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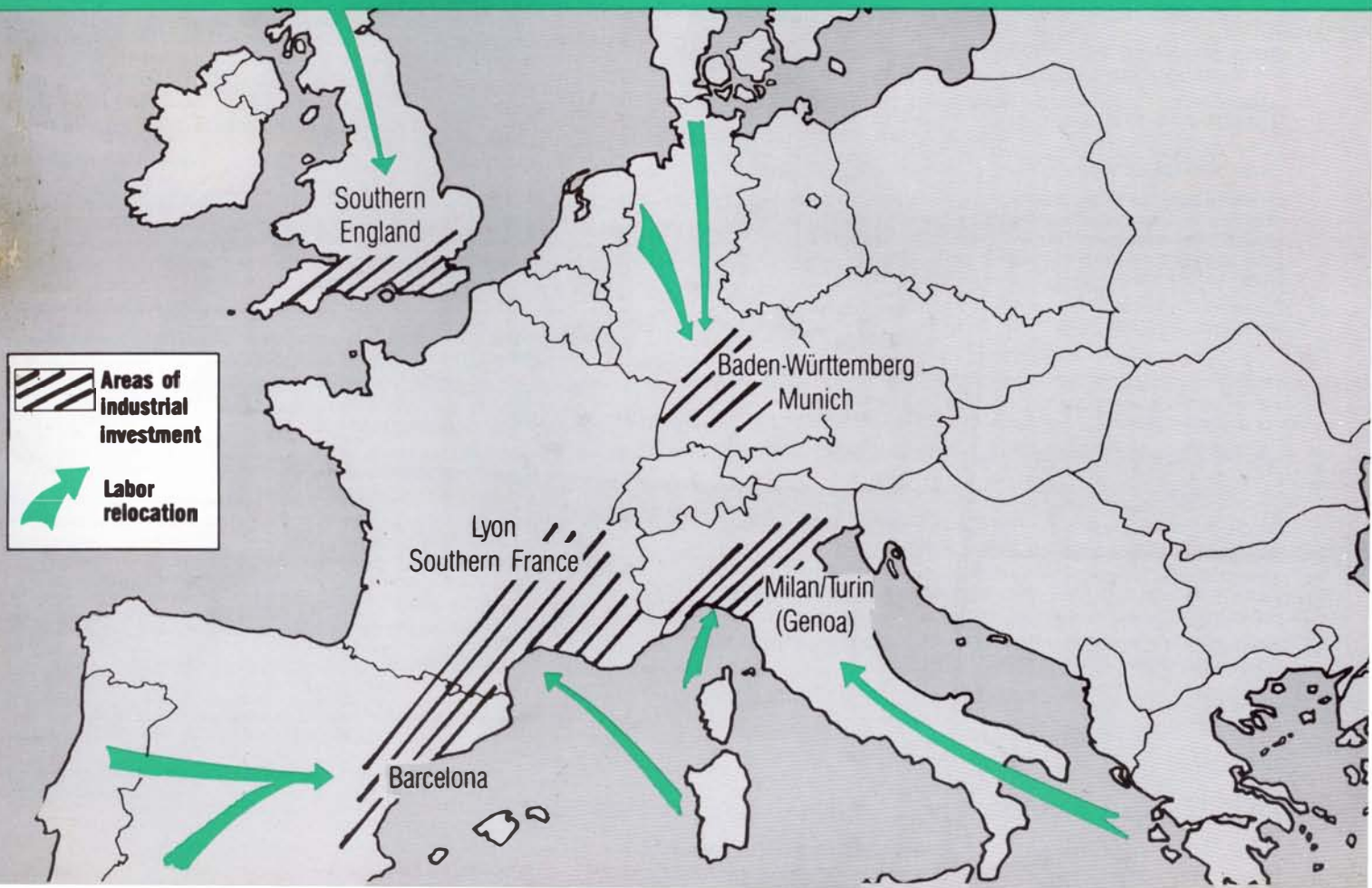
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'Food for Peace' builds U.S. mass movement  
Colombia foils communist power play

## 'Europe 1992' scheme threatens Western freedoms



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## From the Editor

We write on the eve of the 1988 U.S. presidential elections; by the time you read this, the outcome will be known. In this last week of the campaign, two broadcasts by the third leading candidate, independent Democrat Lyndon H. LaRouche, Jr., have introduced a “nonlinear” process into the electoral race that will be felt long after the ballots are counted, not only because of the content of the broadcasts, but also because they have been constructed on the basis of the principles of composition of classical tragedy.

On Oct. 31, over CBS-TV, LaRouche presented “The Winter of Our Discontent,” which brought his recent initiative in Berlin to a mass audience of Americans. On Nov. 5, the LaRouche campaign organization sponsored the second show, “The Third Trial of Socrates,” which pinpoints the evil forces behind the Dukakis campaign (Dukakis being a “left-wing fascist,” in LaRouche’s words) as the heirs of a tradition of wickedness dating back to the Syrian Magi who engineered the condemnation of Socrates, and later of Christ. In this broadcast, prominent European figures from the world of politics, the World War II anti-fascist Resistance, military intelligence, medicine, and the arts are introduced to give their views of LaRouche’s crucial contributions to the defense of the West and its culture. Several of the speakers highlight LaRouche’s role as the intellectual architect of what became the U.S. Strategic Defense Initiative.

In this election-week issue, our longer analyses concentrate on three points of crisis: 1) the budget-cutters’ mortal threat to the Strategic Defense Initiative, 2) Western Europe at the crossroads between a potential “Europe of the free fatherlands” as Helga Zepp-LaRouche defines it, and the blueprint for fascism and re-feudalization under the Internal Market 1992 schemes; and 3) the future of Asia, centering on the conjunctural crisis of the world’s most populous country, China, as reported by our correspondent Webster G. Tarpley.

The situation in Colombia remains on a razor’s edge. Even though the government foiled the first phase of the communist subversive plot, the “Tet Offensive” threat remains intense, and latest reports indicate dangerous wavering by the authorities.

*Nora Hamerman*

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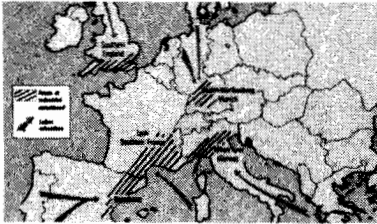
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## Now, the post-election agendas come to surface

by Chris White

The annual conference of the U.S. League of Savings Institutions, held in Honolulu, Hawaii during the first week of November, marked a turning point, of sorts, in the public discussion, within the United States, of both financial crisis, and what to do about it. Given that the ongoing crisis in the thrift system will surely be one of the first agenda items the new President has to take up, and that it is also among the chief detonators of the rapidly surfacing crisis in the banking sector as a whole, the proposals put on the table out in Honolulu are of more than usual significance.

The outline of what the League has put forward has been made available by an especially disgruntled press. The *Washington Post* devoted its lead editorial to an attack on the League's *chutzpah*, compared, unusually for the *Post*, to the parricide seeking leniency from his judges, on the grounds that he is an orphan. The *New York Times* and *Wall Street Journal* reported that what the League put forward would be sure to find stiff opposition from within the government and its regulatory agencies.

What the League has done is cut through the standard garbage about whether there will, or even should be, a federal bailout for the system, to assert that there needs to be an overall reorganization of the banking system, including the commercial banks under the Federal Deposit Insurance Corporation, the thrifts under the Federal Savings and Loans Insurance Corporation, and the Farm Credit System.

Their reorganization outline goes under the battle-cry, the "re-regulation of banking." This was identified by outgoing League chairman Theo Pitt, and by his incoming successor Mr. Beeksmann. In this view, the thrifts cannot be held responsible for the crisis that was imposed on banking as a whole, with, first, the deregulation of banking and financial services in 1981-82, and then, the 1986 tax reform.

What is at issue here is what came to be known, thanks to Donald Regan, Treasury Secretary during the earlier period, and Walter Wriston, then chief honcho of Citibank, as "creative financing." Specifically, the thrift league is demanding: the elimination of "junk-bond financing" for the sector, reconstruction of barriers between the thrifts and lending for commercial real estate projects, reimposition of restrictions on how much of a thrift's assets can be put into commercial real estate ventures—now at 100%—changes in tax laws, such that thrifts, and presumably anybody else, can disengage from bloated book-value real estate holdings without wiping out deposit and equity holders in the system; and separation from dependence on deposits of so-called "jumbo" certificates of deposit, by which means, commercial banks and investment houses, park their liabilities under the FSLIC insurance umbrella, to take advantage of higher interest rates, and unload the risk of loss.

The intention is to return the thrift system to its original design, namely, deposit-taking receptors of a portion of the nation's savings, primarily derived from household and individual wages and salaries, which are then used as the collateral for the extension of housing loans, for the construction of housing. *EIR* has argued repeatedly over the last year and more, that it is precisely this function of the thrifts, and the extent to which this function has been protected or preserved in vestigial form, since especially 1982, which makes the thrifts, from the standpoint of economic reality, not financial paper, the soundest part of the national credit system.

### **Paper that should not be supported**

Equally, it is precisely for this reason that the League's reorganization proposals are opposed by the *Washington Post*, which, after all, does represent the financial interests asso-

ciated with the Meyer family's Lazard Frères, and by the commercial banks. It has been the commitment of especially the commercial banks, led by Citibank and Chase, since 1982, that the thrift system be dissolved into a unitary banking system, along with securities functions of investment banks, and insurance dealing. The purpose of this, behind all the nonsense about improving competition and increasing efficiency in the provision of financial services, has been to grab especially the deposit income stream of the thrifts, to thereby underwrite the unsecured paper which has bankrupted the commercial sector as a whole. This effort was seen in Maryland and Ohio during 1985, and it is at the heart of present proposals to combine the FDIC and the FSLIC and abrogate standing Glass-Steagall Act separation of the banking sector by function.

Of more interest, though, is the underlying assumption that the financial paper, under which the thrifts, like the economy as a whole, are suffocating, cannot be supported, and indeed, should not be supported. In this respect, opposite to their opponents, the thrifts do indeed have reality on their side. Without the recognition that there has to be a Chapter 11-modeled bankruptcy reorganization of the credit and monetary system as a whole, nothing can be accomplished to reverse the presently accelerating slide into the most catastrophic financial disaster in human history. Behind the "re-regulation" battle cry, then, it must be the presumption that, at last, someone is beginning to wake up to at least this aspect of what is at stake.

The thrift league's proposals also put into much sharper perspective the abstract terms of the debate which has been wracking the panjandrums of the financial community since the latest round of leveraged buy-outs began. Is the U.S. financial system creating too much debt or not? If so, what are the dangers that will arise? Some say it is, and it is dangerous, others that it isn't.

Those questions were actually settled back in 1982, when Donald Regan and Walter Wriston won out over presidential candidate and economist Lyndon LaRouche's contrary proposals for a reorganization of credit and economic systems around an equitable solution of the then erupting so-called debt crisis. LaRouche proposed, in the report called *Operation Juárez*, that the sovereign power of government be employed to reorganize credit and banking to make possible the resumption of wealth production through the promotion of technology-vectored capital investment in industry, agriculture, and infrastructure, to promote revival and expansion of international trade and output. Wriston and Regan insisted that output and infrastructure be collapsed to provide loot for the already-collapsing debt structure. LaRouche warned then that their approach would buy perhaps five years, at the expense of a compounded economic crisis, and a far worse financial disaster, when it could no longer be sustained.

Thanks to Regan and Wriston, between \$8-10 trillion of new debt has been created in the intervening period in the form of what the "innovators" in the banking system call

"off-balance-sheet liabilities," and the banks have been transformed into coupon-clipping takers of commissions on each others' securitized paper, rather than financiers of economic activity.

Because of the decisions of 1982, those who are discussing whether there is too much debt or not are wasting their breath. To maintain the appearance of surviving, the banking system has to keep on increasing the rate of increase in the total volume of debt that is being passed through the system, including by shortening the maturity of the debt, and increasing the service charges on the newly shorter-maturity debt. Meanwhile, generations of investment in improved physical capital assets and increased powers of labor, are stripped out on behalf of servicing the continuous expansion of the claims of debt. The policy converges on limits, both with respect to the economy's capacity to sustain the looting without breakdown, and the financial system's capacity to sustain the expansion of indebtedness without precipitating a general devaluation of all paper, and a rush to liquidate what has become worthless.

Last year's October crash was the limit. Yes, through political deals, of one sort or another, the system's administrators have convinced themselves that they kept things going. They did nothing of the sort.

The intention of the October-launched wave of leveraged buy-outs this year has been to buy another three to four months for the dollar and banking system, by organizing another expansion of the debt on which the banking system feeds. The financing charges of the loans extended for LBO equity purchases create a new pool of around \$400 billion, by means of the usual banking magic of extending all at once as credit some multiple of the debt service which compounds over time. Not surprisingly, the banks which are engaged right now in trying to create this new credit pool from LBO debt, are the ones which oppose the thrifts reregulation call—Citibank, Banker's Trust, Shearson Lehman, Lazard Frères, Dillon Read.

The magnitude of the proposed expansion of credit, in pursuit of a little more time, has already collapsed the markets for U.S. corporate bonds in Europe and the United States, precisely because the threshold was reached where the expansion began to devalue the so-called "value" of the paper as a whole.

That collapse actually vindicates the approach taken by the League, and those like LaRouche, who say, forget about supporting the unsupportable, reorganize the system as a whole. Behind the to-be-expected discussion about whether to cut the budget, and by how much from where, and how to reduce the trade deficit, which is sure to be the grist of the post-election agenda mill, a much more important question has been put on the table by events themselves, which is reflected in what the League wants done. Since the "system" cannot be sustained as it, how will it then be reorganized, to ensure human survival or not? That is what the onrush of events will force to the top of the post-election agenda.

# Food for Peace activists hold conferences around the U.S.A.

by Suzanne Rose

Activists of the international Food for Peace movement sponsored conferences around the United States during October and early November, to further the idea that no person on this planet should be allowed to go hungry. The organization was founded Sept. 3-5 in Chicago. By Nov. 6, Food for Peace had 20 such regional conferences, with a second international conference scheduled to take place in Chicago on Dec. 10-11.

Most Americans, since the end of World War II, have understood that the United States has developed the technology that would enable U.S. farmers to be able to feed the world. Yet, the sponsors and founders of the new Food for Peace movement have concluded that, 40 years later, not only have hunger and malnutrition increased dramatically around the world, but the increase in the United States alone is cause for alarm.

Thus, since the founding conference of Food for Peace, participants from the United States and other countries, have held conferences around the country to expand the Food for Peace movement. John Neill, a farmer from New Zealand, kicked off the mobilization by touring farm areas of Texas, Ohio, Indiana, and Pennsylvania. Neill told U.S. farmers of the deteriorating conditions in New Zealand, once an agricultural exporter, which now produces only one-fourth of its own food requirements.

He warned American audiences that the financial circles behind the destruction of New Zealand's agriculture, embodied in "New Zealand 1990," are also behind the "Europe 1992" proposal that would eliminate all barriers to financial looting of European agriculture. This same perspective would also succeed in bankrupting the American family farmer, unless common principles to prevent this patriots in every advanced-sector nation.

Following Neill's tour, three European farm leaders accompanied by American Food for Peace spokesmen Marcia Merry and Lawrence Freeman, addressed conferences in both urban and rural areas of the United States. Merry and Freeman both stressed that the family farmer, the cornerstone of modern agriculture, will be eliminated, unless there is an international mobilization of citizens to reverse the policies

that have caused the current crisis in agriculture, with food shortages so acute that they could lead to war. An example of this is the current unrest in East bloc countries such as Poland and Yugoslavia.

The farm leaders blame the agricultural crisis on the policies of the U.S. Department of Agriculture; General Agreement on Tariffs and Trade (GATT); the Trilateral Commission; the International Monetary Fund (IMF); international financial institutions, and the international grain cartel companies, such as Daniel Archer Midland and Cargill.

## Food banks being shut down

In the cities of St. Louis, Missouri; Houston, Texas; and Seattle, Washington, Food for Peace meetings featured spokesmen from area food banks. Such food banks been set up to distribute surplus food to needy people. These spokesmen reported conditions that destroy the myth of "overproduction" and "surpluses," by describing not only a decrease in the amount of surplus foodstuffs they are receiving, but the total lack of staples such as milk powder, cheese, and grains.

A Seattle area administrator of a program to distribute food and medical aid for small Indian reservations reported that tribes in the immediate area are living in Third World conditions of dire poverty. The government has cut payments to her office by 60%. Each tribe of 1-2,000 people now gets \$100 per month for emergency food and medical aid.

Often, the administrator said, she has to decide whether to give an extra \$10 to an elderly person who needs medical supplies, or to a child whose only source of food is the school lunch program.

Representatives of food banks also spoke at the Houston Food for Peace meeting. One was a minister who had made a public appeal through the *Houston Chronicle* for food donations the previous week. He has had to shut his pantry down three times this past year for lack of available government "surplus" food.

Another woman who runs a suburban food pantry said she has a capacity to feed 700 families, but the need is closer to 20,000. She stressed that she supplies people in middle-class neighborhoods. Yet, she can no longer get surplus food



## Food for Peace Conferences in 20 Cities, October 1988



from the government, nor can she get food from the major food banks, such as Second Harvest, but must seek donations to buy food from supermarkets.

A woman from Los Angeles who runs a food bank for the Catholic Church reported that her normal suppliers have run out and even they cannot buy food. Claude Jones, chairman of the Harris County (Houston) Democratic Party commented that one-third of the people in Houston are hungry. A similar report was presented by a food bank representative at the Seattle meeting who said that 40% of all the schoolchildren in the state of Washington are hungry. The head of a food bank in St. Louis reported that 19,000 families in that area are dependent on food from food banks. One farmer in Moline, Illinois, reported that a food bank for farmers in his area was empty.

### The situation in France

The situation in Europe is parallel to that in the United States. Where 20 years ago, farmers active in groups like the National Farmers Organization reported that they had dumped

milk as a tactic to drive the price up, they found instead the price went down. Today, out of desperation, French farmers are trying similar tactics, according to Aline Cotten, a French farm activist from Brittany, who spoke at a number of U.S. Food for Peace meetings.

Miss Cotten said she became motivated to work with the Schiller Institute's Agriculture Commission in Europe, which shares the goals of Food for Peace, as she saw the farm crisis in her native Brittany worsening. She told an audience in Erie, Pennsylvania, that farmers in France are subject to the same kinds of threats and penalties U.S. farmers face for "overproducing."

"The government tells you how much to produce and bankrupts farmers who overproduce by imposing penalties. The farmers have responded with futile, desperate actions: They puncture tires, or try to hijack milk trucks and hide them. They mistakenly think that by doing this, the government will rescind their penalizing policies.

"This is why Food for Peace is indispensable in France," Miss Cotten said. "People are that frustrated. We have to

show them we can change things and win. The quotas are lowered every year in France. Farmers are told to produce less and less. We need a global approach among patriots. If people don't become political and don't organize for political actions, all will be lost," Miss Cotten declared.

### **West German environmentalists**

In West Germany, the problems are also compounded by environmentalists. Dairy farmer Edmund Belle told audiences in Louisiana, Minnesota, Illinois, Wisconsin, and Ohio how the environmentalist movement in West Germany has been able to force production cutbacks. Laws have been passed to prevent fertilizer use on land that lies near the water table. If the nitrogen content in groundwater tests at more than 50 milligrams per liter, the land is taken out of production. So far, thousands of acres have been taken out of production for this reason.

According to Belle, the income of the family farmer has dropped by 27% while multinationals like auto giant Daimler-Benz are receiving subsidies from the European Community to go into hog production in Spain. Other multinationals are raising beef cattle in Brazil. Belle said, "We should be using food as a positive weapon for peace. We need to be producing 2.6-2.7 billion tons of grain per year. We must have this expansion because of the threat posed to world peace by the collapse in Soviet agriculture, and the need to provide food to nations like Sudan and Bangladesh which are on the brink of extinction due to starvation and disease."

He also described the pricing system through which the Soviets loot Western European economies in order to subsidize their current military gear-up. For example, the U.S.S.R. pays half a deutschemark per kilo for butter, he said; the European consumer pays 12 deutschemarks per kilo.

The situation in the Third World is even worse. Countries such as Egypt, which 20 years ago were nearly self-sufficient in food production, today are in dire straits. At a Sacramento, California Food for Peace meeting, Professor El Mullah, from the Egyptian Consulate in San Francisco, told how the developing nations of the world in the 1940s and 1950s held the U.S. in high esteem, when the U.S. was supplying them with food, and their nations held the promise for development.

Professor El Mullah said when he left Egypt in 1963-64, Egypt was almost self-sufficient in food production. Today, Egypt produces only half of its national requirements. Currently, its people live on a diet of bread and beans. Once a week they might have chicken or lamb.

Dr. Fred Wills, former foreign minister of Guyana, also shed some light on the reasons for the plight of countries like Egypt. He recounted the history of the founding of the Bretton Woods system after World War II, and its chief financial agency, the International Monetary Fund, offspring of the United Nations. The policies of these agencies are directly responsible for the world's poverty, Wills said.

They tell developing nations not to grow food, that their problem is overpopulation. They tell the advanced sector not to produce, that the problem is overproduction. "Seventy-five percent of the world's population is hungry. They tell you not to produce. This is immoral," Wills emphasized.

Farmers at every meeting acknowledged that a recovery is impossible unless policies in the advanced sector are changed. They stated that the effects of last summer's drought, if not the drought itself, will continue for at least another year, because the lack of moisture in the ground will affect next spring's planting.

Andrew Olson, a grain farmer from Minnesota who also ran for Congress as a LaRouche Democrat, said that his crop this year was 35% the size of last year's, and that he does not expect the situation to improve.

A farm leader in Illinois said the drought had so dried the soil this year, that farmers in his area cannot apply fertilizer. In addition, one of the major seed companies in his area is out of seed wheat because of the drought. So many of the farm-related industries have closed down, that combines needing repair had to sit idle during harvest for lack of spare parts. "If there were a normal crop, could we have harvested?" one farmer said. "The concern I have is the ability to produce as farmers are being destroyed," said another.

### **Water projects**

Two issues that beg for legislative action were also discussed at many of the Food for Peace meetings. Several meetings showed a 20-minute videotape of the North American Water and Power Alliance (NAWAPA), a proposal to divert north-flowing water from Canada and Alaska to the United States and Mexico, made by the Ralph Parsons Engineering Co. in the early 1960s. The proposal, unfortunately never adopted, represents the foresight of some people who knew 20 years ago that America needed to increase her supply of water, to avoid severe water shortages in the 1980s. Food for Peace members resolved to push for emergency legislation to build the NAWAPA project.

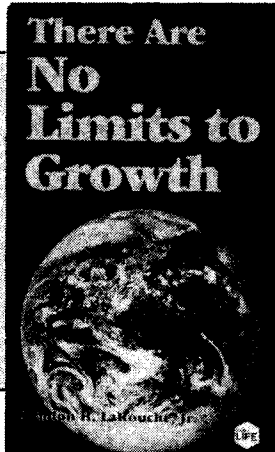
The other issue is the collapse of farm prices, and the immediate remedy, paying farmers a parity price. According to Don Eret, a former Nebraska state legislator who addressed the Nebraska Food for Peace meeting, the policy of paying farmers a parity price—the actual cost of production—was discontinued under the Eisenhower administration, because of pressure to adopt "free trade" policies exerted by the major grain cartels.

This one action had major consequences for all society, Eret said. It is ultimately responsible for the bankruptcy of two-thirds of U.S. farmers since World War II, as well as the elimination of farm-related industries, including farm equipment manufacturers, seed companies, and fertilizer and pesticide manufacturers. Eret stated that the Food for Peace movement will sponsor legislation calling for parity prices to be paid to farmers, as part of its mobilization.

