr. George Miller (then Mr. Woodruff's deputy and eventual successor) to the DOE Office of Military Application in early April 1985.

Concerning laser energy achieved and intrinsic energy conversion efficiency, we found that Dr. Wood's April 1985 CIA briefing was based upon nuclear test results, which LLNL later found to be incorrect, and, as a result, it was subsequently modified in the summer of 1985. Based upon the uncorrected results, we were told by Dr. Weaver, then the X-ray Laser Program Leader, that LLNL thought it had achieved the energy level out of the laser and the intrinsic energy conversion efficiency as stated by Dr. Wood.

We asked selected LLNL scientists, who had specific knowledge about the X-ray laser program, for their opinions concerning the accuracy of the above statements. There was



LLNL

*Dr. Lowell Wood. Most scientists who knew about the X-ray laser program, felt that his "level of energy achieved statement was technically correct."*

no uniformity of opinion; however, most of these scientists felt the level of energy achieved statement was technically correct, based upon (1) uncorrected test results and (2) measuring the energy at the laser rather than at the target. In addition, most of these same scientists also felt the conversion efficiency statement was also technically correct. However, some of these scientists felt that Dr. Wood's statements could be misunderstood.

### **DOE's investigation**

DOE tasked Drs. Dacey<sup>7</sup> and Foster<sup>8</sup> to investigate Mr. Woodruff's allegations. Their reports were issued to DOE in April and May 1987, respectively.

In summary, they found that Drs. Teller and Wood were optimistic about the potential of the X-ray laser. They concluded that the views of Drs. Teller and Wood were presented as views of individual scientists and not represented as the official position of LLNL.

In addition, Dr. Foster noted that the administration officials who received these presentations (General Abrahamson, Dr. Keyworth, Mr. McFarlane, Ambassador Nitze, and Mr. Poindexter) felt the presentations were no different than presentations provided by other experts advocating "vision-

ary" technological approaches. These administration officials felt they had not been misled.

Dr. Dacey further stated that Mr. Woodruff had access to administration officials, at least verbally, and concluded that Dr. Batzel's request that Mr. Woodruff not put his countervailing opinions in writing was within Dr. Batzel's management scope as Laboratory Director. He also stated that in retrospect the record would have been more complete if Mr. Woodruff's views had been more extensively documented.

We discussed the results of our review with Mr. Woodruff; LLNL officials (including Dr. Roger Batzel, Dr. Edward Teller, Dr. Lowell Wood, and the new LLNL Director, Dr. John Nuckolls); and DOE officials. They all generally concurred with the information in this report.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after its issue date. At that time, we will send copies to the Chairman, Committee on Armed Services, House of Representatives; the Secretaries of Defense and Energy; the Director of the Strategic Defense Initiative Organization; and other interested parties upon request.

Sincerely yours,  
Frank C. Conahan  
Assistant Comptroller General

### **Appendix I: objectives, scope, and methodology**

Based upon your request, as subsequently modified by discussions with your Office, we compared information about the X-ray laser program presented by Drs. Teller and Wood (categorized by Mr. Woodruff as the other LLNL channel) to congressional and administration officials with the information presented to these same officials by LLNL X-ray laser program and LLNL management personnel (categorized by Mr. Woodruff as the official LLNL channel). As agreed, we did not examine Mr. Woodruff's grievance with the University of California.

We accepted the information presented by the official LLNL channel, without additional verification, as the standard or basis of comparison. We did not (1) determine whether the information presented by either channel was correct or incorrect, (2) systematically examine information presented by either channel to the general public, and (3) attempt to establish what was specifically presented orally by either channel. We relied on written documentation to the maximum extent possible.

At our request, Mr. Woodruff identified specific X-ray laser statements by Drs. Teller and Wood that he felt were "overly optimistic and technically incorrect." These statements concerned the status and the potential of the X-ray laser as a military weapon and were contained in

—Dr. Teller's December 22, 1983, letter to George Keyworth, Science Adviser to the President;

—Dr. Teller's December 28, 1984, letters to Ambassa-

dor Nitze, Chief Arms Control Negotiator, and Robert McFarlane, National Security Adviser to the President; and  
—Dr. Wood's April 23, 1985, briefing to William Casey, Director of the CIA, and Stanley Sporkin, CIA's General Counsel.

We reviewed LLNL records and files, dating from early 1981 through December 1987, to identify pertinent statements by either channel pertaining to these identified statements. In addition, LLNL scientists identified documents containing pertinent statements for our review. We also used data obtained in our prior review of the X-ray laser program.<sup>9</sup> Our audit was performed at LLNL and the DOE Headquarters.

We interviewed various LLNL scientists concerning the accuracy of Mr. Woodruff's allegations. We contacted

—all the principals named in Mr. Woodruff's allegations,

—the current and prior X-Ray Laser Program Leaders, and

—other individuals identified as possessing key information, including persons named by Mr. Woodruff and Dr. Wood who could support their views.

Our review was conducted from November 1987 through June 1988 in accordance with generally accepted government auditing standards.

#### Notes

1. Dr. George A. Keyworth (PhD in Physics) was the Physics Division Leader at Los Alamos National Laboratory before becoming the Science Adviser to the President.

2. Mr. Woodruff was the LLNL Associate Director for Nuclear Design from 1980 until February 1984. At that time, he became the Associate Director for Defense Systems, a position he held until resigning in October 1985.

3. Based on their understanding of the physics of an X-ray laser, LLNL scientists developed computer models, which were used with other means to predict the results of underground tests. If the results of an underground test agreed with the prediction, LLNL scientists concluded that they generally understood the physics of how the aspect being measured worked. If there were significant differences, this meant that the physics were not well understood. In general, quantitative means that the results were "close" to the predictions, and qualitative means the results were "not as close." We did not find any agreement on what specific numbers (such as 80% agreement) determine when the results should be described as quantitative or qualitative.

4. The initial LLNL X-ray laser design concept was referred to as Excalibur and had an established brightness (power intensity) goal. Theoretical calculations on a different idea evolved into the Super-Excalibur concept in early to mid-1984, which had a brightness goal significantly higher than Excalibur.

5. The amount of power that can be delivered (per unit solid angle) by a directed-energy weapon. Brightness of the laser beam can be measured either at the laser device (source) or at the target, where the brightness would be less than at the source due to the source-target separation.

6. Mr. Woodruff was referring to Dr. Teller's quote about a single X-ray laser module potentially shooting down the entire Soviet land-based missile force.

7. Dr. George C. Dacey (PhD in Physics) was President of Sandia National Laboratories.

8. Dr. John S. Foster, Jr. (PhD in Physics) helped form LLNL in 1952, was Director of LLNL from 1961 to 1965, and was Director of Defense Research and Engineering in the Department of Defense from 1965 to 1973.

9. *SDI Program: Evaluation of DOE's Answers to Questions on X-Ray Laser Experiment* (GAO/NSIAD-86-140BR).

## Call for Investigation: Was there sabotage at Ramstein?

*The Schiller Institute issued the following "Call for an exhaustive investigation into the possibility of sabotage in NATO military aircraft crashes" on Sept. 8, following the disaster Aug. 28 at the Ramstein Air Show in Ramstein, West Germany, in which three planes of the Italian "Frecce Tricolori" acrobatic team crashed, killing the pilots and 50 civilians. Endorsements may be sent to the Schiller Institute, P.O. Box 66082, Washington, D.C. 20035-6082, or in Europe, to EIR Nachrichtenagentur GmbH., Postfach 2308, Dotzheimerstr. 166, 62 Wiesbaden, B.R.D.*

Since early 1988, an alarming and unprecedented number of NATO military aircraft have crashed in Western Europe, above all in West Germany. With the tragedy at the Ramstein air base, this series of crashes reached a high point. Since then, more military aircraft have crashed.

More and more experts doubt that the cause of these NATO air accidents has really been pilot error or mechanical failure. Since Ramstein, the question of sabotage is being posed with even greater urgency.

There is a wide array of possible sabotage methods, emphatically including sabotage through electro-magnetically induced effects on the pilot and/or on the aircraft's electronics.

The psychological-political and strategic usefulness of the crashes of NATO military aircraft for the Soviet leadership is obvious. After NATO's intermediate range nuclear weapons systems, NATO's tactical air forces are the primary target of Soviet-influenced political campaigns.

In light of this, we the undersigned demand an immediate exhaustive investigation into the series of NATO military aircraft crashes, with respect to possible sabotage operations. We demand that aircraft and pilots be effectively protected against electro-magnetic signal interference. Furthermore, we demand that the relevant information obtained from such investigations be made available to the public.

## LaRouches in Asia: Combat instability by development

by Sophie Tanapura and Linda de Hoyos

For over two weeks, from late August to early September, American political leader Lyndon LaRouche and his wife Helga Zepp-LaRouche, chairman of the European Labor Party of West Germany, visited the Asian nations of Thailand, Japan, and the Republic of China (Taiwan). In numerous private meetings, seminars, and receptions with the leading policymakers of these countries, the message the LaRouches brought stood in stark contrast to the intense political and economic warfare being waged against Asia from Washington, Moscow, and Beijing.

“The great problem that all our nations face is that we are suffering a great moral and intellectual decadence,” American political leader Lyndon LaRouche told an audience of legislators in Taipei, Taiwan, Sept. 4. “Our nations are much, much worse today than they were 25 years ago. To me, the solution is partly obvious. Here in this room are people who represent one-quarter of the human race. We in the U.S., and we who are patriots in Western Europe have the same interests as China. It is my persuasion that we must unite our efforts so as to return to the offensive. Like the great Dr. Sun Yat-sen, we must agree among ourselves on principles which are common to all nations: the principle of the sovereign nation-state, the right of all nations to scientific and economic progress, the right of every human being to have a form of government which speaks his language, in which he can participate through representative institutions so that the individual can see his short life as not so short because it is something embodied in the nation, seeing the nation as a personality which is contributing to life on this planet and contributing to the exploration of space and the universe.”

Creating an alternative body of patriotic leadership is the task at hand if humanity is to solve the dire crises it faces today, LaRouche told the patriots with whom he met. Asia, today, LaRouche said, is a “zone of acute destabilization.” In the month of August, the region stretching from Afghanistan to Japan began to resemble another “arc of crisis.” In Pakistan, President Zia ul-Haq was assassinated on Aug. 17, along with top leaders of the Pakistani military. In Burma, British and State Department-backed operatives have orchestrated an upsurge against the Ne Win government, plunging that nation into chaos. In South Korea, the govern-



Above: Lyndon LaRouche (right) and Helga Zepp-LaRouche (left) with General Teng at a dinner in Taipei.

ment is bracing for the possibility of North Korean-sponsored terrorism against the Olympics.

As LaRouche explained in Taiwan, the destabilization seen throughout Asia is the product of a deal struck between the Soviet Union and the oligarchical factions of the West for a "global empire" of "power-sharing" with Moscow. "The trend now is to establish that empire. Most of the strange things that happen in the world are the result of talks among four cities: Moscow, London, New York, and Beijing," LaRouche said.

For many of the leading patriots in Asia, LaRouche represents an alternative policy-leadership for the United States. Mr. LaRouche has been several times to Thailand and Japan. In Thailand, his name is associated with the reviving of the Kra Canal great project, which would construct a canal through southern Thailand that would speed Indian-Pacific Ocean traffic and create a nexus of industrialization that would radiate throughout Southeast Asia. LaRouche's friends in Thailand have organized several conferences on the canal since 1983, and the project has been given approval by the Thai Parliament.

In Japan, LaRouche is best known for his role in the development of the U.S. Strategic Defense Initiative, and for his aid in bringing Japan into partnership with the United

States on the project. During this visit to Japan, the LaRouches met with military strategists and also scientists, including broad-ranging discussions at the Tokai Space Research Center and the Global Environmental Monitoring System Center.

It is the LaRouches' first trip to Taiwan.

### Thailand the key to Asia

In Thailand, the key issue of concern to the policy makers and military leaders that the LaRouches met with was Burma. There is fear that what is going on in Burma—riots, bloodshed, civil war—could spill over into the neighboring countries and destabilization could spread like wildfire in the region. Gen. Sein Lwin, who took over from Gen. Ne Win, used his habitual iron hand methods to quash street riots backed by religious groups but failed to last more than 19 days. Since Aug. 24, President Maung Maung, a civilian member of the Burma Socialist Program Party (BSPP), took over and street riots are still continuing, this time calling for the end of the rule by the BSPP in Burma. Without a government capable of restoring law and order, the country, which already had difficulties maintaining its unity as a nation under the 26-year-rule of Gen. Ne Win, is plunging into further chaos.



Chou Kao-Ching, the German-trained "Greenie" of the DPP, in action.

Mr. LaRouche commented to several of his interlocutors that "a bad government is better than a state of anarchy." The present crisis in Burma must be seen in the context of a three-way deal between Moscow-London/Washington, Moscow-Beijing, and Beijing-Washington. The aim is to recarve Southeast Asia into new spheres of influence and for that purpose, the destabilization of Southeast Asia as a whole would serve to reshuffle the cards among the New Yalta partners. Those forces that are active factors in the destabilization scenarios in the region are the Soviets, directly and indirectly through the World Council of Churches, and those U.S. elements involved in Project Democracy that have already had more than their hands full in the Philippines, South Korea, Indonesia, Singapore, and Malaysia, LaRouche said.

In Thailand, the Project Democracy elements operate with the aim of toppling the monarchy, a national institution that is essential to the political stability of the nation. Mr. LaRouche warned that in addition to the problem of Indo-chinese refugees on the Thai-Laotian, Thai-Kampuchean border, a similar refugee problem could come into existence on the Thai-Burmese border, pressuring Thailand on an additional front.

Another area of concern among Thais is the continuing Kampuchean conflict. Commenting on the recent visit of Vietnamese Foreign Minister Nguyen Co Thach to Thailand, a Thai senior official pointed out to Mr. LaRouche that the

Vietnamese tactic is to attempt to create a rift between Thai Foreign Minister Air Chief Marshal Siddhi Savetsila and Prime Minister Gen. Chatichai Choonhavan. For its own security concerns with the Soviet Union, Vietnam would like to be able to settle with the People's Republic of China. The Thais, on the other hand, would like to see first a settlement of the problem of the occupation of Kampuchea by Vietnamese forces. However, Mr. LaRouche remarked that the Vietnamese feel that the west bank of the Mekong River de facto belongs to them. It is very similar to the Israeli attitude toward the West Bank of the Jordan River, which they consider theirs since many Jews have been moved to live there.

Thailand, therefore, is the key stabilizing factor in Southeast Asia. Its survival as a nation can make or break the region. It ranks among the top ten as a food-producing and food-exporting country. It is the only country that has remained independent while others fell into colonial hands. The country has been led and kept intact by a number of great leaders in history, the most significant ones being King Rama IV (King Mongkut) and King Rama V (King Chulalongkorn); both of whom reigned at the end of the 19th century. In fact, King Mongkut was a great admirer of the American System.

Unfortunately, U.S. foreign policy today indicates that "the U.S. has written off Thailand since 1978," commented a senior Thai official to Mr. LaRouche. To be able to guarantee its continued stability which is being threatened on all sides, "Thailand needs to develop more and faster," Mr. LaRouche recommended to his Thai interlocutors who were concerned about national security.

The key to the problem of development in Southeast Asia, LaRouche stressed, is to understand that it is a water area, a maritime area, an area best suited for ocean agriculture—a conclusion underlined by the ratio of land to water in the area. It is an area where it is cheap to move freight by water, which means that the development of an infrastructure project, such as the Songkhla/Kra Canal across the Isthmus of Thailand, thus linking the Indian and Pacific Ocean Basins, would significantly enhance not only Thailand's, but the whole region's, economic potential.

LaRouche continued, "Don't look at the poverty. Look at how to transform a poor area into a rich one. It should be easy to quickly double the income of the average poor because it is already so low. Just a little more water, a little more fertilizer and a little more mechanization would do it."

LaRouche continued, "We have to think of the development of the Songkhla/Kra Canal and a deep seaport as a national security question. The entire project should be developed from the standpoint of the national sovereignty of Thailand and not dictated by the international financial institutions as the International Monetary Fund and the World Bank."

### Taiwan: betrayal by the United States

The high point of the LaRouches' visit to Taiwan was



their participation in a meeting of members of the Legislative Yuan (Parliament) and the National Assembly, which functions as the electoral college, constitutional assembly, and impeachment court of the Republic of China on Taiwan, held in Taipei Sept. 4. The meeting, which was sponsored by the *Flag of China Monthly*, was addressed by both LaRouches.

In her speech, Helga Zepp-LaRouche warned the assembled parliamentarians, journalists, and military and business leaders, of the dangers represented by the pro-Greenie opposition Democratic Party, noting that when she heard that the party's leader Chou Kao-ching had been trained in Heidelberg, West Germany, she knew that the Republic of China

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## Documentation

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### 'Development is necessary to security'

*In Bangkok, Thailand, and Taipei, Taiwan, LaRouche was constantly asked how U.S. policy toward its allies could be changed. Excerpted below is a speech delivered by LaRouche Aug. 31, before a dinner-reception in Bangkok, giving the American leader's views on the reshaping of the fundamentals of U.S. foreign policy:*

If the U.S. and other dominant nations continue to respond to the events that are developing in the way they have been responding, then all of civilization will probably be plunged into a new Dark Age beginning the years just ahead of us.

Next year, for example, we'll have the biggest financial crisis in world history. There'll be a collapse of between \$15 and \$20 trillion in paper values in a financial collapse which will occur either before or soon after the U.S. elections within a matter of weeks or months. If we continue with the present monetary policy of the International Monetary Fund, the World Bank and similar kinds of policies, we will go into the deepest economic depression in world history.

Previously, we've had crises like these in various parts of the world, as in Europe in the 14th century. We have never, to our knowledge, except possibly at about 1000 B.C., had a crisis which seemed to affect the world as a whole simultaneously.

So the problem is to change the policymaking structure. . . . We have a monster in the United States, one leg is called the Bush campaign, the other leg is called the Dukakis campaign. Being a man of limited resources, I'm going to cut off the Dukakis leg to topple the monster. This will be understood by some people wrongly as in support of Bush. I'm not supporting George Bush. . . . However, if Dukakis were to become President, I would see no hope for changing the direction of policy.

If Bush becomes President, after we've toppled Dukakis, then some of my friends might be able to exert enough influence on the U.S. government in shaping policy. So we might survive. . . . Therefore, my responsibility is to influence what does rule in the United States, which is not the President of the United States. As an economist, we have to create a

combination of forces which is capable of responding to the crisis, as it becomes worse, with the hope that we can change the direction in which the U.S. makes policy to solve this crisis.

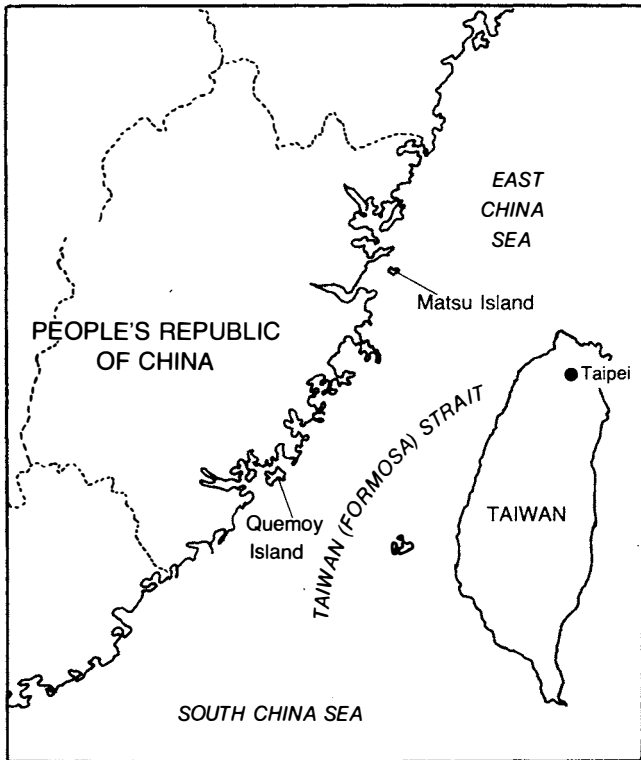
On my policy as such, I've been committed for many years to the establishment of a new world monetary system. During the last war, when I was in Burma and India, at the end, we Americans—and there were many of us—recognized, looking at the world as we saw it outside the U.S., that the conditions that we saw in the world outside the U.S. were the cause for the possibility of wars like that we were going through. We recognized that the development of what we call today "the developing nations" was indispensable to having a planet in which peace and security are possible.

We went back at the end of the war, and I looked at my friends who I had been overseas with and they were all going in different directions. They were all concerned with making money, success and so forth. They had forgotten the importance of the war.

I've been committed to that policy, however, for most of my life and have been actively involved the past 20-odd years. We must have two problems solved at this time. First, we require a new monetary system, a monetary system which in my view must be based on the ideas that are associated with what used to be called the American System of political economy. The ideas of U.S. Treasury Secretary Alexander Hamilton, Germany's Friedrich List, and the two Careys [Mathew and Henry] and others.

A society based on development of infrastructure, the right of nations to protect their trade, to protect their internal industry and agriculture, the promotion of scientific and technological progress—cooperation on that basis—the creation of a community of principle among sovereign nation-states which share in these ideas for mutual protection and mutual assistance, and a monetary system which can guarantee credit for exchange of technology among nations at fair prices and low borrowing costs for lines of credit. If we do that, we can bring about, I believe, a system of equity on this planet. We can provide justice for all peoples; we can eliminate the great crime that plagues this nation up to this time.

The second policy I am committed to for moral reasons as well as practical ones: that the government of the U.S. commit itself immediately to the permanent colonization of Mars within about 10 years from now.



was being targeted by the same anti-Western operations that operate against Germany.

"Despite differences of culture," Zepp-LaRouche said, "there are obvious parallels between the Federal Republic of Germany and the Republic of China. By the end of World War II, Germany was divided into two parts by the Yalta agreement created by the same U.S.-United Kingdom-Soviet forces who were responsible for the defeat of the Kuomintang on the Chinese mainland."

After tracing through the assault against the Federal Republic's national sovereignty over the second half of this century, she explained how the Green Party and the environmentalist movement were born out of the Club of Rome's promotion of malthusianism against the underdeveloped nations. The Club of Rome's aim, she said, "was primarily to set up a world dictatorship based on the rule of the superpowers using supranational institutions. . . . In the mid-seventies, this Greenie movement became a pacifist movement which is anti-NATO and anti-Western. In the last ten years, they have succeeded in destroying [the view of] Moscow as the enemy image."

The parallel was clear to the audience. The DDP in Taiwan has forced the halting of the nation's nuclear power program, the most successful in the world, and is working to open up Taiwan to penetration from both Moscow and Beijing.

The questions that followed sounded the warnings of the communist penetration of the United States, and the U.S.'s betrayal of its allies. An economist in the National Taiwan

University, for example, noted that the economic warfare being waged against Singapore, Malaysia, and the Republic of China from Washington was a joint project of the State Department and "international communists," the purpose of which is "to use economic pressure and trade to threaten the developed and undeveloped countries and target them to control them." In the case of Taiwan, economic warfare is being directed against an "economic miracle that has shocked the world."

The theme of State Department betrayal of the Republic of China was sounded by each speaker. However, there was a clear distinction drawn by the participants between the United States and the current leadership in Washington. The difference was noted directly by an exile from the People's Republic of China, who stated: "When you study the United States you have to distinguish between the State Department and the people of the U.S.A. There is a sickness in the State Department, expressed in picking on the weak and the poor but fearing the strong. When the P.R.C. told the U.S.A., 'You are a paper tiger,' there was no reaction [from Washington]. The U.S. retreated and left the way open to the P.R.C. . . . We want to be friends of the United States, but at a distance, so we can defend ourselves." Economically, the speaker noted, this meant focusing Taiwan economic policy more upon the methods of technology transfer, rather than access to U.S. markets.

In answering the statements put to him, LaRouche asserted that the world stands before a monumental crisis, including the danger of worldwide famine, caused by the evil policies perpetrated by Western oligarchs and their partners in Moscow. As he had discussed with Taiwan's leaders, LaRouche said, humanity is now engaged in a war, not the "usual type of war," but "irregular war." The inside of the mind of every person on this planet is a battlefield of this war, LaRouche said. Every village is a battlefield. Every stratum of society is a battlefield. It is a struggle to see who will shape the will of the human race.