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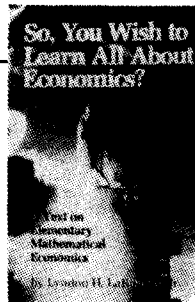
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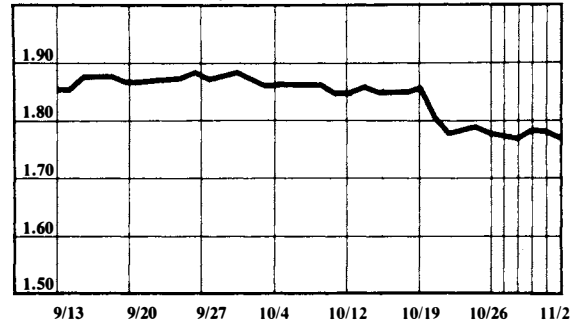
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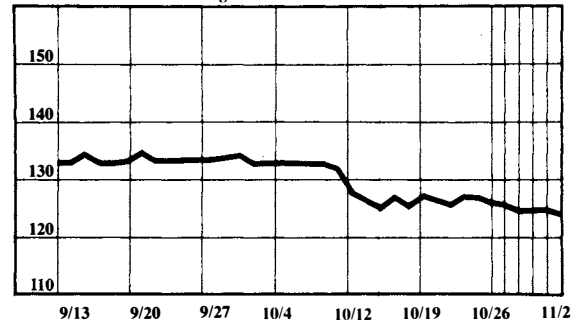
**The dollar in deutschemarks**

New York late afternoon fixing



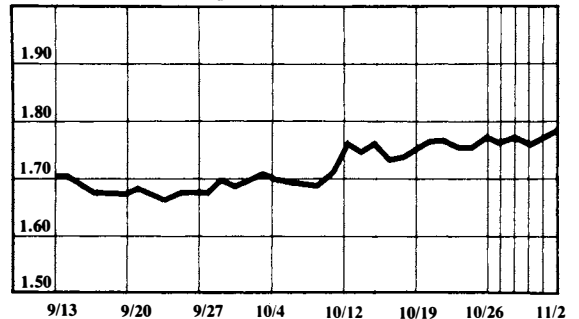
**The dollar in yen**

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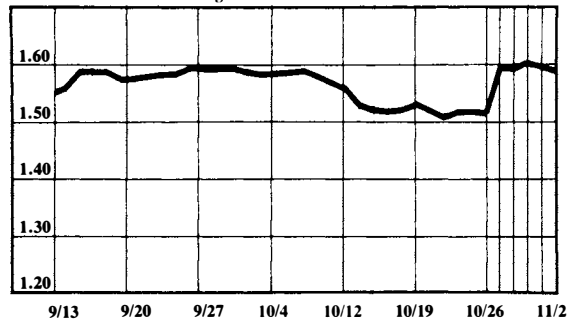
**The British pound in dollars**

New York late afternoon fixing



**The dollar in Swiss francs**

New York late afternoon fixing



## Feeding 15 million hungry children

*A farm mobilization will be required, quite the contrary of USDA policies to reduce "food surpluses."*

**A**t the end of October a report was released in Washington, D.C. by the Urban Institute, releasing statistics that show the United States has a higher proportion of children living in poverty than seven other industrialized democracies. The report states, "The poverty of American children contrasts glaringly with the poverty of the young in every other country but Australia."

These children are deprived of every necessity, but in particular, they have inadequate diets at a time when the policy of the U.S. Department of Agriculture seeks to prevent the buildup of food "surpluses."

At least 15 million children are reported to be hungry in the United States from past census surveys, but the current number is probably over 20 million children, both because of the general impoverishment rate of families under the layoffs and dislocations of the "Great Recovery," and because of the decline in food supplies available through the charity channels.

In the city of St. Louis, for example, which is typical of hundreds of large urban areas, the number of families asking for food assistance increased from 14,000 in January this year, up to 19,000 in June.

The international child poverty study used comparative data for 1979, and found that about 17.1% of U.S. children live in families with income below the poverty line, and who have access to fewer compensating benefits for their health and welfare. According to the criteria—which were based on U.S. definitions and dollar cut-offs for measuring poverty—the other nations ranked as having the following

percentages of their children living in poverty families: 5.1% in Switzerland, 8.2% in West Germany, 10.7% in Great Britain, and 16.9% in Australia.

The study was carefully devised to use the "market basket" approach in each nation, to prevent currency exchange rates from distorting the situation. This same yardstick is used as a measure of "purchasing power parity" by the Organization for Economic Cooperation and Development.

Child welfare experts concur that the picture is no better today, and very likely it is worse. Last year the Census Bureau calculated that 20% of U.S. children were in households below the poverty line, much higher than in 1979. Making matters worse, these children have access to fewer medical benefits than those in the other nations surveyed.

A calculation of the amounts of food required to provide 15 million children just one square meal a day over and above their current inadequate daily diets shows dramatically how immoral the current Washington policy to "downscale" U.S. farming is. If all U.S. households had the purchasing power to afford the kinds of foods they needed and wanted, there would be empty shelves in the grocery stores right now. Look at the calculations for the farm inputs of livestock and crop acres needed to meet just this "one square meal a day" approach.

To provide each of the 15 million children a tall glass of milk a day for a year requires about 1.248 million tons of milk output, or about 152,500 good, producing dairy cows.

To provide each of the 15 million

children a daily serving of vegetables requires about 463,630 tons of vegetables, from at least 565,600 acres of truck gardening.

To give each child a daily 3-ounce portion of beef for a year requires 464,000 tons of table weight beef, which would require at least 1,632,500 slaughter animals, not counting the breeding stock to be maintained, and so forth.

For just a slice of bread per child a day for 15 million children a year, requires 47,727 tons of wheat a year, which requires 47,730 crop acres. Similarly, for the oatmeal cookie dessert, another 35,000 crop acres are required.

Overall, assembling the food to give the 15 million hungry children merely one decent meal a day for the year defines a farm expansion of factors of production including: 152,500 dairy cows; 1,632,500 beef cows; 82,730 acres of small grains; and 565,600 acres of vegetables.

At present, all of the factors are short—even relative to the current deficient levels of consumption nationally. For example, due to the federal "Dairy Herd Termination Program" and to the drought and the farm crisis, there is a milk shortage now in the nation. Fresh milk is being shipped long distances to meet the demand for fluid milk, but cheese factories are unable to get enough milk, and many are shutting down, never to reopen. In early October, James Barr, the director of the National Milk Producers Federation, called for a "national debate" on the inadequacy of the USDA-mandated levels of national dairy product reserves because of the current crisis.

Oats are now so short in the U.S., that they are being imported. Yet the USDA has mandated a 5% oats land acreage set-aside for 1989, to "prevent possible oversupply."

## Soviets face new oil crisis

*The cost of producing exportable gas and oil is soaring, while the prices they receive in the West are collapsing.*

**R**ussia is now facing a severe crisis in energy production. So far it has remained beneath the surface, as total oil and gas output holds at 1984 peak levels. But, according to Western European experts, in the coming two to five years, Moscow will be in a devastating energy "scissors crisis."

During the 1970s, "boom years" of soaring Western energy prices, Moscow made a mammoth commitment of its scarce industrial resources to exploration and development of its oil and gas reserves. The result was an impressive 36% increase in crude oil production from 1973 to 1981, making Russia the world's largest single producer of oil at 12.5 million barrels per day—significantly larger than Saudi Arabia. Pipelines stretching 2,780 miles were extended to Western Europe from the vast Urengoi field in the Arctic Circle, to annually pump some 30 billion cubic feet of Siberian natural gas to West German, French, and Italian industry and homes, built on credits from German and French banks.

The cost of that mammoth project alone was estimated to far exceed \$10 billion. But it seemed worth the cost. By 1981 world oil prices had peaked at between \$36-40/barrel and Western Europe needed natural gas. By 1982, Moscow reported that Western oil and gas sales had gained them \$45 billion a year, and were increasing at a rate of 15% annually. Fully 80% of Russian hard currency earnings was coming from the export of oil and gas.

The problem is that, by 1988, fully 80% of Soviet hard currency revenue, by best Western estimates, is still de-

rived from these sales, but the earnings are declining. This is forcing sharp cuts in imports of Western machinery and industrial goods, which are increasingly needed to offset staggering technical and infrastructure problems in maintaining the oil and gas flows. It was already the case by the mid-1980's that Moscow was dumping an estimated 2 million barrels a day onto already surfeited Western markets, to capture and hold market share and revenue amid falling prices.

When Saudi Arabia detonated the reverse "oil shock" of 1986, by flooding the world with its oil, Moscow was hit with a devastating blow it could ill afford. As early as mid-1984, according to a report by the Swiss oil consulting firm Petroconsultants, the Soviet Ministry of Petroleum had initiated a crash program to remedy problems in oil production in Tyumen, while output from the Komi Autonomous Republic field was half that planned. The collapse of export earnings from oil and gas severely restricted the ability to finance needed infrastructure and new exploration.

The results have just begun to show. Over the next several years, they should become crippling, further encouraging political and likely military reactions from Moscow.

The entire 1970s long-term investment strategy of the Soviet Petroleum Ministry was based on expectation of ever-increasing revenues from exports. Costs were considerable, but so, too, appeared the benefits. Plans were based on expectation of continuing the rate of discovery of huge accessible oil and gas fields equal to the

giant fields in Eastern Siberia developed in the 1970s.

The problem for Moscow is that reality did not oblige the planners. New fields in Western Siberia and the North Caspian Basin have been developed at skyrocketing costs, according to Western European petroleum engineers familiar with the Soviet industry. All fields developed since the mid-1970s have been of small to medium size, necessitating the drilling of many more wells for the same volume of oil. And the new wells have also been deeper and more difficult to develop.

The result is that the marginal per barrel cost of the oil now replacing the older depleted reservoirs has soared. Conservative estimates are that drilling costs have increased fully 100% per well drilled since the end of the 1970s.

The annual output of the new North Caspian Sea field is approximately one-third that of the older Siberian reservoir. But worse, while Western Siberian oil lies at a relatively accessible average depth of 7,500 feet, that of the Caspian is estimated at 15,000 feet or deeper. Costs of drilling, owing to the enormous pressure and temperature problems and snapping of drill pipes, increase exponentially with depth.

The new fields also have many associated problems, such as gas intrusion, which often cause deadly explosions in the wells.

So, the Russian non-military economy is simply not able to produce needed equipment, and hard currency to import it is disappearing, as Western oil prices have plummeted from \$40 per barrel seven years ago, to \$12 this September.

In this situation, it is no wonder that Moscow is dramatically increasing its menacing presence in the Persian Gulf, especially in Iran.

# Business Briefs

## Debt

### Ibero-American heads embrace the IMF

Seven leaders of the so-called Group of Eight Contadora Support Group leaders (Panama was suspended) met in Punta del Este, Uruguay Oct. 27-29, and agreed to drop all pretense of confrontation with the creditor nations. While blustering in speech after speech about the damage that tens of billions a year in debt service has done to their economies, the Presidents of Brazil, Mexico, Argentina, Venezuela, Colombia, Peru, and Uruguay proposed nothing concrete beyond convoking a meeting in December of their respective finance ministers to try to come up with a list of possible debt reduction measures to present to the industrialized countries.

The real content of the meeting was revealed by Brazilian Finance Minister Maílson da Nóbrega, who commented, "All the participants in the meeting were in agreement that only those countries which had adopted economic adjustment programs could participate" in any debt relief schemes they might achieve. The "adjustment" programs referred to are precisely the austerity measures dictated by the International Monetary Fund that have wreaked havoc on every economy in the continent since 1982.

The final Declaration of Uruguay absolves the international banks and the IMF of their primary responsibility for creating economic disaster, saying, "We acknowledge that our development basically depends on ourselves. Our region is responsibly and firmly confronting the most serious crisis of its history."

Behind the scenes, according to Brazilian diplomatic sources, U.S. Secretary of State Shultz told Brazilian Foreign Minister Paulo Tarso Flecha de Lima that President Reagan might be willing to meet the seven heads of state before leaving office. Clearly, the Presidents have opted to work with the creditor nations for cosmetic changes in their debt payment schedules, against the interests of their own peoples in overthrowing the entire IMF financial regime.

## Agriculture

### NFO chief adopts cartel policy line

Devon Woodland, president of the National Farmers Organization, speaking to about 100 farmers at the North Dakota state NFO meeting Nov. 1, attacked Canadian and European farmers for receiving subsidies. "If we can't get Canada to drop their subsidies, how can we get Europe to drop theirs?" he said.

It has been a principal aim of the food cartel companies (Cargill, Continental, etc.), operating through such agencies as the Tri-lateral Commission, to eliminate all subsidized farming, on the way to abolishing the independent family farmer worldwide, and to pit one nation's farmers against another, to better ruin both. "Farm leader" Woodland appears to be just another cartel spokesman.

He professed to oppose U.S.-Canada "free trade" legislation, but only from the point of view of its imputed preferential treatment for Canadian farmers.

Woodland said that we are "in an information society. It's our job to provide information on the markets."

There is strong opposition to Woodland from several state NFO leaders, and sparks may fly at the national NFO conference in Kentucky in November.

## Trade

### Germany, China sign accords

Several joint ventures on cooperation in the high-tech sector were signed between West Germany and China, on the occasion of German Foreign Minister Hans-Dietrich Genscher's early November visit to Beijing.

The German Siemens corporation will work with the Beijing Wire Communication Plant on the installation of a digital, computerized telephone grid with 300,000 units. The deal includes know-how transfer from Siemens to the Wuxi Microelectronics

Complex on integrated computer technology. Siemens will also train 100 Chinese in communications technology, both in Germany and at a new training center which is to be built in Beijing.

The German firm MBB signed a contract with China National Aero-Technology Import and Export Corporation on the joint development and construction of medium-sized aircraft. The project is called MPC-75 and includes massive transfer of German aerospace technology to the Chinese.

The two companies will also cooperate in projects on wind energy.

## Austerity

### Brazilian inflation continues to rise

Brazilian inflation continues to rise despite that government's best efforts to meet International Monetary Fund conditionalities, and it is rising in a way that is devastating to the poor.

In October, Brazil registered a 27.3% inflation rate. Inflation for November is forecast to be 35% overall. But prices for basic foodstuffs were rising much faster, with cereals and bread up 43% and beans, a staple, up a whopping 75%.

The result has been predictable. Incidents where there was looting of supermarkets by desperate people trying to get enough food to stay alive have been reported from different parts of the country.

The government, meanwhile, has done nothing, but it is generally assumed that as soon as municipal elections are held in mid-November, the government will come down with a harsh new austerity program that will lower wages still further.

The business community and the IMF are demanding that wages be de-indexed from prices. That would cause an overnight reduction of real wages by between 10% and 30%.

The internal public debt has also risen 45% in 1988, and the black market cruzado, the Brazilian currency, is now 66% above

the official exchange rate, which is fueling capital flight.

## Banking

### S&Ls conference attacks deregulation

Proposals for the re-regulation of the banking system were put before a closed door meeting of the U.S. League of Savings Institutions in Honolulu Oct. 31.

The USLI wants to get rid of several of the "innovations" which have undermined the banking system since 1982. Among them: repealing regulatory permission for thrifts to put up to 40% of their assets into commercial real estate loans; repealing their ability to put unsecured loans into junk bonds; and changing regulations concerning how much of net worth can be put into real estate secured loans.

Participants heard USLI chairman Theo Pitt launch a strong attack on the deregulation of the thrifts and financial services, which he argued is the cause of the current crisis of the thrift system. Since the crisis is not the thrifts' fault, but the government's, he said, the government should take responsibility, not the thrifts. He said the thrifts were no longer prepared to fund rescue operations by the Federal Savings and Loan Insurance Corporation, leaving the possibility open that more will follow in the footsteps of California's Great Western.

On the eve of the conference, Great Western, the nation's third largest S&L, announced it was leaving the FSLIC for the Federal Deposit Insurance Corporation. The reason: The bank refuses to pay the extra levy demanded of sound thrifts to finance the insolvent and bankrupt ones, and refuses to accept the costs of being an S&L in interest financing costs.

With \$20 billion in deposits, the thrift is one of the soundest banks in the country. Its departure portends the flight of all sound thrifts.

Pitt laid out a sound alternative, however: a reorganization package that would separate the thrifts from crazy-paper crea-

tive financing and get them back into deposit-taking and mortgage-lending. Joe Morris of Columbia Savings in Emporia, Kansas, called that the "never again" approach.

## Defense

### Plant closing a threat to Shuttle, MX

The shutdown of the Avtex Fiber plant in Virginia in early November could pose a national security threat. The plant, which is the largest rayon manufacturing facility in the United States, produces a fiber which is used by the Morton Thiokol Company in building Shuttle booster nozzles and parts for the MX missile.

The plant, in Front Royal, Virginia, shut its doors on Nov. 2, putting 1,300 people out of work. Company chairman John Gregg cited "increasing foreign competition" as the chief reason for closing the plant. But liberal Virginia Attorney General Mary Sue Terry filed a \$19.7 million law suit against the company one day before it shut down for alleged environmental violations.

According to the *Richmond Times-Dispatch*, the attorney general's office had been negotiating with Avtex to correct water and air pollution and worker safety violations since March 28. It is likely that it was prohibitively expensive for the company to have the 50-year-old plant meet the standards.

According to a spokesman from Morton Thiokol, the company has enough material on hand for 10 more Shuttle flights. This would take the Shuttle program only to early 1990, if the plant is not back in operation by the spring of next year. These 10 include the next mission, STS-27, scheduled for launch in November. According to press reports, other aerospace contractors, NASA, and the Defense Department have been talking with Avtex officials to see what can be done.

Jim Thomas, assistant solid rocket motor program manager at the Marshall Space Flight Center, told the *Times-Dispatch* that the closing, which caught NASA by surprise, "will jeopardize the space program if we do not figure some way to get Avtex Fiber back on line by spring."

# Briefly

● **THE AMERICAN** Bankers Association, the Independent Bankers Association, and others, have combined to appeal an Aug. 23 Washington Appeals Court ruling permitting banks to move into new areas of activity, like insurance and real estate, on condition the Federal Reserve approves. It seems the Federal Reserve does not approve, and has been given undreamed-of powers to regulate banking, including at the state level.

● **THE VENEZUELAN** Finance Ministry has announced it is negotiating a \$1 billion loan to replenish foreign exchange reserves, guaranteed against future oil sales. U.S. oil firms, for example, will not pay Venezuela directly for oil, but deposit the money in a trust fund in a New York bank, which will make monthly payments to creditors.

● **OUTRAGE** has exploded in Mexico over recent comments by top banker Agustín Legorreta that a worker should be able to live on 8,000 pesos a day. Labor leaders, newspapers, and senators have invited Legorreta to try to live on that amount himself, saying a worker needs at least six times that much for a minimal existence.

● **NEW ENGLAND** business leaders, surveyed by the Coalition for Reliable Energy, are fearful of electricity shortfalls harming their firms, and nearly all favor start-up of the Seabrook, New Hampshire nuclear plant; 85% said they would not be willing to countenance power reductions during peak periods, even in exchange for rate reductions.

● **MACMILLAN, INC.**, the New York-based publishing company, surrendered on Nov. 3 to a takeover bid by Maxwell Communications Corp., of British magnate and "Trust" operative Robert Maxwell.

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## The SDI: Is it going anywhere?

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*Carol White reports on the latest budget-cutting “restructuring” of the Strategic Defense Initiative, emphasizing a system that will be obsolete before it is deployed.*

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The Strategic Defense Initiative, along with other essential features of a strong national defense, has been a key issue in this presidential campaign. While George Bush has reaffirmed his commitment to the SDI, in contrast to Michael Dukakis, who would reduce the program to a mere research effort, a practical question still remains. Is the pace of the program being slowed to the point that it will be *de facto* reduced to a mere research effort—either to appease Soviet objections, or reduce the defense budget to “acceptable” limits?

On Oct. 6, the Department of Defense announced the conclusion of the Defense Acquisition Board, that costs can be cut on the SDI by reducing the cost of the space-based interceptors (SBI) from \$52 to \$18 billion. SDIO chief Gen. James Abrahamson confirmed this estimate in his testimony before Congress. General Abrahamson claimed that the main features of the first stage deployment will be preserved. Nevertheless, we can justly surmise that the proposed further cuts in the program have occasioned his resignation as its director.

In a written release to the press, the Defense Acquisition Board summarized the proposed changes as follows: “First, we were able to increase the performance of each individual SBI by using more capable seeker technology and design. This, together with shifting more of the burden to the lower cost Exoatmospheric Reentry-vehicle Interceptor Sub-System [a mid-course, ground-based interceptor]—which was increased in inventory by about 70%—enabled us to cut the size of the SBI constellation [the number of interceptors] in half.

“Over half of the SBI cost reduction is due to these factors alone. Removing a number of support functions from the SBI carrier vehicle, the ‘garage’ that carries the interceptors, was

the other major change. Centralizing battle management, command, control and communication and the tracking system on the Space Surveillance and Tracking System is also responsible for a decrease in the costs. Additional sources of SBI cost reduction include changing the manner in which the system responds to defense suppression attacks as well as the direct impacts of lower-cost, more producible interceptor component technologies.”

On the same day, Oct. 6, General Abrahamson testified before a joint hearing of the House and Senate Armed Services Committees regarding the restructuring of the SDI. He stated that deployment of the SDI would be put back to the latter half of the next decade, but others connected to the program have estimated the date to be more likely even later—into the next century. Industry spokesmen point out that the program now is at least two years behind schedule in developing already-proven technologies. This is because of the stretchout imposed by previous budget cutting, plus uncertainties about the present budget, which cut back SDI funding, and originally, also mandated diversion of funds to Sen. Sam Nunn’s Accidental Launch Protection System (ALPS). (This congressional directive was dropped after President Reagan vetoed the budget.)

There have been significant technological improvements in the program; however, the substantial reduction in the budget, which General Abrahamson said was mandated by the Joint Chiefs of Staff, goes far beyond any cost-cutting due to technology-based savings. In his testimony, Abrahamson stated that the estimated cost of development and deployment of Phase I of the SDI, which had already been reduced from \$145.7 billion last year to \$115.4 billion in June, could now be reduced to \$69.1 billion. One effect of this restructuring of the program would be to shift the emphasis from



space-based to ground-based defense, which would reduce the capability to strike out enemy missiles while they are in the boost phase. This shift alone, according to testimony by Undersecretary of Defense Robert B. Costello, would save \$34 billion. The kind of changes reported on, which would further centralize command and control, could also make the system more vulnerable to enemy disruption.

In 1982, when Lyndon LaRouche and his associates were stumping the country for the program, which was eventually adopted, in part, as the Strategic Defense Initiative, LaRouche called for a ten-year \$200 billion program. It is of parenthetic interest that Caspar Weinberger, only two years ago, agreed with the early 1990s time frame for deployment of the first phase of the system.

Initially, President Reagan requested \$26 billion for the first five years of the program—approximately one-quarter the amount suggested by LaRouche. In fact, the SDI has received only \$15 billion during its first five years. According to press reports, Abrahamson was pressured to reduce budget estimates for the second half of the program, by the Joint Chiefs of Staff, who claimed that no large five- or even ten-year program, can expect a total budget of more than \$60 billion.

### **A crash program?**

LaRouche's proposal called for a "crash effort" to build the SDI. He predicted, upon the basis of the experience of the Apollo program, that such an effort would more than pay back its costs by the generation of new technologies which would spin off into the civilian economy. (It is calculated that minimally, America made back \$10 for every \$1 spent on the research needed to land an American on the Moon.)

In March of 1983, President Reagan also conceived of the SDI as a kind of Manhattan Project crash effort. It is this conception, more than anything, which has been whittled away over time. Costello described a later stage of the process, in the Oct. 6, hearing. He said: "SDI was initiated in Fiscal Year 1985 with a streamlined management approach [and] did not fall under the department's normal acquisition process." In other words the program was considered to be a crash effort. "But," he continued, "the cost projections were too high. . . . By February 1987, the program was brought into the normal acquisition process."

The budget figures for the Manhattan Project itself are a useful point of reference. In the first 10 years of the program, development of the atomic bomb cost the United States \$120 billion in 1985 dollars. This gave the United States unchallenged supremacy.

During the Second World War, this sense of mission orientation was not restricted to the Manhattan Project. In a recent account of the history of the Bechtel Company, *Friends in High Places*, author Laton McCartney reports on an exchange between a War Department spokesman and Sen. Harry Truman's subcommittee investigating the national defense program. Truman was forced to concede defeat in his attempt

to prove that Bechtel was wasting money in the construction of an oil pipeline to Alaska.

In answer to the question of what the original estimate of the cost of the project was, department spokesman Graham replied, "On war projects, I never make an estimate." The question was re-phrased; who made the estimate? The answer was, "None was made that I know of." Petty-minded would-be cost-cutters were defeated, because that was a war which Americans intended to win.

It is worthwhile remembering that despite this, or rather, because defense spending was mission-oriented rather than budget-bound, the U.S. economy was exceptionally healthy at the close of the war.

### **Soviet SDI deployment**

In the *Washington Times* Oct. 13, Caspar Weinberger wrote an article entitled, "SDI," in which he reiterated the strength of the Soviet research in anti-ballistic missile defense. Weinberger suggested, among other things, that remaining within the constraints of the ABM Treaty was not in the national interest of the United States. He optimistically projected that even despite lost time, the United States would be in a position to begin deployment of the SDI in the mid-1990s.

In this article, the former Secretary of Defense reiterated the Reagan vision of the Strategic Defense Initiative as a means of moving away from the insane policy of deterrence toward one of Mutually Assured Survival. He said, "SDI will play a central role in our defenses in the 1990s, if we go ahead with it with the firm resolution to deploy it as soon as possible. It provides a far safer way to keep the peace, moving the world away from the threat of Mutual Assured Destruction, and toward a greater reliance on defensive systems."