LaRouche stated that he was "very unhappy" about his country, but "proud of its existence. Our nation was founded with the mission of benefitting all humanity. Many struggles for the liberty of nations were based on the model of the American Revolution."

The "optimistic side" of the current crisis, LaRouche said, "is that the agencies that have steered us into this crisis will be discredited by the crisis. We will win therefore if we have an organization among the nations of the world as an alternative leadership, that is seen by masses of people as an alternative leadership." What is required, LaRouche concluded, is a unified force among nations, with each member a patriot of his own nation and also a world citizen. "We must mobilize people to see that the suffering or advantage of a friendly nation touches their own self-interest. We shall win if we fight for each other. This requires the kind of courage we think of in warfare. If we are prepared to sacrifice our lives for each other's nation, then we shall win."

# Across the Formosa Straits, thirty years after Quemoy-Matsu

by Webster G. Tarpley

The month of August marks the 30th anniversary of the beginning of the Aug. 23, 1958 Chinese Communist attempt to seize control of the offshore islands, Quemoy and Matsu, with massive artillery and air bombardments in preparation for an amphibious assault. As any American schoolboy in the late 1950s knew, Quemoy and Matsu are two small islands a few kilometers off the Chinese mainland coast which had remained under the control of Nationalist Generalissimo Chiang Kai-shek's Kuomintang (KMT) government when the KMT was forced to transfer its capital to Taiwan (Formosa) in 1949, following the victory of the Maoist armies in China's civil war. The Chinese Communists sought to seize these islands in preparation for a general assault on Taiwan, which is separated from the mainland by 100 miles of the Formosa Straits.

The Communist attempt to grab the offshore islands came just five years after the Korean armistice of July 1953. As U.S. Gen. Douglas MacArthur had predicted, the Beijing regime was made more aggressive by U.S. and British appeasement. The intensive phase of the Battle of Quemoy (known as Kinmen in Mandarin Chinese) lasted from Aug. 23, 1958 to Jan. 7, 1959, although Communist shelling of the islands went on for years after that. During the main battle, the Communist People's Liberation Army tried to flatten the Nationalist fortifications on the islands to open the way for assault landings, while also seeking to cut off supplies to the Nationalist garrisons. Quemoy, the largest of the offshore islands, is located in a bay, surrounded on three sides by mainland gun positions. During more than four months of battle, the Communist Chinese troops fired some 600,000 shells at Quemoy, causing 800 casualties and destroying almost 10,000 buildings and dwellings. There were several Red landing attempts. The Nationalists countered by denying the Communists sea and air supremacy, shooting down 30 MiGs, destroying 97 fortified gun emplacements, and sinking 27 Red naval vessels, thus preventing the Communists from massing for an effective amphibious assault.

Quemoy and Matsu were, along with the 38th parallel

truce line in Korea and the Western zones of Berlin, the front lines of the Cold War confrontation of the free world with the Sino-Soviet bloc. The defense of these islands was one of the main issues in the 1960 Kennedy-Nixon presidential debates. Today, the offshore islands remain fortified but peaceful, with a civilian economy that has revived after decades of living the life of a garrison under siege. But observers in the Republic of China on Taiwan point out that Beijing has often reiterated, and never renounced, its threat to attack Taiwan and reunify China by force under Communist rule. The Taiwan government is thus still in a state of war with Beijing.

Beijing recently staged a large-scale, live-fire mock invasion of its Hainan Island. Missiles have been fired off Chekiang. In March, 3,000 Red trawlers massed in the Min River opposite Matsu. Mainland trawlers frequently violate territorial waters of the Republic of China (R.O.C.). Some have been found carrying weapons.

Thirty years after the battles around the offshore islands, a lively debate has broken out in the R.O.C. concerning the likely shape of future relations with the mainland regime. This debate has been accelerated by the fact that the R.O.C. itself is in a period of rapid change, with a new President (Lee Teng-hui, who replaced the late President Chiang Ching-kuo, the son of the late Generalissimo, back in January) and the XIII Party Congress of the ruling Kuomintang, which has led to numerous changes in the key Central Standing Committee and other party organs. There is now ferment in the R.O.C. about the possibility of increased visits and exchanges with the mainland, including the possibility of direct merchandise trade, which has been ruled out by the KMT since 1949. In practice, R.O.C.-mainland trade has become large and has been routed through Hong Kong.

KMT policy toward the mainland remains tied to the "three no" policy, which stipulates no contact, no negotiation, and no compromise with Beijing. For years, the R.O.C. upheld its own Chinese version of the postwar Bonn Hallstein Doctrine (*Alleinvertretung*) by claiming to be the sole Chinese nation. Beijing for its part has answered with its "four cardi-

nal principles” or non-negotiable demands of taking the socialist road, the dictatorship of the proletariat, the leadership of the Communist Party, and Marxist-Leninist-Maoist thought.

Although the KMT has remained locked in its “three no” position despite obvious contact and some de facto negotiation, Beijing has introduced some variations into its own theme. In 1981, Beijing’s Yeh Chien-ying offered a nine-point peace package that was supposed to lead to a united front of Beijing and Taipei. More recently, Beijing’s “paramount leader,” Deng Xiaoping, has been promoting the slogan of “one country, two systems” to raise the issue of Chinese reunification, although clearly under Beijing domination. “One country, two systems” reflects the Beijing policy towards the British Crown Colony of Hong Kong, which is scheduled to be annexed by Beijing in 1997. Deng has pledged to allow the economic system presently extant in Hong Kong, defined as capitalism, to remain in force for at least 50 years.

Taipei observers assert that Deng is already trying to water down his promises about the future of Hong Kong through the provisions of a “mini-constitution,” for the Chinese Question has now been projected onto the front pages of the Taipei newspapers via the statements made by Prof. James C. Hsiung of New York University while passing through Taipei after a visit to Beijing. Professor Hsiung said that he had held conversations with top officials in Beijing, whose names he declined to specify. But he did say that one of his discussion partners did speak with a Szechuan accent. This is thought to signify that Professor Hsiung had spoken directly with Deng, who is a native of the Szechuan region. Professor Hsiung is also thought to have spoken with General Yong, a top Beijing military leader.

Professor Hsiung described Deng as now being concerned about his place in the immense chronicle of Chinese history. He painted a picture of Deng as jealous of Mao Zedong and Chou En-lai, his rivals for power who condemned him to years of humiliating rectification as a toilet cleaner during the Great Proletarian Cultural Revolution. Allegedly, Deng thinks that while Mao will go down in history as the architect of the Chinese Communist Revolution, Chou will be remembered as the man who consolidated and strengthened that regime. Deng accordingly wants to secure the niche of the man who united China.

Therefore, according to Professor Hsiung’s account, Deng is genuinely fearful about the tendencies toward Taiwan independence, meaning the creation of a government in Taipei no longer claiming to represent the Chinese state. Such talk of Taiwan independence, with its corollary of giving up the claim to represent the mainland, is outlawed in the R.O.C., but has become one of the more or less open themes of opposition agitation that has emerged in the R.O.C. after the lifting of martial law in 1987. The line of the opposition is that the KMT government is merely the last of a series of colonial oppressor regimes (Dutch, Spanish, British, Japa-

nese) that have usurped power in Taipei.

According to the NYU professor, Deng has secretly turned against communism, which he sees to be inherently unworkable and a failure, although he dare not acknowledge this view in public. To hear it from the professor, Deng is determined above all else to prevent a renewed domination of the Beijing regime by Mao Zedong thought.

As a consequence of this singular state of mind on the part of Deng, Professor Hsiung further expounded, the paramount leader is now ready to be very flexible to prevent Taiwan from taking the path of breakaway independence. According to Hsiung’s report, Deng is now ready to declare peaceful coexistence with the R.O.C. in the interim between now and a pending reunification of Beijing and Taipei. The mainland might even form a coalition government with the KMT, and offer the KMT a consulting role in drafting a new constitution for China. That constitution need not include the four cardinal principles enumerated above. Beijing might even drop its present name of “People’s Republic of China” in favor of calling itself the Republic of China. Beijing might even drop its present red banner in favor of the R.O.C.’s white sun on a blue field.

### A big hoax?

All of these alleged openings from Deng contrast with reports of just a few weeks earlier. In early August, the Hong Kong magazine *Cheng Ming* had reported that Deng, on vacation at Peitaiho, a beach resort near Beijing, told an annual Communist Party summit meeting in July that Beijing would not drop its threat of military invasion against Taiwan. This account depicted Deng as “extremely worried” about Taiwan, and personally monitoring reports on the R.O.C.

Concerning Beijing’s offer to renounce the threat of invasion across the Formosa Straits, it is of course evident that the military man must look at an adversary’s capabilities, and not what he claims his intentions to be.

In an interview to the Chinese Television Service, R.O.C. Chief of the General Staff Hau Pei-tsun stated that the R.O.C. is strong enough to defeat an invasion attempt by Beijing. “If the enemy dare to launch an invasion against us, I am confident that we would be able to crush them,” said General Hau, who was interviewed while relaxing by a swimming pool on the hottest day of the year in Taipei. But while stressing the ability of his forces to defeat an invasion, Hau also conceded that he is not strong enough to mount a counterattack on the Chinese mainland. Hau argued against any cuts in the R.O.C.’s defense spending, saying, “Our defense budget should be maintained at a level sufficient to give the people a sense of security. Only then will people make investments, and can the economy continue to develop. The money so spent will be worthwhile.” To meet the requirements of its situation, the R.O.C. maintains a formidable military establishment, with over 500,000 well-equipped troops under arms for a population of about 20 million.

Asked to comment on the remarks by Professor Hsiung, Hau described the Beijing message as “a big hoax” and “wishful thinking.” “Do you think political power can be transferred so simply?” he asked. “If we take the words of the Communists at their face value, what would we do if they revert to the name of People’s Republic tomorrow?” Hau criticized those who took the Beijing message seriously for “naive thinking.” He stressed that the policy of the R.O.C. must be to build up its own strength, stay united, and remain vigilant.

A similar skeptical reaction to the Hsiung message comes from exile circles in Hong Kong, where various intellectuals and writers have pointed out that despite Deng’s claims to have introduced economic modernizations and reforms, the political system of Beijing is the same totalitarian state that has been in existence without interruption since 1949. The view of these Hong Kong circles is that Deng and Chinese Communist Party chief Chao Ziyang would like nothing better than to “lock the door and beat the dogs,” conducting murderous purges and crackdowns internally while rejecting foreign protests with a strongly xenophobic line.

Other Chinese intellectual circles recall that liberalizations on the part of Beijing have a way of turning into their opposite. They point to Mao Zedong’s notorious 1957 slogan, “Let a hundred flowers bloom,” encouraging the free expression of dissenting opinion. This was followed in 1958 with a campaign of pitiless retribution against those who had dared to speak out. Mao specified that he had called for flowers, not weeds.

### Deng’s ‘reforms’

After 10 years of Deng’s reforms on the mainland, the Beijing regime is officially posting a 19% rate of inflation, the highest in post-1949 history, and doubtless underestimated. Beijing remains committed to “price reform,” a euphemism for price increases. But these increases have been delayed because of alarm in Beijing about the political implications of price increases of as much as 1,000% in recent months for certain basic foodstuffs and manufactured goods, according to David Chen of the *Taipei China News*. The world food crisis is known to be hitting the mainland hard.

In north-central China, 30 million people still live in caves, according to a report filed by the AP’s Jim Abrams from Beijing. According to the same reporter, there are now upward of 50 million homeless on the mainland, including peddlers, beggars, and drifters who seek work in the construction trades. Before Deng, employees of state-owned companies had de facto life tenure and could not be fired. They described themselves as “eating from the iron rice pot” of state wages. Under Deng, the iron rice pot has been discontinued.

Mainland education has never recovered from the forays of the Red Guards of Chairman Mao’s Great Proletarian Cultural Revolution of 1966-76. The education budget is in-

adequate, despite attempts to improve it. Thousands of schools in the mainland countryside are closing their doors because the teachers, among the lowest paid persons on the mainland, are seeking jobs in Deng’s “socialist commodity economy” private ventures. Teachers who remain on the job are often so poor they cannot buy chalk.

The Beijing strategy behind the Hsiung message was the subject of a mid-August symposium sponsored by the *Flag of China Monthly*, a political magazine with about 10,000 subscribers in the R.O.C. and among Chinese around the world. The symposium was chaired by the editor of the *Flag of China Monthly*, C.M. Lao.

Many speakers viewed the Hsiung message as another trick by Beijing. In the course of the debate, one speaker who said he had been in Britain during the early years of the Second World War compared Professor Hsiung to Rudolph Hess, the Nazi leader who parachuted into Britain and claimed he was Hitler’s messenger. The difference this time, said the speaker, is that Deng’s messenger has no standing whatsoever in Beijing. A professor from the National Normal University pointed out that none of Beijing’s psychological warfare tactics of past years had attained as great an impact as the Hsiung message. He noted that Taipei officials had been shocked by the message, and that Beijing had partially succeeded in creating a panic in the R.O.C. government. He predicted that the mainland rulers would continue to send messages in the hope of paralyzing the entire R.O.C. society. He summed up his own view that “a good Communist is a dead Communist,” a view he attributed to Gen. Douglas MacArthur. Many speakers agreed that from Mao to Chou to Deng, the Beijing policy has remained the same—the overthrow of the Taipei government, preferably by violent means. It was pointed out that an attempt by Taiwan dissidents to declare the island totally independent of China might provide Beijing with the pretext needed to justify an attempt at invasion.

Some speakers recommended the maintenance of the “three no” policy. But one, Professor Teng, the chairman of the Pacific Cultural Association, said he agreed on the no to compromises with Beijing, but saw nothing wrong with negotiation, and thought that the pretense of denying de facto contact is “ridiculous.” Professor Teng, a candidate for the Legislative Yuan in the next elections, said that repeating the three nos covers up for the lack of an effective policy toward the mainland. Professor Teng proposed that traditional Chinese culture be offered as the alternative to communism in proposing reunification. Other participants in the *Flag of China Monthly* debate proposed that the most effective alternative to communist ideology would be Dr. Sun Yat-sen’s three principles of the people, which Dr. Sun enunciated in the course of founding the Republic of China in 1911 as the first republic in Asia. These three principles are national sovereignty, a democratic republic, and economic development.

## Political warfare

The conclusions to the debate were offered by Gen. Teng Chieh, one of the most trusted advisers to Generalissimo Chiang Kai-shek from the late 1920s on, and the founder of the still-secret Society for the Realization of the Three Principles of the People, known also in China as the Society for National Revival, and known among the Japanese and the Communists as the Blue Clothes Society.

General Teng presented the struggle against the mainland regime in the framework of what he defined as "political warfare," a concept different from traditional military warfare. The problem, he argued, is that the Beijing communist ideology is to conquer the world using surprise attacks, treacherous stabs in the back, and violence and terrorism. Therefore, no negotiation with Beijing should be undertaken. Rather, the Sun Yat-sen program should be propagandized on the mainland, where Dr. Sun is still revered by hundreds of millions of persons.

General Teng argued that the Hsiung message is a lie, sent into the world by a liar (Deng Xiaoping). General Teng noted that the Communist leader has demanded the reunification of China by 1992, and that the great opportunity for subversion will be coming up in advance of the November 1989 elections to the R.O.C. Legislative Yuan, the national parliament. He predicted that Beijing will intervene in the election ferment with the goal of creating mass upheaval and destabilization. If the R.O.C. government cannot be toppled during 1989, General Teng went on, then Beijing will build up the parties in opposition to the KMT, seeking to start an internal revolution that might also provide Beijing with the excuse for an armed attack. General Teng strongly criticized the policy of the KMT, saying that forces inside the KMT are cooperating with the opposition forces and fostering their growth, giving Beijing its long-awaited opportunity to send armed forces across the sea.

He pointed to the unmistakable invasion preparations by the mainland, which constantly holds landing drills and amphibious maneuvers, and probes the Taiwan defenses with fishing boats outfitted for electronic reconnaissance.

He summed up by saying that if the KMT tried to attack the mainland, it would be at a disadvantage. But if Beijing attempts to storm Taiwan, they will be at a decided disadvantage. He pointed to the fact that Taiwan is divided into two halves, east and west, by a spinal mountain chain that has some of the highest peaks in East Asia. If Beijing were to land troops on the west coast of Taiwan, they would have a very hard time enveloping the eastern part of the island. The highlands would be very hard to capture in any case. As long as the mutual disadvantage for the attacker holds, General Teng argued, the political warfare aspect of the struggle will be the dominant one. General Teng concluded by saying that if the R.O.C. can hold out for the next three years, signs of collapse on the mainland will become evident, giving the R.O.C. a perspective for eventual victory.

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## Chaing Kai-shek's Adviser

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# A conversation with

by Webster G. Tarpley

Among those persons alive today who were closely associated with Generalissimo Chiang Kai-shek during the titanic struggles in China during the 1930s, the Second World War, and the aftermath of that war, a preeminent place is occupied by Gen. Teng Chieh, an elder statesman of the Nationalist Kuomintang (KMT) Party in the Republic of China on Taiwan. At the age of 84, General Teng was born in the same year as Beijing's Deng Xiaoping, and has dedicated his life to the struggle against Mao's and Deng's Chinese Communists.

Gen. Teng Chieh was born in 1904 in the mainland province of Kiangsu. During the 1920s, he was sent by Chiang Kai-shek to study first at Shanghai University, and then at the famous Whampoa Military Academy. At Whampoa, several members of the Chinese Communist old guard, including Liu Shao-chi and Lin Piao, were among the fellow students whose mentality General Teng came to know well. General Teng also studied at the Meiji University in Japan. In the mid-1930s, General Teng traveled through Europe, visiting Great Britain, Germany, Italy, Turkey, Greece, and Hungary.

By the early 1930s, General Teng had become one of the most trusted advisers to Chiang Kai-shek. In 1931, Chiang approved a plan for the reorganization of the KMT military and political forces that had been elaborated by General Teng. This plan was implemented by General Teng in the years through 1937. The plan brought about "a sea change in China's prospects and real strength, laying the foundation for victory in the eight-year war of resistance against the Japanese invasion that then followed."

### The secret society

At the heart of General Teng's reorganization plan was the creation of a secret society called the Society for the Realization of the Three Principles of the People, also known as the Society for National Revival. The name of the grouping refers to the three principles of the people (national sovereignty, a democratic republic, and economic development) expounded by Dr. Sun Yat-sen, the founder of the Republic of China in 1911. The Chinese Communists and the Japanese referred to General Teng's society as the Blue Clothes Society. Many aspects of this society remain unknown to this day.

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# Gen. Teng



In the view of some observers, General Teng's plan gave the KMT forces the strength they needed to resist Japanese invasion; without Teng's reorganization, they argue, the Japanese plan for a *Blitzkrieg* conquest of China in the space of three months might very well have succeeded. General Teng has been the author of a number of books over the years, but none of them were circulated publicly until about seven years ago. Up to that time, Teng's writings were used only for training KMT party, government, and military officials. Many of his disciples hold important posts in these fields in the Republic of China (R.O.C.) today. Their public circulation dates from a decision by General Teng to become a public figure in order to appeal to a broader public to fight communism and the Beijing regime. His published titles include *The Foundation of the Party and the Revolution* and *Organization and Strategy*.

General Teng is a point of reference for a sizable faction of the R.O.C. National Assembly, a body that functions as the electoral college in choosing the republic's President, and which also must approve amendments to the Constitution. The National Assembly can also try cases of impeachment. The National Assembly today is still the one elected in 1948 on the mainland, but a new election is scheduled for 1992. General Teng's starting point is a concept of warfare which he refers to as "political warfare" or "total war," and which is broader than the notions of warfare found among traditional Chinese military theorists like Hsun Tzu or Western ones like Clausewitz. This economic, political, and psychological "total warfare" is his answer to the development of the Communist war plan through the phases of Marx-Engels, Lenin, and Mao Zedong.

## Beijing's strategy

In General Teng's view, the basic strategy of Beijing is to exploit conflicts between the U.S. and the U.S.S.R. But while the goal of Communist Chinese strategy is to deprive Moscow of its hegemony, Beijing seeks the destruction of the United States and its elimination from the strategic contest. During the Carter era, the Communists sought to carry out the strategic encirclement of the United States, using bases in the Third World and elsewhere. In response, notes General Teng, "Carter did what the Communists wanted." The Carter administration planned the overthrow of Somoza

in Nicaragua, of the Shah of Iran, and of R.O.C. President Chiang. In Iran and Nicaragua, Carter succeeded, but in Taiwan, the KMT stayed in power and Carter was defeated, General Teng points out.

"U.S. leaders don't know what communism is, and the free world lacks any plan to fight communism," says General Teng. "If the United States system does not change, the U.S. will be eliminated by the communists. U.S. policy must change," General Teng stresses.

In his view, "Neither of the two U.S. political parties can fit into the modern world." He calls for a worldwide strategy embodied in an international anti-communist party which in his view must be egalitarian. General Teng notes that while many parties in the West call themselves democratic, they are really dominated by a principle of hierarchical ranking and must therefore be classed as pseudo-democratic.

## 'The U.S. was supporting the Communists'

General Teng also talks about a second plan which he presented to Chiang Kai-shek after the close of the Second World War. This was a plan to defeat the Maoists in the Chinese civil war. He describes this second plan as having been initially successful, but then the Reds became too strong.

The Nationalists should have prevailed, since they had over 5 million troops under arms. The Communists, by contrast, had only about a half-million troops and about 2 million armed civilians. The Nationalists outnumbered the Communists two to one, and the Nationalists had superior equipment.

"So how did we lose?" asks the general. He gives the responsibility for the loss of China to U.S. Gen. George Marshall, who was sent on a mission to China by President Truman in 1947. "Marshall forced us into peace talks with the Communists. Marshall forced us to retreat," says General Teng. When he found that the KMT was not enthusiastic about talks for a coalition government with the Reds, Marshall imposed an embargo of all U.S. arms shipments to the KMT. General Teng sums it up: "The Soviets were supporting the Communists, and the United States was supporting the Communists. And so, we lost."

General Teng explains this and other U.S. interventions in support of communism by saying that there are two countries in the United States. "One is the anti-communist U.S.A., which wants democracy, and which includes people like LaRouche," he explains. Then there is another faction which is "close to the communists." The anti-communist Americans often make friends with foreign nations, but those nations are then often betrayed by the pro-communist Americans. The majority of the U.S. population he sees as "neutral, with no influence." "The big question is how to get an anti-communist government in the United States."

"Man must work it out," General Teng concludes. "Leadership is everything. Important people are everything. Numbers are not important. When Dr. Sun Yat-sen started out, he had four people with him. Leadership is everything."

## Yugoslav crisis may be heading toward civil war

by Konstantin George

A catastrophic economic situation and a wave of ethnic conflicts that is fast going out of control are driving Yugoslavia toward the end of its existence as a federal state, one way or another. The prospect of one of three tragic endings is growing with each passing week:

1) A Serbian military coup d'état and Army-enforced central rule, ending the power of the non-Serbian republics.

2) A civil war between Serbia and the western republics of Croatia and Slovenia.

3) A breakdown into chaos and fragmentation along ethnic lines.

The Yugoslav crisis threatens to serve as the trigger for a general crisis in the Balkans, history's "powder keg of Europe," and could well lead to a full-blown international strategic crisis should Moscow or any of its satellites begin to "fish" in troubled Balkan waters.

### A Serbian power plan

The drive toward a Serbian power play, under Serbian party leader Slobodan Milosevic, the would-be "strong man" who has the tacit support of most of the Army, began in August and went into full swing at the beginning of September. Serbia is demanding the revision of the Yugoslav Constitution to place under Serbian rule the province's two autonomous regions, Kosovo with an 85% Albanian majority, and the Vojvodina with a Serb majority and a large Hungarian minority. The constitutional revision would also strip Yugoslavia's other republics of much of their present autonomy. The Serbian plans, which would make Yugoslavia de facto a "Greater Serbia," are anathema to Slovenia and Croatia. In short, there is a pre-civil war mood inside the country.

The Serbian mobilization erupted Sept. 2-3 with mass demonstrations involving tens of thousands each in the town of Smederovo, 25 miles south of Belgrade, and in the town of Crvenka in the Vojvodina. Such mass demonstrations had been occurring throughout August, both in Serbia proper, the Vojvodina, and in one case, a rally of 30,000 in Titograd, the capital of the Republic of Montenegro. This round, however, was qualitatively different. Beyond the now regular demands for direct Serbian rule over Kosovo and the Vojvodina, and "guns for the Serbs and Montenegrins" in Kosovo for use against "Albanian terrorists," the Sept. 2-3 rallies marked the launching of the campaign to install Slobodan Milosevic in power nationwide as the "savior" of Serbia.

In Crvenka and Smederovo, the huge crowds chanted: "Now we know who is the second Tito. His proud name is Slobodan. As long as Slobodan walks the earth, the people will not be slaves to anyone. Slobodan, we are with you."

These manifestations are merely the overture. So far, the mass demonstrations have been confined to the territory of Serbia and Montenegro, or, in "friendly" territory, to use the current jargon.

The mass Serbian rallies will next be moving into "enemy" territory. On Saturday, Sept. 10, thousands of Serbs plan to rally in the town of Jajce in the Bosnian Republic. Bosnia, in central Yugoslavia, sandwiched between Serbia and Croatia, contains a Muslim majority (Slavs who converted to Islam during the five centuries of Ottoman occupation) and a large Serbian minority.

The Bosnian authorities have warned that they "will not tolerate" any Serbian protests, and major clashes could occur with unpredictable consequences. In that event, there could



be a dramatic explosion of the Yugoslav crisis almost overnight. Should that not occur, then an explosion is all but ensured by the fact that Serbian demonstrations are planned for September in the capital of every Yugoslav republic: the Bosnian capital of Sarajevo; the Croatian capital of Zagreb, and the Slovenian capital of Ljubljana. In addition, an enormous show-of-strength rally is planned for mid-September in Belgrade, the capital of Yugoslavia and of the Serbian Republic. Any one of these events could provide the trigger for the eruption of civil war.

The near civil war atmosphere is no longer just a matter for private conversation. The public taboo on the matter was broken on Sept. 4 by Draza Markovic, the moderate former President of Serbia. In an open letter to Yugoslavia's party leadership, Markovic denounced Serbia's current party leader, Milosevic, for orchestrating the crisis to make a bid for personal power in Yugoslavia. Markovic minced no words in warning what the implications are of the course adopted by Milosevic: "Where is all this leading to? Aren't we already at the brink of an abyss?" He concluded that as a result of Milosevic's policies, Yugoslavia is moving "either to a coup d'état or a civil war."

### **Yugoslav-Albanian confrontation brewing**

The Yugoslav crisis is already assuming dangerous international dimensions, first by taking the form of a rapidly growing confrontation between Yugoslavia and Stalinist Albania. This side to the crisis began in late August, when the Albanian leadership broke a years-long silence on Kosovo to denounce the Yugoslav government and party leadership in strong, provocative language.

Albanian party leader Ramiz Alia issued what amounted to a political declaration of war on Yugoslavia Aug. 29 in a speech in the Albanian town of Peshkopi, near the border with Kosovo. Alia denounced the Yugoslav leadership as a gang of "Serbian chauvinists," pursuing a policy of "severe oppression" against "the Albanians" in Yugoslavia, whom Belgrade was making the scapegoat for "the economic and social problems" gripping the country. The speech, broadcast by Albanian Radio, was heard by Yugoslavia's 2 million Albanian inhabitants, living in Kosovo and the western part of Macedonia adjoining Albania. The result was all too predictable.

On Aug. 30, riots of Albanians occurred in western Macedonia for the first time. Thousands demonstrated in the western Macedonian town of Kumanovo, threw stones at police, and demanded the creation of a separate Albanian-language school system. Albanians make up almost one-third of Macedonia's population. Since mid-1987, informed sources have been telling *EIR* that Macedonia would erupt into a "second Kosovo." That has now come to pass. The Albanian riots in Macedonia went on for several days; new eruptions in the near future are all but certain, and it is only a matter of time before a counter-movement by outraged Ma-

cedonians takes shape, forming an eastern Yugoslav alliance with the Serbs and Montenegrins.

A crisis in Yugoslav Macedonia is more than an expansion of the Kosovo unrest. Albania has never abandoned its claims to both Kosovo and western Macedonia, to create a "Greater Albania" from the wreckage of Yugoslavia. Similarly, Soviet satellite Bulgaria has never abandoned its claims that Yugoslav Macedonia belongs to a "Greater Bulgaria."

Furthermore, in contrast to Albania's official isolationist policy, the one defense pact Albania has maintained is its 1948 mutual defense treaty with Bulgaria, a treaty directed against Yugoslavia. To date, the Bulgarian media have kept strict silence over the Serbian demonstrations and the Albanian riots in Macedonia. How long that official silence will persist is anybody's guess.

### **Serbia answers Albania**

On Sept. 5, the leadership of the Serbian Republic returned Albania's political declaration of war. Serbian President Gen. Peter Gracanin, addressing a combined session of the Serbian party and government leadership, charged Albania with plotting to create a "Greater Albania," by using "Albanian nationalists" in Kosovo and western Macedonia to destabilize the situation. The outcome of the Albanian plot, he said, was to be an Albanian annexation of both regions.

Gracanin, with the full backing of the Serbian leadership, declared, "Terror reigns in Kosovo," and denounced "the continual mishandling and degradation" of the Serbian minority there. The Albanian terror "now threatens to turn into a large-scale settling of accounts" between Albanians and Serbs "and direct national [ethnic] conflicts."

Gracanin announced that the "special forces" of the Interior Ministry sent to Kosovo months ago will now be used against any Albanian disorders, and will "guarantee the security and property" of the Serbian and Montenegrin minorities.

Gracanin and the Serbian leadership also endorsed the demand of the mass Serbian protests for the creation of "armed auxiliary units" drawn from the Serbian and Montenegrin population of Kosovo to "maintain order." These "auxiliary units" will now be created, he announced.

A very hot autumn for Yugoslavia is ensured. Beyond the near civil war ethnic conflicts, a new strike wave began in early September, provoked by the collapse of living standards under the burden of Yugoslavia's enormous foreign debt. The economic situation, with a 200% inflation rate alongside an officially enforced wage freeze, is unbearable. The shortages of food and consumer goods are the worst since the early postwar years, and with the massive fuel shortages, this winter will be the most bitter in decades.

Most of Europe's population still lives in ignorance of the fact that a Balkan crisis of tragic dimensions not only exists, but is fast moving out of control. Events will soon lift, abruptly, that veil of ignorance.

# Unrest in Russian Empire multiplies: Poland and Armenia

by Konstantin George

In contrast to Gorbachov, absent from Moscow for five weeks on "vacation," the crisis of national unrest in Eastern Europe and the Captive Nations inside the Soviet Union has not taken a holiday. Moscow is simultaneously beset by the worst Polish crisis in postwar history, the most dangerous Transcaucasus explosions to date, and eruptions in the Baltic Republics, the Ukraine, and East European satellite nations.

The leading edge of the current phase of the crisis is occurring in the Transcaucasus and Poland.

## Armenians denounce Moscow and Gorbachov

The crisis in the Transcaucasus is moving into its most explosive phase, with Armenia in a state of near-revolt against Moscow. The mass protest movement there, thought to have been "under control" in late July, sprang up again on Aug. 23, and has been active ever since.

On two occasions, Aug. 23 and Aug. 30, crowds of 200,000 staged anti-Moscow mass demonstrations in the Armenian capital of Yerevan. They braved Russian army units deployed in the city (disguised in police uniforms), and army helicopters, called bitterly "the swallows of *perestroika*," circling overhead. The mass rallies used the slogan, "This is not Afghanistan," and denounced the Red Army occupation of Armenia.

During the summer, the Armenian mass movement underwent a qualitative shift on two counts. 1) It moved from being a primarily anti-Turkic, anti-Azerbaijan movement, into an anti-Moscow, anti-Russian movement. 2) It has moved far beyond the original single-issue demand that the enclave of Karabakh, now governed by Azerbaijan, become part of Armenia, and adopted a strategy that strike organizers hope will move Armenia in stages toward the cherished goal of nationhood. At the late August rallies, the protests have demanded an end to Russification in Armenia, expressed in phrases like "A civilized nation is a nation which speaks its own language," and "Close Down the Russian Schools!" They are now demanding autonomy and "economic sovereignty" for the Armenian Republic.

Even should Moscow restore Karabakh to Armenia, the

mass protests will not end. This was stated to the *London Times* Sept. 5 by Levon Ter Bedrossian, one of the 11 leaders of the Karabakh Committee, which is leading the Armenian underground. "If we achieve our goal" of getting back Karabakh, detached from Armenia by Stalin in 1923, "the movement which has grown up here will remain in being to express the will of the people. There are many other topics concerning all Armenians, including our language, ecology, and the whole question of national sovereignty."

The weekly mass rallies are to occur every Friday during September and into October, until either Armenian-inhabited Karabakh joins Armenia, or, as strike leaders from the Karabakh Committee told the crowd on both occasions, Gorbachov "sends in the tanks." Plans are already being drafted for a new general strike, timed for October when the Armenian parliament convenes, should Moscow not give in by then.

Another major shift in the national unrest picture inside the Soviet Union is the growing coordination between the underground movements of the non-Russian republics.

The Armenian underground, led by the Karabakh Committee, gave statements to Western correspondents in a suburb of Yerevan Sept. 4: "Our plan is to extend informal links with other national groups who are against the central power, both in the Soviet Union and outside it in places like Poland and Czechoslovakia."

These links are already very solid. During 1988, the national independence underground organizations representing Armenia, Georgia, the Ukraine, and the three Baltic Republics have established a unified coordinating committee which has held four secret meetings, since made public: January in Yerevan; February in Tbilisi, the Georgian capital; June in Lvov in the western Ukraine, and August in a small town in Latvia.

A leading personality in the Captive Nations' movement recently stressed the importance of this new phenomenon: "We have no illusions that the goal of winning national sovereignty will not require a long and hard struggle. It will, and cannot happen overnight; it will take many, many years. But no one can underestimate the magnitude of the victory

achieved so far, in the following sense. For the first time inside the Soviet Union, you have a functioning coordinating committee representing the national independence movements of six nations, and it will soon include a seventh, Belorussia. This not only has never happened before, but was unthinkable in the past. These national movements have renounced past differences and squabbles among themselves, to unite their forces against the Russian Empire, against Moscow. Even more important, whatever happens to the protests themselves, even if Moscow succeeds in suppressing them, Moscow has already lost what I consider to be the most important part of the battle, their psychological control over these national populations. The struggle for national independence among these peoples was thought to be 'dead,' or at least dormant for decades. As we've seen, it's very much alive. The people of these nations want full independence, they want to become part of a Europe of sovereign nations. Moscow can still keep the chains on their bodies, but the chains on their minds have been broken forever. Russification has suffered a decisive defeat."

### **The Polish crisis**

The second Polish strike wave of 1988 was brought to an end on Sept. 1, following a series of ultimatums broadcast on Polish Radio Aug. 30 and 31. The first ultimatum came from the interior minister, General Kiszczak, demanding that the strikes, "endangering national security," end on Aug. 31. The final ultimatum, the next day, in the name of the Polish General Staff, declared that the strikes "are affecting the nation's security and defense capabilities . . . and are endangering Poland's obligations to its [Warsaw Pact] alliance partners." No Pole needed any translation. This was the sort of language used in 1968 before the Soviets invaded Czechoslovakia.

These ultimatums formed the setting to Solidarity leader Lech Walesa's Aug. 31 meeting with General Kiszczak, and Walesa's announcement immediately afterwards calling off the strikes. The government in return pledged to begin a "dialogue" with the Opposition, including Walesa, in September that will lead to "legalization" of the opposition.

The arrangement reached temporarily stopped the strikes, but has in no way solved the crisis. The stage is set for the next explosion to occur soon on two counts. First of all, the economic catastrophe is worsening with every passing week. Food shortages are appalling; meat has largely disappeared, along with dairy products, fruits, and vegetables. Inflation is soaring well above 50%, available goods are unaffordable, and the perennial lack of non-food essentials such as toilet paper, detergents, and soap remains. In the second half of August, even consumer durables, such as TV sets, washing machines, refrigerators and so on, have disappeared from the shops, and beginning in October, fuel shortages will be felt. These facts alone guarantee a new upsurge.

The Jaruzelski regime's only chance to avoid a collision

with the people is to agree to Walesa's demands that the "dialogue" actually lead to an opposition policy voice in Poland. But on Sept. 5 and 6, the government declared that any legalization of Solidarity is "out of the question."

Clearly, the "dialogue" is nothing more than a government tactic to buy time, but even this is failing. On Sept. 6, Walesa warned the government not to back off on its promise (which the government claims it never made) to legalize Solidarity. Walesa said to Western journalists in Gdansk, that the talks with the regime "must lead to pluralism," i.e., an opposition voice in shaping policy, "and a real role for the trade unions, for this is the last chance" for a solution through "dialogue." If the talks, scheduled for mid-September, fail, or as Walesa phrased it, if "they betray us, and undermine Walesa's authority," then Walesa announced that he would call "new strikes, very quickly," in the shipyards and factories of Poland.

The government, under immense Soviet pressure, cannot meet Walesa's demands. Solidarity cannot make any more significant compromises. An autumn confrontation, with a new strike wave, fueled by the accelerating economic collapse, is inevitable.

### **Moscow prepares a military solution**

The crises confronting the Russian Empire pose a great danger to the West, as long as Moscow continues to enjoy its present—and steadily increasing—margin of military superiority. The tendency for Moscow to seek a "solution" to its crises by a policy of expansion and conquest, beginning with Western Europe, will grow in the months ahead. Ominously, during August and September, the Soviet media returned to the language of the Cold War, and made a central point of blaming the United States and the West for the economic crisis and the national unrest.

On Aug. 29, the party daily *Pravda* printed a full page feature on the origins of the Cold War, laying exclusive blame for all postwar problems on the United States. The authors were Valentin Falin, head of the Novosti press agency and former ambassador to West Germany, and Lev Bezymensky, an associate editor of the weekly *Novoye Vremya* (*New Times*), one of the main authors of Moscow's slander campaign against Lyndon LaRouche, and prominent name in Moscow's virulent 1984 campaign against "German Revisionism."

That article was the kick-off. On Sept. 2, *Pravda* printed a lengthy interview with KGB chief and Politburo member Viktor Chebrikov. Chebrikov warned that the Soviet system is threatened by "ideological sabotage," which is directed by foreign authorities and aimed at "impairing the socialist world outlook of the Soviet people, instilling in our society foreign views and sentiments, and instigating the current anti-Soviet activities." He continued, "Certain circles of imperialism have not yet given up on a confrontation course." These "foreign authorities" are seeking to "utilize the freer atmos-

phere" now existing in the Soviet Union under *glasnost* to "undermine the system."

"Special forces [agents] are coordinating this activity, using mass information media, sending emissaries into our country. . . . These special forces and subversive ideological centers, seeking to sabotage the *perestroika*, are trying to encourage in our country the organizing of illegal, semi-legal, and even legal groupings which would operate at their command. To achieve their aims, they seek out hostile elements in our society . . . giving them moral and material support, and practically instigating them on a course of outright confrontation with the Soviet government and social system."

Chebrikov thus made it clear not only that Moscow was blaming the West for the unrest in the Russian Empire, but that, "among the intelligence services, the Cold War is on in full force."

The timing of the Chebrikov interview was also striking. Every year, in mid-September, the Soviet Union dutifully celebrates the birthday of Felix Dzerzhinsky, founder and head of the KGB's predecessor, the Cheka, immediately after the Bolshevik takeover. The occasion is marked by a major address given by the current KGB chief, i.e., Chebrikov, which is dutifully printed in the newspapers. Here is striking proof of not only how grave the crisis in the Russian Empire is, but also of the speed with which Moscow wishes to begin constructing the case to justify outward expansion to eliminate those Western "centers" allegedly causing the unrest. Chebrikov could not wait even two weeks to get the message out.

The offensive blaming the West for the unrest reached its first peak in *Pravda* Sept. 6, where the West was blamed for the Polish crisis. "Imperialist forces, with the U.S.A. at the head, are seeking to exploit the strikes in Poland . . . to build up their assets." The strikes were "chosen by anti-socialist forces as a tool to undermine Poland's economic foundations." Then followed a commentary, linking past and present "imperialist" operations against the Soviet Empire:

"What have we observed in recent weeks? The 20th anniversary of the Czechoslovakia events of 1968 neared and a veritable anti-socialist Black Sabbath is organized. Strikes broke out in Poland and a furious commotion is raised about this episode as well. As is well known, imperialism has already tried more than once to use the internal problems of socialist countries to prod the forces of counterrevolution into action. . . . Their efforts failed [in the past]. But the enemies of socialism are not stopping their destructive schemes," and here, the strike wave in Poland is cited as a key example.

*Pravda's* conclusion, "The activities of the Western intelligence services have inflicted damage on the political, military, and economic interests of the Soviet Union."

These articles are the first warning signs of the mounting danger of military thrusts outward by Moscow to solve its deepening internal crisis.

# Soviet base in Syria new offensive in the

by Selim al Khodr

A political fight is about to erupt in Western military and political circles over what should be the response to Moscow's latest challenge in the Mediterranean. According to an Aug. 27 *New York Times*, U.S. Rear Adm. William O. Studeman, director of the National Security Agency, and Norman Polmar, a U.S. Navy specialist on Soviet military affairs, warned in early August that the Soviet Union is engaged in extensive construction work at the Syrian port of Tartus, building the first major Soviet naval base of its kind in the Mediterranean since the late 1940s.

In the short term, the base will enhance Soviet naval military deployment worldwide, by allowing the Soviet fleet to bypass the Black Sea and the Dardanelles. Instead, the Soviet fleet in the Baltic could be sent through the North Sea and the Atlantic into the Mediterranean, having at their disposal major military facilities on a permanent basis. Middle Eastern military observers report that Tartus is expected to become the Cam Ranh Bay of the Mediterranean, throwing a major military challenge to the whole NATO naval deployment in the region. Not by coincidence, it comes at a time that the presence of the U.S. Sixth Fleet in the region is being questioned, and that the United States is under threat of expulsion from Greece. Actually, except for Naples in Italy, the United States has no permanent naval base which could be compared to what the Soviets are getting in Tartus.

## Why the U.S. silence?

Questions have been raised as to why the *New York Times* publicized the matter, and not the U.S. government. An indication was given in Norman Polmar's statement that he had advised congressional members that the "U.S. should protest to Syria." The remark underlines the fact that Washington has, to date, not done so. On the contrary, State Department officials have been quoted saying that the new U.S. ambassador to Damascus, Edward Djerejian, has been asked to quietly raise the issue with the Syrian leadership, but has so far received "no answer."

Intelligence sources report that the State Department was embarrassed by the *New York Times* article. Following a stormy session on Aug. 5 between State Department Middle

# signals a Mediterranean

East specialist Richard Murphy and Syrian President Hafez al Assad, over the issue of the Lebanese presidential elections, Foggy Bottom has been eager to play down any hint of a crisis.

But NATO intelligence sources in the region indicate that the real embarrassment comes from the fact that many within the State Department consider that, as part of the ongoing superpower negotiations on global power-sharing agreements, Moscow is entitled to have a base at Tartus, hence a foot in the Mediterranean. Unofficially, the same diplomatic circles are arguing that, given that the U.S. Sixth Fleet has been increasingly relying on Haifa, Israel, as a port of call and for maintenance, it is "fair" to allow the Soviets the same freedom in Syria. In the same vein, it is pointed out that Washington's coordination with the Soviet naval deployment in the Persian Gulf played a positive role in speeding the process of a settlement of the Gulf War.

A recently published report from the Washington-based Center for Strategic and International Studies gives the political guidelines behind this policy. Titled "Meeting the Maverick: The Regional Challenges Facing the Next President," and written by staffers Andrew Goldberg and Debra Van Opstal, the report warns that Washington is to be confronted by "well-armed and assertive Third World States . . . the growth of Japanese and European economic, military and political influence and the modernization of China." The authors observe that the "old paradigm," according to which U.S. defense policy had the "single-minded focus of deterring the Soviet Union, is decreasingly relevant." The report concludes that Washington has to accept the reality of a "condominium of interests in which the Soviet Union and the United States together would seek to contain other power centers and regional states." Though the report has had only a limited circulation so far, it has already generated disbelief and anger among U.S. allies abroad.

## The Soviet build-up in Syria

These developments have not occurred overnight, but are the result of several years of Soviet military build-up in Syria since the 1980 signing of a friendship and cooperation treaty

between the two countries. Since approximately the mid-1980s, the Soviet Union has been allowed to use both the ports of Latakia and Tartus as ports of call, as well as for minor repairs of their Mediterranean fleet. Intelligence observers note that last October's visit of Admiral Grishin, first deputy commander of the Soviet Naval Forces, paved the way for an extension of the Soviet naval commitment to Syria. It was followed by the January 1988 visit to Tartus of Adm. Vladimir Chernavin, commander in chief of the Soviet Naval Forces, who also laid the groundwork for the extension of a nearby air base.

Since then, there has been a steady stream of high Soviet military officials visiting Syria, from Gen. Vladimir Pikalov, chief of the Chemical Warfare Department of the Army in March, Marshal of Aviation and Chief of the Soviet Air Force Anatoly Yefimov in April, and Admiral of the Fleet A.I. Sorokin, first deputy chief of the Main Political Directorate of the Soviet Army and Navy, in May. Each was accompanied by a large military delegation of experts, many of whom have remained in Syria.

## The issues for Western intelligence

How far the construction work in Tartus has proceeded, remains a military secret. However, intelligence sources report that the Soviets are involved in top-secret work on the nearby island of Arwad. Though too small to harbor a full-fledged naval base, its deep water and its remoteness make the small island perfectly suitable to receive some of Moscow's most advanced submarines. As a cover, Syria has just received three new Kilo-class Soviet submarines.

To build a military base in Syria represents a major commitment to that country and its leadership, which has been most welcome by President Assad. Especially in the recent period, Assad had grown wary of the possibility of a confrontation with Iraq, following the end of the Gulf War. The Soviet moves also clarify Syria's intended role in the region. Intelligence analysts are pointing to two issues. First, the Soviet build-up in Syria is occurring at a time when Moscow is said to be cutting down on its deployment in the Third World; hence, its commitment to Syria underlines that, as far as Soviet strategists are concerned, Syria and the Near East are not "Third World," but are a militarily integrated part of the Soviet European and Mediterranean war theater. Second, the construction of the base clarifies the question of Soviet-Syrian relations at a time when, since May 1987, there have been rumors of tension between the two countries. Then, General Secretary Mikhail Gorbachov had called on Syria to join a peace initiative in the Middle East, which Assad refused.

The recent developments underscore that Syria's military importance for Moscow overshadows political divergences. And, notwithstanding the wheelings and dealings of the State Department, this has all of Syria's neighbors extremely worried.

# Is Sikh terror being reactivated?

by Joseph Brewda

The Aug. 26 attempted assassination of an Indian newspaper editor in Vancouver, Canada, has fueled speculation that Sikh separatist terrorist networks may be reactivated in North America and elsewhere. This is the first important Sikh separatist incident in Canada since June 1985, when terrorists placed a bomb on an Air India flight originating in Toronto, killing all 329 aboard.

The Sikh separatists claim that the state of Punjab in India, where most members of the Sikh religious minority live, should break off from India and become an independent nation in its own right, "Khalistan."

Canada remains one of the most important centers of Sikh terrorism internationally. The exact relationship of the attempt to the Aug. 17 murder of Pakistani President Zia ul-Haq is now being investigated.

Tara Singh Hayer, publisher of the *Indo-Canadian Times*, was gunned down at his office by one Harkirat Singh Bagga, a 17-year-old associate of the International Sikh Youth Federation (ISYF). No moderate himself, Hayer is a close associate of Dr. Jagjit Singh Chauhan of Reading, England, the chairman of the Khalistan National Council, who publicly claimed credit for the Oct. 31, 1984 assassination of Indian Prime Minister Indira Gandhi. In recent months, tensions between the two terrorist groupings have increased.