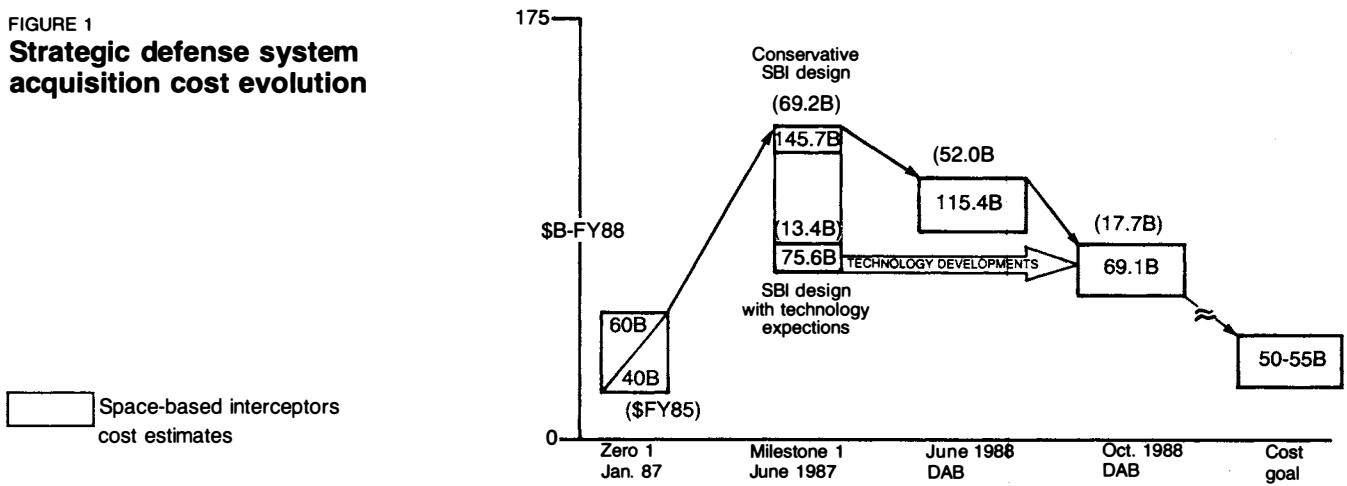
Weinberger pointed to the scale of investment by the Soviets in their own SDI, writing, "The U.S.S.R. is deeply involved in its own strategic defense initiative and has been for nearly two decades. The Soviets are doing advanced work on laser weapons, involving 10,000 scientists and engineers and costing about \$1 billion a year. The Soviets have already constructed several ground-based lasers capable of damaging our satellites. Overall, the Soviet Union has spent \$150 billion on all forms of strategic defense in the last 10 years alone while purporting to adhere to the Anti-Ballistic Missile Treaty, and loudly decrying any effort we make to acquire defense against their missiles."

Contrast Weinberger's statement of purpose of the SDI, and the documented extent of Soviet deployment, with the view of SDI being enforced upon the program by the Joint Chiefs of Staff. The testimony before the joint committee hearing on Oct. 6 by a spokesman for the Joint Chiefs makes it clear that their chief concern is protecting pet projects of their own which they feel are competing with the SDI for funds.

Truly it is tragic, when this is the prime concern of the military command of a nation.

FIGURE 1

**Strategic defense system acquisition cost evolution**



The following excerpt is from the testimony of General Herres.

“Phase I performance has been established at a level which in our judgment provides the minimum capability required to begin making a contribution to deterrence of Soviet strategic nuclear attack. We think of it, the Phase I requirement, that is, as a threshold beyond which a strategic defense system becomes a factor in the nuclear deterrence process. Now, there are other spinoffs of this requirement, I’m sure you will want to discuss some of those, one of which, of course, is a limited protection system, protection against accidental launch, protection against other kinds of threats. But the fundamental approach that we’ve taken in defining the goals and objectives and the operational usefulness of this system, is deterrence of Soviet nuclear attack.

“Phase I is not an objective system. It must be regarded as the first militarily useful step toward an objective system. That’s not to say, however, that an incremental approach to achieving the desired Phase I capabilities is inconsistent with the requirement. But rather, that one should not expect a militarily significant contribution to deterrence until the Phase I requirement can be met.”

The present best configuration of the first phase of the program emphasizes miniaturized, computerized antimissile missiles as the first possibility for defense. These would be the space-based smart rocks (to be followed by brilliant pebbles) described by Lowell Wood this past spring. In an interview for the San Jose, California *Insider*, run on the week of Sept. 15-21, Edward Teller is quoted as calling for immediate deployment of these smart rocks. This is not the cost-cutting Phase I deployment presently being considered. Even so, it is seriously flawed.

As our recent series of articles on the x-ray laser, following the release of the Teller/Woodruff correspondence has demonstrated, the SDI program is badly off track insofar as it is vectored toward priority development and deployment of kinetic energy weapons (KEWs), or, as they are sometimes known, kinetic kill vehicles (KKVs), as opposed to directed

energy weapons (DEWs). For example, the Zenith Star program has been placed on hold for the past seven months, while budget questions were being battled out. This is a spaced-based laser deployment, which, given the present state of U.S. rocket power, would have to be deployed in two stages. It is now scheduled to resume only in February of next year.

It is now absolutely clear that the x-ray laser can provide us with a defense capability against missiles both in their boost and midcourse phases of flight. Competent scientists in the field estimate that we could have prototypes of directed energy weapons developed within a five-year period. This would include the x-ray laser, nuclear-pumped ground-based lasers in the optical range, the free-electron laser, and some space-based chemical lasers. Such a profile would indeed achieve the goals specified in President Reagan’s original program, and with recent developments in adaptive optics, is now eminently feasible.

One can reasonably estimate that the Soviets will deploy 10 times as many decoys as reentry vehicles, giving the United States 10,000 objects as targets. Each such target will be viewed by approximately 10 sensors, from either space or the ground. This information will be fed to computers who will be required to make decisions on tracking of missiles, etc., in real time. This is a terrible vulnerability for the proposed KEW system.

Had the SDI been moving ahead at full steam toward the deployment of “brilliant pebbles,” *EIR* would have found it to be flawed, but there would have been reason to support such a first-phase deployment. The present restructuring suggests that it is the whole approach of subordinating the development of directed energy weapons to the deployment of anti-missile missiles, which should be scrapped. The time for compromises with second-best has passed. The Soviets are developing their own x-ray laser capability, and will possibly be capable of deploying it within the next several years. Why should we guarantee that our own system will be obsolete in advance of its deployment?

# The probable design parameters of the nuclear-powered x-ray laser

by Charles B. Stevens

*In Part I of this report (EIR Vol 15, No. 44), we undertook a detailed technical analysis of the letters and reports released this past summer, in the wake of the latest controversy surrounding the hydrogen-bomb powered x-ray laser. These documents and that analysis demonstrated that most of what has been publicly presented by others in the way of technical assessments of President Reagan's Strategic Defense Initiative (SDI) program, first announced on March 23, 1983, has been way off the mark.*

*Almost all of these so-called "technical" assessments have been off the mark by as much as a factor of one million! And, despite the recent release of an overwhelming amount of previously secret data and assessments, most scientific and technical journals are still publishing distorted reports, to the effect that the x-ray laser does not work.*

*In any case, what is true is that the nuclear-powered x-ray laser has tremendous firepower potential—one module potentially capable of knocking out the entire ballistic missile fleet of the Soviet Union. In this, the x-ray laser categorically demonstrates the efficacy of Lyndon H. LaRouche, Jr.'s design of the SDI policy. And even so, as Edward Teller emphasizes, the x-ray laser is certainly not the only potential defensive weapon, and is possibly not even the best one.*

*Yet, it is sadly the case that the West has failed to actually adopt the policy required in regard to SDI. Therefore, the following technical assessments have an ominous ring. Obviously, one module can also knock out the entire U.S. missile fleet. The West has not launched a crash R&D program, according to all public reports, and the Soviets have had at least a seven-year lead on the West in the development of the nuclear-powered x-ray laser.*

*Here, we present two detailed designs for possible target-acquisition, pointing, and tracking systems for the x-ray laser. These system designs demonstrate that while the x-ray laser anti-missile capability does require further technical developments to be realized as an effective weapon, the advances required are far less than those needed for any other proposed system.*

## 1) Brightness

Given a point source emitting energy, and assuming the energy propagates along radial lines, the brightness,  $B$ , of

the source in the solid angle  $\theta$  is simply

$$B = p/Z$$

where  $P$  is the power passing through the cone defined by  $\theta$ .

Just as the angular measure of a circle in a plane may be given either in degrees or in radians ( $2\pi$  radians is always one full circumference), so also a solid angle with apex at the center of a sphere may be given either in  $\theta$  degrees or in  $X$  steradians, where  $4\pi$  steradians is the full spherical surface.

Consider a sphere of radius  $R$  and a cone with apex at the center of the sphere and edge length  $R$ . The solid angle defined by the cone, in steradians, is the surface area of the sphere intersected by the cone, call it  $S$ , divided by  $R$  squared:  $X = S/R^2$ . A solid angle and apex angle are related but not the same. The apex angle is the plane angle defined by the intersection of the surface of the cone with a plane that passes through the cone's axis (**Figure 1**). If  $\theta$  is the cone's apex angle, its solid angle is given either as  $\theta$  degrees or as  $X$  steradians, where

$$X = 4 \times \pi \times [\sin(\theta/4)]^2$$

Now consider a 100-watt light bulb. The bulb emits its energy uniformly in all directions (an isotropic radiator); therefore, the solid angle defined by the emitted energy is a cone with an apex angle of 360 degrees. But a cone with a 360-degree, or  $2 \times \pi$ , apex angle is simply a sphere. Note that the solid angle of a sphere is

$$X = 4 \times \pi \times [\sin(\pi/2)]^2 = 4 \times \pi$$

Assuming the electrical energy used by the bulb is transformed completely into radiant energy (e.g., infrared and visible light), the brightness of the bulb is simply 100 watts divided by  $4 \times \pi$ .

A laser is not an isotropic radiator, but rather very nearly a unidirectional radiator. A laser's energy is emitted into a very small solid angle or cone. The apex angle of the cone, also known as the divergence angle of the laser, is typically on the order of microradians. (A right angle of 90 degrees has  $\pi/2 \times 1,000,000$  microradians, that is, about 1,570,000 microradians.)

For lasers, the relationship between a solid angle,  $X$ , and

its apex angle,  $\theta$ , can be simplified. For small  $\theta$ , the previous expression for  $X$  simplifies to

$$X = (\pi/4) \times \theta^2$$

Thus, if  $P$  is the emitted power of a laser within a cone of divergence angle  $A$ , then its brightness  $B$  is

$$B = 4 \times P / (\pi \times \theta^2)$$

The divergence angle of a perfect laser is limited by the wavelength of the laser light and the diameter of the final aperture (or mirror) of the laser. Assuming the laser light intersects a circular aperture, the emitted light is diffracted into a circular diffraction pattern. If the pattern is observed a great distance from the aperture, it is called the Fraunhofer diffraction pattern. The pattern is a central disk surrounded by rings of illumination which are progressively fainter for larger diameter rings. The central disk of light is called the Airy disk and contains 84% of the light (or radiated energy).

The angle subtended by the Airy disk is 2.44 times the wavelength of the light divided by the diameter of the final aperture. But the Airy disk is significantly brighter at its center relative to its edges; 63% of the light is in the central fourth of the disk. Consequently, the "usable" portion of the diffraction pattern is typically defined as the central fourth of

the Airy disk. The angle subtended by this area is 1.22 times the wavelength divided by the aperture diameter. Consequently, if  $W$  is the wavelength and  $D$  the aperture diameter, then the laser's divergence angle,  $\theta$ , is  $1.22W/D$ , and its brightness is

$$B = 4 \times P / [\pi \times (1.22W/D)^2]$$

Here  $P$  is the power (or light) in the central fourth of the Airy disk, which is 53% of the total power emitted by the laser.

#### Aside

In the above, brightness has been defined using the power passing through a solid angle. For sources which deliver a pulse of energy, rather than a continuous beam, it is often convenient to compute the brightness using the energy passing through the solid angle. In this case,  $P$  in the above equations is replaced by  $E$ , the energy of the pulse.

## 2) Flux and fluence

The average power per unit area, for flux,  $F$ , of radiant energy a distance  $R$  from its source is given by

$$F = B/R^2$$

where  $B$  has units of power per steradian. If  $B$  has units of energy per steradian, then  $F$  is the energy deposited per unit area, or fluence.

## 3) Nuclear bombs

The yield, or energy release,  $Y$ , of a nuclear bomb is usually specified in units of kilotons, abbreviated kt. One kiloton is equivalent to  $10^{12}$  calories or  $4.186 \times 10^{12}$  joules.

When a nuclear bomb explodes, it immediately vaporizes and ionizes itself, converting its components into plasma. A typical plasma velocity for a thermonuclear bomb (hydrogen or fusion bomb) with a high yield-to-weight ratio (about 6kt/kg) would be about 1,000 km/sec, representing about 10% of the total explosive energy (Ref. 3). An object 1 meter from a nuclear weapon would be blown away in roughly 1 microsecond.

Depending on the yield-to-weight ratio of a nuclear bomb, the energy emitted in the first few microseconds after a nuclear explosion is between 50% and 70% x-rays, the higher percentage corresponding to higher yield-to-weight ratios. The rest of the energy at this time is roughly 10-30% kinetic energy of the expanding bomb debris plasma, and 20% thermal energy, prompt gamma rays, and neutrons (Ref. 3).

The largest yield nuclear device that can currently be tested in the United States is 150 kt, due to the Threshold Test Ban Treaty (Ref. 3). The x-ray brightness of such a device is found to be

$$B = (.70)(150 \text{ kt})(4.186 \times 10^{12} \text{ j/kt}) / (4 \times \pi \text{ SR}) \\ = 3.5 \times 10^{13} \text{ j/SR}$$

FIGURE 1

**A plane cut through the axis of a cone defines the cone's apex angle**

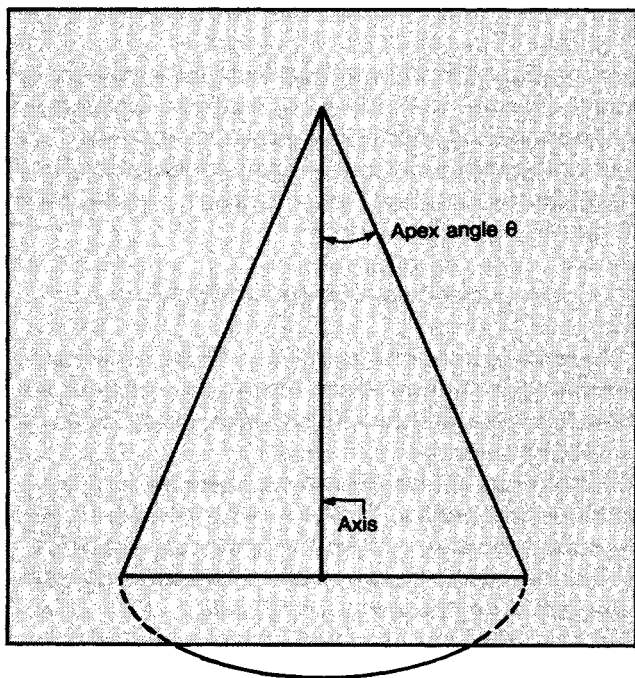
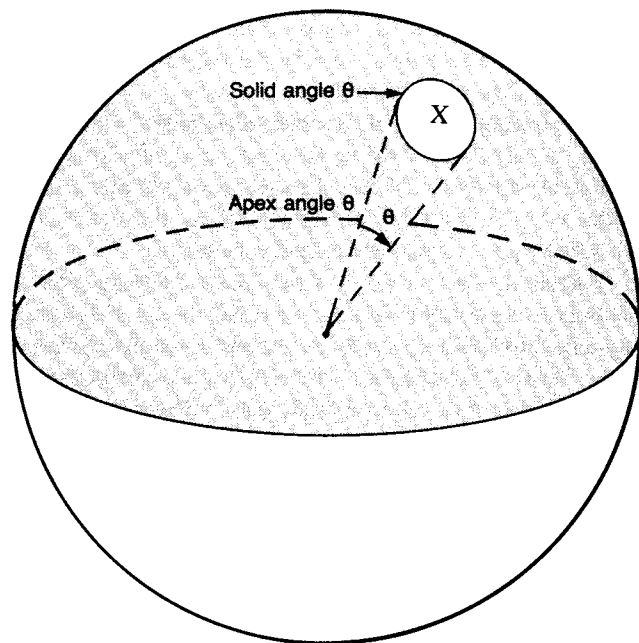


FIGURE 2

**A solid angle of  $\theta$  degrees is an area defined by a cone whose apex angle is  $\theta$  degrees**



*If we take a sphere and divide its surface area up into  $4\pi$  equal parts (about 12.566 parts), each of these parts represents a solid angle of one steradian. There are  $4\pi$  steradians on the surface of any sphere.*

The fluence at a range of 1,000 km is

$$F = (3.5 \times 10^{13} \text{ j/SR}) / [(100 \text{ km})(10^5 \text{ cm/km})]^2 = .35 \text{ j/cm}^2$$

Note that the nuclear weapon is assumed to be isotropic.

#### 4) Target hardness and kill fluence

The hardness of a target in the context of lasers refers to the power per unit area and energy per unit area that must be deposited on a target to damage it. The term was originally coined to characterize military hardware's ability to operate through the environment caused by a nuclear burst. Because a nuclear burst generates radiation across a wide spectrum, a piece of hardware can be harder to some nuclear effects than to others. Consequently, the hardness of a piece of equipment was always associated with the frequency range at which the equipment was most vulnerable, or conversely, with the nuclear burst generated radiation that was most lethal. With the advent of weapons-grade lasers, specifying the hardness corresponding to specific frequencies of radiation has become more important. Obviously, in the context of x-ray lasers, we are only concerned with x-ray hardness.

The term kill fluence refers to the amount of energy per

unit area required to achieve not just damage, but the "sure kill" of a target. Kill fluence is therefore some multiple of the energy hardness of the target, typically a multiple of 10.

Generally speaking, damage inflicted by lasers correlates more closely with the total deposited energy than with the rate of energy deposition or power. To cause damage, the power level need only exceed the rate at which the target can re-radiate or dissipate the absorbed energy. Typically this power level is easy to achieve. This is especially true for pulse lasers such as the x-ray laser.

The preferred kill mechanism for x-ray lasers is generally assumed to be target break-up via impulse, rather than the "frying" of electronics, primarily because it is easier to verify. When the x-ray pulse hits the surface of a target, it is absorbed in a fraction of a millimeter of the target's skin. This volume of matter cannot dissipate the heat before vaporization occurs, resulting in an explosion of the material and the generation of an impulse and shockwave through the target. Roughly speaking, the generated impulse is proportional to the square root of the absorbed energy.

According to Ashton B. Carter (Ref. 1), an impulse of about 10 kilotaps (equivalent to a 0.5 kg hammer head striking a 3 cm radius contact area at 5 m/sec; specific impulse = mass  $\times$  velocity/strike area; 1 tap = 1 dyne-sec/cm<sup>2</sup> = 1 gm/cm-sec = 0.1 kg/m-sec) is sufficient to destroy a booster in flight. He estimates that an x-ray fluence of 20 kj/cm<sup>2</sup> is adequate to generate such an impulse. The American Physical Society (Ref. 2) uses reasoning similar to, but more detailed than, Carter's and believes an x-ray fluence of 5 kj/cm<sup>2</sup> is sufficient. A booster kill fluence of 10 kj/cm<sup>2</sup> is probably a safe estimate.

An RV, a so-called "nuclear hardened" target, is specifically designed to withstand the impulse loading that occurs during reentry, as well as the collateral nuclear effects due to nearby exploding RVs. Thus, an RV can probably sustain an impulse of 10 kilotaps without damage. However, an impulse of 100 kilotaps, roughly equivalent to a 1,000 kg automobile (1 m<sup>2</sup> frontal area) hitting a brick wall at 40 km/hr (25 mph), would probably do some damage. Therefore, we presume that a fluence of 100 kj/cm<sup>2</sup> is adequate to damage an RV. Certainly, a sure kill could be obtained if the RV was hit with a fluence of 1,000 kj/cm<sup>2</sup>.

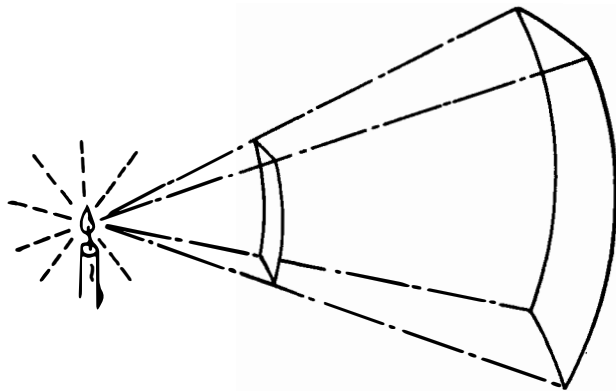
#### 5) Nuclear-pumped x-ray laser

The nuclear-pumped x-ray laser enhances the brightness of a nuclear bomb by emitting a portion of the bomb's energy through a much smaller solid angle than the  $4 \times \pi$  steradian solid angle of the isotropic nuclear explosion. The enhancement in brightness is given by  $4 \times \pi \times N/X$  where  $4 \times \pi$  is the solid angle of the nuclear explosion,  $N$  is the overall efficiency of converting the nuclear explosion energy into x-ray laser energy, and  $X$  is the solid angle containing the emitted x-ray laser energy.

If  $N = 0.1\%$  and  $X = 10^{-12}$  steradians, the brightness of an x-ray laser pumped by a 150 kt nuclear bomb would be

FIGURE 3

**Luminous flux over unit solid angle**



*This illustration shows that a spherical (isotropic) distribution of light from a source leads to the intensity falling off as one over the distance squared. That is, the intensity at a two-foot distance from the source will be four times less than the intensity at a distance of one foot.*

$$\begin{aligned}
 B &= (4 \times \pi \times N \times B_{\text{bomb}}) / X \\
 &= (4 \times \pi \text{ SR})(0.001)(3.5 \times 10^{13} \text{ j/SR}) / (10^{-12} \text{ SR}) \\
 &= 4.4 \times 10^{23} \text{ j/SR}
 \end{aligned}$$

The x-ray laser brightness can be expressed in terms of the yield of its nuclear bomb and its divergence angle by substituting the relevant relationship for  $B_{\text{bomb}}$  and  $X$  in the above expression. The result is

$$B = (4 \times N \times Y) / (\pi \times \theta^2)$$

For the above example, the x-ray laser fluence at a range of 1,000 km is

$$\begin{aligned}
 F &= (4.4 \times 10^{23} \text{ j/SR}) / [(1,000 \text{ km})(10^5 \text{ cm/km})]^2 \\
 &= 44,000 \text{ kj/cm}^2
 \end{aligned}$$

Note that this fluence level is roughly 44 times greater than the level required for "sure kill" of an RV.

The above numbers for brightness and fluence assume the x-ray laser output is a single beam directed to a single target. But the x-ray laser output beam is most probably formed by combining many individual x-ray beams into a single beam. The brightness and fluence of the x-ray laser output is found by summing the brightnesses and fluences of all the individual beams (we assume the wavefronts of the beams are not in phase). For the case of  $M$  individual beams, each with brightness  $B_{\text{beam}}$ , all aimed at the same point, the brightness of the x-ray laser is simply

$$B = 1M \times B_{\text{beam}}$$

We mention that if all the individual beams could be phased to create a phased array designed to function as a single, coherent radiating aperture, the brightness of the x-ray laser would be  $M^2 \times B_{\text{beam}}$ . Since phasing has to be a dynamic, closed-loop process, it does not lend itself to one-shot, pulse lasers such as the x-ray laser. In addition, it is doubtful if the means even exist to sense and manipulate the wavefront of an x-ray laser beam.

Rather than aiming all the individual beams at a single target, it may be possible to aim each individual beam, or groups of individual beams, independently. In this way, a single x-ray laser could kill  $J$  targets in parallel, where  $J$  is the number of independently aimable beams.

Ashton B. Carter (Ref. 1) postulates the design of an x-ray laser to consist of a cylinder roughly 2 meters in diameter and about 5 meters in length. A nuclear bomb is positioned at the center of the cylinder. The cylinder is formed by placing many thin rods (about 60 microns in diameter) side by side.

Assuming a 50% packing fraction, roughly 100,000 rods are required to form the cylinder.

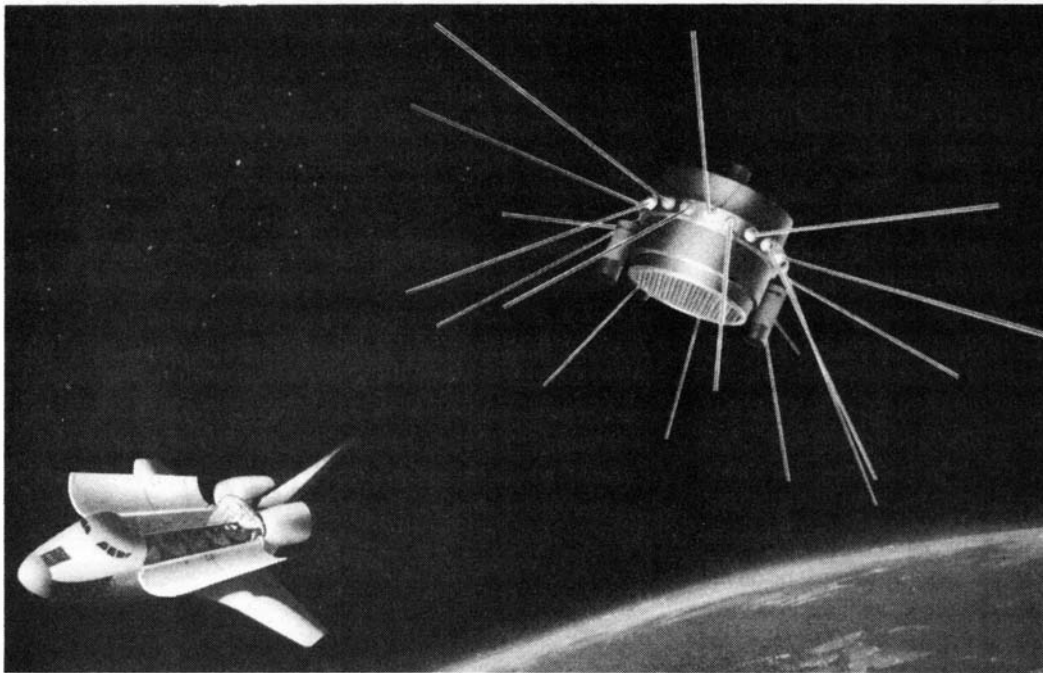
Each individual rod produces an x-ray laser pulse when the nuclear bomb explodes. The lasant material is ionized (converted into a plasma) and pumped by the incoherent x-ray emissions of the bomb.