Bagga's father, Maj. Santokh Singh Bagga, is suspected of having helped plan the 1986 assassination of Indian General Viadya, who masterminded the 1984 Indian government raid on the Golden Temple in Amritsar, Punjab, the religious center and safehouse of the self-styled "Khalistani" separatists. Following the Viadya murder, the Baggas, and Rajit Singh Kuki, another organizer of the assassination, fled to the United States. Kuki is being held in New Jersey pending extradition to India. Bagga slipped into Canada, where he has received political refugee status.

According to British sources, the ISYF attempt on Hayer is part of a broader plot targeting others, including Jagjit Singh Chauhan. The ISYF now accuses Chauhan's faction of collaboration with the Indian government. The pretext for this charge is events surrounding "Operation Black Thunder," the May 1988 raid on the Golden Temple which left 1,000 "Khalistani" terrorists dead or captured. Immediately prior to the raid, Jasbir Singh Roda, a Chauhan-affiliated

religious leader at the temple, left with his followers on a pilgrimage. Consequently, the Chauhan faction largely escaped.

The ISYF has its international base in Vancouver, and is led by Lakhbir Singh, the nephew of the slain separatist religious leader Sant Bhindranwale. Closely tied to Lakhbir Singh is Gurjit Singh, former leader of the All India Sikh Youth Federation (AISYF), a Bhindranwale relative by marriage; and Talwinder Singh Parmar, leader of the Babbar Khalsa terrorist grouping. All are based in Vancouver and have been repeatedly implicated in separatist assassinations and planned assassinations for years. The Baggas resided at Lakhbir Singh's home when they first moved to Canada.

## Who benefits?

What is unclear about the recent assassination attempt, and the inter-terrorist rivalry, is its origin. The various Sikh terrorist organizations, like all such organizations, are the pawns of the competing intelligence agencies of various countries. The secret services of Britain, Canada, Russia, China, Pakistan, Israel, and the U.S. all have known capabilities among the Khalistanis, as does India itself. It can be assumed that the factional line-up among the Sikh terrorists reflects outside influence in ways which are not obvious. Whether or not one faction emerges over another may bear on which nation dominates the Khalistani terrorist movement, and who gets targeted by the terrorists.

The assassination of Pakistani President Zia ul-Haq, together with a dozen leaders of the Pakistani military and the U.S. ambassador in a plane crash last month, could have a serious impact on the Sikh terrorist scene. Among the dead were Pakistani Chief of Staff Akhtar Abdur Rahman, formerly the long-time head of Pakistani intelligence, and Lt. Gen. Mian Mohammed Afzool. Both, particularly Rahman, oversaw arms deliveries to the Afghan Mujahideen. It is well known that the same units that supply the Mujahideen also supply the Khalistani terrorists, who have training camps and safehouses throughout Pakistan.

The accelerated Soviet pressure on Pakistan through the Zia murder, and efforts to splinter the state along tribal lines, do not promise a let-up of Sikh operations against India, however. Indeed, there are indications that Moscow pressure on India through such terrorist operations may now dramatically increase. Pakistan has served as a buffer against Soviet pressure on India, despite the rivalry between the two nations.

The pressure on India seems to have been stepped up even before Zia was killed. On Aug. 2, Indian Home Minister Santosh Mohan Dev released internal Khalistani documents to the Indian Parliament that had been obtained from the May Golden Temple raid, which demonstrated new Sikh plans to assassinate Prime Minister Rajiv Gandhi. Individuals involved in the plot included leading ISYF figures, and others, some of whom are based in Canada.

# Wali Khan is up to no good, again

by Ramtanu Maitra

The recent statement by Pushtun leader and president of the Awami National Party (ANP) Khan Abdul Wali Khan, that elections in Pakistan should be postponed for three months to complete the process of "accountability," has drawn sharp response from both the Jamaat-e-Islami (JI) and the Pakistan Muslim League (PML).

On the face of it, the demand for "accountability" is clearly an effort to discredit some PML members and weaken that party's prospects in the coming elections. Since Wali Khan's ANP is a member of the coalition that opposes the PML, it would seem to be a clever ploy. PML members, though not the party as such, have been governing Pakistan since 1985.

Reacting to Wali Khan's demand, the spiritual leader of the PML, Pir Sahib of Pagara, told newsmen in Lahore on Sept. 3, "The elections could be deferred for three years, provided the process of accountability covered the period from Aug. 14, 1947 [the day Pakistan was born] and was to be completed in letter and spirit." If the administrators are to be made accountable for their misdeeds, then every administrator who had ever been entrusted to serve Pakistan should be scrutinized and all wrong-doers punished. To target the PML members alone would be a politically motivated act, he pointed out. The Pir is not one to be taken in by clever ploys.

More insightful observations came from the Amir (chief) of Jamaat-e-Islami, Qazi Hussain Ahmad, who described Wali Khan's recent demand as a "replay" of his activities following the fall of the Bhutto regime in 1977. It is well known that Wali Khan had crossed swords with Zulfikar Ali Bhutto and came out the loser. So when Gen. Zia ul-Haq removed Bhutto in a coup on July 5, 1977, Wali Khan threw his support to the martial law regime. But at the same time, when General Zia announced fresh elections within 90 days, the Pushtun "progressive" insisted: "Accountability now, elections later."

What the Pushtun leader apparently had in mind was to haul all the top Pakistan People's Party (PPP) leaders to court and finish them off. Now, since Wali Khan is planning an electoral alliance with Benazir Bhutto's PPP, the names have been changed but the game is the same: *destabilization*. As the JI leaders recalled, in 1977 it was Wali Khan's campaign that led responsible people to claim that it was not General Zia's military regime that postponed the promised elections, but the political leaders who demanded it in the name of

"accountability."

Is there a deeper motive lurking behind Wali Khan's antics? Qazi Hussain Ahmad thinks so. Since the ANP would not be able to win even a single seat anywhere in Pakistan outside the Northwest Frontier Province (NWFP), he points out, elections are of no interest to Wali Khan. They might even cut his high profile down to size. But since he cannot openly oppose elections, he is "creating confusion in the minds of the people." One might expect the JI leader to be harsh with Wali Khan, since they have been sworn enemies for almost a decade, but one needn't take his word for the Pushtun politician's ulterior motives.

## A known quantity

Wali Khan's commitment to Pakistan's well-being has come into question before. The son of Khan Abdul Ghaffar Khan, Wali Khan has always been a proponent of establishing a Pushtun state spanning the Afghanistan-Pakistan border. In 1978, following the takeover in Kabul by a pro-Moscow party, Wali Khan regularly met Afghan President Babrak Karmal and other officials seeking to collaborate in establishing the Pushtun state.

Dr. Najibullah, the present Afghan chief who ousted Karmal, is a friend of Wali Khan, dating perhaps prior to his tenure as head of the Afghan Secret Service, when Najibullah lived in Peshawar and joined the ANP. The ANP leader also keeps in contact with the pro-Moscow lobby in India. But every indication is that the leftist coloring is only skin deep. Like most of his fellow ANP leaders in Pushtun areas, Wali Khan is a relatively big landholder.

Wali Khan's forte, even his most sympathetic observers acknowledge, is creating chaos and confusion. As the pro-Khan analyst Selig Harrison has emphasized in his book *In Afghanistan's Shadow*, "Wali Khan and his venerated father, Abdul Ghaffar Khan, leader of the anti-British Redshirt movement, had never indicated clearly whether their concept of Pushtunistan meant an autonomous Pushtun State within Pakistan, an Afghan-linked Pushtun State, or an independent Pushtun State." He has to this day kept all the options open.

His penchant for fishing in troubled waters is well known, and he, along with his late father and wife, were denied entry to Sind province for the past year or so following violent clashes between the Mohajirs and Pathans there. Wali Khan loudly accused the Zia government of anti-Pathan sentiments. And, in August 1986, he told ANP party workers that if democracy was not restored, they would have to organize "a violent revolution."

On Sept. 3, the ban lifted, Wali Khan marched into Sind where he defended in a press conference the policies of the Soviet Union and Afghanistan against Pakistan, justifying the recent Afghan bombing raids 40 miles inside Pakistan. He portrayed the Pakistan Army and the mujahideen guerrillas as "intruders" trying to block the exit of Soviet troops from Afghanistan.

# Another U.K. defense scientist found dead

by Mark Burdman

Leading security experts in Western Europe privately estimate that there is an identifiable connection between the Aug. 28 crash of Italian Aeromacchi jets at the Ramstein Base air show in West Germany, the Jan. 28, 1986 explosion of the U.S. shuttle Challenger, and the recent years' pattern of strange deaths and disappearances of British defense scientists. All point to East bloc intelligence services' sabotage of Western defense capabilities, these experts believe.

Three days before Ramstein, police in Britain found retired Army Brig. Gen. John Ferry, assistant marketing manager at the Marconi company, dead in a company apartment south of London. The 60-year-old Ferry was found with electric wires in his mouth, electrocuted from the main current. Police immediately labeled this brutal death suicide, even though Ferry had shown few signs of mental problems, except mild depression following a car accident.

Ferry was the ninth employee of British defense contractor Marconi to die or disappear under odd circumstances in the past few years. Press reports said he had access to secret files on a revolutionary new gun, and that he was a liaison between Marconi and the British armed services.

On Sept. 3, British Trades Union Congress president Clive Jenkins announced that he was launching a top-level inquiry into recent suspicious deaths of British scientists working on the frontiers of high-technology defense research. According to the Sept. 4 *Sunday Telegraph* of London, Jenkins, joint general secretary of the high-technology Manufacturing, Science, and Finance (MSF) union whose members include many research scientists, said that it was "statistically incredible" that so many research workers at the Marconi company all died of suicide. He spoke of great concern among his members over "these clusters of suicides, violent deaths, or murders."

Jenkins stated: "We have decided to write to the other major firms (besides Marconi) in advanced electronics asking for comparable details. The question is, could there be a link between these deaths? I ask myself, is there a great cover-up going on? If so, what? By whom? Is it ours, or is it theirs— whoever they may be?" The firms that Jenkins sent his questions to include Ferranti, Phillips, Plessey, Racal, and Thorn EMI, all of which do research in electronics high technology.

Jenkins himself has strong leftist persuasions. His comments, all the more, betray the level of anxiety among British scientific and defense personnel over the deaths.

## 'Star Wars deaths'

So far, no official explanation worth its salt has been given for the pattern of untoward happenings among British defense scientists. The public line from British police has been to deny that there is even a pattern. Each death or disappearance has been explained away as an isolated suicide or accident, or left "open" for further investigation. One theory making the rounds in Britain, attributes the deaths to the extraordinary stress felt by British scientists, under conditions of an ongoing Ministry of Defense probe into alleged malpractices at Marconi and perhaps other companies. Supposedly, this stress is driving scientists to suicide and weird self-destructive accidents.

Undoubtedly, what would be causing stress in defense layers, is the absence of will to locate these deaths in the context of an expanded "irregular warfare" campaign against the West by Soviet or Soviet-linked special forces.

Last March 27, British Labour Party parliamentarian Douglas Hoyle called on Defense Minister George Younger to start an urgent inquiry into the pattern of deaths, following what was, at that time, the eighth mysterious death of a British defense scientist within 18 months.

On March 25, 52-year-old Trevor Knight had been found slumped at the wheel of his car in the garage of his home in Harpenden, Hertfordshire, with a hose connected to the exhaust pipe. Knight, an engineer, worked in the guided weapons division of Marconi Defense Systems in Stanmore, Middlesex, which is Marconi's base for work in space and defense. MP Hoyle, president of the Manufacturing, Science and Finance Union, charged that the police view that Knight's death was not suspicious, was "inadequate."

Said Hoyle: "The authorities have said there was nothing suspicious about all of these deaths, but there are too many coincidences. How many deaths are we going to have before something is done? Why have these deaths suddenly begun to occur? They have all happened in such a short space of time. . . . What is the link between all these? Is it not worrying that this is happening to top scientists? Is it simply overwork or is there something more sinister afoot? It is very alarming."

Aside from the scientists who have died under odd circumstances over the past couple of years, at least three others have disappeared and have never been found.

Many of these have been directly or indirectly employed by Marconi, the defense subsidiary of GEC. Some worked in projects potentially relevant to the American Strategic Defense Initiative project. The March 28 *Daily Telegraph* called them "Star Wars deaths." The *Telegraph* said that Knight, for example, was "involved in the Star Wars program at the Marconi defense company."



# Fight to save Philharmonia Hungarica orchestra stirs a deep response

by Hartmut Cramer

“It is more important than ever, that the free world show it is still the free world.”

With these words, the famous conductor Antal Dorati in a recent interview motivated the political necessity of saving the refugee orchestra Philharmonia Hungarica, which was founded in Vienna in 1957, and found a permanent home in Marl, West Germany in 1959. As part of the tilt toward Moscow which has been the Bonn government’s reaction to the “New Yalta” deal between Washington and Moscow, the very existence of this orchestra is threatened.

When Russian tanks moved into Budapest more than 30 years ago, bloodily crushing the hopes of the Hungarian population fighting for human rights and dignity, hundreds of thousands of Hungarian patriots were forced to move westward, literally overnight, to save their own lives. Among them were hundreds of professional musicians who often couldn’t rescue their instruments. At that time, these patriotic musicians were welcomed by Western governments who, like now, lacked the guts to fight Moscow politically, but who at least, unlike now, wanted to give a clear political signal that they were opposed to Moscow culturally.

In the 30 years since then, the political and cultural matrix of the West has undergone a profound change. Not only has the great classical tradition in art been considerably undermined—in many cases destroyed—but the West is no longer willing to defend its cultural tradition, the very heart of its existence, against Moscow’s outrageous attacks. *Glasnost* leaves no room for artistic freedom in the classical sense.

That is the political background to the blatant attempt to destroy one of the world’s finest classical orchestras: the Philharmonia Hungarica, famous not only for its many international awards, among them the Golden Record for the only recording of all 104 Haydn symphonies, a unique artistic undertaking, but also for its formidable courage and strength in overcoming each and every obstacle threatening its existence.

## Little-minded bureaucrats

Superficially, the fight for the orchestra, which has played with the world’s leading conductors and soloists like Antal Dorati, Rafael Kubelik, Wolfgang Sawallisch, Joseph Szigeti, Yehudi Menuhin, Wolfgang Schneiderhan, Henryk Szeryng, and Janos Starker, to name only a few, is about

money, as usual. When the Adenauer government in 1959 invited the Philharmonia Hungarica to settle permanently in West Germany, in the little town of Marl in the Ruhr region, the orchestra’s budget was divided as follows: 90% of the money would be provided by the federal government in Bonn and the remaining 10% in equal parts by the state government in Dusseldorf, North Rhine-Westphalia, and the city of Marl.

Now, this is being put into question. Suddenly, at the beginning of this year, the Christian Democratic government in Bonn announced its decision to cut its part to 50%, thereby condemning the orchestra to death from next year on. The whole city of Marl was mobilized, politicians were put under pressure, and in feverish negotiations behind the scenes, Bonn was forced to gradually increase its part to at least 80%, on the condition that the other two funders would double their shares. The city of Marl, though badly hit by the economic disaster in the Ruhr region, immediately agreed, but the Social Democratic government in Dusseldorf stubbornly refused.

Each and every argument was used by the cultural bureaucrats in Dusseldorf in order to justify their decision to destroy a classical orchestra: “We already have enough mediocre orchestras in our region,” and, “Do unemployed steelworkers get a job by listening to classical music?” were the standard formulas used by the people “responsible” for cultural affairs. Their boss, Cultural Minister Schwier, even explained to a stunned audience on a recent radio talk show, “Mozart’s music at his time was just entertainment; today, it is rock music which the public likes.”

Since all these silly arguments could easily be refuted by the outstanding musical quality of this orchestra, Dusseldorf in a sudden about face then argued, “Since this orchestra is so important, it is the responsibility of the federal government in Bonn to pay.” So, the buck was passed between the two “capitals.”

## The call of the Schiller Institute

This deadlock was only broken when the international Schiller Institute, famous in the musical world since its April 9 conference in Milan which called for lower orchestral tuning, joined the fight and made it known to a broad public. Especially after the president of the Schiller Institute, Helga Zepp-LaRouche, issued a call to “help to save the orchestra,”

whose existence is threatened by “short-sighted politicians and little-minded cultural bureaucrats,” some of the leading artists of the world went into action:

● **Antal Dorati**, world-famous conductor, best known in the United States as the former chief conductor in Minneapolis, Dallas, and Detroit, and music director of the Washington, D.C. National Symphony Orchestra, who has conducted all the great orchestras of the world, was among the first to sign the call of the Schiller Institute. Dorati, the honorary president of the Philharmonia Hungarica, is rightly

ductor of the Philharmonia Hungarica for many years.

● **Werner Thärichen**, the former solo tympanist of the Berlin Philharmonic Orchestra, who worked for seven years under the great Wilhelm Furtwängler and who played with the Philharmonia Hungarica several times, also signed. Thärichen became famous recently for his book *Paukenschläge (Drumbeats)*, in which he gives a brilliant analysis of the two conductors Furtwängler and Herbert von Karajan, not mincing any words in his support for the “creative artist” Furtwängler over the “admittedly successful manager” von Karajan.

● **Franz Meyers**, a former Christian Democratic prime minister of North Rhine-Westphalia, was the first known politician to sign the call of the Schiller Institute. Meyers, a close friend of the late Konrad Adenauer, fought during 1960 to save the Philharmonia Hungarica from many attempts to destroy it then.

The members of the orchestra themselves were “more than delighted” over the call of the Schiller Institute and are presently distributing it among their friends, colleagues, guest conductors, and members of the many choruses they are performing with. To demonstrate the wave of sympathy for the orchestra: One guest conductor signed the call at a recent rehearsal with the words, “I will sign anything that is for the Philharmonia Hungarica.”

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*Each and every argument was used by the bureaucrats in Dusseldorf to justify their decision to destroy a classical orchestra. But then, the Schiller Institute mobilized the music world.*

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being considered one of the “fathers” of this orchestra, since he helped it from the very beginning in 1956, and always at crucial moments. It was under his baton that the orchestra accomplished the enormous task of recording the Haydn symphonies.

Though presently not in good health, 82-year-old Maestro Dorati gave an interview to the German cultural magazine *Ibykus*, blasting the German cultural bureaucrats. He demanded that this “critical moment become the turning point” for the orchestra, to save it once and for all, and “give it its justified place in German cultural life.”

● **Wolfgang Sawallisch**, the chief conductor at the prestigious Bavarian State Opera in Munich and one of the leading conductors in the world, also signed the call to save the Philharmonia Hungarica, an orchestra which he himself has conducted in the past.

● **Norbert Brainin**, the first violinist of the legendary Amadeus Quartet, who showed the civic courage to dedicate a Boston recital with pianist Günter Ludwig to his “good friend Lyndon LaRouche” last December, not only supported the call, but sent a personal telegram to Johannes Rau, the prime minister of the German state of North Rhine-Westphalia, urging him to use “all his political influence such that this orchestra is saved and its future secured.”

● **Reinhard Peters**, professor of conducting at the Folkwang Musical High School in Essen, West Germany, and internationally known because of his many concerts with the world famous Berlin Philharmonic Orchestra, signed not only the Schiller Institute’s call to save the refugee orchestra, but also its call for the lower tuning. Peters was the chief con-

### **New hope for the orchestra**

Indeed, there is now hope for the orchestra. In light of this impressive support by some of the world’s leading artists and faced with the perspective that a negative decision will definitely result in a public outcry for the preservation of classical culture in West Germany, the Bonn government has showed signs of its willingness to give in. Undoubtedly, this decision was facilitated by the fact that a new wave of refugees from the East is rolling toward West Germany, with up to 2 million desperate people expected in the next two years, among them at least 2,000 qualified musicians.

Since Bonn is strongly in favor of a détente policy with Soviet Russia, no matter how brutally Moscow strikes at the West, it is trying to “solve” the refugee problem in a quiet way. Some sly bureaucrats in Bonn obviously think it is “cheaper” to pay some 350,000 deutschmarks to keep the mouths of Philharmonia Hungarica supporters shut, at a time when the demand to create several new refugee orchestras could come up very soon.

The orchestra has been told it can expect—though nothing has been set down in writing—not only the necessary money to save it, but also probably additional money to pay up to 15 top string players that are badly needed. The word is that the Philharmonia Hungarica will be saved for “another five years,” during which time, “the orchestra can demonstrate what it’s worth,” as some idiot politicians dared to tell these famous musicians. This is not just outrageous, but a clear hint that the bureaucrats in Bonn and Dusseldorf want to retract their commitment as soon as it is politically feasible.

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### Settling the Gorkha issue

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*After two years of violence, calm has returned to a strategic area in India's northeast, at last.*

**T**he prospect of calm and unity returning to the lush green hills of Darjeeling has brightened with the signing of a tripartite accord between the central government, the West Bengal government, and the Gorkha leaders, promising an end to the two-year-old violent conflict that had taken hundreds of lives and made a shambles of the already weak economy.

Unfortunately, in the atmosphere of political holy war stirred up in Delhi by an opposition whose appetite has been whetted by scandals and blunders by the government, this achievement of the Rajiv Gandhi administration has not received its just due.

The "Memorandum of Settlement," signed in Calcutta on Aug. 22 by Union Home Minister Buta Singh, West Bengal Chief Minister Jyoti Basu, and Gorkha National Liberation Front (GNLF) chief Subhash Ghising, gave the Gorkhas what they sought most: their identity. The accord recognizes the Gorkhas who had settled in India before 1950 as Indian citizens, as distinct from those who migrated to India from Nepal under the Indo-Nepal Treaty of 1950. Those who came after 1950 will have to apply for Indian citizenship and sever all connections with Nepal.

The accord is a rational conclusion to the agitation which began in 1980 and became violent in 1986. In 1986, the Gorkhas demanded a new state called "Gorkhaland," carved out of West Bengal. The demand involved the hill districts bordering Nepal, Sikkim (a part of India), and Bhutan. In April 1986, the GNLF activists began to put pressure in the Darjeeling hill

district, which depends heavily on tourism-related business. Major clashes began between the Communist Party of India (Marxist) workers, who controlled the tea garden unions, and the GNLF. Local businessmen were not spared, and tourism virtually halted.

The violence hardened the stance of the government of West Bengal as well as New Delhi's. The demand for "Gorkhaland" was a non-starter. On July 27, 1987, during talks with Subhash Ghising, Prime Minister Gandhi made it clear that there would never be a division of West Bengal. Meanwhile, having ventured onto the path of violence, Ghising began to realize that the extremist elements were trying to take over the Gorkha movement and give it an anti-India bias. In mid-1987, the West Bengal government adopted the Terrorists Disruptive Activities Preventive Act, with the presumed aim of rounding up and detaining extremists.

The conflict had to be resolved politically. Even as violence rocked the hills in 1987 and early 1988, Ghising persisted in talks with the government in New Delhi, reiterating his faith in the Union and the democratic process. He managed to keep control over the leadership amid growing demands for more militancy within the Front, and dropped the "Gorkhaland" demand in favor of the concept of a Hill Council to administer the area on a semi-autonomous basis. At a July 10, 1988 convention in Darjeeling, Ghising won a mandate from his supporters to negotiate the demand for a Hill Council to a final agreement with New Delhi

and the West Bengal government.

For India's government, the violence in the Darjeeling hills was a matter of serious concern. The area runs along Nepal, and the borders are mostly unmanned. There have been regular reports of arms coming to the Gorkhaland fighters from Nepal, and of the extremists slipping into Nepal to avoid arrest. Since Nepal's entire northern extremity borders Tibet, there were hints that the People's Republic of China may begin fishing in these troubled waters. Although the Nepal government had always denied sheltering GNLF activists or supplying them arms, the rumors continued. Just before signing the accord, New Delhi sent Foreign Minister Natwar Singh on a special mission to Nepal.

In truth, the Gorkhas did not need a foreign hand to provoke them. The hills were neglected by Delhi, and in fact, little development had gone on there in the last 40 years, even though the area supplies one of India's major foreign exchange earners—fine Darjeeling tea. It still has very little agro-industry, for which it is well suited. There is no university, no engineering college, no medical or agricultural college—nor even a forestry research center, despite the area's rich endowment of forests.