The lasant material then relaxes, generating a coherent x-ray laser pulse out of one end of the rod. All of this happens in fractions of a microsecond, before the lasant material is blown away by the bomb plasma traveling outward from the center of the cylinder at about 1,000 km/sec.

The energy in each individual x-ray laser pulse is limited by the amount of x-ray energy absorbed by the rod and the efficiency of the lasing process. For the above dimensions of the x-ray laser cylinder, and assuming the nuclear bomb radiates isotropically when it explodes, roughly five-sixths of the bomb's x-rays intersect the cylinder. Assuming these x-rays are uniformly distributed among the rods, but that only half of them are absorbed by the lasant material (recall the 50% packing fraction), roughly five-twelfths of the bomb's x-rays are absorbed by the rods' lasant material. Since there are 100,000 rods, each rod absorbs roughly 0.0004% of the bomb's x-ray emissions.

Knowing the amount of absorbed x-ray energy, the amount of energy in each individual x-ray laser pulse is found by knowing the efficiency of the pumping/lasing process. This is one of the x-ray laser program's many "secrets." However, an efficiency of 2%, comparable to the low-end pumping efficiency of excimer lasers, seems reasonable. This assumption is also used by Ashton B. Carter (Ref. 1).

Based on the above, we find that the energy of the output laser pulse of a single rod is roughly 0.000008% of the energy of the nuclear bomb's x-ray emissions. Since the x-ray emissions represent roughly 70% of the bomb's total explosive energy, roughly 0.000006% of the bomb's total energy ends up in each individual laser pulse. Since there are 100,000



An artist's conception of an x-ray laser module deployed by the Space Shuttle.

individual pulses, i.e., one for each rod, the overall energy conversion efficiency of the x-ray laser is 100,000 times this, or 0.6%. We note that Ashton B. Carter uses a value of 2.5% (Ref. 1).

With the energy output of a single rod in hand, the brightness of the rod's output beam can be computed if we know the divergence angle of the output laser pulse. Ashton B. Carter estimates the divergence angle using a strictly linear, "mechanistic" approach (Ref. 1). The approach can be illustrated as follows. If one puts a "pure color" light bulb (a single-frequency, incoherent, and therefore isotropic radiator) at the capped end of a hollow cylinder, then the light emanating from the opposite, open end of the cylinder becomes more collimated as the length-to-diameter ratio of the cylinder is increased. Eventually, however, a minimum occurs, as further increases in the length-to-diameter ratio yield less collimation, or an increase in the divergence angle of the output beam. This minimum is due to diffraction—the divergence angle of the usable portion of the output beam can never be less than about 1.22 times the wavelength of the light divided by the diameter of the aperture. At the diffraction limit, the following relationship holds:

$$(1.22)(\text{wavelength})/(\text{rod diameter}) \\ = (2)(\text{rod diameter})(\text{rod length})$$

Carter assumes each x-ray laser beam is formed by a cascading of lasing material electrons to lower energy levels. This cascading proceeds down the length of the rod, causing the x-ray laser pulse to be collimated in much the same fashion as the light from the light bulb above. For an x-ray wavelength of 1 nanometer (i.e., a 1.24 KeV x-ray) and a rod

length of 5 meters, the above equation yields an "optimum" rod diameter of 60 microns and a minimum achievable (diffraction-limited) divergence.

Carter does not mention, or even consider, a coherence mechanism for the x-ray laser pulse other than its being directed down a long, thin rod. If the lasing plasma behaves in any way like the resonant cavity of more traditional lasers (e.g., chemical lasers, excimer lasers), coherence can be enforced among the individual x-ray photons, and the divergence angle of the x-ray laser pulse then becomes a function solely of the size of the aperture emitting the pulse. The larger the aperture, the smaller the divergence angle. Clearly, the divergence angle can be made less than Carter's upper limit of 20 microradians in this case.

It may also be possible to create a "plasma lens" to focus the x-rays. Just like any form of radiation, x-rays can be refracted, and therefore focused, by passing them through two mediums for which the speed of light is different in each. Since light travels at different speeds through different plasmas, a plasma lens could be formed when the material forming the x-ray laser is ionized. The divergence angle of each individual x-ray laser beam would then be limited only by the upper limit on the effective diameter of the lens.

If we assume the x-ray laser pulse produced by a single rod has a divergence angle of 1.0 microradians, and the rod is pumped by a 150 kt nuclear bomb, but converts only 0.000001% of the bomb's energy into an x-ray laser pulse, then the brightness of the rod's laser beam is

$$B_{\text{beam}} = \\ (Y \times N_{\text{beam}})/(\pi/4 \times \theta^2)(150 \text{ kt})(4.186 \times 10^{12} \text{ j/kt})(10^{-7}) \\ = (\pi/4 \text{ SR/rad}^2)(10^{-6} \text{ rad})^2 = 7.99 \times 10^{18} \text{ j/SR}$$

The fluence delivered by the rod at a range of 1,000 km is

$$\begin{aligned} F_{\text{beam}} &= B_{\text{beam}}/R^2 \\ &= 7.99 \times 10^{18} \text{ j/SR} / [(1,000 \text{ km})(10^5 \text{ cm/km})]^2 \\ &= .799 \text{ kJ/cm}^2 = 799 \text{ j/cm}^2 \end{aligned}$$

## 6) X-ray laser targeting and pointing

Even if the fluence delivered by an x-ray laser is sufficient to destroy a target, a kill cannot be achieved if the targeting and pointing accuracy and the spot size of the laser beam is insufficient to hit the target. Consider an x-ray laser with a 1 microradian divergence angle attempting to irradiate a target 1,000 km away. The spot size of the beam at the target is roughly 1 meter in diameter. If the projected area of the target is also roughly 1 meter in diameter, then the targeting error (i.e., the relative position error between the x-ray laser and the target) and pointing error of the x-ray laser must be on the order of 0.1 microradian or better if the x-ray laser is to have a high probability of hitting the target.

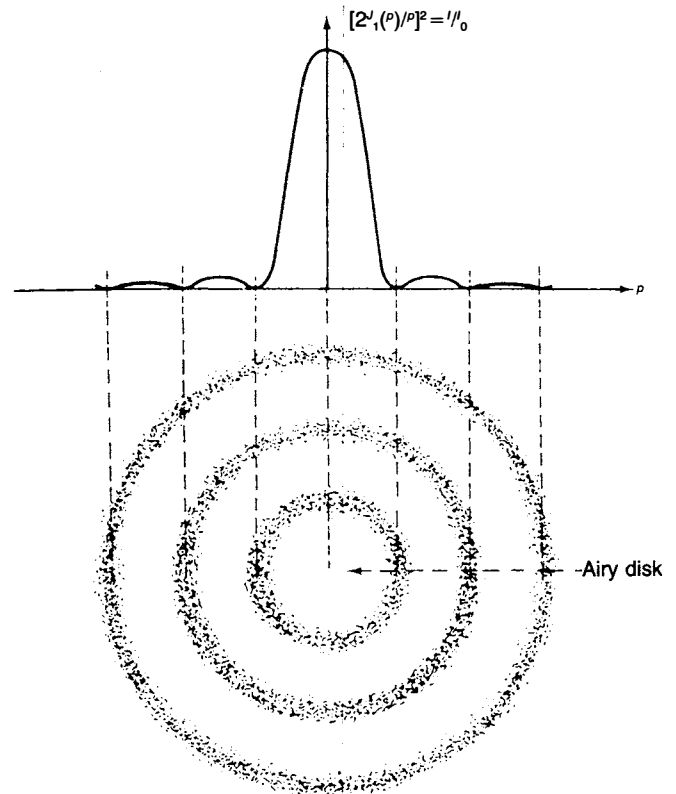
An active state-of-the-art surveillance system such as a microwave radar can determine the range to distant objects to within centimeters, and their angular location (cross-range) to within a milliradian (e.g., the divergence angle of a radar with a 1 cm wavelength and a 10 m dish is on the order of 1 milliradian). The cross-range accuracy of a single radar does not meet our needs. But an active tracking system of properly placed ground (or space-based) radars could, since triangulation can locate an object to the same degree of accuracy as the range accuracy. In other words, the location of a target relative to an x-ray laser can be known to within centimeters using a triangulation approach. At a range to target of 1,000 km, this translates into a  $(10^{-2} \text{ m})/(10^6 \text{ m})$  or 0.01 microradian targeting error. Phased-array systems with this level of performance are already in routine use.

The principal contributors to pointing error depend on whether an "open-loop" or "closed-loop" system is employed. An open-loop system would require the x-ray laser to know its own orientation and the relative orientation of each of its aimable beam sources to within 0.1 microradian of error. The major error contributors in such a system are principally three: attitude control system accuracy, mechanical vibrations or jitter, and alignment and boresighting errors. The first impacts the orientation of the x-ray laser as a whole; the latter two impact the orientation of each aimable beam sources relative to the x-ray laser structure.

The principal component of attitude control systems is the gyro. Gyros with accuracies of 0.001 microradians/sec are just within the current state of the art. Ten years of further development are expected to bring a factor of 10 improvement. Thus, if a 1993 x-ray laser fires within 500 seconds of the time its attitude control system is initialized (or "updated"), the orientation of the x-ray laser can be known to within roughly 0.1 microradian, which meets our requirements.

If the x-ray laser is "popped up" to its firing location by a ground or submarine launched missile, and its attitude control system is initialized at launch, then the x-ray laser has 500 seconds (8.33 minutes) to fly to its firing location. Since a typical strategic missile can reach an altitude of 1,000 km and travel downrange roughly 1,500 km in 500 sec, the x-ray laser could be launched from the United States and have plenty of time to reach locations from which to fire at Soviet RVs headed toward the United States. Basing the x-ray laser on submarines or NATO countries in the northern latitudes

FIGURE 4  
The Fraunhofer diffraction pattern and the distribution as calculated by Airy



When a coherent light beam passes through an optical aperture—some physical boundary which limits the diameter of the coherent light beam—then the beam is diffracted so that its cross section expands as the beam passes through space. If we take this aperture to be circular, the light beam will fill an infinite cone. But besides spreading out, the aperture diffraction causes the intensity of light within the beam to be distributed into rings. (These rings are seen in the plane which cuts the beam and forms a circle.) This ring distribution of intensity is called the Fraunhofer diffraction pattern. Airy calculated the distribution function across the circular cross section of the beam. The rings are shown in the lower portion of the figure. The Airy distribution is shown in the upper portion.



would probably also permit the x-ray laser to fire on Soviet ICBMs in both their boost phase and RV deployment phase of flight.

If the pointing mechanism for each beam of the x-ray laser is vibrating excessively, then at the instant of x-ray laser firing, a beam may be pointing away from its target. This will not happen, however, if the jitter is kept under 0.1 microradians. Designed about a decade ago, the U.S. Air Force's Teal Ruby Experiment, an IR (infrared) surveillance system designed to track aircraft from space using an open-loop pointing system, achieved a jitter requirement of about 1.5 microradians. This was measured on the ground, as the Teal Ruby Experiment has never flown. By 1993, fifteen years after Teal Ruby was designed, new materials and new technologies such as magnetic bearings should bring a jitter requirement of 0.1 microradian within the state of the art.

Even if the orientation of the x-ray laser outer structure is accurately known, a laser beam can still miss its target if it is not pointed where the x-ray laser pointing system believes it to be pointed. The problem is similar to the relationship between the muzzle of a gun and the gun's sights. If the two are not aligned, no matter how well the gun is aimed, the bullet will always miss its target. This type of pointing error is termed an alignment and boresighting error. Many sophisticated techniques are available for making sure all of an x-ray laser's pointing components are properly aligned after production. But can this alignment be maintained immediately after the detonation of the x-ray laser's nuclear bomb? What of structural deformations caused by unexpected thermal gradients and blast effects? Only adequate amounts of empirical testing can determine if a 0.1 microradian boresighting requirement can be met in the face of such an extreme environment. However, based on the Teal Ruby Experiment referred to above, it is doubtful such a stringent boresighting requirement can be met with an open-loop pointing system. The overall pointing accuracy of Teal Ruby was limited to about 500 microradians, primarily due to structural deformations caused by uncompensated thermal effects.

A closed-loop pointing and tracking system is probably required to achieve the x-ray laser's pointing requirements. Such a system would employ some means to send a signal from the x-ray laser to each of its targets and then back again to the x-ray laser. A low-power, wide-angle laser would be ideal for this. The low-power laser would illuminate several targets at once or in succession. The reflected light would be "received" or tracked by "receiver optics." Each x-ray laser beam source would be moved until it was aligned with the reflected light from its target. The x-ray laser would then be ready to fire. Assuming perfect alignment and no jitter, pointing accuracies of better than 0.1 microradian can be achieved with this technique (e.g., an UV (ultraviolet) laser of wavelength 0.1 micron and 1 m diameter receiver optics can provide angular pointing to an accuracy of 0.1 microradians). A closed-loop pointing and tracking system still requires an

open-loop pointing system to point its low-power laser in the direction of the targets. However, the attitude control system of the open-loop system need only be good enough to put the low-power, wide-angle laser light on the targets. Consequently, the accuracy requirements of the x-ray laser attitude control system can be greatly reduced. Use of a closed-loop system also relaxes the alignment requirement between the attitude control system and each aimable beam source. Very precise alignment between each aimable beam source and the "receiver optics" must still be maintained, however. By having each x-ray beam source and the tracking system share a portion of the tracking system's optical train, active compensation techniques within the pointing and tracking system's control loop can be used to maintain alignment. The system would automatically compensate for structural deformations due to thermal effects. But can the alignment be maintained within 0.1 microradians? The Star Lab Experiment of the Strategic Defense Initiative Organization (SDIO) may provide the answer.

Star Lab is a space-based, closed-loop, laser pointing and tracking system experiment to be flown on a Shuttle in 1991. Lockheed is the prime contractor. The system will attempt to track a booster with a low-power laser over a range of 1,000 km. Since the diameter of a booster is on the order of 1 m, it seems probable that Star Lab must achieve a pointing accuracy of 0.1 microradians or better if it is to be a success. Obviously, if Star Lab is successful, major hurdles en route to the development of an x-ray laser pointing system will have been passed.

Perhaps the major disadvantage of a closed-loop laser pointing and tracking system is the fact that it must be able to deal with countermeasures. For example, if the pointing system employed a UV laser, hundreds of cheap UV reflectors (which may be transparent to microwaves to avoid detection by radar, e.g., glass prisms) could be deployed in the vicinity of the targets to create confusion. Corner reflectors could be mounted on the targets to enhance the return signal and blind the receiver optics. While a discrimination scheme could be used to counter this, it would significantly increase the complexity of the x-ray laser pointing system. Of course, given the tremendous firepower of the x-ray laser, targeting and firing at the reflectors may not be a major disadvantage—a comparison of the numbers involved is required to settle this question. Note that in the open-loop pointing scheme, the discrimination job is handled by the external tracking system, allowing the x-ray laser pointing system to be as simple as possible.

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## For a Europe of the free fatherlands

by Helga Zepp-LaRouche

*EIR's bureau in Wiesbaden, West Germany, has released an explosive new Special Report on the oligarchical plan for restructuring Europe, titled "Europe 1992: Blueprint for Dictatorship." What follows is the introduction to the report.*

What is the hidden reality behind the debate on the "European Domestic Market 1992" or even the "United States of Europe"? This report provides the answer to that question. Behind the plans for European integration, there lies a monstrous attempt to impose fascist dictatorship upon the entirety of Europe, East as well as West, with Moscow in the dominant role. The proponents of "Europe 1992" assume that the biggest financial crash in the history of the markets is imminent, and they are determined to emerge from this collapse as the victors.

In this vision of "Europe 1992," all forms of political power would end up in the hands of some five large banks, five cartels, and five reinsurance companies, which are supposed to swallow the still relatively independent forces of today. These leading financial circles are counting on the short memory of the population, since what they are trying to sell as a new vision for Europe, is nothing but a warmed-over version of the same discussion that went on in the 1940s and 1950s. It was French President Charles de Gaulle, of course, who frustrated the realization of these plans, because he was not for a moment willing to sacrifice the national sovereignty of France, and thus individual freedom, or to surrender decisions affecting the fate of his people to a supranational dictatorship.

In summer 1988, the Italian daily *Avvenire* described the true background to the creation of a European domestic market, together with the efforts of super-financiers like Carlo De Benedetti, who are currently buying up immense capital resources in many countries. In reality, they are engaged in an effort to transform all of Europe into a protectorate for Moscow. For, who but Moscow would ultimately benefit from such a "liberalized" Western European economy: a Europe in which national governments and elected parliaments no longer defend the interests of nations, but, instead, a small caste of supranational bureaucrats and a handful of financial magnates would be allowed to satisfy their greed for profit, unchecked?



Dean Andromidas

*Helga Zepp-LaRouche and Lyndon H. LaRouche visit the Charlottenburg Palace in Berlin, Oct. 11, 1988. During their stay in the historic capital of Germany, Mr. LaRouche issued a proposal for the reunification of Germany, in the context of a Europe "from the Atlantic to the Urals" —not the other way around, as the Russians would have it.*

The butter, financed with billions of tax monies, that the European Community bureaucracy sold to the Soviet Union at 11 pfennigs per pound, ought to serve as a stern warning in this regard, along with the tons of highly subsidized beef. The hungry populations of the East bloc have never received this butter—instead, Western taxpayers, without knowing it and without being asked, financed the consumption needs of the Soviet *nomenklatura* class, which shops in stores that are off-limits to the normal population.

The "European Domestic Market 1992" would mean nothing but extending to Western Europe the conditions under which the satellite states of Eastern Europe are forced to live. It may be difficult for the normal, thinking citizen to imagine, but this is the reality: Those financial circles propagating European integration do not feel the slightest twinge of an ideological problem in surrendering to Moscow's domination, on condition that they be the satraps in this Russian Empire, who enjoy unrestricted privileges.

### **Russia, the policeman of Europe**

In an interview published by *Corriere della Sera* in July 1988, which caused considerable uproar, the infamous fascist and former collaborator of Benito Mussolini, Dino Gran-

di, admitted to certain historical truths which official accounts usually ignore. Mussolini, Dino Grandi explained, was only a figurehead for the masses. It was Grandi himself and Count Volpi di Misurata who had played far more important roles. Grandi specified that he owed thanks to the Venetian Contarini family, who made it possible for him to emerge from obscurity to a position of enormous power. Today, Grandi went on unabashedly, the point in history had been reached where a unification of Europe by Russia would be both possible and desirable. Charles V, Louis XIV, the German Kaiser Wilhelm, and Adolf Hitler had attempted to fulfill this task in vain, but Russia today was the first to have the geographical prerequisites and the political power to carry out such a unification.

The fascist Dino Grandi wants Russia to dominate all of Europe? If one considers the parallels between German fascist Friedrich Nietzsche and Russian fascist Fyodor Dostoevsky, and the common historical roots of bolshevism and fascism, this is certainly not surprising. What is more surprising is the arrogance with which a representative of this Venetian tradition speaks out, precisely at a point in time when international financial circles are committed to managing the world economic and financial crisis with the same

methods as in the 1930s—corporatism and fascism.

That a unified Europe would by no means be made up of a neutral Western Europe and a separate, peaceful East bloc, was grasped by no one better than it was by de Gaulle. In his famous press conference on May 15, 1962, he put a stop to the Europe policy-debate of the time, and launched in its place the design for a Europe of nations, which became known as the "Fouchet Plan." In his press conference, de Gaulle pointed out the practical impossibility for supranational institutions to be able to function, for these institutions would inevitably run counter to the interests of nation-states, unless these institutions were based upon a power outside themselves. "Perhaps there would then be a federator, but not one who would be European. And then it would not be an integrated Europe, but something quite different, much larger, and more encompassing, and—I repeat—with a federator. Perhaps it is this, which sometimes inspires certain speeches of this or that proponent of European integration. If that is so, it would be better to say so openly."

The danger de Gaulle warned of has not receded; it has grown greater. European integration today would indeed only be possible under a federator, and this federator would be no other power than Moscow. Dino Grandi's interview deserves to be mentioned because, in contrast to all the other proponents of an integrated Europe, he openly identifies Russia's role; it is in fact better to state openly what the reality is, rather than fall into the trap of those proponents of "European 1992" who are indeed inspired by the same idea of Moscow's dominion, but are less honest when challenged to admit it.

Whether or not Chancellor Helmut Kohl is really fully aware of what he is propagating when, approaching the end of his half-year chairmanship of the European Council, he suddenly sees himself as the father of the "United States of Europe," he has obviously been successfully convinced that, by playing the role of the visionary of an integrated Europe, he can take all the burdensome problems in his coalition government and within his own party and sweep them under the rug. Kohl seems quite happy, undoubtedly, at having been able to pull such a good idea out of his hat just before going on vacation at the Wolfgangsee.

### **The danger of Western decoupling**

It is not utterly incomprehensible that the European idea should be receiving such an impulse, since, following the summits between President Ronald Reagan and Soviet General Secretary Mikhail Gorbachov in Washington and Moscow, and following the signing of the INF treaty, Western Europe suddenly found itself in a political vacuum. Both superpowers had decided to divide the world up in a new Yalta agreement, and then to govern the world as a condominium. In the course of this condominium government, Western Europe is to fall within Moscow's sphere of influence. It is, therefore, a question of Europe's survival, of

preserving its independence and freedom. The solution, however, lies in the exact opposite of what the proponents of an integrated Europe are trying to carry out; it lies in an entente of sovereign national republics. The "United States of Europe," on the contrary, would mean the complete destruction of national sovereignty and the establishment of a supranational dictatorship, which no electorate could hold accountable, and no voters could influence.

All leading financial circles and politicians know that "Black Monday," Oct. 19, 1987, was only a mild foretaste of what is about to happen: the biggest financial crash in market history. If efforts to support the dollar through the period of the American presidential elections in November do ultimately prove successful—and the U.S. administration is currently applying immense pressure in this regard, particularly upon Japan—then a collapse of the international financial markets in the period immediately after the elections should be expected, a collapse in which approximately \$20 trillion in paper values will be wiped out.

Regardless of whether the next American President is called Bush or Dukakis, the decoupling of the United States from Western Europe and the withdrawal of the first American troops is high on the agenda in either case. The only difference is the greater speed at which Dukakis would drive the decoupling process ahead. It is in this expected chaos that the proponents of the European Domestic Market intend to emerge as the big winners—some five large banks, five food cartels, and five reinsurance companies plan to survive, having gobbled up all small and medium-sized businesses and industries.

In other words, the plans being circulated now as propaganda for "Europe 1992" are not slated for implementation only in 1992; rather, they are the emergency program of the oligarchical Yalta forces for the imminent collapse. The intent is to subjugate Western Europe beneath brutal austerity and partition it into a few rich regions and many poor ones. The richer regions, where the beneficiaries of this plan intend to proliferate, include Baden-Württemberg and Bavaria, Switzerland, the region around Lyons, northern Italy, Barcelona, and the City of London. Practically all the rest of Western Europe, including such regions as the Mezzogiorno and northern Germany, or entire nations such as Denmark, are to be written off, and collapse to the economic level of a Third World country.

The White Paper of the European Community on "Completing the Internal Market" blatantly says that, of course, within this intended desired constellation, investments in "profitable regions" might make sense. And Lothar Späth [prime minister of the German state of Baden-Württemberg], who hopes to be one of those to swim to the very top in an integrated Europe, has already launched the appeal that the economically stronger regions of southern Germany, northern Italy and southern and eastern France should cooperate

more intensively.

Who will pay for all of this? Now, in the "Europe 1992" of the banks and cartels, there is no room at all for any independent economic forces. The family farm, medium-sized businesses, and even craftsmen are each and all supposed to be swallowed up.

Farmers, at best, could become employees in agro-industrial complexes, and work farms which they had previously owned, for low wages. Other vocational groups would become dependent employees within the framework of the neo-corporatist management of business, a small power elite of politicians, management, and trade-union bosses. In the end result, conditions would be approximately what they are in the state-monopoly businesses of the East bloc. There, the party bosses are the privileged managers, whereas here, it would be the neo-corporatist financial elite, but, for the population, the loss of freedom would be no different. "Change through growing closer," is what Egon Bahr [the Social Democratic architect of West Germany's *Ostpolitik*] talked about 20 years ago; but a Europe integrated in that way means nothing other than that East bloc conditions take hold throughout Europe.

### The 'Ideas of 1789'

The Europe on which this unification is supposed to be modeled is the Europe of 1815, when the reactionaries of the Holy Alliance destroyed all the republican achievements and assigned Russia the role of policeman in Europe. Today Henry Kissinger represents this political current, treading on the heels of his idols, Austria's Count Metternich and British Foreign Secretary Castlereagh. What is to be set up today in an altered, but essentially identical form, is the feudal corporatist state of the Karlsbad Decrees of 1819: All the achievements of the American Revolution, the idea of 1789, of the Prussian reformers and the Liberation Wars of 1813, are to be destroyed once and for all.

In our superficial age, oriented to material values, it has been nearly forgotten, but, for the history of humanity, the era between 1776 and 1813 produced the most decisive steps in political progress down to this day. With the American Declaration of Independence of 1776, the inalienable rights of all people and their republican equality before the law, founded in natural law, were guaranteed for the first time in constitutional form. The nobility, and with it the division of society into people of different value, enjoying different privileges, was abolished constitutionally for the first time, and individual freedom secured in the best possible way through the republican right to vote. This principle of representative, republican government found expression, among other ways, in the possibility that any citizen might attain to the highest office of the President.

The beginning of the French Revolution, or what we are accustomed to refer to as the "Ideas of 1789," promised the

hope that in Europe, too, it would be possible to achieve the freedom of the individual and his equality before law through a republican revolution. The Prussian reformers were inspired by the same ideas, and the liberation of the peasants by Baron vom Stein was one of the most important steps toward a modern constitutional state.

The Liberation Wars of 1813 were by no means directed only against Napoleon's imperialist repression; rather, the majority of the population were enthusiastic participants in a conscious constitutional movement, and the boldest minds forged plans for how the state should be shaped following victory. The Liberation Wars in Germany may indeed be considered as a successful republican revolution. It was solely due to the precarious geographical position of Germany, that the intrigues of the reactionary oligarchs of Europe cheated Germany out of the fruits of its victory and the opportunity to create a sovereign nation-state.

That the creation of a German nation-state would be the result of the Congress of Vienna, was a conviction shared by both Wilhelm von Humboldt and Baron vom Stein, who participated as representatives of Germany. Even though the establishment of a German nation-state was frustrated by the scheming of Metternich, Castlereagh, Talleyrand, and Capodistria, the Liberation Wars still represent probably the most glorious period of German history. At no other point in time was the humanist ideal of mankind embodied in the German classics more widely spread in the population than in these years.

The idea that every person, regardless of birth, is endowed by the divine order of creation with inviolable human rights, and that every person who develops all the potentials with which he is endowed can become a beautiful soul: It was this conception of man which the oligarchical elite saw as the

## To find out more

The full *EIR* Special Report, " 'Europe 1992': Blueprint for Dictatorship," is available for 400 DM from Executive Intelligence Review Nachrichtenagentur GmbH; Dotzheimer Str. 166; D-6200 Wiesbaden, Federal Republic of Germany. Telephone (06121) 884-0.

The report, which is in English, is 261 pages, with charts of the Europe 1992 oligarchical control structure, and an index. Chapter headings are: 1) Europe in a Trilateral World, 2) Cultural Parameters for a Europe of the Regions, 3) The Social-Economic Policy of the Cartels, and 4) Know Your Enemy: Who's Who in "Europe 1992."

## The corporatist plan for Europe's labor force

The bureaucrats who drafted the plans for an integrated European 1992 Domestic Market claim that their program will create some 2-5 million new jobs within five years. This was the boast of Paolo Cecchini, in a European Commission report issued in June of this year.

But there's a catch: The Cecchini report concedes that the "first phase" of the European integration process "may" witness the drastic reduction of employment in such sectors of the economy as: agriculture and food-processing, transportation, pharmaceuticals, telecommunications, auto, and public services. That is not to mention steel, which has already been massacred by the EC's "rationalization."

The idea, as the map on the cover of this magazine shows, is that most of Europe's industrial centers will be turned into "rust belts," leaving a few pockets of manufacturing, supplied by a cheap and mobile labor force, traveling about the continent in search of a livelihood.

Naturally, this means destroying what little remains of the power of the labor unions to defend the living standards of their workers. Already, employers' associations are putting out the line that strike laws and other labor and social regulations will have to be scrapped, and that workers will have to be prepared for "rough times."

The integration schemes of Europe's financial cartels were mapped out at a meeting in Stuttgart, West Germany on Feb. 5, 1988, organized by Deutsche Bank and Baden-Württemberg Prime Minister Lothar Späth, the leading spokesman for corporatism inside the German Christian Democratic Union party. Among the firms represented at the meeting were Daimler-Benz, IRI, British Steel, Total, Nestlé, Bosch, and Crédit Suisse.

The meeting developed a catalogue of sweeping de-

mands: "Administrative impediments" costing the European economy about DM 40 billion a year have to be removed; there must be more deregulation, more privatization of industry, and fewer subsidies for "old" industries. Deutsche Bank's Alfred Herrhausen insisted that the cartels need absolute freedom in their decisions, including "a regionalization of wage levels." In other words, industry will invest in your area—just make sure the wages are low enough!

Not long after the Stuttgart conference, the president of the Federal Association of German Industry (BDI), Tyll Necker, made this austerity policy even more explicit: "In the future, labor law and social law, laws governing labor-management relations and co-participation, job protection, work time, and unemployment compensation, will become factors of competition. This has not been recognized adequately in the Federal Republic."

The model for the proposed restructuring of the European labor force is "the Swedish way," itself nothing but a modernized version of Mussolini's corporatism. In August of this year, a delegation of the West German Social Democratic Party traveled to Sweden for a firsthand look at the economy which has a remarkably low 1.3% official jobless rate. The German Socialists attributed this to the unusual degree of cooperation among the Social Democratic government, large industry, and labor. They praised the fact that Sweden has eliminated subsidies to "old industries" (meaning the world's most modern shipbuilding and steel industries).

What they failed to point out is how Sweden's corporatism has allowed savage reductions in wages and living standards—all "democratically" imposed. Low unemployment has been achieved by creating a monstrous state bureaucracy and the world's highest per capita taxation level. "Early retirement" programs take people off the employment rolls often by age 55, and sometimes even at age 20! Even more devastating, is the fact that a recent study comparing European wage levels found that after-tax wages in Sweden were the *third lowest* in Europe, after Portugal and Greece.

greatest threat to its power. Free and proud citizens in a feudal state? Impossible.

### The un-Holy Alliance

The so-called Holy Alliance hastened to reintroduce the feudal corporatist state, and in so doing, was most un-holy, in that it proceeded to deny the majority of the population the exercise of its God-given human rights. In this battle of Holy Alliance forces lies the beginning of universal fascism, which

proliferated at that time throughout Europe, as well as in North America, as a countermovement to the ideal of a free citizenry. It was from this current of thought that Schopenhauer, Nietzsche, and Dostoevsky were later to emerge. From Nietzsche's *Herrenmenschen* to the master-race and *Untermenschen* of the Nazis, was but a small step. The Pan-Europe ideas of Richard Coudenhove-Kalergi and his eugenics movement represent another element in the continuity of this fascist conception of man and state.

In the 1940s and 1950s, there were essentially four men who launched and shaped the discussion of a federalist European state: Jean Monnet, Denis de Rougemont, Paul-Henri Spaak, and Coudenhove-Kalergi himself. All the current ideas for establishing a supranational European government, for example, by elevating the status of the EC Commission, had already been fully developed in the 1940s and 1950s.

The first document after World War II in which these plans were laid out was the "Hertensteiner Program" passed on Sept. 21, 1946, which proposed a world union governed by the United Nations. There it says, in part:

1) A European Community established on a federative basis is a necessary and essential constituent part of any real world union. . . .

3) The European Union will be integrated in the organization of the United Nations and forms a regional organization in the sense of Article 52 of the Charter.

4) The members of the European Union will transfer a part of their economic, political, and military sovereign rights to the federation they have formed.

A federated Europe would have been only a sub-region of a United Nations world government, governed by such supranational institutions as the IMF, the World Bank, GATT, and the like. It was self-evident to the planners of this world government, that the commissars would be nominated in principle by private financial interests and deployed into the various branches of government. That would render the function of national governments and elected parliaments irrelevant.

Charles de Gaulle defeated these plans for Europe, because he was a passionate patriot who correctly saw in national sovereignty the sole guarantee for individual freedom. Only when representatives elected by the people represent the interests of the people to government, and, in turn, defend and represent the interests of the state to the electorate; only when, in this reciprocal relationship under law, the representatives are accountable to the people, only then is there a protective wall erected against the despotism of individuals or private groups who assert themselves in a Darwinian, law of the jungle, manner.

In a federated Europe, this check of a republican democracy would drop away. Super-financiers like De Benedetti, the late Jean-Baptiste Doumeng of France, or Alfred Herrhausen, who control many thousands of enterprises, would be unbridled in their greed for profit and power. If they fulfilled their tasks as Russian satraps according to plan, they would have no need to fear the Red Army; rather, they would count on it to maintain law and order, just as the governments of the satellite states in the East bloc do today.

In addition to the leading financial circles, and in part overlapping them, it is primarily the majority of the Eu-

ropean nobility which is fueling the drive to decouple from America and turn to the East. These are the forces which lurk behind the one-worldist institutions, like the Trilateral Commission, the Royal Institute of International Affairs, the Inter-Action Council, and the plethora of regional, separatist groups which are plotting "Europe 1992." Not only do these aristocratic circles hope to occupy leading positions, segregated from the "masses," in a United States of Europe based on the 1815 feudal model; but also they have no problems with the idea of the "Common House of Europe," for they understand "house" to refer to the castles in the East, whose high nobility have been their blood relations for many centuries in any case.

If one imagines a Europe in which the feudal upper class governs, then the idea of a "Common European House" causes no problems. But there certainly is a problem if one has a clear idea of the values of Western, Christian humanist culture. From this standpoint, the idea of a "Common European House" is absurd. Western Europe and some Eastern European nations, such as Poland, belong to European culture, by virtue of their common basis in the principles of Christianity, the Italian Golden Renaissance, and the German classics. Russia, on the other hand, along with certain other Eastern peoples, was dominated for generations by the murderous Tatars, and have never brought forth a Renaissance with its humanist conception of man. How can one live in a house when part of the tenants have not even progressed into our age, but instead still live in the Middle Ages?

### The true European culture

But what could a positive conception of Europe look like, in respect to the real situation of the world today? First of all, a Europe which could replace a union of sovereign nation states does not exist. Europe in this sense is the same "fantasy" that de Gaulle said it was, when he stated, "It is a fantasy to believe one might create something more effective and "recommend it to the people, which would be outside of, or above, the state" (Sept. 5, 1960).

The relationship of the individual person to humanity as a species is not mediated by broad cultural areas, such as Europe, or Southeast Asia, but by nations. It is the shared sense of history, and especially the common language of a people, which allows the sense of nation to emerge, and, more than anything else, it is the highest forms of poetical expression which determine the most direct access to the identity of a person.

In this sense, there is in fact a European culture, determined by the values of Christianity and humanism over the last 2,500 years, and we certainly look upon Dante Alighieri, Goya, Shakespeare, Rabelais, Verdi, Beethoven, and Schiller as representatives of European culture. But it is also incontestable that, although the greatest of universal geniuses be-

longs to anyone who makes his work their own, a patriotically minded Italian nevertheless feels a certain pride in knowing that the great prince of poets, Dante, was an Italian, just as a German will feel an especially tender love for the poet of freedom, Schiller. And that is good, because it is precisely this multiplicity in unity which constitutes the special wealth of human society.

A further element which brings cohesion to European culture is the special importance attributed to the role of the individual. There is no other culture or civilization in the world in which the inviolable rights of human dignity occupy the central role, which the development of Christianity, the breakthrough of humanism on the part of Cardinal Nicolaus of Cusa, and the Italian Golden Renaissance have assigned them in European culture. In this beautiful human ideal, in which the individual is free under natural law, and called upon to develop all the creative potential with which he is endowed, there lies perhaps the most important contribution of European culture to human history.

But since precisely this freedom of the individual can be defended only by a republican, representative system, Europe can only be defined as an entente of sovereign nation-states. Europe can only be a Europe of the Fatherlands.

For that reason, the 1979 decision for direct election of deputies to the European Parliament should be reversed. At best, such a parliament by direct election is an irrelevant debating club—as it largely has been up to now—or, at worst, this institution has powers for which it has no legitimate mandate, since its members, who make supranational decisions, are not responsible to the nations concerned.

It would be far more meaningful instead to assign normally elected deputies of national parliaments to cooperate at the European level on certain topics. In that way, those parliamentarians who work in the special committees of their national parliaments, and whose policy can be examined and judged by their own electorate, can meet at regular intervals to discuss and elaborate a common orientation. Political agreement will never be found at the level of the lowest common denominator in any case, as the entire history of the United Nations or the European Common Market proves, but will be achieved only on a programmatic basis which defines a higher level for all concerned.

In principle there are two possibilities: Either Europe becomes another of the regions of the world whose role is restricted to being bled dry by social Darwinist and neo-malthusian financial cartels, in approximately the same way as this is happening today with the so-called Third World. Then is our freedom lost, and probably irreparable damage also done to human civilization. Or, the citizens of the different nations mobilize in time to defend their national sovereignty and their right to pursue their activities as independent economic producers, whether as a medium-sized businessman, farmer, retail salesman, or craftsman.

Europe is culturally one of the richest continents on this Earth. There is no arrogance in saying so; on the contrary, out of this wealth derives an immense responsibility to find solutions to the problems of this world. Who would not be overwhelmed by the incredible cultural wealth offered in so many diverse forms in the various countries, in all the cathedrals, sculptures, paintings, buildings, beautiful cities and villages, and in the manifold works of the many great scientists, composers, city-builders, poets, and philosophers?

If one reflects on how many individual creative efforts, how much work through the course of many generations, and what personal sacrifices, often of one's own life, were necessary to create this cultural wealth of the last 2,500 years, as Schiller said in his essay on "Universal History," who will not feel the ardent desire to take up this great honor in himself, and to multiply it through his own contribution, passing it on to future generations? If one gazes on the manifold beauty of Europe, one can not accept the perspective that Europe, once again in this century, and this time perhaps forever, may be subjected to the yoke of dictatorship.

The Europe of the Fatherlands has a clearly defined historical mission. Counterposing his own positive concept for a strong Europe in the "Fouchet Plan," to that of the European federalists, de Gaulle saw the mission of Europe as being nothing less than contributing to "the development of other peoples" and "the emergence of a better world."

There are two historic tasks which we must fulfill before the turn of the century if we want to overcome the current, apocalyptic crisis and take steps along the path leading to the age of Reason. The first is the long overdue development of the Southern Hemisphere. It would be our own declaration of moral bankruptcy if we were to stand by and look on, as entire continents in the developing sector die, when it would be so easy for Europe to help alleviate the need there, building up infrastructure, agriculture, and industry. What is necessary is not the ridiculous destruction of agricultural and industrial capacities by the Brussels EC bureaucracy, but rather the further expansion of these capacities for an unprecedented export offensive into the developing countries.

Western Europe must immediately realize a Marshall Plan for Africa, Asia, and Latin America, and not the "Marshall Plan for the East" shamelessly put forward by Carlo De Benedetti. If Western Europe takes the initiative to realize a new, just world economic order, we will not only be creating expanding markets for our export-dependent economies for the future, but we will also be reacting to the moral imperative in the only human way possible, that we cannot tolerate seeing the greater part of humanity in such an impoverished and undignified condition.

If we so use the human and industrial resources of European nations, to make our contribution to the grander plan of developing a better world, then that establishes the level of Reason uniquely capable of bringing about agreement among



## Europe 1992: No farmers, no food

In the many official reports and studies about the integrated domestic market of "Europe 1992," the word "agriculture" appears rarely. Probably the bureaucrats deem it wiser not to say too much about the condition of European agriculture, which has already been largely destroyed, as a pilot project for what the European Commission has in mind for other economic sectors.

But the "restructuring" of Europe's agriculture has only just begun. The ultimate goal is that at least 85% of the farms in the European Community will have been forced into bankruptcy or otherwise shut down. Out of today's 750,000 farmers in West Germany, at most only 80,000 are to continue to farm. Instead, large landowners will again emerge, employing tenant farmers and low-paid farm hands, a situation leading directly to a new feudalism.

Part of the plan of the Brussels bureaucrats is to raise taxes across the board. Every farmer and producer will be so burdened with regulations, that he will be drowned under the paperwork alone.

Take the situation for grain production. The heads of state decided at their last European summit to limit the grain harvest of the European Community to 160 million tons. If this amount is exceeded, then the EC will collect a producer tax of 3%—above the 3% which is already collected. But both taxes are due *in advance*. Only if it turns out that the grain yield remains below the upper limit, can the already-taxed farmers apply for a refund on

the taxes they have already paid.

One study commissioned by the EC, "Goal 1992," levels harsh criticism at the current decision-making process, which is deemed too democratic. National agricultural secretaries are accused of introducing too many national viewpoints and interests, all of which, according to the Brussels technocrats, should be eliminated within an integrated domestic market. The study proposes mechanisms for agriculture that would adjust producer prices to "current budget conditions." Then, it specifies, "New decisions by the agriculture secretaries council for implementing this policy will no longer be necessary."

### Soviet looting of Europe

With food shortages looming in the Soviet Union and Eastern Europe, the European Community is paying tribute to the East already. This is expected to increase dramatically under the rubric of Europe 1992, as Europe is unified "from the Urals to the Atlantic." Now, as always, the Soviets get what they want from the EC, for token prices: butter for DM 1.80/kg—one-sixth the price that the West German consumer pays; beef for DM 1.50/kg—one-fifteenth of what it costs inside the Community. According to a report in the German newspaper *Bildzeitung*, in 1987, the EC paid DM 6.6 billion in tribute to the East, in the form of subsidized food. And Moscow wants more.

Already, the Bavarian Farmers Association has signed a cooperation treaty with the State Committee for the Agro-Industrial Complex of the Russian Soviet Republic, involving export of new plant varieties, planning and expansion of warehouses and agro-technology centers, and the export of meat and dairy products. West German Agriculture Minister Ignaz Kiechle is seeking similar agreements on the federal level.

the diverse sovereign states.

The second grand goal, toward which we must at least make immense progress even in this century, is the industrialization of space. If we seriously set about work on completing a colony on Mars in approximately the year 2020 as a first step, in the course of this project, we will have solved all the scientific and technological problems necessary for survival on Earth, such as the exploitation of nuclear fusion or biophysics.

No less important is the moral impulse of such a vision directed into the future, and toward overcoming existing limits. Only when people cease to war among themselves on Earth over petty things, and bring their own activity into accord with the lawfulness of the universe in a more fundamental way, will we come closer to that which is human in

us. The great German rocket builder and space scientist, Krafft Ehrlicke, was right when he saw in the "extraterrestrial imperative" the way for humanity to reach the Age of Reason. In today's world, it is of paramount importance for West Germany, Italy, and France together to draw on their great traditions in space science, and define the industrialization of space as one of the goals for peace in Europe.

The answer to the plans for an integrated Europe can only lie in making the role of a Europe of sovereign nations in the world conscious to all people. The great humanist Renaissance of the fifteenth century, which liberated Europe from the Dark Ages of the fourteenth century, and shaped European culture for 500 years, is the proof that even most severe crises can be overcome. Such a humanist and cultural Renaissance is necessary and possible today.

## The Israeli elections: When will war break out?

by Thierry Lalevée

Less than 48 hours prior to the Nov. 1 Israeli parliamentary elections, unofficial opinion polls among the country's mainstream voters and leading political circles revealed that 80% were convinced that a new Middle East war was already in the making. After the election returns came in, boosting the power of Israel's radical fundamentalist parties, it became for most not a question of "whether," but of "when" and "how." Some say that war already began on Dec. 8, 1987, the start of the Palestinian uprising, the *Intifada*.

The climate for the current crisis was well prepared on the eve of the elections, as moderate opinion was swept aside by new explosions of fundamentalism and brutality on both sides. In the latest escalation, Palestinians attacked an Israeli civilian bus in Jericho on Oct. 30. In the incident, which shook Israel to the bones, a young mother and her three toddlers were burnt alive. Israeli retaliation against Palestinian strongholds in Lebanon was swift and fierce. The stage was set for a victory of Israel's right-wing majority.

This Israeli electoral campaign was blatantly manipulated from the outside. By the middle of the campaign, it became obvious to anyone who cared to investigate the matter, that both superpowers wanted the right-wing Likud bloc to win, for their own cynical purposes of "New Yalta" diplomacy. The Soviet Union decided all of a sudden to avoid any major public declarations in favor of an international peace conference, which could have been understood as an endorsement of the Labor Party of Shimon Peres. Instead, the Kremlin's friends afforded red carpet treatment during the campaign to one of the government's most extreme representatives, Trade and Industry Minister Ariel Sharon. Prime Minister Yitzhak Shamir went to Hungary on a "private" visit at the beginning

of October, followed by the first official visit by an Israeli, Ariel Sharon. During that period, the daily *Jerusalem Post* remarked that Moscow, through its satellites, was expressing its favor for the Likud.

Moscow's terrorist assets, too, went into action in a way that played into the hand of the Likud bloc. This was the rationale behind the Oct. 11 suicide commando operations by the Iranian-backed Lebanese Hezbollah, which killed seven Israeli soldiers. The operation was fully facilitated by Syrian intelligence. Similarly, despite claims by Defense Minister Yitzhak Rabin that the culprits of the Jericho attack on Oct. 30, were a group of young Palestinians who were quickly arrested, investigations show otherwise. Though those arrested may have participated in the attack, it was a carefully prepared and professionally implemented terrorist action, perpetrated by Syrian-controlled Palestinian commandos, probably of the PFLP-General Command of Ahmed Jibril. Needless to say, the attack was carried out in full knowledge of its consequences for the elections 48 hours later.

Israel's descent into the maelstrom of fundamentalist irrationalism is at least as much to be attributed to the vacuum in American foreign policy, as to Moscow's manipulations. Perhaps somewhat more discreet than Moscow, Washington gave little support to the more moderate proposals of Peres, even though they are officially closer to the position of U.S. Secretary of State George Shultz.

Further, Labor and Peres were stabbed in the back by the American Establishment when, in the midst of the campaign, Bankers Trust and other New York "blueblood" banks, as the London *Financial Times* described them, went to court to demand the immediate liquidation of the Koor industrial

conglomerate. The political implications of the move were not lost on anyone. Israel's biggest industrial concern, producing 10% of the country's industrial output and employing some 30,000 workers, Koor belongs to the Histadrut trade union, affiliated with the Labor Party. Bankers Trust's move, which threatens the jobs of thousands, end up underlining the bankruptcy of Labor-run-companies.

### War by December?

One Israeli political analyst, Yehuda Litani of the daily *Hadashot*, published a lengthy political commentary on Oct. 31, the eve of the elections, in which he warned that the first anniversary of the Palestinian uprising on Dec. 8 may well unleash the next war, starting with unprecedented mass riots, leading to terrorism hitting Israeli cities, and the expulsion of thousands of Palestinians by Israeli authorities. Next, according to him, an emergency Arab summit to be held in Baghdad would decide on a united Arab front, leading to Syria launching direct military attacks against Israel, on Dec. 15.

According to the Nov. 1 issue of the French daily *Libération*, few inside Israel disagree with Litani's predictions. Even more indicative are the official comments from Egypt. An adviser to President Hosni Mubarak, Tahsin Bashir, told *Libération* that in case of a war between Israel and Syria, Egypt would remain neutral. However, should Israel engage in a mass expulsion of the Palestinian population, Egypt would join in!

The victory of Israel's right-wing parties has come to confirm Litani's fears. Though it may take days, and perhaps even longer, for Israel to achieve a stable ruling coalition, it is clear that whatever government emerges, its outlook will be radically different from any government of the last four years. Political analysts consider that for the first time, the Likud will form a right-wing-only coalition, in which the Likud may happen to be the most moderate of all parties. Indeed, the Likud so far has refused to include in its official program the electoral platform of General Ze'evi (ret.), a.k.a. "Gandhi," which, on the basis of advocating the "transfer" of the entire Palestinian population out of the occupied territories, received two seats in the Knesset. The same with the more extreme views of Yuval Ne'eman's Tehiya party.

But whatever government comes to rule Israel, it will be held hostage by an unholy coalition of some 18 Knesset members belonging to the most ultra-orthodox fundamentalist Jewish groups. In a decades-long process of "orientalization" of Israeli society, the Jewish state is becoming the hostage of its fundamentalist rabbis, like other nations of the region are at the mercy of their imams or mullahs. This was an unfortunately predictable result, according to some supporters of the Labor Party, because of Shimon Peres's deliberate refusal to present a clear-cut alternative to the policies of Shamir, outside of merely saying that he was ready to negotiate with Palestinian representatives.

The next stage of this pre-planned tragedy is now expected to occur around Nov. 15, when the Palestinian National Council of the PLO gathers in Algeria. Since it was unable to agree on a straightforward peace plan in the weeks and days preceding the Israeli elections, the PLO is even less likely to be able to now. Instead, it will have to come to terms with the Syrian-controlled Palestinian movement.