Under the accord, a Darjeeling Gorkha Hill Council (DGHC) has been set up, with jurisdiction beyond the Darjeeling Hill district proper. Its autonomous character is reflected in the clause which states that, subject to central and state laws, it has the powers pertaining to "allotment, occupation, or use or setting apart of land, other than any land which is a reserved forest, for the purpose of agriculture or grazing, or for residential or other non-agricultural purposes or for any purpose likely to promote the interest of the inhabitants of any village, locality, or town."

## Swedish elections unpredictable

*With as many as 18% of voters undecided two weeks before the parliamentary poll, revolts appear to be brewing.*

The last opinion poll before the Sept. 18 Swedish elections, on whether Sweden will have a socialist or a non-socialist government for the next three years, gave an unprecedented result: Normally, 2% of the voters are undecided two weeks before election day, while this year 10% are undecided, and 8% has been given to the environmentalist party, which so far has had no parliamentary seats. That suggests that 18% of the voters are undecided!

Social Democratic Premier Ingvar Carlsson admitted the uncertainty, stating that he foresees an eventual new early election if no basis can be found for a majority government.

The election campaign is a pathetic repeat of the one run by the Palme regime in 1985. The opposition then hoped to be able to replace the socialists. Instead Olof Palme of the Socialist International, with the support of the oligarchical elite, censored his own press as well as the opposition's so that no controversial issue would emerge. Two months after Palme's party won, in October, three revolts hit Sweden: The officers started a rebellion against the no-defense, pro-Soviet policy coming from the Social Democratic government, and farmers and workers protested strongly against the planned austerity policy.

Today, three years later, once again all real issues have been censored. Debate on military defense and combatting AIDS is suppressed. But revolt is already in the air. The chairman of the biggest mine workers shop in the far-north city of Kiruna, Roland Holmdén, blasted his own party, the

Social Democrats, for trying to be more green than the green party, in an interview with the liberal Stockholm daily *Dagens Nyheter*. He assailed Social Democratic Environment Minister Birgitta Dahl for "competing . . . to be the most radical on the environment issue, in order to capture the most votes." Holmdén added, "I think it is crazy not to use nuclear energy."

Moreover, a member of the conservative-leaning Moderate Party, Goete Pettersson, opened a new local party in the Kinda municipality near Linköping, Sweden's aerospace center. He told the press: "If the voters only knew a small part of what is going on behind the scenes in the dominating parties, they probably would get upset. . . . For a long time the Moderate Party has been ruled dictatorially."

Sweden is likely to see more "revolts" after Sept. 18. The chairman of the European Labor Party (EAP), Michael Ericson, a member of the international political movement inspired by Lyndon LaRouche, has announced that the EAP will continue to build a grassroots base for a Swedish defense based on joining NATO, as well as for an overall economic program that can stop the AIDS pandemic.

Although the EAP's policy paper on defense has circulated at the highest military levels, the national media have blacked out the EAP campaign. So Social Democratic opposition leader, Dr. Alf Enerstroem, joined EAP leader Michael Ericson in press conferences outside Sweden, namely, in the two NATO countries, Norway and Denmark!

Stating why he supports Swedish NATO membership, Dr. Enerstroem asserted that Sweden today cannot defend itself: In contrast to the immediate postwar period, its military power alone cannot match that of the enemy force, the U.S.S.R. He speaks for 50,000 Social Democrats opposed to the party leadership.

In the western Swedish city of Gothenburg, once a proud shipbuilding center, the EAP's campaign for NATO and nuclear power was covered by regional TV and regional papers.

Concerning the unpredictable results of the elections, foreign observers should know one important detail. Every party in the elections has to have its own ballot. Sixteen parties are participating this year, and all but the five parties represented in the parliament have to pay for and distribute the ballots themselves. For a new party to be heard, it has to either have a lot of money, or massive media backing, or preferably both. National elections are held every third year, and the voter then must cast three votes: one for the parliament, one for the "canton," and one for the municipality.

In the last official opinion poll, released Sept. 3, the environmentalist party, MP, which so far has no parliamentary seats, was projected to win as much as 8.1%, or 30 seats. This poll might be an attempt to give the "greenies" the so-called protest vote, but it does not reflect the real sentiment of Swedes. Another poll taken at the same time showed a 30% increase in backing for nuclear energy. Since the nuclear energy referendum of 1980, 20-25% had been favorable, but the latest poll suddenly showed that 49% of Swedes want nuclear power production to continue. One major factor may be that nuclear energy is three to four times cheaper than "alternative" sources.

## Report from Bonn by Rainer Apel

### Left-wing corporatism on the march

*The German Social Democrats, after some squawking by labor, voted up the "Swedish model" of austerity policy.*

The debate on economics was at the center of the party congress of Germany's Social Democrats (SPD) in Münster from Aug. 30 to Sept. 2. Because of the traditionally close links between the SPD and the labor movement, many expected the party to come up with remedies for the high jobless rate (8.5% nationally, over 16% in the Ruhr industrial heartland) with a program for industrial recovery.

The party organization, however, has long been conquered by "yuppies" and post-industrial ideologues, at the expense of labor's influence. Since the early 1980s, the SPD leaders have been telling the labor movement that traditional industry (steel, coal, textiles, construction, shipbuilding) is "out," that technetronics are "in."

Especially the nuclear power sector should be replaced by "alternative energy sources" like solar and wind energy, the SPD ideologues told the workers. This would cost 50,000 jobs in the nuclear sector, plus 80,000 in coal mining. New jobs would be created in the conservation and anti-pollution branches of the future. But while old jobs have been destroyed, new jobs are not being provided. Most regions with the highest jobless rates in Germany are, by the way, governed by Social Democrats.

The division of labor in German politics seems to be that while the Christian-Free Democratic government in Bonn drafts the austerity policy, the ideologues of the opposition Social Democrats keep boycotting industrial reemployment.

One of the ideologues' mouthpieces in the early 1980s was Oskar

Lafontaine, the state governor of the Saarland, who has meanwhile moved up into the national executive as one of two party vice-chairmen. Giving the keynote address on economics at the Münster party congress on Aug. 31, Lafontaine endorsed the "Swedish model" of labor and investment redistribution, excessive taxation, and "alternative production." He called for virtual wage cuts for the broad mass of the employed, to build funds for the creation of new jobs.

Lafontaine's speech sparked hefty protest from the labor union chairmen, most of whom were attending the SPD party congress as members of the party's "council on labor affairs." It was not Lafontaine's reference to the Swedish model of corporatism that was attacked, though, but single points of his speech, like bringing back seven-day and weekend work.

The only appropriate, half-competent critique came from Hermann Rappe, chairman of the German chemical workers (the third-largest union with 640,000 members), who said that Lafontaine's proposals stand in the tradition of the "Brüning economic policy by emergency decrees, and its ensuing [political] movements." This referred to the drastic austerity policy of pre-war German Chancellor Hermann Brüning, a staunch corporatist who was in office at the peak of the economic depression from 1930 to late spring 1932, and laid the ground for the accession to power by Hitler's National Socialists in early 1933. Brüning was inspired by long-time German Reichsbank director Hjalmar Schacht, who became Hit-

ler's first economics minister in 1933.

Rappe's remark was to the point, but was not picked up by the congress delegates. Lafontaine took note of the critique that one delegate after the other voiced against his views, but appeared totally unmoved and even told the congress: "I know I'm challenging you very much, but it must be done that way."

The secret behind Lafontaine's performance was that he is generally backed by the party executive, which allows him to launch trial balloons on corporatist ideas, see what the reaction of the public is, and try the same again with reformulated proposals. After all, he got a lot of applause from the delegates in Münster for his remarks, and he was reelected as party vice chairman with more than 68% of the votes.

Even the "labor critics" of his views are conspiring for the same basic corporatist model. Franz Steinkühler for example, chairman of the metal workers (Germany's largest with 2.6 million members) declared in Münster that he "shares the same final goal with Oskar."

And just a few days before the congress in Münster, a high-powered delegation of SPD party officials toured Sweden to study the infamous "Swedish model." This included party manager Anke Fuchs and economic policy spokesman Wolfgang Roth, who were all "deeply impressed" by what they saw in Sweden.

In spite of the harsh, but impotent attacks on Lafontaine, the SPD party congress passed a platform calling for higher taxation under the guise of "fighting pollution," for replacing nuclear power by "alternative energies," and for a "new work ethic." In principle, this was all Lafontaine wanted: a majority vote for left-wing corporatism.

## The case of the 25,000 voting booths

*Will a recount of the vote be carried out, or will Mexico get an illegitimate ruler?*

**I**t is showdown time in Mexico. The new national Congress must certify the presidential election, and the opposition parties continue to insist that that certification will only be accepted as legitimate if and when a full and transparent recount of the votes cast at 25,000 polling stations—to which the opposition was never granted access, on orders of Interior Secretary Manuel Bartlett—is conducted. These polling stations represent 46% of the total 55,000 that were installed throughout the country on July 6, the day of the presidential election.

Bartlett sequestered the 25,000 controversial polling station results after information from the first 30,000 booths reached the Federal Elections Commission's computer center, clearly indicating that the vote trend was an unequivocal 40% in favor of nationalist Cuauhtémoc Cárdenas, presidential candidate of the National Democratic Front (FDN).

At the same time, the official candidate, Carlos Salinas de Gortari, of the Revolutionary Institutional Party (PRI), was carrying only 34%, and the monetarist National Action Party (PAN) just 22%. Interior Secretary Bartlett, with no more authority than his own word, awarded Salinas de Gortari an overall 50.3% of the total vote, while giving Cárdenas 31% and the PAN 17%.

For Bartlett's figures to have been legitimate, there would have had to be a total turnaround in the vote at the 25,000 sequestered polling booths—which represent less than half the total

votes—with an average of 67% of the vote at those booths going to Salinas, 20% to Cárdenas, and 11% to the PAN. Given the deep-seated hostility toward former Budget and Planning Minister Salinas—author of the last six years' economic policies—by nearly every layer of the austerity-wracked Mexican people, Bartlett's figures are simply unbelievable.

In fact, the De la Madrid government is now trapped by its own figures, because, in order to raise the vote tally for Salinas at the sequestered polling booths, they have had to exaggeratedly shrink the overall abstention percentage—from the traditional 42% to less than 30%, and in some cases, to 0%!

On Aug. 30, FDN representatives said that the impossibility of producing clean electoral results through the efforts of the Electoral College "has caused a delicate political situation at a national level, which threatens to become the worst political crisis that the country has seen in recent decades." The opposition spokesmen insisted that the PRI inflated the results in their favor by at least 3 million votes, while at the same time stealing nearly 1.5 million votes that belonged to the FDN.

The next day, on the eve of President Miguel de la Madrid's final State of the Union address, and of the installation of the new Congress, Cárdenas proposed opening up the sequestered packets of ballots from "only a few thousand" of the booths in dispute. "We will agree to the form of

cleaning up the elections," he said. "I will accept the result, whatever it be, but only if it comes from comparing the numbers from the counting procedures, by opening up whatever electoral packets [of ballots] necessary."

On Sept. 4, Abel Vicencio Tovar, head of the PAN parliamentary bloc, announced that the PAN too would demand the opening of the electoral packets, "and if that is refused, then will come the proposal to nullify the elections." The same sentiment was reiterated by former PAN secretary general Bernardo Batiz.

Batiz also raised an unusual possibility: an alliance between the PAN and the FDN on the issue, since together they have 237 deputies in the new Congress. That means that only 24 of the PRI candidates—who currently number 263—would need to vote in favor of opening the disputed ballots, for the opposition to win a majority decision for an honest recount, and the probable determination of a victory for Cárdenas.

The huge ongoing factional battle inside the PRI, and especially the discontent of the trade union layers, have President de la Madrid and his would-be successor, Salinas de Gortari, chewing their nails. As one columnist put it, writing in *El Universal* of Sept. 4, "The vote of the [trade union] congressmen could prove decisive; they are sufficient to tilt the vote in Congress. The defection of but a few PRIistas," he wrote, "would be sufficient to change the history of the country."

On Sept. 6 Cárdenas himself stated, "The simple fact that the Federal Elections Commission has not presented the results of the 25,000 pending voting booths, will invalidate the presidential election." On Sept. 8, he warned of a plot to impose Salinas "through an arbitrary act of force, lacking legality and legitimacy."

## World Bank causes 'natural disasters'

*The bank's refusal to finance essential infrastructure projects in Colombia has caused killer floods.*

“One can't fight nature,” said Public Works Minister Luis Fernando Jaramillo Correa, referring to the ongoing tragedy afflicting the people of Córdoba department in northern Colombia. As of this writing, some 314,000 hectares of cropland have been flooded by the swollen waters of the Sinu River, destroying 99,000 tons of food and leaving more than 100,000 persons homeless and destitute.

The minister added, correctly, that the long-term solution was to achieve control over the Sinu through the construction of the Urra Dam. What he failed to mention is that it was the World Bank which was directly responsible for the suspension of that crucial project.

The Urra project consists of two scaled dams, Urra-I and Urra-II, which had been under study since 1963 and which were intended to bring the Sinu River, whose regular floodings go all the way back in Colombian memory, under control. According to the hydroelectric plans of the 1970s, the Urra-I dam was to have begun construction in 1980. Had the project gotten under way at that time, the drama of Córdoba could have been avoided.

However, in recent years, the project was promoted almost entirely from the point of view of hydroelectric generation. In 1984, four years after the repeatedly postponed starting date of the project, the World Bank ordered the project suspended, since, according to the criteria of that institution, Colombia had excess electrical capacity!

The government of Belisario Betancur accepted the World Bank's dictates as orders, and suspended the project, despite having to pay \$40 million in compensation to the Soviet company that had been contracted to build the dams.

President Virgilio Barco, a former World Bank employee, is continuing the World Bank's policy to the letter. Mines and Energy Minister Guillermo Perry has imposed an “adjustment plan for the electrical sector,” designed by the World Bank, whose first “recommendation” is a moratorium on all further construction of dams. According to said plan, no new hydroelectric projects will be undertaken until the middle of the next decade.

Despite the World Bank's claims of “excess capacity,” the figures tell a different story. Colombia has a mere 200 watts of installed electrical capacity per inhabitant, as compared to advanced sector figures of 1,000 watts. According to the figures of the Barco government itself, at least 40% of the Colombian population lacks electrical service!

The dramatic flooding of the Sinu River is expected to be repeated at any moment by the central Magdalena River, given the rapidly rising level of that major waterway. Such major cities as Barranquilla are immediately threatened. As with the Sinu, the Public Works and Transport Ministry has in its archives voluminous studies on water regulation and the means for conserving the Magdalena as a navigable river 365 days a year. And yet, in

the past several years, not a finger has been lifted to improve the country's most vital commercial waterway.

The Inter-American Development Bank (IADB) recently presented its official justification for why it and its big brother, the World Bank, refuse to finance these crucial projects. In a study on the problem of “absolute poverty” presented at a conference in Cartagena, Colombia, the IADB explained that infrastructure projects like highways and dams only benefited 37% of poor layers in Third World countries. On the other hand, the study asserted, tourism benefited nearly 100%!

The World Bank has also contributed to the destructive altering of the climate, both in Colombia and worldwide. The “subsistence” agricultural projects financed by that institution have meant the wholesale destruction of the ground cover in the Amazon jungle and the desertification of once arable croplands. In Colombia, these pick-and-shovel projects have been extensively applied to the now terrorist-ridden territory of Caquetá, under the name Integrated Rural Development. This consists of cutting down the jungle, burning it, and growing two or three crops—until the land gives out. This razing and burning has affected Colombia's mountain ranges, where her rivers are born.

Another step leading to eventual new “natural” catastrophes was the recent announcement by Minister Jaramillo Correa that the Barco government will not build the Atrato-Truandó sea-level canal, approved by congressional legislation in 1986 as a complement to the already congested Panama Canal, because it is “too costly.” Instead, suggested the minister, the country will build a “dry canal,” that is, a Pacific-Atlantic railroad and highway linkup. “We must be realistic,” he insisted.

# International Intelligence

## **Savimbi blasts State Dept.'s Crocker**

The head of Angola's pro-Western UNITA guerrilla force, Dr. Jonas Savimbi, has lashed out at the U.S. State Department's African point man, Chester Crocker, for stabbing America's allies in the back. Savimbi, speaking at a press conference at his headquarters in southern Angola Sept. 3, said the Angolan government was using U.S.-mediated peace talks on Angola as an opportunity to destroy UNITA with the aid of Cuban troop reinforcements. Savimbi charged that Crocker knew this would happen. "Is he trying to dig graves for his friends?"

At the same time, Savimbi accused Crocker of having sabotaged an attempt by certain African countries to bring the Angolan government into talks with UNITA. The talks arranged by Crocker involved Angola, Cuba, and South Africa, with the Soviets as observers.

South African Defense Minister Magnus Malan has echoed Savimbi's charges that the Cubans have actually reinforced their positions over the last three months while talks on their withdrawal from Angola have been going on. He said the Cubans had sent another 10,000 men to Angola, as well as 24 combat planes, tanks, and other equipment. As a result of the talks, South Africa has already withdrawn its forces from southern Angola, endangering UNITA's positions.

Savimbi said that Angolan government troops had already launched a new offensive against his forces, and that there were now 60,000 Cuban troops in Angola with more on the way. France's *Le Figaro* commented that this could mean not only an offensive against UNITA, but also an attack on Namibia, the disputed South African protectorate.

UNITA was distancing itself from the peace talks, he said, because they had put the rebels at a military disadvantage. "We don't understand what the aims of the negotiations are—to find peace, or to increase the possibility of continued war?"

Savimbi said that UNITA would not surrender territory along Angola's southeastern

border with Namibia to ceasefire observers.

The UNITA leader added that he had been asked to meet Crocker Sept. 3, but said, to laughter from his troops, that he would be staying at his headquarters to watch soccer instead.

## **Benedictines leaving Lefebvre's sinking ship**

The Benedictine Order is separating itself from France's schismatic former Archbishop Marcel Lefebvre, and moving back toward Rome. Lefebvre, who never accepted any part of the Vatican II reforms in the Catholic Church, was finally excommunicated this year after independently ordaining a number of bishops against the orders of the Vatican.

The "dissident" Benedictine monastery of Barroux, in southern France, one of the mainstays of the Lefebvre movement, has now completed talks with Rome's envoy, Cardinal Augustin Mayer. An agreement has been signed and made public which lifts all sanctions pronounced against the 70 Benedictine monks of the community, in exchange for their return to the Vatican fold.

The Barroux monastery, which has a branch in Brazil, and its prior Dom Gerard Calvet, has played a quiet political role in France. Ultra-right French demagogue Jean-Marie Le Pen, whose National Front gained a sensational 11% in last year's parliamentary elections, is a frequent visitor to its grounds.

## **State Dept. admits Laotian drug-running**

The U.S. State Department has finally accused the Communist government of Laos of involvement in drug trafficking. Laotian involvement in the dope trade was exposed by *EIR* way back in 1978.

"It may be a matter of government policy," State Department spokesman Phyllis Oakley acknowledged to reporters Aug. 30. She was quick to add, however, that State had no plans to call for sanctions against Laos, citing the State Department's interest in obtaining Laos's continued cooperation

on U.S. GIs missing in action during the Indochina wars of the 1960s.

She also quickly added that Laos was "moving in the right direction" and that the U.S. government was encouraged by the Laotian government's moves to prosecute 48 people involved in the narcotics trade, including a Politburo member.

## **Chinese hand in Burmese troubles?**

The People's Republic of China has been expressing discreet approval of Burmese protesters' demands through its press coverage of the unrest, *Agence France Presse* news wire noted Sept. 2, raising the question of whether there is a Chinese hand in the political upheaval that has toppled the 26-year-old government of Gen. Ne Win.

*Beijing Review* quoted observers as saying that "only when the new leaders properly deal with the problems and effectively carry out the economic reform policy and promote democracy in the country, will Burma be able to extricate itself from the current difficulties."

Beijing's apparent support for the cause of multiple parties in a neighboring country may be due to a desire to weaken Rangoon's relationship with Moscow, observers cited by AFP noted.

## **Soviet lead in space 'unchallengeable'**

The Soviets are developing an "unchallengeable lead in space," because of the 1986 U.S. shuttle disaster and subsequent U.S. reluctance to stand behind its space program, *Jane's Spaceflight Directory* editor Reginald Turnill wrote in the introduction to the latest edition of the book.

In the "three bleak years through which the shuttle has been grounded, much has been going on" on the Soviet side, he notes, adding, "The Western world has almost forgotten the cosmonauts passing above them with cameras and over-curious eyes 16 times every 24 hours."

Turnill points out that, in 1987, the So-



viets launched 95 space missions compared to 7 by the United States. Since 1957, the Soviets have made 1,985 space launches, compared to 752 for the United States.

The Soviets' Mir space station project is also moving ahead of any such U.S. project, and the start of Soviet manned shuttle flights is "imminent," says Turnill. He predicts that the Soviet Mir-2 space factory, "a potential launch pad to Mars," may be ready by the early 1990s. He believes that, given current trends, the Soviets will be the first to reach Mars, a trip which Turnhill claims is the Soviets' ultimate goal.

The Mir project "should be enough to confirm the Soviets' unchallengeable lead in space. . . . Western eyes and ears remain firmly shut against knowledge of the remarkable Soviet achievements with Mir during 1987-88."

Meanwhile, "Space Surrender" was the title of a commentary by William Buckley in the Sept. 6 *Washington Post*. He stressed that even if the Soviets dismantle the Krasnoyarsk radar facility which the United States is threatening to label a "material breach" of the ABM treaty, the Soviets still have serious capabilities that make mincemeat out of the treaty.

Buckley goes on to write about "the astonishing disintegration of our space program under the Reagan administration," pointing to the fact that the Soviets have a launch capability 10 times larger than the West's for placing many satellites in space. He says the politicians are to blame, but also the Joint Chiefs of Staff. "Nobody is in a better position to tell us than the JCS how deteriorated our strategic position is," Buckley says. "And yet they might as well be three blind mice in respect of the utter, suicidal folly of the ABM Treaty's being kept alive in 1988."

## **Belgian officer arrested as spy**

A senior Belgian Air Force officer, Col. Guy Binet, was arrested Sept. 5 on charges of selling military secrets to an unnamed Communist country.

Calling this a "major spy scandal," London's *Daily Telegraph* Sept. 6 reported,

"Belgian defense officials said Col. Binet had been involved in the purchase of aircraft for the Belgian forces since 1987, and was well informed about the technical aspects of the American-made F-16 jet fighter, NATO helicopters, and electronic countermeasures. He had been under surveillance for a year by the army's security services before his arrest last Friday."

According to the *Telegraph* account from Brussels, Belgian police are saying that Colonel Binet had sold Belgian and NATO information in return for "considerable" sums of money.

The Belgian Defense Ministry issued a statement claiming that high-technology photographs and other material "manifestly meant for espionage and destined for the East," were found in a special briefcase at an undisclosed location.

Defense Minister Daniel Coeme said only that documents were found linking him to the secret services of other countries.

## **U.S. offers more aid to Philippines**

The United States has offered to double its aid commitment to the Philippines, raising it to \$360 million yearly, to assure the future of its two strategic bases on the islands, Subic Bay and Clark Air Base. President Corazon Aquino, however, is insisting that the aid be at least tripled, while Foreign Minister Raul Manglapus is pushing for a much higher figure, according to a Sept. 5 *Washington Post* report.

Aquino told Secretary of State George Shultz in July that an acceptable figure would be \$540 million in security assistance per year, which would triple the current level.

Foreign Minister Manglapus appealed to Shultz separately to find "creative" ways to boost the U.S. compensation to about \$1 billion yearly.

Meanwhile, a new survey of the Filipino people says that 41% want the U.S. bases to remain on the islands, but that the bases agreement must be revised to increase U.S. compensation. The Asian Research Organization survey showed that only 8% want the bases dismantled.

● **ISRAELI** Prime Minister Yitzhak Shamir is demanding the dismissal of Foreign Ministry director general Maj. Avraham Tamir for saying that Israel "had to get used to the idea that the Palestinians are represented by the PLO, and no other organization will be able to replace it," while he was in Washington in the first week of September.

● **TOP SOVIET** military commanders will stage maneuvers in the Ukraine, Moldavia, and the Black Sea, during the second half of September.