On Nov. 4, the Arabic newspaper *Al Fajr*, published in East Jerusalem, published what it said was the draft of a Palestinian declaration of independence, to be proclaimed Nov. 14. "We the Palestinian people," it said, "represented in the Palestine National Council, declare the establishment of a Palestinian state on the soil of Palestine, with Jerusalem as its capital, according to the natural right of the Palestinian people to live in its homeland and according to U.N. Resolution 181 of 1947." The document will be printed together with a map outlining the borders of the proposed state.

The expected declaration, lacking in content, may well be coupled with more radical slogans.

### The superpower game

Back to square one? Not quite. It has become evident in recent weeks that for Washington and Moscow, with the witting or unwitting complicity of other members of the U.N. Security Council, a limited war between Syria and Israel is considered a likely option, based on the understanding that it would not lead to an American-Soviet confrontation. On the contrary, such a war is seen as a perfect opportunity for both Washington and Moscow to jointly intervene and, shrouded with the mantle and illusory power of the Security Council, impose a ceasefire and a diplomatic process which, in the months ahead, could lead to a "peace conference." And Moscow and Washington could claim to have settled the "Middle East regional affairs" crisis—for the moment.

It is no secret that Syria, as well as other Arab states and the Israeli leaders, have made the same calculation. Syria has a precise rationale. By December, the 1978 Baghdad agreement which allocated \$2 billion in economic aid to Syria as a frontline state in the conflict with Israel, expires. Syria has to prove that it is still a frontline state, worthy of such lucrative assistance. Furthermore, a war will give Damascus the kind of military and political leadership—notably, over the Palestinian movement—that it has lost over the past year. And if, under the pretext of such a war, Israel does expel the Palestinians, this will not displease Syrian President Hafez al-Assad—especially if Jordan becomes the territory targeted to receive them.

Needless to say, the risk of a war going out of anyone's control is enormous. Israel's elections, reported the Paris daily *Le Monde*, represented the victory of the "Massada Complex." A right wing which is deeply suspicious of superpower intervention is now in power in Israel, and will definitely not abide by a Security Council resolution, until what it considers as its own security aims, are met.

# Will Gorbachov's 'national' experiment in the Baltic succeed?

by Luba George

"In the view of leading Western specialists . . . the realm of inter-ethnic relations is the biggest problem facing our country. That is true, it is our biggest problem. We must be careful that *glasnost* and "democratization" not prevent discipline and order from being maintained." That quote is from a speech given by Vladimir Kryuchkov, head of KGB intelligence 1974-88, and since Sept. 30, 1988, head of the KGB. The speech was delivered at the end of July at a Moscow conference on foreign policy, and was first published in the October edition of the Foreign Ministry's *Mezhdunarodnaya Zhizn (International Affairs)*.

Under the KGB's direction, the Soviet leadership has developed different strategies for dealing with growing national unrest among the Captive Nations of the Soviet Empire. Regarding the three Baltic Republics, Estonia, Latvia, and Lithuania, the scene of repeated nationalist mass demonstrations from August 1987 on, Moscow has elected to gamble. Under KGB guidance, an elaborate, and exceedingly risky, plan has emerged, to *coopt* the nationalist ferment, and channel it in directions useful to Moscow.

Thus, in the Baltic republics, Moscow has allowed and indeed fostered the creation of mass movements for "autonomy," which are called "Popular Fronts." Founding congresses for the "Popular Fronts" of Estonia and Latvia were held in September and early October, respectively, and a Lithuanian "Popular Front," was founded at a congress on the weekend of Oct. 22-23.

There are two wrong ways to analyze this picture. The most typical blunder in the Western coverage of events in the Baltic is euphoria over the "Popular Fronts." Unlike the genuine nationalist resistance movements, the Popular Front is a catch basin for every political shade existing in the Baltic; they include true nationalists and patriots, who will use "anything in motion," to build anti-Moscow forces; but also Communist Party members, and, of course, numerous KGB operatives.

To conclude, however, that Moscow's creation of the mass membership Popular Fronts means that the KGB "runs the opposition" in the Baltic republics, is equally nonsensical. The KGB did not create the mass protest movement in the Baltic republics. The mass anti-Russian protests and the

threat that they will go out of control, *forced* the KGB to proceed with the Popular Front "experiment."

Ironically, the answer to whether the KGB "experiment" will succeed or not, lies outside those republics. Namely, can Moscow prevent national explosions in the Ukraine (population 50 million) and in Poland. Events in those two places would rapidly terminate Moscow's counterinsurgency experiment in the Baltic.

## The ferment

The mass protests in the Baltic continue to increase in intensity, with Catholic Lithuania now spearheading the ferment. In the Lithuanian capital of Vilnius, on the weekend of Oct. 22-23, over 200,000 people gathered around the assembly hall on the bank of the Neris, where the Lithuanian Reform Movement, or *Sajudis*, held its inaugural congress. The demonstration was authorized. It was, after all, the founding of the Lithuanian Popular Front. But, the overwhelming majority of those marching were anti-Russian Lithuanian patriots and supporters of Pope John Paul II.

After the march, some 20,000 people gathered before the entrance of the now-reopened Roman Catholic cathedral, closed under Stalin, and for 40 years used as a picture gallery. Cardinal Vincentas Sladkevicius celebrated his first Mass, and Vatican and Lithuanian flags flew in the background. The demonstrations in Lithuania followed similar such demonstrations during September in Estonia and Latvia, the other two Baltic states sacrificed to the Russians under the Hitler-Stalin Pact.

The Popular Fronts have been demanding an autonomous administration and economy for each republic, with each also having its "own currency." Moscow would "only" be responsible for the defense and foreign policy of Estonia, Latvia, and Lithuania. The Lithuanian *Sajudis* is also demanding that Lithuanian conscripts fulfill their service in the Soviet Army only on Lithuanian soil.

Moscow is very concerned about Lithuania, bordering on Poland. In sharp contrast to Latvia and Estonia, where Russians comprise, respectively, 50% and 40% of the population, the Lithuanians make up over 80% of their republic's 3.64 million population. The brutality of the Stalin era has

never been forgotten. Between 1940 and 1948, some 300,000 Lithuanians (well over 10% of the population) were deported to Siberia. Few returned. The deportees included nearly all the non-communist intelligentsia, Catholic clergy, and prosperous farmers.

The decision to extend the Popular Front movement to Lithuania reflects Moscow's extreme concern over the national unrest. On the eve of the Popular Front congress, Lithuania's First Secretary was unceremoniously dumped, and an amenable counterinsurgency tool, Algirdas Brazauskas, was installed as new party boss.

A year ago, the phenomenon of such authorized mass movements could not have been possible. Why are the Russians now taking such risks in dealing with the outright anti-Russian sentiments that have come to the fore? The Baltic has become a theater for an experiment which may have a huge bearing on the fate of Gorbachov's *perestroika*.

### **The Baltic and perestroika**

The "secret" to the KGB's experiment lies in the fact that the industrial and agricultural workforce of the Baltic republics is by far the most productive workforce in the Soviet Union, and the Baltic contains a substantial portion of Soviet electronics and other crucial military-related high-tech industry. Poor performance by the Baltic workforce, which has a Western cultural tradition and is actually a European workforce, is thus not a cultural problem, as in the case of the Russian worker or peasant. The Estonian, Latvian, and Lithuanian high-tech industry worker lags in performance because he refuses to work hard for Russia. Convince the same worker that he is working for an "autonomous" Baltic republic, all of whose internal decisions are in its "own" hands, and labor productivity, so vital for the Ogarkov war plan code-named *perestroika*, will skyrocket—or so reasons the KGB.

Moscow's new policy surfaced in August, when Politburo member Alexander Yakovlev visited Latvia Aug. 8-11, and Lithuania Aug. 11-13. In meetings with the local party leaderships, Yakovlev demanded that they "take an active role in shaping events," avoid an inflexible stance toward the nationalist opposition, and above all, "make the national factor" an "impetus for *perestroika*."

Beginning in June, Moscow has moved ruthlessly to ensure that precisely such party leaderships, who can make "the national factor" work for *perestroika*, have been installed in the Baltic. On June 23, Vaino Vyalyas, a KGB official with an ambassadorial background to cover his KGB functions, was named Estonian First Secretary. In Latvia, when First Secretary Boris Pugo (a KGB general and former head of the KGB in Latvia) was promoted at the Sept. 30 Soviet Central Committee plenum to head the Party Control Commission, a KGB-directed succession was instituted in that republic as well. In fact, it was 19th Party Conference speeches of Vyalyas and Pugo that contained the solid evidence that Moscow

was embarking on the Popular Front and "economic autonomy" strategy for the Baltic.

Following Yakovlev's visit, the "national factor" began to be enlisted in earnest for the cause of *perestroika*. On Aug. 18, a commission attached to the Lithuanian Supreme Soviet had concluded that national symbols, such as flags, heraldry, and the national colors, could be displayed and the national anthem of independent Lithuania sung. On Aug. 23, rallies throughout the entire Baltic were held (an estimated 200,000 attended in Lithuania alone) on the anniversary the Hitler-

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*Moscow's strategy is to realize through national "concessions" the added labor discipline required to ensure that the increased production demands it is placing on the Baltic can be fulfilled.*

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Stalin Pact. In contrast to Aug. 23, 1987, this time, all speakers, party leaders included, condemned the pact, and many spoke openly of secret protocols and the millions of dollars that Stalin paid to Hitler for a strip of Lithuanian territory.

The U.S.S.R. is in deep economic trouble, and the Baltic republics are already considerably more efficient than most Soviet republics. The aim of the reforms was visible in an article in the Aug. 23 edition of the weekly *Sovetskaya Kultura*. Two Estonian economists, E. Savisaar and I. Raig, called for "full self-financing at republican level" so that Estonia could specialize in the production of export goods and the acquisition of hard currency, required for mass food imports. Here, for the first time, the "idea" was floated of creating "free economic zones" in the Baltic, to lure Western capital into "joint ventures," especially in the realm of high-tech industry.

Gorbachov and the Soviet leadership have to move quickly. In Lithuania, as in the rest of the Baltic, because of an increased shortage of food and consumer goods, the population is bitter about the non-existent benefits of *perestroika*. The situation regarding food production will get worse, because of the reduced use of fertilizers. The growth of private enterprise and cooperatives might somewhat alleviate the shortages, but will not solve the problem. Thus, Moscow's strategy is to realize through national "concessions" the added labor discipline required to ensure that the increased production demands it is placing on the Baltic can be fulfilled. The KGB plan is clear. Whether the gamble succeeds is an open question.

# Moscow moves to crush Solidarity

by Konstantin George

Polish Prime Minister Mieczyslaw Rakowski began the implementation of Moscow's plan to crush the Polish opposition with his Oct. 31 announcement that the government would close the Lenin Shipyard in Gdansk by Dec. 1. The Lenin Shipyard has been the bastion of Solidarity and its leader, Lech Walesa. Its workforce has been in the forefront of every major confrontation with the quisling regimes in Warsaw, in 1970, 1980-81, and again this year.

The announcement closing the shipyard, which employs 11,000, was timed to coincide with the Nov. 1 All Souls' Day national holiday, thus preventing immediate counter-moves, and came on the eve of British Prime Minister Margaret Thatcher's Polish visit, which began on Nov. 2. Polish leader Wojciech Jaruzelski's interview with BBC-TV Oct. 30 perversely hailed Thatcher for her successful crackdown on "troublesome trade unions," and "welcomed advice" from her on how to dispense with such problems. Rakowski himself, during his press conference on the shipyard closure,

joined the chorus praising Thatcher: "Maybe there will be trouble. But you know, Mrs. Thatcher had a lot of trouble when she started to close factories and coal mines."

Rakowski's move, the first step in shutting down large enterprises which are Solidarity strongholds, was planned months ago in coordination with Moscow. Rakowski declared that this was "the first of many such closures necessary for the restructuring of the economy," while his industry minister, in a companion press conference, Oct. 31, predicted a "series of closures," of 150 of "the largest loss-making enterprises."

The Oct. 14 issue of *EIR* predicted that Rakowski might move to destroy Solidarity in precisely this way. We warned that all talk of so-called "roundtable" negotiations with the opposition was nothing but a Moscow maneuver to buy time, stave off trouble during the autumn, and then strike in earnest once the cold weather sets in, as it now has in Poland.

## The simmering confrontation

The closing of Walesa's Gdansk stronghold followed a campaign of threats by the regime against Solidarity during October. A full-scale confrontation was under way as of Oct. 21. On that day, Walesa warned that a new strike wave could erupt any time. According to reports from Polish underground sources, the coalminers of Upper Silesia are again planning strikes, this time for early November, which would launch the third big strike wave of 1988.

The confrontation, however, has been planned from the beginning by the new government of Prime Minister Mieczyslaw Rakowski, under orders from Moscow. Rakowski was in Moscow Oct. 20-21 for sessions announced only two days before with Mikhail Gorbachov on the Polish crisis. One week earlier, Polish Politburo member and ideology boss Marian Orzechowski had been hastily summoned to Moscow for a similar round of crisis strategy-planning.

The correlation between the Moscow visits and the Polish regime's confrontation policy emerged during Orzechowski's stay in the Soviet capital.

On Oct. 21, Polish party boss Jaruzelski followed Moscow's instructions and issued a threat, broadcast on Polish TV and radio, to use violence against any new strikes: "The use of force is the last resort, but my hand will not tremble to use it. . . . The leadership will not hesitate to use force, should attempts emerge to destabilize or overthrow the Socialist State." In the days before the Orzechowski visit, the Polish media began a campaign labeling Solidarity members "extremists."

Then, on Oct. 17, the Polish leadership issued a statement announcing that the "roundtable talks" with Solidarity that had been scheduled for that day had been indefinitely postponed. The Polish regime's behavior demonstrated that the September promise of "negotiations" with Solidarity was merely a maneuver intended to buy more time. The regime also went out of its way to declare that any legalization of

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Solidarity was "not possible."

Only after all this, did Lech Walesa denounce the government's behavior, calling it "unacceptable." As a result, he said, he "no longer excludes a new strike wave."

### Open threat of Soviet intervention

The key to the Polish regime dropping its mask was the Orzechowski visit to Moscow. In an Oct. 19 article in *Pravda*, he reassured Moscow that the Polish situation is under control. The "initiative remains unswervingly in the hands of the party," and "organized and responsible forces are controlling events."

Moscow is not so sure, as other passages in Orzechowski's article indicate. He showed "understanding for certain doubts and concerns . . . among Poland's *allies*," which are "only natural and understandable." Orzechowski reiterated that any legalization of Solidarity is out of the question. On the same day, Rakowski arrived in Moscow.

Moscow is committed to a policy of wiping out the Polish opposition and crippling the power of the Catholic Church. Its tool for this strategy, Rakowski, was appointed prime minister on Sept. 19. Soon after, the independent Polish press leaked the news that Rakowski had authored a secret report in December 1987, outlining a program of savage austerity, and the goal of eliminating the Church and Solidarity as political factors in Poland.

Behind Rakowski is Interior Minister Czeslaw Kiszczak and Defense Minister Florian Siwicki, both, like Rakowski, Politburo members. It is noteworthy that when Rakowski was named prime minister, nearly all of the cabinet ministers of the old government of Zbigniew Messner were removed. Only four ministers, including the posts of interior and defense held by Kiszczak and Siwicki, were not changed.

The Soviets' stamp of approval for Rakowski was exhibited during his Moscow visit. *Izvestia* Oct. 21 carried a front-page biography of Rakowski. The coverage stressed that his visit "will enable further development and strengthening of friendship and multi-level cooperation" between the two countries.

### Return to martial law?

Many Western observers fear that Poland is moving inexorably back toward martial law. The only question is when. It could happen very soon, should government force be deployed against the next strike wave, triggering a social explosion. Unlike 1981, however, even martial law cannot keep the lid on for long. Poland's devastating economic crisis ensures that.

In the closing days of October, the regime resumed its gambit to buy time, by again raising the prospect of "round-table talks" by mid-November, if Walesa would agree first to hold yet another meeting with Interior Minister Kiszczak, the fourth since August. In short, the regime was seeking to contain unrest until cold weather arrived.

## Soviets rip up Afghanistan accord

by Lydia Cherry

The Soviet Union has all but officially ripped up the Geneva Accords on Afghanistan, signed with Pakistan in March 1988. On Nov. 4, it was announced that the withdrawal of troops from Afghanistan "is being suspended for the time being."

Deputy Foreign Minister Aleksandr Bessmertnykh told a Moscow news conference, "What is important is not when it will be continued, but when it will be completed." He also reported, "More powerful means of destruction are now being additionally supplied by the Soviet Union to the armed forces of Afghanistan."

The announcement was Moscow's official admission of a rapid escalation of its military deployment to Afghanistan in the final week of October. On Oct. 31, the U.S. State Department reported that the Soviet Union had sent at least 30 Soviet MiG-27 Flogger-D aircraft into Afghanistan.

The fighter-planes, it was announced, were deployed to the Shindand airfield near the city of Herat, close to the Iranian border, within range of operations into both Iran and Pakistan. Reports of the planes' deployment originated with Afghan guerrillas in the region, and were subsequently confirmed by satellite. Only Soviet pilots will fly the planes.

On Nov. 1, the State Department announced that the Soviet Union had also deployed SS-1 Scud missiles, which have "a range which puts the western frontier of Pakistan and much of Afghanistan itself within striking distance."

The Soviets themselves have publicly stated that their aim is the annihilation of what they call "irreconcilable" elements of the Afghan Mujahideen, the guerrillas who refuse to negotiate a coalition government with Moscow's puppets in Kabul. On Nov. 1, Soviet Foreign Ministry spokesman Gennadi Gerassimov announced that the "Afghan Army" had received long-range rockets to enable it to retaliate against rebel missile attacks.

TASS stated that the Scud missiles—which went on public view in Kabul—have "great destructive power." "Strong blows" will be dealt to the Mujahideen, proclaimed another Tass commentary Nov. 1, "unless their leadership comes to its senses and stops pointless fratricide."

Taking the pose of the victim, a Moscow commentator justified the military deployment, "How much longer do you think we could sit back and watch the other side making fools of us?"

Resistance sources in Islamabad, reported the *Washington Times* Oct. 31, say the Soviets have been using the MiG-27s and helicopters to attack guerrilla positions near Kandahar. In mid-October, the rebels had cut the road linking the fortified airport in Kabul to Kandahar in the south, Afghanistan's second-largest city.

A convoy of more than 1,000 vehicles, including tanks, armored cars, and trucks, broke the rebel cordon by Oct. 31, with heavy losses to the guerrillas.

The State Department announced Nov. 2 that through the last week of October, Soviet Backfire bombers, which have a range of nearly 2,500 miles and can carry 12 to 18 bombs, flew from an airbase at Mariy in Turkmenistan to bomb the rebel positions around Kandahar. The Backfires are capable of flying well above the 3.5-mile range of the guerrillas' Stinger anti-aircraft missiles.

On Nov. 2, TASS reported that new missiles had been put into action against a rebel base close to the Pakistani border. "A powerful missile strike shook a base of the irreconcilable opposition in the area of Marulgad in Nangarhar province which borders on Pakistan," the Soviet news agency announced.

The Soviet Union has also redeployed Su-24 bombers close to the Afghan border.

The Soviet escalation, however, has not been limited to Afghanistan. On Nov. 3, Pakistan shot down an intruding Afghan warplane several miles inside northwest Pakistan. A Pakistani F-16 intercepted the Soviet-built MiG-23 about 160 miles west of the capital city of Islamabad.

### **All that meets the eye?**

The Soviets preceeded their military moves with a massive October purge of supposed "hardliners" in Kabul who, they indicated, might oppose a negotiated coalition government with the Mujahideen. They also sent emissaries to Rome to meet with former King Zahir Shah. But all diplomatic displays aside, Moscow's renewal of the war in Afghanistan—in an effort to control the political combination that emerges in Kabul—highlights the original bankruptcy of the Geneva Accords.

Without a political settlement, the Soviet withdrawal of troops has functioned only to escalate the Afghan war as a civil war, and to increase the pressure on Pakistan.

There are two possible consequences of current Soviet actions. One is that the nation of Afghanistan will be obliterated from the map—a perpetual war zone, with the Soviets retaining overall control of its cities and functioning economy, and iron control over the northern areas, while a few areas are controlled by the guerrillas.

But the Soviet military deployment in the week of Oct. 31 raises other questions. The MiG-27s, in particular, are a weapon with an offensive capability, whose range cover Pakistan and Iran. Are the Soviets making preparations for a military move into either of those two countries?

# The countdown to Pakistan's elections

by Ramtanu Maitra

As Pakistan braces for its first party-based elections in 11 years on Nov. 16, recent events have further charged the tense campaign atmosphere. At this writing, the election outcome is too close to call, but the deeper issue worrying observers is: Can the politicians live up to the responsibility of leadership, or will chaos and lawlessness bring the Army into the picture once again?

In the space of 24 hours, on Oct. 23, two bombs went off in the capital city of Islamabad. Two days later, another bomb went off in Lahore, killing two people and injuring dozens of others. Prior to this bombing wave, the two major cities of Sind province, Karachi and Hyderabad, had witnessed rioting and the macabre killing of more than 300 people late last month.

On Oct. 26, Army Chief of Staff Gen. Mirza Aslam Baig intervened with a serious note of caution. Speaking in Quetta, the Army chief reminded politicians that political dissension was a most serious matter, one which had directly affected the integrity and unity of the country in the past. General Baig's pointed allusion was to the disaster that befell Pakistan in 1970-71, and again in 1977 following the elections.

### **The specter of lawlessness**

In 1970-71, coming out of a 10-year-old military rule under President Ayub Khan, Zulfikar Ali Bhutto, founder and leader of the Pakistan People's Party (PPP), rejected the poll verdict that had given the East Pakistan-based Awami League a clear majority. Bhutto's intransigence and manipulations led to a violent confrontation between West and East Pakistan which, after a bloody massacre of Bengalis in East Pakistan by the Pakistan Army, resulted in the tearing away of the eastern wing of Pakistan and formation of a new nation, Bangladesh.

In 1977, Bhutto was in the center stage again, as prime minister. Refusing to respond to accusations by the combined opposition to the ruling PPP of mass rigging in that year's elections, Bhutto resorted to backroom maneuvering. When the opposition took to the streets, bringing the administration to a standstill. Bhutto's effort to bring the Army in to secure his position ended with Gen. Zia ul-Haq, then the Army chief of staff, assuming power and putting Bhutto behind bars.

In 1988, the chaos potential surrounding the elections is no less. The continuing violence and lawlessness is a clear challenge to the military. As General Baig said in referring



to the mafia (suspects in the Sind killings and involved in heroin trade and contraband smuggling with a vast number of guns at their disposal): The lawlessness "acquires dreadful proportions when the power of the money and the guns combine together to affect the entire fabric of the national life."

### **Generals 'on trial'**

Twitting of the Army has appeared in another form. On Oct. 23, a *Times of India* group newsweekly in Bombay published an exposé on what led to the surrender of the Pakistan Army in 1971. The exposé is based on an unpublished report, prepared in 1972 by a Commission of Inquiry headed by the chief justice of Pakistan, Hamoodur Rehman. According to the *Times of India's* Washington correspondent, who curiously secured a copy of the report from "an American friend," Bhutto had commissioned the inquiry, but found its findings too explosive to make public. Apparently, he destroyed all copies but one, which he kept under the mattress of his bed where it was found following his arrest in 1977.

The exposé put the blame squarely on the shoulders of the Pakistan Army for losing the 1971 war. Five generals, including then-President Yahya Khan, were named, and the report advised that they be tried on charges of personal immorality, drunkenness, and indulgence in corrupt practices. The commission also recommended court martial of three other generals and three brigadiers for their criminal neglect of duty in the conduct of the war, both in West Pakistan and East Pakistan.

What impact publication of the report will have is difficult to say. The press has taken note of it, but so far the politicians have declined to pick up on the exposé. They are so entrenched in the political campaign, that they don't have time to look anywhere else. More to the point, there is no political party that doesn't have a retired general among its prominent members. The PPP, for example, otherwise the most vocal critic of the Army, has given election tickets to Gen. Tikka Khan (ret.), better known as the butcher of East Pakistan and Baluchistan; Adm. Karamat Hussain Niazi (ret.); and Air Marshal Noor Khan (ret.). Perhaps the principle that those who live in glass houses should not throw stones, will hold.

The Army, for its part, is maintaining a neutral and helpful stance. General Baig has reiterated his vow that the Army is fully committed to ensure law and order and "create a peaceful atmosphere to turn the dream of a smooth ballot into reality." Baig also declared that as soon as the new government takes over after the elections, the troops will go back to the cantonments.

### **Political 'merry-go-round'**

Meanwhile, the announcement of party nominations has drawn heavy flak from the rank and file of all parties. Their loud complaint is that the ballot positions have been given to large landholders, clan chiefs, and the rich. The PPP seems

to be the worst offender, but the fact is that what the Pakistani press describes as a "political merry-go-round" is nothing but the large-scale movement of politicians from one party to another, lured by election tickets.

Until the election, as a matter of policy, the PPP did not tolerate in its ranks anybody who had even inadvertently shaken hands with the late President Zia ul-Haq. But all this changed once the party-based elections were announced. People who had been ministers in Zia's government have been awarded tickets. People who were members of the People's Council handpicked by Zia have been awarded tickets. People who contested the partyless elections in 1985 defying the PPP leadership's dictate have been awarded tickets. One report from Karachi says that fully 30% of the PPP ballot position went to former Zia men!