● **AEROFLOT'S** ticket agency manager in Sydney, Australia, has been accused of being a spy. Opposition Liberals charge that Vladimir Podshipkov reports to a military intelligence officer at the Soviet embassy in Canberra. They object to the Labour government's negotiations over port access for Soviet fishing vessels and landing rights for the Soviet airline to enable fishing crew changeovers.

● **THE WORLD** Council of Churches is planning "peace and reconciliation" initiatives throughout Asia, involving Sri Lanka, Indochina, the Koreas, and Burma. A senior council official said Sept. 6 that a "peace dialogue" among "church leaders" representing Indochina and the ASEAN countries will take place in Indonesia in late September.

● **THE ITALIAN** Air Force lost two aircraft in unexplained accidents in the week following the Aug. 28 disaster involving three Italian jets at Ramstein Air Force Base in West Germany. An Agusta-Bell military helicopter crashed in the Adriatic while returning from the Persian Gulf, and military plane crashed during takeoff from the Rimini military base.

## The defense crisis: Where is George going?

by William Jones

With the first debate between the presidential nominees now scheduled for Sept. 25, the country is facing the most profound economic crisis of its history, and a drastic erosion of defense capabilities, as a result of budget cuts and the Reagan-Gorbachov INF treaty. Where do the candidates stand, and how is the voter to sort out rhetoric from actual policy?

The last month has been somewhat disappointing for Democratic presidential hopeful Michael Dukakis. Ever since the Republican National Convention in New Orleans, Dukakis has seen his support slipping in the polls. Attacked continuously by the Bush-Quayle duo for his liberal stand on defense issues, the Massachusetts governor has not had an easy time of it.

Conservative Republicans (and a good number of "Reagan Democrats") have undoubtedly been encouraged by George Bush's new "tough on defense" image and by his pledge to stick with the Strategic Defense Initiative (SDI). Some people perhaps believe, or hope, that Bush is intent on preserving the "Reagan legacy," despite his blueblood credentials as a leading light of the Eastern Liberal Establishment. But Bush's interview to the *New York Times* at the end of August, where he said that a "full deployment" of the SDI would be "too expensive," enraged supporters of the program, and drew a salvo of criticism from conservative media commentators. Dr. Edward Teller's assurances that the *New York Times* had distorted what Bush said, did not completely eliminate doubts about Bush's commitment to the SDI program, which has become all the more crucial for the nation, in view of the U.S. nuclear disengagement from Europe under the INF treaty.

The Bush camp is, to be sure, a very heterogeneous crew. Conservative military and industrial layers, the backbone of the Reagan campaign victories in 1980 and 1984, have placed their hopes on Bush as the only candidate who would work

in any way to prevent the total destruction of U.S. military capabilities. In the choice between cholera and the plague, they have chosen cholera as the lesser of two evils.

There exists indeed a strong thrust from these layers to try to keep Bush on track. The interventions by former Defense Secretary Caspar Weinberger and Dr. Edward Teller into the defense debate, on behalf of the SDI, at the end of August, were moves in that direction. Teller emphasized that some form of initial deployment of the SDI "during the next four years" was likely if Bush were elected, but it is by no means clear at this point whether that is, in fact, a part of the Bush program. Rhetoric aside, the big question remains: What will be the Bush administration's actual policy on the pressing issues confronting the national defense?

### The future of NATO

Interesting motion around the defense issue has been surfacing from a number of unexpected directions. At the end of August, members of the Project on Monitoring Defense Reorganization issued a working memorandum on "The Future of NATO," which has received surprisingly little coverage in the mass media. The endorsers of the memorandum included David Abshire, U.S. ambassador to NATO; former defense secretaries Harold Brown, James Schlesinger, and Melvin Laird; former secretaries of state Dean Rusk, Alexander Haig, and Edmund Muskie; former chief of staff of the Joint Chiefs of Staff David Jones; former NATO Supreme Commander Bernard Rogers; as well as Andrew Goodpaster, Brent Scowcroft, and Harry Train.

The memorandum expressed concern that the INF treaty, combined with the magnitude of the stock market collapse and the pressures exerted in the U.S. Congress on behalf of ever sharper trade protection, have created a grave crisis for the Western Alliance. The memorandum was strongly word-

ed and, coming from such a mixed group of people, had some notable elements in it.

First of all, the authors reject any denuclearization of Europe. "The American nuclear deterrent, both strategic and theater-based, must and will be available to sustain the security of Europe as long as it is required," says the memorandum. "No end to that necessity can be seen for the foreseeable future." The document then goes on to call for the modernization of battlefield nuclear weapons (with ranges of less than 300 miles) as "an effective way of demonstrating an appreciation of the indispensable role of nuclear weapons both for the United States and the European allies."

The memorandum warns against any troop reductions in Western Europe. "Such reductions would increase NATO's perceived reliance on nuclear weapons at a time when the credibility of U.S. nuclear guarantees is being questioned by the allies and their reduction negotiated with our main adversary." The memorandum also urges the U.S. government to "regain the initiative from Mr. Gorbachov and reassert leadership in the midst of an unfolding Soviet diplomatic offensive," by encouraging new NATO proposals for asymmetrical conventional reductions to diminish the danger of a Soviet invasion. It furthermore calls for an upgrading of NATO conventional forces through more equipment and appropriate training, particularly for reserve forces; improved deployments; aircraft shelters; unobtrusive but effective barriers to armored forces; and adequate stockpiles of munitions and other supplies.

The memorandum suggests relaxing some inhibitions that NATO has placed on its own deployments, such as: no early use of nuclear weapons, no fixed defenses along the inner-German border, a doctrine of forward defense not matched by forward deployments, and reluctance to plan for ground counterattacks across the border even after a Warsaw Pact attack. These inhibitions, says the report, "combine to add greatly to the difficulties of successful defense."

The memorandum reemphasizes the need for the traditional NATO deterrent triad: conventional and theater nuclear forces, and a modernized and "appropriately configured" U.S. arsenal of strategic weapons.

A number of key issues were, however, strikingly left out of the group's discussion. No mention whatsoever was made of the Strategic Defense Initiative, which is one of the most critical military and political issues for the future of NATO. For all its useful elements, this memorandum could as well have been written before President Reagan launched the SDI in 1983, or before anyone knew what a laser weapon was. Many of the former department heads who endorsed the report were themselves integral in working out the doctrine of Mutually Assured Destruction—the doctrine that the SDI abrogates—and in whose name some of the endorsers actually helped to significantly undermine U.S. military potential.

Nor does the memorandum mention the role of pre-war deployments of Soviet *spetsnaz* operatives in the West, armed

with new and sophisticated technologies like radio frequency weapons. Any defense "reorganization" which does not include an anti-*spetsnaz* capability would represent a defense of already lost positions. At a time when NATO aircraft are falling out of the air at an ever greater frequency due to suspicious "accidents," combatting the "*spetsnaz* factor" ought to be at a premium in such a defense reorganization.

Despite its useful elements, caution is required for what may turn out to be recommendations by "sheep in wolves' clothing." The authors of the memorandum are not armchair professors, but people who are being called upon to work out U.S. defense policy for a Bush administration.

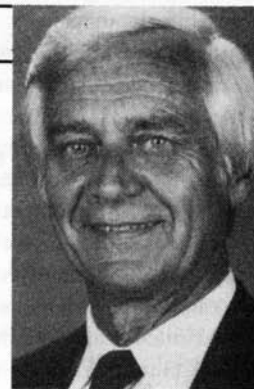
## Enter Henry Kissinger

It is not, therefore, too surprising to learn, from the New York *Daily News* on Sept. 9, that Bush had asked Henry Kissinger to serve as co-chairman of a "national security task force" for his presidential campaign. Sources close to the Bush campaign say that Kissinger has accepted, in principle. The other co-chairman is expected to be former Defense Secretary Melvin Laird, one of the endorsers of the cited memorandum.

This move may say more about Bush defense policy than all of his stump speeches taken together. Kissinger, the bane of conservative Republicans and pro-defense patriots in this country and abroad, was involved in setting up every rotten agreement that the United States has made with the Soviet Union during the last 18 years. He negotiated the ABM treaty, which has been used by every opponent of the SDI to prevent SDI deployment. He negotiated the SALT-1 treaty, which allowed the Soviet Union to deploy heavier missiles than those fielded by the United States, as well as the SALT-2 treaty which President Reagan has denounced as "fatally flawed." With Kissinger in any type of powerful advisory position, you can be sure that the SDI will be doomed.

In the same *Daily News* article, reference is made to Bush's backing away from Reagan's "total shield" concept of SDI, to some form of point defense system. Bush believes that such a shield would be so costly that it would strip the nation's existing armed forces of their procurement budgets. Bush came to that position, says the *Daily News*, after consulting with Brent Scowcroft, national security adviser to Gerald Ford, and also a signer of the "working memorandum."

The Kissinger appointment ought to make it clear to the pro-defense elements who support Bush as the "lesser of two evils," that the SDI is going to go down the tubes with Bush, unless the gang of appeasers that he's threatening to bring in is brought under control, and quickly. Another difficult, but more fundamental, problem will be to create the economic potential for making the SDI a feasible option, by reintroducing dirigist Hamiltonian policies as the booster for rebuilding the industries that can make the SDI work. Only one presidential candidate has a plan for doing that: independent Democrat Lyndon H. LaRouche, Jr.



## Former NNBIS head calls for all-out war on drugs

*On Sept. 7, EIR counterintelligence editor Jeffrey Steinberg and staff writer Scott Thompson interviewed Adm. Daniel Murphy, USN (ret.) at his Washington, D.C. offices. Admiral Murphy headed the Reagan administration's National Narcotics Border Interdiction System (NNBIS) from 1982-85. Prior to and during his tenure 1981-85 at NNBIS, he was chief of staff to Vice President George Bush. Admiral Murphy earlier served as Deputy Director of the CIA (1976-77) and as Deputy Undersecretary of Defense for Policy (1977-81) following a lengthy career in the U.S. Navy.*

**EIR:** You testified recently before a House Foreign Relations subcommittee that you would bring the military into a much more ambitious war on drugs, advocating, among other things, the bombing of drug fields, laboratories, and airfields servicing the drug cartel. Would you elaborate on your proposals for a comprehensive war on drugs?

**Murphy:** It's a four-pronged program. We have to look at the source, and see what you can do to eradicate it there. Nothing's ever going to be 100% perfect. So some of the drugs get out anyway, and then you go to interdiction and try to pick it up from the high seas or in the air. And that's not 100%. Then you go to your in-country law enforcement, where you take down the infrastructure. We're doing that pretty well today, but the 13 Organized Crime Task Forces that the Justice Department has in the country, that's where we may need some beefing up. Finally, and perhaps more importantly—it probably should have been number one—this is a social problem in the United States that could be solved if everybody decided they wouldn't take drugs. So you have to educate the people, you have to rehabilitate them, and you also have to look for a way to get into the cities. These are kids who are dropouts who are pushing the stuff right here in Washington, so your nice educational program out in Montgomery County [suburban Maryland] isn't going to effect them one bit. You've got to come up with some plan to do something about this for those kids (nine year olds) in the street. You have to do all four of these things. If you just concentrate on the one or part of one, you're never going to

get the problem solved.

Now, Bush has decided to make [Senator] Quayle his drug czar responsible for all four prongs. We haven't had that up to now. And, I got beat around the head and shoulders, why didn't you do it, if you think it's so brilliant. Well, I think it's brilliant today. In hindsight, you're always smarter and you're still not too late to do something about it.

I view the war on drugs as a war that we have not been winning. But if we hadn't fought it at all, we'd probably be a lot worse off. I compared it in my congressional testimony to World War II in the Pacific. We'd got our heads handed to us in the beginning, but we regrouped, got more equipment out there, and we finally turned it around and beat the hell out of them. But, we didn't stand still. We had to accept the fact that we were not winning and do something more about it. Well, that's where we are today.

**EIR:** In the past, you served George Bush as one of his chief advisers on the war on drugs. Do you believe that the Vice President agrees with the approach that you have just outlined, and how vigorously will he pursue the war on drugs if he is elected in November?

**Murphy:** I think Bush, as Commander-in-Chief, sees it that way and has plans for each of those areas. Go back to the source. He's willing to help any sovereign leader who wants the help. He's also willing to try to persuade them they need the help. 1988 is much different than 1982. In '82 the response you got was awful: "That's your damn problem. You stop using the stuff and my problem will go away." You don't get that response anymore among Latin American leaders, because they're having their people killed, their governments destabilized, their own people starting to use drugs. So it's starting to be more of a problem that concerns them internally; therefore, they're more inclined to listen to offers of help from outside.

I realize that running air strikes on the drug barons sounds extreme, but to me that's a lot safer than sending men in there in helicopters and trying to have them land in the salt. And, when you're out there in the badlands, the central govern-

ments don't even have any control. They can't even go in there themselves. So why not send an A-6 in there with a smart bomb and put it right through his bedroom window. That's the way I look at it, if the sovereign country is willing to do it. At least you give them the option, and they might say: "Well, fine, if I can't get in there anyway. Take out their labs. Take out their runway. Take out their mansions." And you do it with a simple air strike with U.S. military forces. We've got the smart weapons. Some people say: "Well, I might like that if you could turn it over to the Colombian Air Force." Well, that's a big training program: getting the right aircraft that can handle the weapons systems, the fire control systems that go with it, and the training of the pilot and all. We have the capability in hand right now, sitting around waiting for World War III or the next mini-crisis.

First, George Bush, when he gets in, is going to have a summit of all the regional Presidents. I guess very similar to what they have just done with these 30 nations. I don't think it should just be limited to Latin America. European nations are facing the same drug problems, and they ought to contribute, too. The summit, in my mind, would be Latin American nations plus the top European nations that have the problem and maybe even Japan. And, lay all of this out on the table: Here's our capability, here's your problem, here's how we can do it, and offer them that kind of help. In helping them take down the drug lords, we might issue them extra equipment and eradicate the crop. We've just developed a new defoliant here that will knock out cocaine. We never had one before. They may need more equipment—helicopters and jeeps and trucks—which we can provide. So, the source country has the help it needs to try to take down the kingpins and also eradicate the crop.

It would be better to have the United States military, who know how to fight these kind of wars, who have the equipment, who have the trained men and the leadership to do it, play a pivotal role in the war on drugs, and let everybody else help the military play their appointed role instead of nickle-and-diming them to death. The common experience today is to have some other federal agency come to the Pentagon asking, "Could you loan me an AWACS next week?" The military don't like that, and I wouldn't have liked it either.

**EIR:** Is that the basis for the resistance within the military to their inclusion within the War on Drugs? I know that you had tried to bring both the military and the intelligence community into closer coordination. It seemed like there were some people who were resisting it, but the issue was never clear.

**Murphy:** Well, there are two issues for the military. One is that they are already committed. The forces that they have—the forces that Congress has appropriated the money for—were justified under very specific commitments. Now, if you take this destroyer that you said you needed for the Sixth Fleet, and then you go down and let them play drug war for

three or four months, the next time you come up for appropriations before Congress, the Armed Forces Committee will say, "Hey, that destroyer was never used for what we appropriated the money, and therefore I don't think you need that." We've lived all our lives under those conditions. You have to stick by the justification that you presented to Congress, or you lose it. The next time you don't have that destroyer. And, the truth is that they are committed. They aren't lying. I went out to SAC and went over the mission on every AWACS that they owned and I did the same with the E2-Cs, and I know that they don't have planes sitting around to do this kind of a job.

So, the answer is that the Commander-in-Chief says to the Chairman of the Joint Chiefs: Well, let's relax your requirements in some areas for a certain period of time. You come back and tell me. You figure out how to solve the drug problem, what forces it would take. You go look and you see where they are. You come back and tell me what kind of commitments you have to relax and for how long, so you can take those forces and carry out the plan that you've just designed. You're giving responsibility to the military, not the other way around, where you say, "Gee, I want to borrow two E2-Cs for a week." It's not the military's responsibility to fight the drug war by this nickle-diming, persuading, and pleading. They would like to be able to help knock out the drugs, but they do have responsibilities that we as American citizens have given them, that Congress has appropriated money for them to do. They can't do both. So, I think Carlucci's absolutely right, because they don't have the forces to do that and everything else you told them to do. So, the Commander-in-Chief has to decide what they can do.

The second thing they object to is the *posse comitatus*. Historically, our country has never used the military for law enforcement. We think that's probably the right approach. I certainly agree with them on that, but you don't have to, in my mind, even change *posse comitatus*. What you do is take the existing law enforcement people that you have, and you spread them around. You distribute them among the military units that you have, that are going to be coming in direct contact with the drug people, and the military just holds the gun on them. The law enforcement officer comes in and does the arrest and all the hands-on relationship with the criminal. And, you still keep the military—even though they are on the scene—you keep them isolated from the bad guy. Now, you could do that today without changing *posse comitatus*.

Now, let's give an example in Colombia. Colombia must have a hundred illegal and legal air strips, and these guys—the bad guys and the good guys—are free to take off from there and head up to the Bahamas. So, the first thing you do through this summit meeting is decide that no aircraft are allowed on an international flight unless they depart from Airports A and B. Have a court decide whether that's feasible or not, but I think that it probably is. So, some guy takes off from some mountain strip up there in cocaine country and

flies directly out. And, you're out there with your radar on a big carrier with Aegis that can track everything that moves. You'll see it coming out. If he doesn't land at Airport A for his clearance and a shakedown, go after him.

Now, you've got a tough call. First of all, we have high-performance aircraft. It's not too easy to actually track and intercept these slow-flying DC-6s, but that's something they'll have to work out. They've got other aircraft if necessary. For this aircraft carrier, you load it up with the best aircraft that are available for that kind of work. Now, you can shoot it down. My good friend in Customs would say you should do that. Or, you give them a shot across the bow and give them the international signal to turn back. Or, you try to track them and have forces up the Caribbean to pick them up. I mean a plane from Customs might come out and just trade off and stay with them until he lands. Now, you hope that the country in which he lands is going to cooperate with us as much as the Colombians are cooperating, and then you've got the guy. But, you will sort out the traffic very quickly.

And, you do the same thing in Mexico. And, you require that aircraft coming out of Mexico have to come out of designated airfields. And, then you do the same thing with your backup interceptors along the U.S. border.

Shoot them down, as [U.S. Customs chief] Von Raab would do? It's a tough call. These are more political than they are tactical. Or, you go through the same routine. And, if you have enough forces, I think in very short order you've shut those corridors down. Next, they are going to go through the Pacific. So you have to do the same thing there. When you shut it all down, they are going to go through Brazil. The drug traffickers are not going to quit on you.

**EIR:** How do you see the role of traditional law enforcement in the war on drugs?

**Murphy:** Law enforcement, I think, involves an increased penalty for both users and pushers. I'm in favor of the death penalty for the kingpin: tough to define, but I think the courts can define that. The President of the United States doesn't have to define "kingpin." You have to standardize to a much greater degree, throughout our country, sentencing by our judges. You certainly have to standardize and be tougher on the parole side. And, there are probably other law enforcement issues. Maybe we could use more of the Organized Crime Task Forces, who have been very successful in bringing down the infrastructure. I think they also need a backup, because they always have this funnel effect where they get overloaded. There are lesser crimes that are not going to make it all the way through the Organized Crime Task Force, but you can have subgroups of those that can handle the less important cases and not let them get away with it.

Then, the big thing in Bush's thinking is targeting the user. We have to admit that we have let the user off the hook in this country. We never have really gone after the user. And the reason was not that we were trying to be easy on

users, but that we could not handle the load. Some guy comes through Kennedy Airport, and he has one marijuana cigarette. They take it away from him and let him go. They just can't take the time. The guy coming behind him may be coming with a thousand pounds of cocaine. And, so, it was a sort of a practical type of approach, which, again in hindsight, I wouldn't say was wrong. But, it hasn't done much to stop the use of drugs. So, there are lots of things you can do. You can confiscate their property, which New York is already doing. You can do more in the way of publicizing drug users that you pick up. It's been used with prostitution. You have some young, successful lawyer in town, who goes down and buys cocaine and gets nailed and gets his picture in the *Washington Post* the next morning. I'd say he's in a lot of trouble business-wise. And you have to hold them accountable. Here again, confiscation of property and sentencing.

Well, each problem leads to another problem. Where are the judges, the prosecutors, the jails to take care of that? We ran into that dilemma in Florida. The same problem. So, Vice President Bush went to the Chief Justice and got more federal judges for South Florida. And, he increased the number of prosecutors. And, we got good prosecutors. We didn't get kids out of law school. We went around the country and begged, borrowed, and stole top-notch prosecutors—already trained. You can't always do that, but you do the best you can.

So, jails. It looks like we can—with the cooperation of all hands—use military bases that are not needed anymore and convert them into jail space. I've even thought of decommissioned ships, which we've got thousands of. I don't know how much that would cost; it would be expensive. But, you could do that. Just anchor them out someplace. Put drug pushers in those kinds of quarters. You could solve the jail shortage without having to simply build brand new jails.

So, that's the law enforcement part of it. Judges: There are judges that are retired that could probably help. Prosecutors: There definitely is a problem, because I saw it happen in Florida where the civil cases stood around waiting and waiting and waiting, because we had so many criminal cases that were taking priority.

And, then, the final challenge: trying to do something about the usage of drugs. We need more education in schools. The disadvantaged children in the inner cities need help. They are getting \$2,500 a day. It's kind of hard to convince a nine-year-old that there's something bad about what he's doing. He doesn't see the bad part of it until he gets killed. So that has to be attacked. It would be nice if there were some way to take those youngsters and in a voluntary way put them in a re-training area where they have to go back to school, give them an education on why this is all bad, and, at the same time, see if you can't turn them back out as decent citizens. Now, that probably sounds unworkable, because, if a kid is making \$2,500 a day, he's going to go over the fence the first day he's there. But then you get hard-nosed. You

say, okay, look, we have a program here that is compassionate and maybe it will work, but if you go back over the fence, the next time you go back to reform school. So, it's training, rehabilitation, but it has to have sanction.

The reason why the military have been successful in cleaning up drugs isn't just because of the testing. Testing alone doesn't do a damn thing. You have to have the sanction of throwing the guy out with a dishonorable discharge. That's the sanction. I've seen it work. But, testing is going to have to be used more. Certainly the federal government can show the way: at least insisting on testing in certain areas. Certainly the transportation, areas of safety, areas of national security, and also areas of federal housing (where you have some control) and have sanctions. Then, you have an education program. Major businesses that want a drug-free workplace will have to help. Maybe that could be done without passing new laws. A lot of testing is going on right now in the Fortune 500 without any laws or anything else.

So, that's a long answer to generally how you approach it. And, you put one guy in charge. And, this will be a situation of continuous adjustment, because each one of these will change right under you as you go after it, particularly going after the supply side.

**EIR:** When the President's Blue Ribbon Commission on Organized Crime finally sat down to writing reports, it was their view that the very first question that had to be tackled was the issue of money laundering and the presence of criminal revenues within the economy. I think probably the best estimates coming out of DEA and State Department in the last year or so indicate minimally \$300-500 billion a year in the total global network of the drug trade. Clearly much of that money in some way or other passes through the U.S. economy, both through the sales at the retail end and through the laundering. Since there are already existing laws on the books that provide for the seizures of assets from organized crime organizations, what do you think about placing a greater spotlight on the money laundering end and therefore being in a position to seize the cash assets, that might then be used to finance the additional costs of a broad, ambitious war on drugs such as you are talking about.

**Murphy:** We did run a lot in South Florida on money laundering, under the guidance of the IRS, and it was quite successful. We closed down some banks. As I recall seizure laws already apply to money launderers, and so, you're absolutely right. But, I think that's a subject that needs to be studied. I'm not an expert at it. There may be ways of changing banking laws relating to the electronic transfer of funds under certain circumstances which would really wipe these guys out, or make it very, very difficult for them. So, I agree it's a whole area and I think we probably need more analysis. The drug traffickers have analyzed it.

**EIR:** In the National Security Decision Directive defining

narco-terrorism as a prime national security threat, this was the context in which a greater role for the military was called for. The next step is to raise the issue of the actual authorship of some of the drug trade. There have been several recent books and magazine articles written, which have used documentation provided by Soviet defectors and drug enforcement personnel who investigated cases where there was Cuban and Nicaraguan involvement. From your experience at NNBS and other experiences that you may have had, do you see a link between the irregular warfare dimension of what the Soviets are doing worldwide and this increased proliferation of drug trafficking that the U.S. and our NATO allies in Europe seem to be the victims of.