The case of Ehsan Paracha is typical. He joined the Pakistan Muslim League-F (PML-F) two months ago, and was promptly awarded a Cabinet post by the PML leadership, but jumped back to the PPP on the eve of submission of nomination papers. The PPP has awarded him with a ticket.

An identical merry-go-round is taking place elsewhere. Former Chief Minister Mohammad Khan Junejo, who had split the PML into PML (Junejo) and PML (F) only two months ago, subsequently formed an alliance with the Terik-e-Istiqal (TI) and Jamiatul-Ulema-e-Pakistan (JUP) and called it the Pakistan People's Alliance (PPA); he has since rejoined the PML-F-led Islamic Democratic Alliance (IDA) and is preparing to contest the PPP.

### **Hard to call**

In light of this, it is difficult to determine who has credibility and who has none. The PPP and IDA will be the main adversaries. In Punjab, with 117 of 207 total parliamentary seats, it is a slugfest between the two adversaries. In Sind, with 46 seats, there is a third factor, the Mohajir Quam Movement (MQM), the party of those who had come from India following the formation of Pakistan in 1947. In urban areas of Sind, Karachi, and Hyderabad in particular, the MQM will hurt the PPP, but in the province as a whole, the PPP holds an edge. In North West Frontier Province, with 26 seats, the fight will be between the IDA, Abdul Wali Khan's Awami National Party (ANP), and the PPP-ally JUI. Baluchistan, with 11 seats, will in all probability prefer the regional parties.

A "tough contest" has been predicted by Begum Nusrat Bhutto, widow of former Prime Minister Zulfikar Ali Bhutto, and co-chairman of the PPP. "If PPP could earn a simple majority, it would be a considerable blessing," she said. (Interestingly, Mrs. Bhutto has come under attack from leading members of her own party for telling a newspaper that her husband had told the United States he would permit U.S. inspection of the country's high-security Kahuta nuclear facility where, it is alleged, the country's plan to make an atom bomb is in progress.)

# The Soviets play their 'green card' to destabilize the West

by Mark Burdman

Several months before becoming head of the KGB at the Soviet Central Committee Plenum on Sept. 30, Vladimir Kryuchkov informed a meeting of Soviet policymakers that a priority of the Kremlin's foreign policy had been, and would increasingly be, to cultivate "green" movements in West Germany and other nations of the West.

Kryuchkov made his comments at the end of July 1988, at an internal Soviet Foreign Ministry conference, in his capacity as head of KGB foreign intelligence. The speech was first published in the October edition of *Mezhdunarodnaya Zhizn*, the Russian-language version of the magazine *International Affairs*, the official publication of the Soviet Foreign Ministry.

Said Kryuchkov: "The practical steps we have launched to break the ice in Western Europe . . . have borne fruit. We have successfully changed people's minds. . . . The policy conducted by Gorbachov has been a big success. . . . We will orient to the Greens and the peace movements to put these people in the forefront, so as to influence the brains of the politicians. . . . We can accomplish this by sympathizing with the ideas of the Greens and peace movement." Referring to West Germany, he said: "We must try to find minorities in West German society with whom we can speak, so that they can then influence broader layers of society. . . . We have developed new conceptions and new methods to use these forces."

While Comrade Kryuchkov's comments placed a special emphasis on subverting West Germany, his comments were not meant only for the Federal Republic. His marching orders are certainly being applied with increasing intensity on a global scale, on both sides of the Atlantic. The Soviets are cultivating "green" movements, some of them with known connections to satanist organizations, to erode the cultural, moral, and political will of the West to defend Judeo-Christian values.

On Nov. 8, the same day as the American elections, the

Soviet-patronized International Foundation for the Survival and Development of Humanity begins a two-week invasion of the United States, starting with Washington, D.C., and continuing on to New York, Boston, Los Angeles, and San Francisco. This could turn into a high-publicity event, to some extent shaping the U.S. public mood after the elections, because the delegation is supposed to include famous "dissident" physicist Andrei Sakharov, who is being let out of the country for the occasion.

Physicist Yevgeni Velikhov, vice-chairman of the Soviet Academy of Sciences, is another foundation influential, and high-level representatives of the Soviet Culture Fund, the Russian Orthodox Church, and other Soviet institutions are on its board. Since its inception in late December 1987, the Soviets have used the foundation to spread environmentalist and disarmament propaganda.

The foundation also numbers on its board several non-Russian personalities, including Munich-area kook scientist Hans-Peter Doerr of the newly formed Global Challenges Network; KGB-linked billionaire Armand Hammer; former U.S. Defense Secretary Robert McNamara; and the head of the ecological fanatic Greenpeace group, Canada's David McTaggart.

## The case of Greenpeace

Greenpeace itself is a most interesting case of a Soviet-cultivated operation, as described by Kryuchkov. In August-September of this year, it established an official bureau in Moscow. In 1985, Greenpeace had drawn international attention, as a protagonist in the *Rainbow Warrior* affair, in which French secret service agents were accused of blowing up the Greenpeace *Rainbow Warrior* ship in New Zealand waters. This affair was used effectively to destabilize traditional elements in the French intelligence services, to the benefit of the East. But this was an East-West "joint stock" operation. Greenpeace's lawyer against France in that case

was Lloyd Cutler, former White House legal adviser in the Carter administration, and now a chief backer of Democratic presidential nominee Michael Dukakis.

Also noteworthy, is that on Aug. 28, the *Sunday Telegraph* of London reported that Greenpeace's policies are characterized as "wholly pagan," by several of Britain's organized pagan groups, including the Pagan Federation and the Odinic Rite, the latter a "pagan foundation [that] has achieved charitable status." According to the *Sunday Telegraph*, paganism is rife among ecological groups, and "ecological New Age" beliefs are drawing many people to organized paganism.

Prior to the Nov. 8 opening of the International Foundation activities in the United States, the whole leadership of the West German national branch of Greenpeace was visiting Moscow.

Before that trip, the East and West elites who are behind the "green" movements have had high-level strategy sessions. From Oct. 25-28, the Club of Rome International held its 20th-anniversary commemoration in Paris, with the Soviet delegation led by Yevgeni Primakov, head of the IMEMO think tank in Moscow. (See *EIR*, Oct. 21, 1988, "When you see a starving African, think of the Club of Rome.")

During the last days of October, the Varna, Bulgaria-based Eco-Forum for Peace, also known as The Club of Varna, an important East-West ecological group, held a "traveling conference" through various of the states along the Danube River, to highlight "ecological issues" of common East-West concern. The president of the Eco-Forum at the time of its founding in the mid-1980s, was Ivan Frolov, today a member of the small inner advisory cabinet to Mikhail Gorbachov.

### **Aquarians, Dukakisoids**

At the beginning of October, ecology groups from all over Europe had been in the U.S.S.R., sponsored by the Environmental Affairs Council of the Soviet Union, a section of the Central Committee of the Soviet Communist Party.

In mid-October, a 10-person Soviet delegation had traveled to northern Scotland, to attend a conference of the Findhorn Foundation, a commune founded in 1962, which describes itself as central to what has become known as the "Aquarian Conspiracy," and as a "center for green ideas." It maintains what commune members refer to as a computerized network of groups involved in "global consciousness and planetary transformation."

The theme of conference was, "The Individual and the Collective: Politics as if the Whole Earth Mattered." The two key issues discussed were "the politics needed to support Green issues," and "East-West rapprochement and disarmament."

Up to the minute that the conference began, the anticipated keynote speaker was Soviet Foreign Ministry spokesman Gennadi Gerassimov, who had to cancel at the last

moment, because of the visit of Italian Prime Minister Ciriacò De Mita to Moscow on the same day.

A key Soviet participant was filmmaker Joseph Goldin. Goldin's pet project, announced at the meeting, is something called the "Mir Caravan" (*Mir* means both "peace" and "world" in Russian). In the spring of 1989, this group will sponsor a "friendly cultural invasion of Western Europe," by trucks that formerly carried missile-launchers for Soviet SS-20s and SS-12s, and now will carry giant television screens beaming "peace" films! Findhorn Foundation conference participants report that "Mir Caravan" has established an office in Paris, and has "received the blessing of the French

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*The Soviets are cultivating "green" movements, some of them with known connections to satanist organizations, to erode the cultural, moral, and political will of the West to defend Judeo-Christian values.*

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Ministry of Culture."

Goldin described meetings such as the one at Findhorn, as part of a "worldwide *perestroika* of consciousness." Another Soviet representative, from the Moscow Center for Social Invention, talked of seeking a "post-industrial socialism," with the help of the "green spiritual movement." He noted, "Gorbachov wrote about spiritual values in his book *Perestroika*. He meant the soul, which is as important as the body."

The words were music to the ears of the Western kooks in attendance.

One U.S. attendant at Findhorn, Duncan Parry of Earth Stewards Network, said that Goldin is "the visionary; we provide the logistics." Goldin's activities "destroy stereotypes," Parry went on. "A victory for George Bush next month will make no difference, because this thing has its own momentum."

If this sounded like a plug for Governor Dukakis, that was not accidental. Another U.S. participant was Harvard Medical School's Dr. John Mack, the leading figure in the Medical School's Center for Psychological Studies in the Nuclear Age, on whose board sits Joseph Nye, Michael Dukakis's leading foreign policy adviser. This center specializes in brainwashing Americans to relinquish "the enemy image" of the Soviets. According to an account in the Oct. 17 London *Guardian*, Dr. Mack told the Findhorn participants that he was looking for "non-argumentative ways to conflict resolution," for "new myths that unite us, a new concept of human

identity.”

Joseph Goldin has had long-standing ties to the pro-drug Esalen Institute of California, which was founded by LSD hallucinator Aldous Huxley and others in the early 1960s. In the 1970s and 1980s, Esalen chairman Michael Murphy and his colleague James Hickman have built “citizens’ diplomacy” channels to the Russians, under the overall rubric, “Soviet-American Exchange.” One Findhorn source said: “The actual institutional entity that made the difference in bringing about a new East-West perspective was the Esalen Institute. . . . Esalen began to get such a good reception in Moscow in the early 1980s, that it would at times have better contacts in the U.S.S.R. than the American Embassy!” One chief cultivator of contacts with Esalen from the Soviet side, was the aforementioned Frolov, now Gorbachov’s adviser.

As of Nov. 1, Goldin had arrived in Esalen, for a new round of discussions there.

Findhorn conference participants point to other organizations that are important in the new phases of East-West “green” exchanges. One is the International Physicians for the Prevention of Nuclear War, the group financially patronized by Armand Hammer.

Another, working more behind-the-scenes, is a group involved in esoteric practices and theosophy, called the Lucis Trust. Based in New York, London, and Geneva, the Lucis Trust was known at the time of its creation in the 1920s as the Lucifer Trust, but the name’s connotation of “Satan” brought about too much controversy. The Lucis Trust uses United Nations channels to build global influence, and, in the words of a Findhorn member, “has encouraged the formation of thousands of groups around the world.” Its spiritual founder, Alice Bailey, was a well-known American Theosophist earlier in this century. One of its better known U.S. collaborators is Robert McNamara.

### Royal family ‘guppies’

Infrastructural and philosophical help for the Soviet-backed “green” movements also comes from the highest levels of the House of Windsor in Great Britain.

On Oct. 30, the London *Sunday Express Magazine* ran a cover story entitled, “Prince Philip: The Original Guppie,” with a photo on the cover of the prince with a green button with black letters reading, “Green Rules O.K.” (“Guppie” stands for “green yuppie.”) The article noted that “Prince Philip was the first member of the Royal family to make a major contribution to green issues and his involvement has been crucial. Twenty-seven years ago he became the first U.K. President of the World Wildlife Fund, now the World Wide Fund for Nature.”

But he is not the only royal “guppie.” Seven years ago, he handed over the U.K. presidency of the World Wide Fund for Nature to Princess Alexandra. Queen Elizabeth II herself patronizes, among other “green” institutions, the Flora and Fauna Preservation Society and the Wildfowl Trust, while

Prince Charles is President of the Wildfowl Trust and patronizes a curious cult called “Men of the Trees.”

With such sponsorship, “green” politics has taken off in Britain. Jonathan Porritt, a leader of Friends of the Earth, told the *Express*, “The ’80s have witnessed the spectacular greening of British politics.” Says one other “green” influential: “The ’60s are over, lovey. People in the ’80s admire gloss and aristocratic style. It’s no longer considered snobby to bring together people who have power and influence with those professionals who know about the environment.”

One group that is expanding fast in Britain, the article notes, is none other than the Soviet-linked Greenpeace.

## Thatcher backs nuclear power, upsets ‘greens’

British Prime Minister Margaret Thatcher and some of her Cabinet ministers have created an uproar among Britain’s “greens,” by insisting that the only solution to the “greenhouse effect” and other environmental problems, is an increase in nuclear power generation.

Appearing on BBC-TV’s “On the Record” program Oct. 30, British Environment Secretary Nicholas Ridley said: “There is absolutely no doubt that if we want to arrest the greenhouse effect, we should concentrate, like the French are, on a massive increase in nuclear generating capacity. Nuclear power stations give out no sulphur or carbon dioxide, so they are the cleanest form of power generation. It is the only serious way of reducing our carbon emissions.” Ridley said that conservationists could “not have it both ways,” since if they opposed nuclear power, then coal-burning power stations would only worsen the problems from carbon dioxide and sulphur oxide. Wind or wave power, which the environmentalists favor, could not provide enough energy to sustain industrialized nations. But nuclear power stations replacing conventional power stations, would help Britain get rid of “conventional pollution.”

At a recent Tory Party conference, Mrs. Thatcher herself insisted on a much heavier nuclear power program for Britain, as a solution to the “green” problems facing the country. She repeated this in a front-page Oct. 26 interview with the *Times* of London, in which she said, “Had we gone the way of France, and got 60% of our electricity from nuclear power, we should not have environmental problems.”

Groups like Friends of the Earth have issued statements attacking Thatcher and Ridley.

# European patriots to fight '1992' schemes

Patriots from West Germany, France, Italy, Denmark, and Belgium gathered in the Rhine city of Mainz, West Germany on Oct. 30, to define a campaign for the European parliamentary elections scheduled for June of 1989. Speakers representing all the major countries outlined a perspective of smashing the far-advanced plans for a fascist reorganization of Western Europe under "Europe 1992," and replacing it with a Europe rebuilt around the noble concepts of the sovereign nation state.

The conference was opened by Muriel Mirak, editor of a thick Special Report on "Europe 1992" just issued by EIR Nachrichtenagentur GmbH in Wiesbaden, who laid out the difference between a Europe of the Fatherlands, as outlined by the late French President Charles de Gaulle, and the supranational, oligarchy-controlled structure which the European Commission has put together as the Europe 1992 Plan. If the Europe 1992 Plan is implemented, Mirak said, it will lead us directly back to feudalist regional structures, which will be ruled by the major oligarchical families and the cartels.

To prevent Europe from entering a period like that of the Black Plague, the whole tendency toward giving the European Parliament executive and legislative power must be reversed, Mirak said. All representatives to European institutions must be responsible to their own nation-states, and any single nation must have a veto right against decisions that are not good for all. This return to the policy of de Gaulle alone can prevent this destruction of the nation-state.

## The coming of a New Dark Age

Helga Zepp-LaRouche, chairman of the Patriots for Germany party, gave the keynote address on the second day of the conference, under the title, "The Shaping of a New Age For Mankind, the Age of Reason." Zepp-LaRouche presented a powerful picture of the hell into which the world is going to plunge, unless a reawakening of mankind's Christian morality brings about a new Renaissance.

The context for the Europe 1992 plan of rationalization and elimination of national sovereignty, Zepp-LaRouche said, is the powerful impulse building toward a New Dark Age. We can anticipate a new financial crash, she said, and monstrous malthusian austerity immediately after the U.S. election.

The year 2000 will bring famine, epidemics, a disaster

worse than what Pol Pot did in Cambodia, she said. The Middle East will turn into a hotbed of instability. The Ibero-American continent will collapse. The Soviets would profit for the time being, but only at the price of becoming part of the inevitable process of global disintegration.

The sponsors of this horror can be seen in the noble families of the East and West—the Sforza, Recanati, and Volpi di Misurata in the West, and the Orloffs and Vorontsovs in Russia. The mother of these families lies in the Venetian nobility which spawned them all, and has been dedicated since at least the mid-15th century to the destruction of Western Christianity and its ideas.

One of the major means chosen for this destruction was the creation of New Age satanism, which went back to the tradition of Tiberius of Rome to create a proliferation of cults and sects of all sorts, dedicated to the deliberate destruction of the Good.

To defeat this evil, Zepp-LaRouche stressed, is not a question of simply fighting the Western oligarchy or the Russians, who will be the immediate beneficiaries of the oligarchy's scheme. The real enemy lies in human nature, when man turns his back on his God-like identity, and makes himself an instrument of Satan.

Let us face the truth about the mass of people in the West and the world, she said. They adopt opinions from the media, from other people, they are mostly other-directed. This is the direct entry for Satan into human history. The only way to make man immune, is by the principle of Socratic dialogue, whose true expression lies in the practice of Augustinian Christianity and in the tradition of Christ Himself.

Christianity was the most important moral revolution, she said. The Council of Florence of 1439, its continuation in the ideals of 1776, 1789, 1813, are crucial landmarks in the history of mankind's development. These ideas are not dead, as is indicated by the rebellion of whole peoples in the East, against the system of Teheran and Yalta. A majority of human beings on this globe have to face reality, the fact that under this system, they are all doomed to certain horrible death.

Zepp-LaRouche pointed out bluntly that the ideal point for making the necessary transformation in history was missed, when her husband, presidential candidate Lyndon H. LaRouche, Jr., was knocked out in his 1988 race to lead the United States. Had he been U.S. President, LaRouche could have dramatically changed the world overnight. Now we have to perform the same task through the mobilization of many people, who take upon themselves the responsibility for mankind, their own Gethsemane.

The leading strategic proposals around which a mobilization must be made are the Food For Peace initiative, and LaRouche's recent initiative on reunifying Germany around the perspective of feeding Poland, she concluded. But to do this, the patriots must ensure that they do not become corrupted and that they stick to the principles of the Good.

# Colombia wins first round vs. communists

by Robyn Quijano

The Colombian nation won round one against the communist subversive plot when the government imposed harsh emergency measures that made a general strike called for Oct. 27, a full 95% ineffective. The subversives' aim was to use the general strike to launch a nationally coordinated terrorist offensive to prove that the communists and their narco-terrorist partners are capable of paralyzing the nation, destroying the energy grid of key industrial regions and demonstrating that they, not the increasingly weakened Virgilio Barco government, are in control.

The tough stance of the government against the strike was in stark contrast to the months-long capitulation to the narco-terrorist offensive. Although the Colombian people strongly backed the decision to move hard against the Oct. 27 plot, the government is again wavering and talking of "dialogue" while the terrorists continue their offensive. While the military has suffered ambushes and massacres at the hands of the terrorists, and has sharply disagreed with the government's capitulation over the past year, the tough policy imposed on Oct. 27 proved how successful a clear anti-subversive strategy can be.

Now, under pressure from the Moscow-allied human rights lobby, the Barco government's backdown has caused conflict with the military. Defense Minister Rafael Samudio resigned on Nov. 4 after orders to the troops to destroy the subversives as "enemies" of the constitutional order were undercut by the government's insistence that it will continue dialogue with the terrorists. In the days since the defeat of the strike, the terrorists have continued their offensive.

- Eleven officers and nine soldiers of an engineer battalion were killed and 17 wounded in an ambush carried out by the Communist Party's FARC guerrillas in Meta. The soldiers were surprised without weapons as they were on their way to finish building a road in the Ariari region.

- Some 120 guerrillas of the FARC and the gnostic M-19 seized the town of San Pablo in Narino. The local branch of the Agrarian Bank was destroyed, and the police station attacked.

- The Atlantic coast region was cut off from the rest of the country because ELN terrorists dynamited 45 meters of railway lines. Damage to the railroad is estimated to be 100 million pesos.

- Large sections of the Atlantic coast are blacked out after guerrillas bombed the region's electrical grid.

## Target: Uraba

Disturbances occurred in a handful of places around Colombia on Oct. 27, but the only region which was totally paralyzed was the banana-producing northern region of Uraba, in Antioquia, where the Communists control the labor unions. The government responded to the Uraba situation by banning the two Communist-controlled banana workers' unions in the region for one year, for their role in the strike. The Communists' response has been to declare what the military chief of the zone, Gen. Jesús Arias, described as "a state of war" against the region's economy and infrastructure.

Some 38 banana plantations have been destroyed in wild guerrilla-led rampages, and 20 packing plants sabotaged. Radio stations have been seized, and company buses burned entirely. Two bridges connecting the region, which borders Panama, with the rest of the country have been dynamited, leaving Uraba isolated. The military, totally underequipped to handle the situation, is unable to enter the region. Telephone communications to Uraba have been cut off, and food and fuel shortages are already reported. Some 500 guerrillas have seized several government offices, and Antioquia's governor says the guerrillas currently hold the zone.

On the day of the strike, Acting President Cesar Gaviria reported calm throughout the nation, and assured the population that terrorism, not trade unionism had been defeated. He added, "I am certain that the normalcy reigning today means a move toward a strong and democratic trade unionism."

Jorge Carrillo, president and head of the democratic sector of the CUT, the largest national confederation which had called the general strike, resigned the day after the strike. He charged that his faction's effort to unify the labor movement around democratic principles "was defeated by subversion and terrorism," and he challenged the labor movement to exploit the Oct. 27 setback dealt the narco-terrorists by purging itself of subversive infiltration.

The day after his resignation, 23 of the 30 members of the CUT executive voted to retain Carrillo in the presidency and to facilitate agreements on the conditions which Carrillo insists must be met if he is to withdraw his resignation. Carrillo is demanding: 1) that leadership in the CUT be declared incompatible with leadership in any political party or other political organization; 2) that the CUT condemn terrorist acts against the national patrimony, such as blowing up the pipeline, etc. 3) that neither the CUT nor any organization affiliated with it involve themselves in campaigns against the armed forces; and 4) that the CUT condemn the massacres and ambushes against the military.

While an important battle was won on Oct. 27, the continued wavering on the part of the government could allow the guerrillas to quickly retake the offensive.

## Camillo's letter of resignation

Bogota, Oct. 31, 1988  
Executive Committee and National Directorate  
Unified Workers Confederation of Colombia ("CUT")

Brothers:

Two years ago, I called on Colombia's workers to join forces, without distinction of political or religious creed, in a great project of coexistence; to demonstrate that together we could contribute to making Colombia a more dignified and greater nation. I said then that we workers should put aside our political differences and follow a higher goal, that beyond all ideologies, we are all workers. That we should offer ourselves as an example to the entire nation, that we could coexist in peace. That we show our compatriots that beyond our differences, something higher unites us: that we are all Colombians, obligated to build our nation on solid bases of peace with social justice. We created the CUT, we set our goals. We would fight for the right to life, for the gains of workers, for the defense of national sovereignty, so seriously damaged by the dictates of the International Monetary Fund, and we clearly said: We would be against violence and terrorism.

Thousands of workers have embraced our postulates and no one can deny our affirmation that the CUT represents 75% of Colombian trade unionism. We have advised the unions in their demands with government and with businessmen. Thanks to our efforts, hundreds of collective contracts have been subscribed to, and there exists relative labor peace, due in this aspect to the CUT. . . .

We created the CUT as an instrument for workers to improve their living and cultural levels, with total independence from the political parties and groups. The Unified Confederation was born wedded to a project of peace and coexistence. To the disgrace of the country, the opposite has occurred. Violence has increased: More than 200 trade unionists have been assassinated and many threatened with death. . . .

In the meeting of the National Directorate of Feb. 5, 1988, I said in the opening speech: ". . . Certain political groups agreed to unity out of political and ideological interests, and those who try to impose such a vision will find that they will not succeed in their designs. Unity was for the national interest, because it [labor] was the only effective means of defending the interests of the working class and of

the people in general. In the different countries where they have managed to maintain labor unity in a single confederation, it is because it placed itself outside the interests of the political parties."

. . . What has in fact happened is that the political groups *A Luchar*, *Frente Popular*, and even the Communist Party, have spared no effort in spreading the idea among public opinion that the CUT is simply a bastion of their political designs. It is enough to review the organs of the political groups to which I refer, to confirm that even executive members of the CUT have been used in this campaign. We would add that these same political groups have launched a campaign against those leaders who do not share their political theories. . . .

The country is witness to my permanent opposition to [the administration's] economic policy, rejecting the government's submission to the austerity dictates of the International Monetary Fund. I have condemned the dismantling of Ecopetrol [state oil company], to use its monies for payment of the foreign debt and not for new explorations. Thus I believed it appropriate to present the national government with a list of demands, including increases in wages, a price freeze, and other prerogatives of the people. The government preferred to continue its policy of first paying the debt and then, if anything remained, offering the crumbs to the workers. I believed that the government would concern itself more with Colombians than with the interests of the creditors. Just as the Papal Encyclicals have taught us.

Well, the power of the international banks proved more than the justice of our petitions. We were left no other path but peaceful protest, which was defeated by subversion and terrorism. . . .