**Murphy:** I never did see any linkage in the intelligence that I had available to me. So, I really have no views on that at all. It's not something we should be oblivious to; we should watch that.

**EIR:** Well, Colombia has been plunged into near civil war by narco-terrorist groups that are connected with either Cuba or the Soviet Union. Similarly, there are Soviet ties to the Shining Path in Peru. These narco-terrorist groups are either running protection for the traffickers, or else trafficking themselves to buy weapons for their terrorism.

**Murphy:** Well, you have to analyze the intelligence. I looked very closely at the time to the Cuban connection, and I found the evidence to be very shallow. But, somewhere in there, there is an arms and drugs linkage. And, the arms are not for any other purpose than destabilizing existing governments like the case of the [Colombian] M-19. So, if it's going on, I just never have seen what I consider to be evidence of it sufficient to take action. That doesn't mean it isn't there. They're still digging, and, maybe, since I left—it's been three years—that they may have more intelligence on it.

I find it a little bit difficult to blame an outside country for the voluntary use of drugs in our country. There are only about 20 million people involved in drugs out of 240 or 250 million people. These people, in my mind are abetting the enemy. They are using their money—perhaps a \$100 billion, or more based upon your figures—to support an enemy. So I see the culprit to be ourselves: those 20 million. And, if it's even worse, as you are implying, that other forces are involved here hoping to undermine our country, then their crime is even worse. This is what we have to convince people of. That they are—every time they spend their money—aiding and abetting an enemy that's trying to destroy us. Whether the Soviets are involved in it or Cuba's involved in it, the fact is that these drug lords are the ones who are destroying our country. We saw it way back in history with China.

**EIR:** You brought in the intelligence community for the first time. Did the involvement of the CIA and other agencies lead to dividends?

**Murphy:** Well, I think the dividends were beginning by the time I left. I was surprised to see the testimony just before mine on the Kerry [Senate] Committee, where [DEA head] Jack Lawn said that he hadn't gotten anything from the CIA. And, I testified that I found that statement bewildering, because it's there, it's available to him. Intelligence is the heart of the whole problem: to know what the other guy is doing. Good strategic intelligence, as opposed to tactical intelligence. If you enact that plan I was just talking about, I want to know quickly how the drug cartel down there in Colombia is reacting. Are they going to continue pressing us? Are they going to fight their way through our augmented lines of defense? Are they going to divert? You want to know how the enemy is going to react to your tactics and your strategy. And, that's really strategic intelligence: the intentions. It's very tough to get, but that doesn't mean you don't go after it.

So, one is trying to help collect more intelligence and also to use all of our fantastic collection capability. Now, the problem here is that Jack Lawn, for instance take the top guy in the DEA, he doesn't have clearance for all of the stuff that I'm talking about. There's no way that he's going to know what the capability of the United States is to collect intelligence. If you don't know, you don't ask. I mean you're not going to ask for something that sounds like Buck Rogers. It never would dawn on you. It wouldn't enter your head. The guys over here know all of this stuff, but they are not very familiar with what Jack Lawn's needs are. It made sense to get these guys together. You don't have to tell Jack what your capabilities are, if you don't want him to know. But, you can certainly find out what his needs are and you then know what you can do.

I was in an interesting position, because I knew both sides. It was rather an enviable position to be in. Not that CIA was doing that, but they knew damn well that they couldn't say that they couldn't collect Elint or some imagery. So, that was a match that we tried to create and I thought we were creating it.

The third thing was that law enforcement people do not understand intelligence the way a military guy does. There's a tendency to catalogue so you can call in and you can check a license plate, you can check my name to see whether I'm on some list, you can check the number on an aircraft or a ship. It's sort of a Sears Roebuck catalogue-type thing, that you can get in the machine and get it fast. Well, that's in my mind, a small part of intelligence. So there was a sort of educational process needed here. We were using CIA people as trainers. We sent them to all these NNBS centers and to EPIC [El Paso Information Center] to try and give them a broader understanding of what intelligence really is and then, from that, a better understanding of what intelligence could do for them.

**EIR:** Could you summarize the future prospects of a War on Drugs if George Bush is elected President or if Michael

Dukakis is elected President? You've served in both Republican and Democratic administrations.

**Murphy:** Well, I hate to get to talk in terms of winning. Some wars go on a long time. Bush has been on record right since the beginning saying that there was nothing he could do overnight and he knew the enemy would be reacting and he would be counter-reacting, so that it takes a long time. I'd say the priority of getting on top of the drug problem—I'm not going to define "getting on top of"—is very, very high under Bush, and, I'd think it would just languish under Dukakis. This is just based on what I've read of his statements and the areas that Dukakis appears to be oblivious to.

Bush is already on record in his speeches. He will also call a governors' conference fast. He's going to say: "This is not just a federal problem, gentlemen. We've got to have help at the state level." And, the governors' group has a subgroup on drugs. And, I think that you'll see some fast action. A lot of the things that I just ticked off as a Bush drug plan are at the state level. I mean things like having somebody in every school trained in detecting drugs. The federal government can't be looked to to do that. You have to have these states do that. So a lot of the things I was talking about are actions to be taken by the state government. So, you hit it in a governors' conference quickly in February and the summit meeting would probably follow shortly after that. It would be very nice to tell the heads of other governments the actions that you've got under way in your own country. I think that's already in his mental schedule, if he doesn't have it written down somewhere. He's a man who knows the problem, although he will turn it over to his vice president on a day-to-day basis. Bush will be on top of that on a week-by-week basis.

**EIR:** So there will be a drug czar, and it will be the vice president?

**Murphy:** He's already announced that.

**EIR:** One final question. During your recent congressional testimony, you were asked about your several recent trips to Panama and your discussions with General Noriega. Can you comment on the recent drug-trafficking indictment against General Noriega and the charges that Vice President Bush sat on evidence of Noriega's drug involvement?

**Murphy:** I can tell you that during my entire tenure at NNBS and earlier with the South Florida Task Force, I never saw any intelligence suggesting General Noriega's involvement in the drug trade. In fact, we always held up Panama as the model in terms of cooperation with the United States on the war on drugs. Remember that a grand jury indictment in this country is not a conviction. If the case ever comes to trial, I will look at the evidence and the jury's findings, but until that happens, I have no first-hand evidence whatsoever of the general's involvement. My experience ran in the opposite direction.



# Friends in high places

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*Part 2 of a series on the secret government of Michael Dukakis in Massachusetts, by an EIR investigative team.*

*Part 1 of this article focused on Michael Dukakis's use of executive privilege in order to prevent access to information that might be politically damaging to him. The second part examines how the unusual relationship between Dukakis and high-level state and federal law enforcement officials serves that same purpose.*

Howie Carr, *Boston Herald* columnist and long-time critic of Massachusetts Gov. Michael Dukakis, has a term for the mutually beneficial political and financial relationships of people in high places that seem to be the key to the Dukakis administration. He calls them "Funny Coincidences."

For example, says Carr in an Aug. 25 column, "Just look at how [Dukakis intimate Paul] Brontas's law firm, Hale and Dorr, transitioned William Weld from his job at the Justice Department into Hale and Dorr for a mere \$200,000 or so a year, a job which of course had absolutely nothing to do with Weld's subsequent testimony about Ed Meese before a congressional committee."

He also finds it a "Funny Coincidence" that another Hale and Dorr protégé, Massachusetts Attorney General James Shannon, held back from indicting Dukakis's former education secretary, Gerald Indelicato, on charges of fraud, until after the Democratic primaries were over. Indelicato was later convicted, and is now serving 30 months in a Massachusetts prison while awaiting trial on other charges.

An *EIR* investigation indicates that these incidents, and others, indeed represent more than just a series of funny coincidences. In particular, that investigation shows that Dukakis has a broad array of more than passing acquaintances in important positions in federal and state law enforcement circles. And those friends seem to help him out quite often. The potentially devastating political scandal surrounding the New Braintree prison site is a case in point.

## **The New Braintree scandal**

The presidential campaign of Michael Dukakis was faced with a potentially crippling political scandal when, in June 1988, the *Washington Times* broke the story that the FBI was

investigating charges of "cronyism" surrounding the Dukakis administration's selection of New Braintree, Massachusetts as the site to build a medium-security prison. The charges centered on allegations by New Braintree residents that the administration had provided insider information to Dr. Gary Jacobsen and real estate developer Daniel Striar about their intention to purchase that site. Before the selection was made public, the charges continued, Jacobsen and Striar used that information to purchase the land, which, when sold to the state, would net them a several million-dollar profit.

If true, the resulting scandal could have once and for all destroyed Dukakis's otherwise undeserved reputation as a "squeaky clean" governor who waged a one-man battle against corruption. That the potential problem surrounding this issue was known to Dukakis is demonstrated by its inclusion in the "critical issues" memo written by Dukakis aides shortly after his announcement for President.

In fact, the problem had been plaguing the administration for over a year, when the allegations were first made. Up until June 1988, however, Dukakis had been able to limit the damage by denying his accusers access to documents on the matter, asserting executive privilege.

When the *Washington Times* latched onto the story, the entire affair threatened to blow up in the governor's face. That did not occur, however. The scandal began to die down when the Special Agent in Charge of the FBI's Boston office, James Ahearn, confirmed that there was an inquiry into the matter, but that Governor Dukakis was not a target of the investigation. It was finally put to rest, at least as far as the press was concerned, with a late-summer FBI announcement that the matter had been closed, and no wrongdoing found.

The FBI's unusual conduct in the whole affair, however, began to raise an entirely new set of questions from long-time Dukakis watchers. Wasn't it unusual for the FBI to comment on an open investigation, and to state that the governor was not a target of the investigation? Wasn't it even more unusual that, according to a statement issued by Jacobsen and Striar after the *Washington Times* story broke, "No records have been subpoenaed, no grand jury empaneled, no

Dukakis administration official formally questioned, and absolutely no contact between the FBI and anyone working with us on the sale of this land"? This, despite the fact that the FBI had claimed it had been questioning people on the matter since it opened its preliminary inquiry in March 1987.

This was some investigation! It certainly appeared that the FBI was attempting to limit the damage caused to the Dukakis campaign by the investigation. But why would the FBI, in a Republican administration, supervised by a Republican Attorney General, Ed Meese, want to help Dukakis in any way at all?

It became even more curious when the *Washington Times*, reporting on the closing of the investigation, quoted Boston U.S. Attorney Frank McNamara, a conservative Republican and Meese appointee, to the effect that he was unaware that the investigation had been closed. According to this account, FBI headquarters was also unaware that the investigation had been closed!

Perhaps the matter is not so strange when one discovers that shortly after James Ahearn became Special Agent in Charge of the Boston office in November 1986, his wife Barbara, herself a former FBI agent, was hired by the Dukakis administration for the newly created position of Chief of Investigations for the Department of Mental Health. She left the FBI after her husband became Special Agent in Charge in November 1986, because the FBI policy forbids one spouse from working for the other.

It was one month later that Mrs. Ahearn was hired by the Dukakis administration for a job that was never posted or opened to competition from other job-seekers. Moreover, upon her being hired, she was paid \$719 a week for a post with a management title normally paying \$598 a week. Since then, she has been promoted several times and is currently making \$812 a week or a healthy \$42,246 a year.

Interestingly, Mrs. Ahearn is not the only relative of a top FBI official working among Dukakis circles. The sister of FBI second-in-command Jack Clogherty has a job as a secretary to Massachusetts Speaker of the House and Dukakis intimate George Keeverian. Interestingly, Keeverian has close ties to media consultant Michael Goldman, who "coincidentally" was hired by Jacobsen and Striar as a consultant and their spokesman.

One of Goldman's functions was to help deal with a demand by two state legislators, a Republican and Democrat, for a legislative investigation of the New Braintree matter. The investigation never took place, since, after being sent to languish in the Ways and Means Committee, it was decided that it was a bad precedent to investigate the administration's siting procedures. Of course, that decision was made by a Democratic-controlled House, whose Speaker was George Keeverian.

### **Weld, Dukakis, and the U.S. Attorney's office**

There also seems to be a fairly intimate relationship with

Dukakis circles and key officials at the United States Attorney's office in Boston, dating back to the time when William Weld was the U.S. Attorney. That would not be surprising, as the two have known each other since the time that Dukakis acted as Weld's supervisor at the law firm of Hill and Barlow.

It has long been alleged that Weld and Dukakis collaborated in the politically motivated witchhunt against former Boston Mayor Kevin White. That witchhunt, which the *National Law Journal* characterized as a "textbook example of a prosecutor misusing his power," destroyed White's career, although he was legally exonerated. Weld, on the other hand, went on to the Justice Department, where he led the charge against Attorney General Ed Meese, who was also legally exonerated. Weld, on the other hand, as mentioned earlier, ended up with a lucrative job at the law firm of Dukakis intimate Paul Brontas, Hale and Dorr.

Other officials of the U.S. Attorney's office, particularly those who were Weld protégés and who were displeased with the choice of Frank McNamara as his successor, were also tapped.

For example, Robert Mueller, Assistant U.S. Attorney under Weld and his successor Frank McNamara, resigned his position this past summer, ending up with a job at another bastion of Dukakis supporters, his and Weld's old firm of Hill and Barlow. Previous to working for the Boston U.S. Attorney's office, Mueller was a federal prosecutor in San Francisco. Coincidentally, the number-two man at the FBI's San Francisco office at the time was James Ahearn.

More directly, Daniel Small, another veteran of the Weld U.S. Attorney's office who served as the Assistant U.S. Attorney for white collar crime, left his post earlier in the year, prior to the end of the primary campaigns, to become the representative of the Dukakis campaign to the Democratic National Committee.

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# Irangate fizzling as election issue

by Herbert Quinde

Since the Atlanta convention, Democratic Party strategists had been giggling with anticipation as they prepared for "The Duke" to "nuke" George Bush with what they hoped would be new hard-hitting revelations of the Vice President's involvement in the Iran-Contra fiasco. Although they are hard at work, the complex of ideologically motivated anti-Bush, Iran-Contra scandal-mongering reporters and "opposition research" campaign consultants, for the moment, seems caught in a time warp.

Serious investigations aimed at exposing the "secret government" manipulation of U.S. foreign policy would be a welcome contribution to a presidential race that has yet to address substantive issues.

With the Ollie North trial postponed until after election day, the Democrats have no ready-made forum. There is no new "smoking gun," and in frustration, the strategy is to rework old material, hopefully with new twists. One constipated journalist writing in *The Nation* dedicates an entire article to rehashing allegations of Bush's links to the international drug trade, defensively explaining why the search for the "smoking gun" is a waste of time.

A Washington journalist, widely respected as a tenacious Irangate investigator, admitted, "If the Democrats had anything, they would have already gone with it." One hardened cadre of the liberal-left community commented, "A year ago, Irangate represented a constitutional crisis; now, even in an election year, nothing seems to shock the moral sensibilities of the American public."

Nonetheless, Governor Dukakis seemingly went on the attack in a recent campaign speech, again raising the question, "Where was George?" when Project Democracy was baking cakes for and arming the terrorist regime of Ayatollah Khomeini.

## Bunnies to the rescue

Providing artillery support for the assault is an article in the widely "read" October issue of *Playboy* magazine written by none other than "investigative reporter" Abbie Hoffman, the burned out hippie and founder of the pro-drug 1960s Yippies anarchist grouplet. The source of Hoffman's claims

is thought to be Jimmy Carter, whose daughter Amy is widely rumored to be Hoffman's current bedmate.

The *Playboy* article had been hyped as a "devastating" exposé of Bush's personal role in delaying the 1980 "October Surprise," the release of the American hostages held in Tehran sought by Carter, in exchange for weapons shipments once the Reagan administration moved into the White House. The article is of interest only because it gets off the Contra angle and begins to zero in on what would seem to be some vulnerabilities that Bush and company have from their back-channeling to the Iranians.

The article simply makes the point that from day one, the "secret government" inside the Reagan administration was locked into a deal to supply arms to the Ayatollah, as *EIR* has regularly documented throughout the Reagan-Bush years. Two hours after his inauguration, Reagan announced that the hostages had been freed. No one asked how the release came about, but it is clear that an earlier deal had been worked out. The article quotes former Iranian President Abolhassan Bani-Sadr saying that he had access to cables, copies of which he has offered to congressional investigators, allegedly proving that Bush was in Paris at the Hotel Raphael sometime in the fall of 1980, personally involved in the negotiations with several Iranians, including Hashemi Rafsanjani, Ayatollah Beheshti, Manucher Ghorbanifar, Cyrus Hashemi, and Albert Hakim.

Doubtful, but what's the big deal? The Carter administration was offering the same deal, and evidence previously published by *EIR* suggests that Khomeini assassins were allowed to kill anti-Khomeini exile Ali Tabatabai in Washington, D.C. as part of the negotiations.

## A Mexican standoff?

Those who live in glass houses. . . . It was a Democratic administration that established the policy of negotiating with a fanatical terrorist regime which was continued by a "secret government" within the Reagan administration. It was under a Democratic President, Jimmy Carter, that the Central Intelligence Agency, then headed by the liberal Adm. Stansfield Turner, toppled the Shah of Iran and eventually brought Khomeini to power. It was Carter's National Security Adviser, Zbigniew Brzezinski, who said, "Islamic fundamentalism is a bulwark against communism." It was Secretary of State Cyrus Vance, a senior member of the Establishment, and his men at the State Department who were selling Khomeini as an "American asset" as early as 1978.

Will the story go any further? Only if the Democrats figure out how to damage-control their end of the deal.

Dukakis could take a chance. He could say, "Yes, Carter played the game also, but I never will." But hanging out a Democratic President to dry like that opens a Pandora's box which the liberal Establishment doesn't need just now, as the opposition grows to their appeasement of the other Michael at the Kremlin. So, it looks like a Mexican stand-off.

# Elephants & Donkeys

by Kathleen Klenetsky

## Duke revs up dirty tricks apparatus

Michael Dukakis's decision, in the last week in August, to rehire former aide John Sasso for a top post in his campaign signals that the Duke has decided that the only way to revive his floundering campaign is by getting its dirty-tricks capability in high gear.

Sasso was fired from the campaign last fall, after it came out that he was responsible for the so-called "attack video" which drove one of Dukakis's key rivals, Sen. Joe Biden, out of the presidential race.

That wasn't some one-time "youthful indiscretion," as Dukakis would have people believe—but, in fact, a pretty mild Sasso campaign tactic.

A more typical Sasso operation took place during Dukakis's 1982 gubernatorial comeback bid. Sasso—who is widely credited with having orchestrated the successful campaign—circulated a pornographic parody of a campaign commercial which incumbent Gov. Ed King's wife, a polio victim, had made, discussing how her husband helped her fight her disease.

Sasso is no stranger to pornography. He began his political career as an aide to Rep. Gerry Studds, one of two openly homosexual congressmen from Massachusetts, and the only congressman to have been censured by his colleagues (in 1983) for sodomy with a minor. That's just the kind of experience Sasso needed when Dukakis lent him out to Geraldine Ferraro's 1984 vice presidential campaign, which fell apart after revelations linking her husband, John Zaccaro, to an organized-crime pornography ring.

Apparently, Dukakis is looking for help wherever he can get it. His 17-point lead coming out of the Atlanta convention has evaporated. According to a new *Time* magazine poll, Dukakis is *trailing* George Bush by five points (42% to 47%). And even in his home state of Massachusetts, several recent polls show him running neck-to-neck with the Republican candidate.

## Dukakis defensive on military policy

Dukakis's predicament is due in part to his espousal of the "McGovern Democrats" left-liberal foreign and strategic policy agenda. His cynical pitch to voters that the U.S. should stop spending so much money on defense, and start investing more in "human capital," hasn't worked—American voters aren't quite as gullible as Dukakis and his advisers think.

Meanwhile, the Republicans have focused on Dukakis's opposition to the MX, SDI, Midgetman, and other weapons systems to such great effect, that Dukakis has been forced to modify—at least rhetorically—some of his more outrageous positions.

The first signs of a "new" allegedly pro-defense Dukakis came Sept. 8, when the candidate addressed an American Legion convention in Louisville, Kentucky. The candidate told a news conference that he backs continued SDI research and might take a second look at the anti-missile defense system. "If I and the Congress make the judgment that it was essential to our national security, then obviously I would do so," he said, adding that "doing research is perfectly appropriate," and that "for our own sake, we've got to continue the research."

In the past, Dukakis has ridiculed the SDI as a "fantasy" and demanded that "Star Wars" be replaced by "star schools."

Although he may be trying to sound more moderate on the issue now, judging by the amount of money he thinks SDI should get shows that his "support" for the SDI is election-year deep. He announced that he's prepared to spend no more than a paltry \$1 billion a year—the approximate funding levels devoted to strategic defense during the Carter years—on SDI.

## Bush fires aide for supporting Demjanjuk

Bush campaign spokesman Mark Goodin announced on Sept. 8 that Jerome Brentar, co-chairman of George Bush's ethnic outreach campaign committee, the Coalition of American Nationalities, had been fired because of his efforts to solicit support for John Demjanjuk, the former Cleveland autoworker who was convicted in Israel in April of Nazi death-camp killings. As *EIR* has documented, Demjanjuk was the victim of a frameup jointly run by Israeli, Soviet, the U.S. Justice Department officials. He is appealing the Israeli ruling.

According to a report in the *New York Times* on Sept. 9, Brentar commented angrily on his dismissal: "I could have been an atheist. I could have been a polygamist. I could have been anything else and questions wouldn't have been asked. And now because I helped a poor victim, I'm everything under the sun."

Brentar's firing came after *Jewish Week* newspaper ran an article claiming that he and two other Bush campaign aides were anti-Semitic, a claim picked up by five Democratic congressmen, who demanded that Bush fire the individuals in question.

## U.S. helping Soviets cool out Poland

A spokesman for the Polish trade union Solidarity came to Washington, D.C. Sept. 7 to meet with President Reagan, as the year's second major strike wave in Poland began to wane.

According to Polish officials, a third wave, bigger than either of the two seen so far this year, is expected when the next big bite into Polish living standards will be taken in December.

But while the strikes are being driven by mass ferment against austerity, the visit of the Solidarity spokesman indicates that a faction in the United States, working through the National Endowment for Democracy, is working to help cool out the strikes, as desired by Soviet General Secretary Gorbachov and the International Monetary Fund (IMF).

I was surprised to find that the Solidarity spokesman, Janusz Onizkiewicz, after a short meeting with President Reagan, was not willing to tell the press that it is Poland's austerity which is driving the strike wave.

At a press conference on the White House driveway, I asked him if he was bothered by the fact that Poland was paying its debts on time to the IMF, at the expense of domestic living standards. He ignored the part of my question about the debt payments, and replied that the cause of the unrest in Poland is that austerity is being imposed by a regime that the population has lost trust in. "For austerity to work," he said, "it has to be by ac-

ceptance, and not by force. It requires trust, trust in the leadership to sacrifice. So, profound economic and political changes are needed."

He said that Solidarity's goal is to get the Polish government to "resign from its totalitarian ambitions," and allow the existence of independent institutions, such as free trade unions. It sounded like he was advocating the kind of *glasnost* that Gorbachov would like to implement in Poland.

In other words, recognizing that deepening the austerity will lead to mass unrest, the Gorbachov policy is to defuse the situation by cosmetic moves to "democratize," in such a way that responsibility for the austerity is shared by institutions of "the people," and thereby not simply blamed on a totalitarian regime.

As long as the focus of change is "political reform" rather than debt relief and economic development, the operation is aimed at forcing anti-austerity ferment into an even tighter economic straitjacket.

## U.S. role in steering Poland's dissent

According to Eric Chenoweth, the former executive director of the Institute for Democracy in Eastern Europe, the U.S. Congress voted \$1 million to go to free institutions in Poland last year, which was sent through the National Endowment for Democracy (NED).

Among other things, this money was used to organize a "human rights" conference in Poland Aug. 15-21, which was composed of peace and ecology groups, including one, known as Freedom and Peace, with close ties to the Green Party of West Germany.

Chenoweth led a delegation from the AFL-CIO in the United States, and another U.S. "human rights" group,

known as "America Watch," was also there.

The conference focused almost entirely on political reforms, with Chenoweth insisting, "I am not an economist," and thus that he was unable to talk about how to redress the demise of the Polish economy.

He said only that the Solidarity union "is trying to unleash free enterprise" with some small, locally based companies trying to produce consumer goods like computer software and houses.

Joshua Muravchik, an American Enterprise Institute senior fellow, said that Solidarity "is seeking a social compact with the government to share the responsibility for austerity."

He mused that some of the U.S. taxpayers' dollars conduited into Poland through the NED have been used to publish books like Milton Friedman's *Free to Choose*—a book which ranks up there among history's most disgusting frauds, with Jeremy Bentham's libertarian tracts defending pederasty and usury.

Chenoweth pointed out that the austerity in Poland now is so severe that an average steelworker's wages can pay for only 15 meatless meals a month for a family of four.

Nonetheless, he said, Solidarity has taken the position that it favors loans from the IMF—despite the fact that the conditions for repayment of such loans has contributed to the recent escalation of austerity—in exchange for "pluralism, influence and a degree of political control."

Indeed, the Solidarity spokesman at the White House said, "We are going to need a stabilizing loan [from the IMF] to help us go through the coming difficult period of economic readjustment."

It didn't sound much like his priority is relieving the conditions that are forcing his countrymen to strike.

## South Africa sanctions introduced in Senate

Legislation sponsored by Sen. Paul Simon (D-Ill.) and Sen. Alan Cranston (D-Calif.) was introduced in the Senate on Sept. 8. The bill, almost identical to one passed in the House in August, would require total disinvestment by U.S. companies and an end to almost all trade with that nation, allegedly for the purpose of pressuring it to end apartheid. The sponsors made it clear that they would not water down the bill in hope of its passage. At the moment, the only Republican supporting the bill is Sen. Lowell Weicker (R-Conn.).

Secretary of State George Shultz has already expressed to Foreign Relations Committee chairman Sen. Claiborne Pell (D-R.I.) the administration's strong opposition to the bill, and wanted this made known to other Democrats on the panel. If the bill is passed, it will most certainly be vetoed. Without more Republican support, the Democrats will not be able to override the veto. Simon and Cranston said that they might also be faced with a filibuster from conservative Republicans led by Sen. Jesse Helms (R-N.C.).

A *Wall Street Journal* editorial on the subject indicates that the "tough" stance of the Congress on the issue of sanctions may have just the opposite of the desired effects, by stirring up reactionary opposition in South Africa to the Botha government's reforms. "Hard-line apartheid candidates for the October municipal elections are attracting sympathetic crowds," says the editorial, "with their attacks on the government as a timid servant of the wealthy mining conglomerates. They are demanding retaliation against sanctions."

The ones who will really bear the burden of the sanctions policy are the

black people of South Africa. Already thousands of South African blacks have lost jobs due to U.S. sanctions. The House sanctions bill has also helped to arouse South Africa's whites to push for countersanctions to deny the United States strategic raw materials.

## Amendment permits death penalty in drug murders

On Sept. 8, the House passed an amendment introduced by Rep. George Gekas (R-Pa.) which would allow juries to impose the death penalty for persons who kill in the course of a drug-related felony. The amendment is attached to the Omnibus Drug Bill, and was passed 299-111.

Currently, the only federal crimes that carry a death sentence involve espionage by members of the armed services and aircraft hijackings that result in death. The Senate will take up the bill sometime before Election Day.

## Congress pressed to conclude business

The Congress has a series of measures which it will have to pass in the last three weeks before the official adjournment in the second week of October. There are 13 appropriations bills in various stages of completion. Two of the 13 have been signed into law, and conferees have reached agreement on three other bills, which should soon come to the House floor for final passage.

Eight other funding measures must still be worked out in House-Senate conferences and passed by both chambers before Congress adjourns.

The intention is to pass each appropriation bill separately, but there is

a threat that the Congress will be forced to pass another Continuing Resolution, which would combine several of the bills. When President Reagan conceded to sign the last Continuing Resolution at the end of last year, he vowed that he would not sign another one if it were to come to his desk.

New legislation on abortion is one bone of contention between the White House and the Senate. The abortion issue is contained in the Senate version of an appropriations bill that provides money for the Departments of Labor and Health and Human Services. House and Senate negotiators have reached agreement on all other aspects of the money bill, but could not resolve the abortion issue. President Reagan has said that he will veto the bill if it includes a section approving federal funds for abortion for victims of rape or incest.

Final action is expected on legislation to implement the U.S.-Canada Free Trade agreement negotiated by American and Canadian officials last year. The agreement would phase out tariffs between the two countries.

The most contentious issue will undoubtedly be the Department of Defense appropriations bill. President Reagan earlier vetoed the DoD authorization bill, since it provided too little funds for the Strategic Defense Initiative and unduly restricted the President's ability to conduct arms control policy. The Democrats are considering attaching the vetoed defense authorization bill to the defense appropriations bill, along with some controversial defense procurement reforms. Reagan has threatened to veto the appropriations bill if it is not substantially different than the authorization bill.

It is not certain, however, whether the Democrats would want to lace the bill with amendments and additional

program restrictions that would provoke another veto by the President. This would tend to sharpen the differences between the two parties on the issue of defense policy and could serve to hurt Dukakis in the presidential campaign, adding grist to the mill of the Republican attacks on his liberal stance on defense issues.

If Congress and the White House cannot reach an agreement, money to keep the Pentagon going into next year could be included in a catchall spending bill, and would thus postpone the hard decisions until a new Congress and administration can deal with the issues next year.

### **‘Capitol Hill crawling with Russian spies’**

This was the remark made by Rep. Trent Lott (R-Miss.), who is now running for the seat of retiring Sen. John Stennis (D-Miss.). He said it on several occasions in 1985, pointing to their presence on committee staffs and in the office of at least one member. Lott was confronted with his remarks on the campaign trail, and he refused to back down from his statement.

Eyebrows were raised at liberal fundraisers in the Capitol Hill area at the audacity of the Lott statements, but the folks in Mississippi just might send old Trent up to the Senate for “telling it like it is.”

### **Republicans confident of more Senate seats**

National Republican Senatorial Committee chairman Rudy Boschwitz (R-Minn.) said that he sees 12 to 15 of the 33 Senate races going either way. To retake the Senate, Boschwitz said, the

Republicans will have to defend successfully all of their 12 incumbents, win 5 of the 6 open seats, and oust at least 3 of the 15 sitting Democrats.

“It’s ambitious, but realistic,” said Boschwitz.

### **Spending could exceed Gramm-Rudman limits**

House and Senate negotiators will be working under very tight constraints imposed by last year’s budget agreement with the White House. While spending limits have served to avoid protracted debates on the money bills, they now present lawmakers with the very real possibility of exceeding the overall budget ceiling and forcing an automatic spending cut that would affect a wide range of government programs.

Office of Management and Budget director James Miller announced last month that the bills signed since Aug. 15 or about to be signed could put Congress within a mere \$700 million of triggering the automatic spending cuts. If Gramm-Rudman comes into play, there will be cuts across the board, and many items would be placed in jeopardy.

### **LaRouche Democrats challenge GOP incumbents**

In what look to be very promising campaigns, members of the National Democratic Policy Committee, the political action committee of the LaRouche wing of the party, associated with former Democratic presidential candidate Lyndon LaRouche, have won their primaries in four

congressional districts and will be challenging the Republican incumbents in November.

Donald Hadley in the 5th Congressional District in Pennsylvania will be aiming at unseating Republican Richard Schulze.

George Elder, in the 21st Congressional District in the former steel belt of Pennsylvania, will be targeting the seat of Rep. Thomas Ridge, a member of the House Banking Committee and one of the key opponents of the Glass-Steagall Amendment of 1933. The commercial banks want to eliminate Glass-Steagall, in order to bring commercial banking into the very volatile and risky area of the securities markets, thus endangering the savings of the depositors—and Tom Ridge is their boy.

Don Marquis in the 39th CD of California will be working to unseat Republican incumbent William Danemeyer, and Mark Brown in the 12th CD of Ohio is intent on replacing John Kasich as a U.S. congressman from Columbus.

### **Homosexual congressman hits campaign trail**

Rep. Barney Frank (D-Mass.) who acknowledged his homosexuality publicly last year is now going on the speaking circuit.

On Sept. 8, he addressed the Lesbian and Gay Association at Georgetown University Law Center on the future of the civil rights of homosexuals in the United States.

Frank, who came out of the closet in mid-1987, helped to create an “adult entertainment” zone in Boston. In Mike Dukakis’s liberal paradise, nothing seems to be “banned in Boston” these days.

# National News

## Minnesota court backs 'grass tax' law

The Minnesota Supreme Court has handed down a ruling upholding the state's pro-marijuana "grass tax" law, which is being hailed by proponents of drug legalization as a model for the rest of the country.

The 1986 law, the first in the country, provides that the state sell drug stamps to drug pushers. Drug stamps can be purchased through the mail or at the state revenue departments at the price of \$3.50 for each gram of marijuana, or \$200 per gram of cocaine.

According to the Supreme Court decision, revenue officials must guarantee confidentiality to those buying stamps, in order, in the view of the court, to ensure that drug dealers are allowed the constitutional guarantee against self-incrimination.

At least 12 other states have already patterned laws after Minnesota's, the most recent being Utah and Illinois, which imposed drug taxes this year.

## Inspection of migrant labor camps cut back

Inspection of migrant labor camps in Belle Glade, Florida and the surrounding area of Palm Beach County will be cut in half, due to cutbacks in state funding for county health departments. The Florida state legislature has cut \$5.5 million from health programs, and the Palm Beach County budget will suffer cuts of \$600,000.

Belle Glade has one of the highest densities of AIDS infection in the country, and a particularly high density of "non-high-risk-group" cases.

The cutbacks in inspections for the area were admitted to *EIR* by a spokesman for the Palm Beach County Health Department, who also reported that the department has frozen hiring of new personnel as a result of the cuts in state funding for certain programs. County Health Unit personnel who

previously inspected migrant camps full time will now be assigned to additional duties.

County Health Department spokesmen would acknowledge only an "indirect effect" on the AIDS situation in the area, claiming that the AIDS problem does not exist in the migrant labor camps as such, but in nearby boarding houses, which are not inspected by the county health departments.

## AIDS found rampant among runaway teens

There are now 20,000 homeless or runaway teens on the streets of New York City, the *New York Post* reported on Sept. 7, and, according to a survey conducted by Montefiore Medical Center's AIDS in Adolescence Program, AIDS is running rampant among this population.

Covenant House and Montefiore Center are testing teenagers for AIDS on a voluntary basis only, and so far, at Covenant House, 30-40% are testing positive.

According to Dr. James Kennedy, medical director of Covenant House, "These were all sexually transmitted infections. There were no intravenous drug users in the test group. The significant thing is that we're seeing as many infected girls as we are infected boys. . . . This is a very real issue . . . they are acquiring and transmitting the virus. . . . If you look at the overall number of people we were seeing infected in the gay community in 1979 and 1980, we're seeing at least as many now in the street kid population."

## Dukakis's 'war on drugs' called a sham

Democratic presidential nominee Michael Dukakis's war on drugs is "a sham," wrote *Boston Herald* columnist Don Feder, in a commentary on Sept. 1. Rejecting the Massachusetts governor's criticism of the Reagan-Bush war on drugs as hypocritical, Feder goes on to examine the Dukakis record in

his home state of Massachusetts:

- At St. Margaret's Hospital in the Dorchester area of Boston, 10% of newborn babies test positive for cocaine.

- The Roxbury-Dorchester neighborhood is being turned into a shooting gallery. The Boston Police Department reports that 34% of the homicides in the city in the first six months of 1988 were drug-related, up 9% from the previous year.

- Between Dukakis's furlough system for convicts and prison breakouts, the Massachusetts correctional system has become a "revolving door" for drug pushers. Dukakis has also pardoned 21 drug pushers in the last four years, including cocaine and heroin distributors.

## Cap Weinberger sees dangerous shift in U.S.

In an Aug. 12 interview with the British Broadcasting Corporation, former U.S. Defense Secretary Caspar Weinberger warned about "a very substantial, unfortunately substantial, isolationist, protectionist mood in the United States," and blamed Democratic presidential nominee Michael Dukakis for exploiting this mood for political gain.

The shift in mood, Weinberger said, "takes many forms. One of them is trying to find some rationalization for bringing the troops home. They can't find it in any improved behavior in the Soviets or any lessening of the basic Soviet threat, and so they find it in some kind of complaint about Europe or Asia . . . not doing enough themselves. There's nothing that is going to help world security by bringing the American troops home. The American troops serve a very important purpose for our own country, and also for the allied countries, and I hope very much that the isolationist mood doesn't ever reach a majority in the United States. . . . It's very dangerous, it's very unwelcome."

He attacked "people like Mr. Dukakis, who continually talk about how it will be safe for us to spend less on defense, to serve their own political purposes."

Weinberger also attacked as "absolutely



wrong" and "a commonly held myth," the critique that his pro-defense policies caused the biggest budget deficit in American history. "The defense requests were repeatedly cut," he said. "They were cut by about \$125 billion over the next five years from what we actually needed. . . . The facts are that defense in the United States added very substantially to the military strength and deterrent power of the whole alliance. But it was also very good for the economy."

## Ollie North wrecked DEA anti-drug effort

Lt. Col. Oliver North's sabotage of U.S. Drug Enforcement Administration plans to destroy the Medellín cocaine cartel, was featured prominently in the Colombian newspaper *El Espectador* Aug. 30-31. The exposé confirms *EIR's* charge that North protected the cartel, because they were his partners in his operation to supply the Nicaraguan Contras.

Using informant Adler Berriman Seal (a.k.a. Barry Seal), the DEA had begun an operation to capture the chiefs of the Medellín Cartel. But the operation was blown, the newspaper charges, when North leaked the information that Seal had gathered to the *Washington Times*, which published Seal's story on how the Sandinistas were involved in the dope trade.

Because of the leak, the DEA operation had to be suspended (it revealed the names and activities of the undercover DEA agents), the cartel members could not be captured, and the main man responsible for the operation, Barry Seal, was assassinated by cartel murderers.

## Quayle: I don't trust smiling Gorbachov

"I Don't Trust Smiling Mikhail, Says Quayle," was the headline in the *Daily Express* of London Sept. 7, one of several papers in Europe that featured Republican vice-

presidential nominee Sen. Dan Quayle's comments to the *Washington Post* the day before, attacking the myths in the West surrounding Gorbachov.

"As far as Gorbachov is concerned, he's new, he has a different approach to things, and his mannerisms and style are unfortunately pleasing to the West," Quayle said. "I say unfortunately, because I don't think from an ideological point of view he's any different from Brezhnev or anybody else. . . . I mean *perestroika* is nothing more than refined Stalinism—kick their people out and bring your people in."

Referring to Soviet handling of dissent in Eastern Europe, Quayle says: "Poland doesn't look good right now."

## New Mexico utility lays off 800 employees

Eight hundred employees have been laid off at Public Service Co. of New Mexico, in an effort by the utility to stave off financial ruin. The utility has incurred \$1.2 billion in debt since 1972, for their 10.2% share in the three Palo Verde nuclear plant units. The New Mexico Public Utility Commission has not allowed a rate increase since 1984, and the utility has already sold off its share of two of the three units, to raise funds.

Due to the collapse of industrial and commercial electricity growth since the bottom fell out of the oil market five years ago, the utility has been left with more capacity than it has customers to sell the power to, and has been trying to sell its surplus externally. Limits to their power transmission infrastructure have prevented them from doing so.

A plan to restructure the company to be able to build the transmission lines and sell the power has been withdrawn, due to inter-venor opposition, which has left the company unable to meet its financial payments.

The layoffs, according to the *Albuquerque Tribune*, will have an economic impact of about \$40 million in the state, including the loss of business by the families that are affected. The utility has 4,000 employees in total.

## Briefly

● **DUKAKIS ON CHINA:** Columnists Evans and Novak on Sept. 7 quoted a speech by Michael Dukakis in Canton, P.R.C. in 1985: "I was a 13-year old boy at the Baker School in Brookline, and I was asked to debate changes in China. I delivered a ringing condemnation of the Kuomintang, Chiang Kai-shek's Nationalist party, and strongly advocated revolution in China. So, you see, you have a friend here. In fact, some friends of President Reagan occasionally refer to Massachusetts as the 'People's Republic of Massachusetts.'"

● **WILLIAM WELD,** former head of the Justice Department's Criminal Division, closed the DoJ's inquiry into the assassinations of President John F. Kennedy and the Rev. Martin Luther King. Weld, who resigned in March, wrote the House Judiciary Committee that all leads had been checked, finding "no persuasive evidence" to support conspiracy theories.

● **THE ALL-MALE** Bohemian Club is under investigation for sex discrimination. If the investigation finds discrimination against women, the club could lose its liquor license. The exclusive club, located 60 miles outside San Francisco, is the scene of bizarre cavortings and mid-summer nude theatrics by such international notables as Henry Kissinger and Helmut Schmidt.

● **FRANCIS L. YOUNG,** an administrative judge with the Drug Enforcement Administration, found that "marijuana, in its natural form, is one of the safest therapeutically active substances known to man." Judge Young ruled that, "by any measure of rational analysis, marijuana can be safely used within a supervised routine of medical care."

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## Editorial

### *When hunger reigns*

At the close of the Second World War, a horrified world learned of the existence of Nazi death camps. These were the places where "useless eaters"—those too weak to perform slave labor, or those like Jews and gypsies who were targeted for racial reasons—were starved to death or killed outright.

Today at least 25 million people in Bangladesh, on the Indian subcontinent, are homeless. Much of that nation's capital city remains under water. Food supplies have been destroyed and water supplies contaminated. Yet the response of the nations of the world remains pitifully inadequate. The prevailing "wisdom" among world leaders and international bankers appears to be that "realism" rather than sentiment is in order.

This tragedy could have been averted or at the least ameliorated, had the proper flood control measures been taken, but how could a poor nation such as Bangladesh support the cost?

Lester Brown said it all in an editorial statement printed in the Sept. 8 edition of the *Washington Post*. His article was entitled: "Bring on the Family Planners." For malthusians, such as Brown, drought and flood conditions are a welcome confirmation of his scenario for halving the population of the globe through brute-force methods such as famine and plague.

Bangladesh's government has requested 3 million tons of food as an immediate relief measure, and sufficient seed to replant the present crop which has been destroyed by the flood waters. To date, only token amounts of food have been sent in, to the amount of hundreds or thousands of tons at most.

Another case in point is the nation of Sudan in Africa. Millions of political refugees had been living in camps which were destroyed by the recent floods there. Over the past three months over 3,000 people are reported to have starved to death, and the death toll is continuing to rise. Many, in particular children, are simply too weak to travel the one-and-a-quarter mile trip to the area where food is distributed; these are simply left to die of hunger.

In other words, whole nations are being turned into

concentration camps because of the callous disregard of all of us who fail to do battle for the sanctity of human life.

A like situation exists in the refusal of the United States Department of Agriculture to sell food to Iraq, Jordan, Tunisia, and Egypt, because those countries cannot afford the rapidly escalating market prices. The viciousness of this policy would appear to speak for itself, except that it is compounded by the willingness of that same Department of Agriculture to subsidize massive shipments of wheat and corn at prices well below market values, to the Soviet Union.

Just two days ago, the Soviets bought an additional 300,000 tons of grain from the United States. This brings total sales to the Soviets to above 2 million tons, with a like amount of corn purchased by them. The European Community (EC) has negotiated deals with the Russians on a similar scale. Yet no food is now available to help millions of starving people in Bangladesh and Sudan who have been the subject of natural disasters!

Over the Labor Day weekend, a new organization, Food for Peace was formed in the United States, with the support of farmers from thirty U.S. states and an international delegation including Europeans, Ibero-Americans, and Africans.

This conference passed a number of resolutions guaranteed to expand present world food reserves, in order to counter the current adverse weather trends. It also called for emergency relief to Sudan and Bangladesh.

In the short term, there is sufficient food to prevent the death of millions from starvation—if this food is not wantonly diverted to the U.S.S.R.—but over the next immediate period, we face a dire international food shortage. Food for Peace must become the rallying cry of a worldwide organizing campaign, whose purpose will be to ensure that the production and distribution of world food supplies is given the highest priority, in order to prevent famine from once again stalking this earth.

# What Michael Dukakis's personal physician did not report . . .



## Dukakis's mental health: an objective assessment

*EIR's* 16-page supplement begins with Lyndon LaRouche's article, "I never claimed Dukakis had been cured." It includes: a profile of the historical parallel between Dukakis and Mussolini; the leaflet that started the controversy, and the full documentation to substantiate it; the case of Stelian Dukakis; and the story of Dukakis's official witch, Laurie Cabot.

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**Pablo Escobar**, the kingpin of the "Medellín Cartel," world's biggest cocaine trafficking ring, sent Dukakis a letter last spring praising his "very realistic" stand on drug control, according to the Colombian weekly *Semana*.

**Daniel Ortega**, the Sandinista President of Nicaragua, thinks "the victory of the Democratic candidate for the White House, Michael Dukakis, would improve the situation in Central America," according to the Italian Communist Party newspaper, Aug. 16, 1988.

Dukakis is "a very efficient governor, very active, with a healthy economic management, and big popularity in the state of Massachusetts," says **Radomir Georgevich Bogdanov**, vice-director of the U.S.A.-Canada Institute in Moscow, in an interview with Italy's *La Repubblica* newspaper on Aug. 15, which predicts that Dukakis will beat Bush in November.

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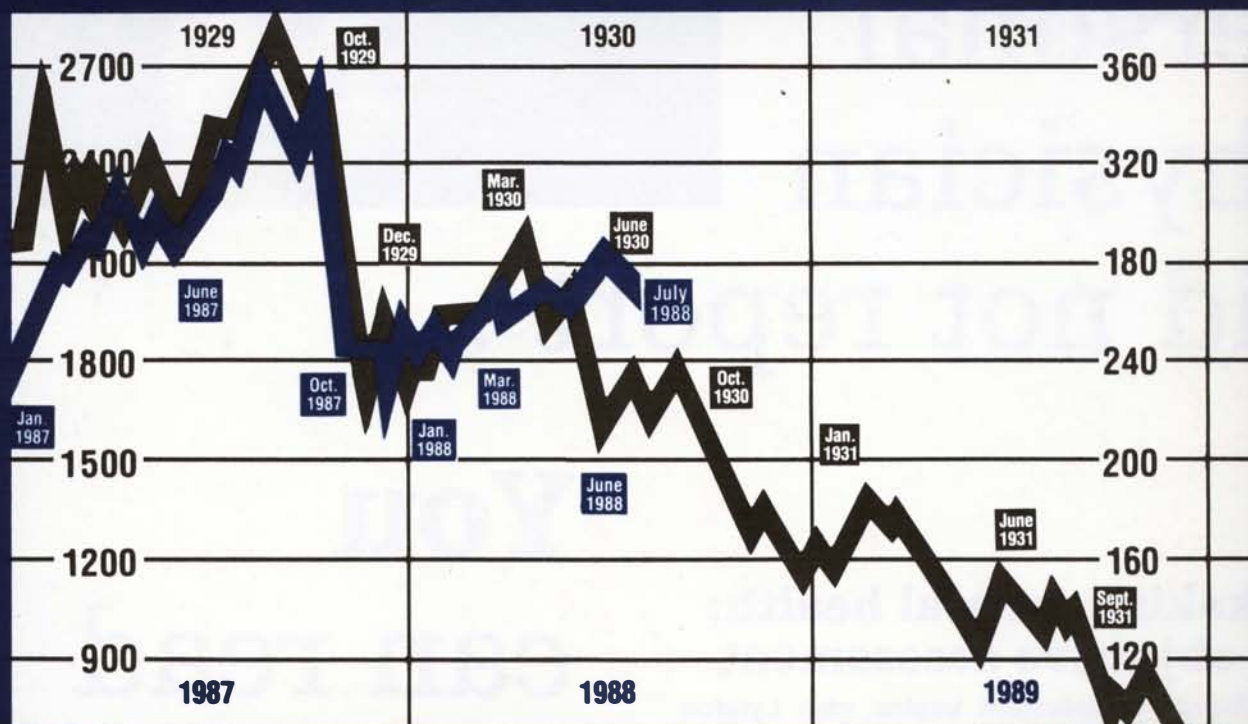
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