On Oct. 27, the insurgents redoubled their violent actions, demonstrating in effect that they sought to take advantage of the strike for their purposes. Violence and terrorism defeated us, but the demands of justice remain in force; these do not disappear with punishment of the unions, firings, and arrests of workers.

I do not believe that Colombia can be served by any paths other than those of peace and coexistence. The CUT can continue to contribute to finding these. I have said that peace and labor unity will be much closer on the day that those who can do so desist from pursuing the combination of all forms of struggle.

This week the National Directorate of the Unified Confederation meets. On the agenda is the convocation of the [CUT] congress; it would be appropriate for this to occur as quickly as possible so that the workers may define the future of this most important labor federation.

In my belief, the bad thing that has occurred is the systematic violation of the founding principles of the CUT. To facilitate a solution to the existing situation, I present my resignation as President of the Unified Confederation. . . .

Jorge Carrillo R.

## Manuel Carulias, trade union leader

We are deeply moved by the passing away of Manuel Carulias, a founding member of the Labor Commission of the Schiller Institute. Manuel Carulias died in Buenos Aires of a heart attack on the 22nd of October, at the age of 71. During the 1950s and at the beginning of the 1960s he was the leader of the transport workers union, and as such he was one of the top collaborators of Gen. Juan Domingo Perón in those difficult years of exile for Perón, and of persecution for his movement. As a result of this persecution, Carulias eventually lost his union position, his job, everything . . . except his honesty and his determination to go on fighting.

When we first met him in October 1984, we had already known many Ibero-American trade union leaders. In contrast to Manuel, some of them had powerful positions, others appeared to have better political acumen, still others had a better resumé. Nevertheless, Manuel was the quickest to understand and respond to



the necessity of organizing an Ibero-American and international movement for the defense of the West that would be free of the "internationals." He immediately threw himself unhesitatingly into the organizing of that fateful Schiller Institute conference of November 1984, and from then on he was instrumental in all the key activities of the Schiller Institute's Labor Commission. He helped launch the work in Panama by insisting on the need for unity between workers and the nationalist military; he helped organize the Schiller Institute labor conference of July 15, 1985 in Mexico City; he was an active participant at the two meetings of the Schiller Institute with President Alan García of Peru, and in general he played a crucial role in all the work that would later result in the success of the conference for an Amphictyonic Congress in Panama, on Aug. 8-11 of this year.

Manuel never tired of coming up with new plans and initiatives for advancing the Schiller Institute's trade union work, and was sure that we would succeed in reestablishing the long defunct Peronist ATLAS [Association of Latin American Unionized Workers] or its equivalent. When he

was taken to the hospital last Friday evening, he was busy at work on a new newspaper and many other projects on which he had worked relentlessly for years. Once, he confessed to us that he was aware of the derision he was subjected to by his fellow countrymen, and even some Peronists, but that no one was a prophet in his own land. Therefore, he said, he was committed to the goals of Ibero-American unity and the work of the Schiller Institute.

It was because of that, that he now leaves behind many friends who loved and respected him dearly, throughout the Ibero-American trade union movement. Mexicans, Panamanians, Colombians, Venezuelans, Peruvians, Bolivians, and many others know him to have made an important contribution to mankind, even if most of his countrymen ignored him.

*Fernando Quijano Gaitán*

*Director of the Schiller Institute for Ibero-America  
Leesburg, Virginia, U.S.A.*

### Those historic hours at Sweetwater Farm

In the United States, there is a place called Sweetwater Farm, in Loudoun County, Virginia, just over an hour's automobile ride from Washington, D.C. Manuel Carulias and I were there, back in November 1984, together with labor delegates from numerous nations of the world, assembled to create the Schiller Institute Labor Commission.

Manuel was one of the friends from Argentina with whom I was privileged to stand in many battles for the system of justice which the great minister and patriot Luis Maria Drago sought for this hemisphere. Of all those occasions, that November 1984 meeting at Sweetwater Farm has proven itself to have been the most fruitful.

Each of us, if he is wise, knows that our mortal life is but a moment in the hundreds of generations which have come before us, and, we may hope, the hundreds of generations yet to come. Yet, short as our individual life may be, and weak as each of us usually finds oneself against the great forces shaping our time, our individual life exists to be the instrument of Providence. If we but grasp the opportunities placed in our hands in that spirit, what we do with our brief lives creates a beautiful legacy for generations to come.

On that account, a soldier of justice has departed life with outstanding honor. During his life, few have done as much in face of adversity, to contribute so much to the hope that his nation, this hemisphere, and this civilization might escape the new dark age which his adversaries, and our own, seek to bring upon the nations and peoples of this planet.

I am proud of Manuel Carulias, and proud to stand among those patriots of so many nations now assembled in spirit, who mourn a priceless and steadfast friend.

*Lyndon H. LaRouche, Jr.  
Leesburg, Virginia, U.S.A.*

The death of our friend and founding member of the Schiller



Institute, Manuel Carulias, fills our hearts with a deep sorrow, a sorrow that can only be caused by the loss of an exceptional human being. But he will remain with us, for his work has laid the foundation for the institutions of hope, both in his beloved Argentina as well as in the rest of Ibero-America and the world. Now that the world is in such great peril, mankind actually cannot afford to lose a leader like Manuel Carulias. Therefore, we have to increase our commitment to achieve a world more worthy of the dignity of men in his memory.

*Helga Zepp-LaRouche  
President, Schiller Institute  
Wiesbaden, F.R.G.*

Manuel Carulias was one of the pillars that supported the Schiller Institute's Ibero-American Labor Commission. He was a member of its Coordinating Committee and, in a certain sense, the image the Labor Commission has today, as an institution fully identified with the Ibero-American labor movement, is an image which Manuel gave it.

I was, perhaps, the one who had the closest relationship with Manuel. I also owe him more than others, because he taught me very much about the Argentinian labor movement.

Manuel was a true labor leader, not a bureaucrat. This is worth pointing out, because it cost him great sufferings which his family had to endure with him.

One often overlooked the fact that Manuel was over 60 years old, because the zeal he brought to all of his activities in the Labor Commission made him seem as if he were the same leader he'd been 30 years earlier, when he was the head of the UTA [transportation workers' union], or when he belonged to the federation council of the CGT [General Workers' Confederation, Argentina's largest] The same vehemence, the same learned habits.

He always considered himself a free man, although he subordinated his life to the same moral and political commitment to fight for social justice that he undertook from the moment he took leadership of his union, which led him to face communism and usurious capitalism alike. Whenever he had to choose, he was faithful to that commitment. This is why his participation in the Ibero-American Labor Commission came naturally to him.

Manuel had the recognition and respect of his peers, though he never enjoyed the honors which often come freely to those in the labor movement who least deserve them.

He left without a goodbye, and so I mourn him with all my soul. I'd have liked to tell him personally that we shall ever be faithful to the same commitment as he.

*David Ramonet Rascón  
Co-Editor-in-Chief  
Schiller Institute Ibero-American Labor Commission  
News Bulletin  
Caracas, Venezuela*

To the family of Mr. Carulias:

Through this message, may I express my heartfelt condolences for the death of my great friend and fellow labor organizer Manuel Carulias, a renowned leader and social fighter for Ibero-American integration, and a member of the Schiller labor institution.

I thank God for the luck of the great moments we shared, and I vow to continue along the line that Manuel laid out for us.

*Juan Rebaza Carpio  
Chairman of the Board of Directors  
National Fisheries of Peru (Pescaperú)  
Lima, Peru*

Those of us who had the honor of knowing Manuel Carulias, feel his death in our souls, because from him we learned that the fight to defend the peoples of Ibero-America knows no age, has no schedule. His constant desire to achieve a solution to the problems of the Argentinian people showed us more closely the thought and teachings of General Perón; thus we committed ourselves to constant action, until achieving Ibero-American unity for the sovereignty of our peoples.

Our fight against the international financial oligarchy is one of the many commitments which we shared with Manuel, and we shall not rest until our governments recognize that the people elect them in order to develop policies for the people, and not to become puppets of the International Monetary Fund. In this we stood and still stand with Manuel, and we shall continue fighting in the name of Manuel Carulias.

*Pedro Rubio  
General Secretary  
Workers' Union of Bogota and Cundinamarca  
(UTRABOC)  
Bogotá, Colombia*

The death of Manuel Carulias brings great grief to me in particular, as well as to the rest of the Panamanian labor movement, not only because of his transcendence in the Argentinian labor movement, but because we had the opportunity in our country to benefit from his advice and cumulative experience during difficult times for the Panamanian labor movement. His advice helped us maintain a proper course in the midst of the very difficult situation we went through in 1985, as we held a strike against the impositions of the International Monetary Fund. For this reason, the passing away of Carulias not only shocks and brings pain to the Argentinian labor movement, but to the Panamanian labor movement as well.

*Eduardo Ríos  
Executive Committee  
National Council of Organized Workers (CONATO)  
Panama City, Panama*

## Moscow bets gainst Kohl

*A Soviet-authored gambling casino scandal is taking the Christian Democratic Union party apart.*

A double game on Germany is on at the Kremlin. While Mikhail Gorbachov was shaking hands in Moscow, Oct. 24, with his guest from Bonn, Chancellor Helmut Kohl, Soviet-controlled networks in West Germany were launching a destabilization drive which many here believe is the prelude to Kohl's overthrow.

Gorbachovite media in Germany like the scandal weeklies, *Der Spiegel* and *Stern* magazine, and the pro-Soviet opposition Social Democrats (SPD), have begun a campaign of revelations about "sleaze and bribery nests" in the CDU party sections of the two states, Lower Saxony and Rhineland-Palatinate. Both states are governed by a thin majority coalition of the CDU with the liberal Free Democratic Party (FDP).

The scandals involve suspected bribery of leading CDU politicians in both states. The unproven charges are that gambling casino figures made hefty money contributions to the CDU several years ago, to get the concessions to operate the casinos.

The charges are, moreover, that both CDU state party sections sought a share in the gambling revenue to illegally bolster their own party funds.

In Hanover, for example, gambling casino director Marian Felsenstein, a "Jewish mafia" figure, has been a key source of ever-new "revelations" about contacts between the gambling world and the CDU party top. The Jewish gambling mafia angle is important because of the links to Edgar Bronfman's special business operations. This includes his recent

shuttle diplomacy, as head of the World Jewish Congress, with Warsaw Pact leaders like Mikhail Gorbachov and Erich Honecker. Many believe that Bronfman is sacrificing previous Western Jewish interests, for newly brokered deals which are to the Kremlin's strategic advantage.

The gambling world overlaps indirectly with the mob scene, through "sleaze networks" among political parties of Germany. It happens to be the case, however, that much of the more positive secret intelligence work between East and West runs through the very same "grey zone" channels that are, at least partially, under control of the Jewish mob.

The CDU aspect of this has been chosen by Edgar Bronfman's networks, apparently, for political troublemaking. At the outset of 1988, the chairman of the West German Jewish Council, Werner Nachmann, a member of the CDU and Kohl supporter, and also a foe of Edgar Bronfman's libelous anti-Waldheim campaign, died unexpectedly. Two months after his death, irregularities in special funds he had managed within the Jewish Council's finances were found, not least through "hot tips" given from the East Germans and from Frankfurt-based Jewish gambling and real estate speculation figure, Ignaz Bubis.

It is said that these "grey zone funds" had been used by Nachmann, with knowledge of the Bonn government (i.e., Chancellor Kohl), for special operations to support Jewish opposition networks inside the East bloc. The ruling parties in the East bloc had

an interest in having these operations shut down, and it seems, so does Edgar Bronfman.

The "Nachmann affair" has caused purges of Jewish community leaders in Germany who had been close to Nachmann. From here, the affair has been played back against Bonn.

There are hints that during or after the Moscow visit of Kohl and his delegation, the Soviet leaders decided to drop the CDU option, and endorse a takeover of government in Bonn by the Moscow-leaning opposition SPD. "Sleaze networks" inside Kohl's CDU party provide a welcome leverage for the intended upheaval. In the State Chamber (Bundesrat), West Germany's second legislative body, which is crucial because it can veto and block any legislation, Kohl's CDU has only a one-state majority.

One minister and an ex-minister of the CDU's Rhineland-Palatinate state cabinet are being investigated now, on charges of bribery and "grey zone" relations to the gambling scene. The state government could fall over this affair.

In the state of Lower Saxony, the unfolding gambling casino scandal has already led to the resignation of two cabinet ministers and reshuffle in a government that rules by a one-vote parliamentary majority only.

The fall of Lower Saxony Gov. Ernst Albrecht over the affair, and ensuing early elections won by the opposition Social Democrats, seem likely. Once this state comes under SPD control, Kohl won't be able to govern. The resulting "dual power" constellation would be at Moscow's full disposal. There could be a direct overthrow of Kohl, or ultimate Soviet blackmail, through the SPD, of his government, turned into a puppet regime living on the good will of Gorbachov: Do as I like, or else!

## IMF sabotages the nuclear program

*The IMF and World Bank are granting loans conditional on the government's abandoning nuclear energy development.*

**A** strong protest against the International Monetary Fund and the World Bank was delivered in Brasilia, Oct. 27, by the director of Brazil's National Commission for Nuclear Energy, Rex Nazaré.

Speaking to the Congress's joint budget commission, Nazaré declared that the IMF and World Bank were blackmailing Brazil. He said they were making their loans conditional upon Brazil reversing its historic policy of autonomous development of nuclear energy and opening up its nuclear program to international supervision.

Nazaré charged, "Efforts to impede the technological advance of the developing countries, which were restricted to the policy of creating difficulties for the transfer of technology, goods and services, have now moved to the financial and economic field," he said, according to the Oct. 28 *O Estado de São Paulo*. "They are trying to decide externally the country's plans and its destiny," Nazaré concluded.

He was accompanied by Navy Minister Admiral Henrique Saboia and ex-Minister of Science and Technology Renato Archer. They went to Congress to seek support for Brazil's nuclear program. Brazil's new Constitution, which went into effect Oct. 5, gives the Congress responsibilities for the budget.

The Achilles heel of the Brazilian economy is the terrible lack of energy. Archer, who has fought for nuclear energy since he was a congressman in the 1950s, indicated, "We need to escape the trap in which we are caught, which makes hydroelectricity our only

source of energy. We must couple it with nuclear energy. I think the hour has come to use our potential nuclear energy."

Brazil's Navy was responsible for the breakthrough announced last year: Brazil's mastery of the complete nuclear energy cycle. Thus, the Navy minister tried to persuade congressmen not to stop investments in research programs which would permit "us to construct a nuclear-powered submarine, when we have the means."

For years, the press has been calling for eliminating nuclear research, although Brazilian military and civilian leaders have repeatedly stated they were not working on nuclear weapons.

The liberal oligarchy which controls the media was not happy with Nazaré's denunciation of the World Bank. On Oct. 30, *O Estado de São Paulo* accused him of "useless bravado," which could spoil supposed loan commitments from the World Bank.

A State Department functionary limited himself to commenting, "There is nothing new. Our policy always was to insist on inspection of the nuclear program."

In reality, from the new accusations, and from the way in which the World Bank has behaved in financing Brazil's electrical sector, the secret clauses signed with creditors during the latest round of renegotiation of the foreign debt several months ago are coming to light. They are imposing grave technological restrictions.

For example, the World Bank more than two years ago "approved" a \$500

million loan for rebuilding and extending Brazil's electrical system. That is only a drop in the bucket compared to the \$7 billion needed every year simply to expand the system fast enough to meet growth in demand. Brazil must increase its installed capacity by 7% every year from now until the year 2005.

Such investments have simply not been made since January 1983, when then-Finance Minister Delfim Netto promised the IMF that Brazil would not begin any new development projects and would stretch out those under way as long as possible.

The results have been generalized blackouts and rationing. Given a dependence on hydroelectric generation for about 90% of electricity, the problem has been especially severe in regions of the country afflicted by droughts.

The World Bank's latest pretext for delaying disbursement of the \$500 million is that the nuclear program was put under the aegis of the state electric holding company, Eletrobrás, and that it wanted to be sure none of its money was used to complete the two nuclear power stations still under construction.

At the September IMF meeting in Berlin, World Bank officials went around braying that they would only release the \$500 million after Brazil accepted inspection of its entire nuclear program by the International Atomic Energy Agency.

Even though Brazil has received next to nothing from the World Bank, the government is assiduously raising electricity rates faster than inflation, in order to guarantee surpluses to pay the sector's foreign debts.

Although there has been some noise from "environmentalists" inside Brazil, there is no doubt who the true "greenies" are: the IMF and the World Bank.

## Back on the front-burner

*With the U.S. elections over, the question of Panama is once again becoming a hot issue for State Department planners.*

**T**he Soviet Union has now made its move to become a major player in the Panama crisis, while U.S. Assistant Secretary of State Elliott Abrams, who has taken the point in Project Democracy's failed plot against Panama, has signaled a new offensive, now that the constraints imposed by the presidential campaign have been removed.

On Nov. 1, Soviet Ambassador to the United States Yuri Dubinin went to the headquarters of the Organization of American States (OAS) in Washington, to deliver a document from Mikhail Gorbachov. The document officially made the U.S.S.R. a signatory of the Panama Canal Treaties' Neutrality Protocol, which declares the Canal Zone neutral territory accessible to all nations. The Soviets thus became the 37th nation to adhere to the Neutrality Protocol, 11 years after the treaties went into effect.

There were differing opinions as to why the Soviets did this. Sources in the Panamanian opposition claimed the Soviets were backing the head of the Panama Defense Forces (PDF), Gen. Manuel Antonio Noriega, who has successfully led the fight against the State Department's two year-long effort to oust him, dismantle the PDF, and install a new government in Panama willing to agree to an extension of the American presence past the year 2000. Under the treaties, Panama assumes sole control of all canal installations in that year.

But at the beginning of October, the State Department, through its embassy in Panama, stated, "The Soviet recognition of neutrality was to strengthen the hand of the United States to deal with Noriega without

fear of reprisals," as the *Washington Post* put it Nov. 2.

The Soviets, of course, have their own agenda: to have the canal placed under supranational control. Under their plan, detailed in various official Soviet publications, the United States would remove its military bases from Panama, and the PDF would also withdraw from the Canal Zone. Defense of canal neutrality would then be assumed by an international peace-keeping force that would include Red Army troops.

At the signing ceremonies at the OAS, the U.S. representative stated that the United States would fully comply with all the provisions in the treaties.

But, with the stupidity that has characterized U.S. policy toward Panama for the past two years, Elliott Abrams had stated the opposite only days earlier. "Anyone who is dedicated to keeping those treaties should recognize that it is critical to get rid of Noriega," according to a Reuters wire Oct. 28.

In a Cable News Network interview that day, Abrams said that another offensive against Noriega would have to wait until after the elections. "You really can't do that at this point without the President-elect being involved in the decision," he said.

The quiet hysteria provoked by Noriega's firm refusal to step down, which would have been equivalent to sacrificing his nation's sovereignty, prompted Henry Kissinger to offer his own analysis Oct. 26 at the National Press Club in Washington. The United States should not undertake to overthrow a foreign government unless it

has a viable option to replace it with.

But Abrams and his crowd have been unable to develop a viable opposition to Noriega, and they will find the going more difficult during the next few months: Many of the leaders of the opposition working with the State Department will be scrambling to stay out of jail in the United States!

*EIR*, at the outset of the State Department's Panama fiasco, reported that Noriega was quite innocent of the charges in his Miami "drug-trafficking" indictment. It was the State Department-courted opposition that was guilty. And, sure enough, U.S. anti-drug forces have once again been forced to act against Panamanian opposition forces because of such complicity in the drug trade.

At the end of October, it was revealed that Dadeland National Bank of Florida was one of 41 banks in the United States whose records had been subpoenaed by federal officials in a probe of drug-money laundering.

Dadeland is owned by Roberto ("Bobby") Eisenmann, Carlos Rodriguez, and Guillermo ("Billy") Ford, who are among those Abrams has been trying to bring to power in Panama, as an alternative to Noriega.

This isn't the first time Dadeland and its owners have been implicated in drug-money laundering. Eisenmann, depicted in the United States as a "courageous publisher" of the opposition newspaper *La Prensa*, sat on the board of directors of the Banco Continental de Panamá, which laundered \$40 million for the drug-trafficking Colombian cartel of Jorge Luis Ochoa.

In 1984, federal prosecutors in Florida indicted the drug-trafficking ring of Antonio ("Tony") Fernández. During the trial, it came out that Eisenmann's bank had been laundering that ring's drug profits since at least 1976.

### Cocaine congressman caught in Peru

*President García has just purged from his APRA party a cocaine-trafficking congressman.*

**'H**e who goes to cash a narcotics trafficker's check is an accomplice of the narcotics trafficker," Peruvian President Alan García pronounced Oct. 10, when he asked his APRA party to expell from its ranks Congressman Manuel Angel del Pomar.

It seems that on Sept. 28, Del Pomar, holding a Peruvian diplomatic passport issued a few days earlier, had been arrested together with a Swiss named Willy Roland Studer when they tried to cash a 120,000 deutschemark check at Commerzbank in West Berlin.

The check was signed by none other than Manuel García Montes, a narcotics trafficker arrested in Peru after Peruvian police caught his gang on Sept. 12 shipping 40 kilos of the purest cocaine to Germany. They hid the drug inside truck wheel forgings which he exported to Germany and Great Britain. Members of his gang from England, Germany, Yugoslavia, and Peru were arrested in Peru and in Europe.

The account at Commerzbank was in the name of trafficker Manuel García Montes himself. He had been Del Pomar's friend since youth, and Del Pomar had gone to visit him in jail. The narco provided the congressman with 15 signed blank checks and his cash machine card and asked him to move all his funds to a secret account in Switzerland.

Del Pomar tried to lie his way out of the situation, telling Berlin police that he was part of the Peruvian delegation to the International Monetary Fund (IMF) meeting there at the time.

Del Pomar returned to Peru and acted as though nothing had happened. But, a few days later, on Oct. 10, an Interpol telex on the incident arrived at the Peruvian Army's division of communications, and the Army passed it to the President. García got Del Pomar expelled from the APRA parliamentary cell and then from the party.

The Chamber of Deputies has suspended Del Pomar until his trial is over. Unless independent judges are appointed for the case, however, he is likely soon to be back at his old tricks. Just about every judge in Peru owes at least one favor to Del Pomar. For many years, he was president of the National Federation of Bar Associations, which, by law, is represented on the panel which nominates judges. He also has chaired the Chamber of Deputies' Commission to Investigate the Judiciary, which decides whether judges should be fired for their irregularities.

This illustrates how Dope, Inc. has been able to infest all Peruvian institutions. Del Pomar and his ilk have been successful in rescuing any top narcos who get caught. He's not a great lawyer, but he has the connections needed to get charges dropped. This is the kind of political criminal on the inside who must be eliminated before any real war on drugs can be fought.

Peru is currently convulsed by the corruption generated by narcotics trafficking in the legislative branch, as in the Del Pomar case, but also in the executive branch, in the on-going "Villa Coca" trial. In that case, narcotics trafficker Reynaldo Rodríguez López, a number of the highest former

police officials, and personalities from the Fernando Belaunde presidency (1980-85) are being tried. Peruvian television recently showed a video tape of Rodríguez López, a.k.a. "The Godfather," at one of his infamous *fiestas* locked in demonstrative embrace with journalist Mario Castro Arenas, the man recently named Peruvian ambassador to Panama.

Among those linked to "The Godfather," Deputy Luis Percovich stands out. During the Belaunde presidency, Percovich was interior minister, the official in charge of law and order, and then was prime minister. Percovich's long-time personal aide, Luis López Vergara, is now in jail for the protection he offered the Villa Coca cocaine mob. López Vergara's official prime ministry car was found parked at Rodríguez López's luxurious "Villa Coca" complex when an explosion happened to erupt in the cocaine refinery under the mansion on July 24, 1985, just days before Belaunde and Percovich left office.

When Percovich was interior minister, the cocaine trafficking "Godfather" was the chief adviser to the police.

Other Belaunde regime officials were found by the attorney general's office to be linked to the mafia. Congressman Reynaldo Rivera, for example, was thrown out of parliament and tried for his crimes.

The APRA party also has plenty of politicians connected to the mob. Cocaine trafficker Carlos Langberg, now serving 15 years behind bars, tried to buy the APRA party. In September 1981, Langberg was arrested in Acapulco, Mexico, on his yacht, for cocaine possession. With him was APRA powerhouse Jorge Idiaquez Ríos and his family. When Langberg was jailed on charges of owning 587 kilos of basic cocaine paste, he provided Idiaquez with a small fortune to buy a villa.

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# International Intelligence

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## 'Chikung' cult grows in China

Wire service reports indicate a mass revival of the 2,000-year-old *chikung* cult in mainland China.

Chikung involves deep-breathing exercises to produce a "high," and claims to enable the initiate to exploit the powers of the mystical life-force called *chi*. Cult adepts claim to have x-ray vision, healing powers, and longevity.

Chikung masters also claim to be able to burn holes in metal, change the molecular structure of water, and illuminate light bulbs by concentrating their *chi*.

High Communist Party officials are said to be among the estimated 60 million adherents of *chikung*, according to Reuters, and Chinese military scientists are said to be researching the claims of *chi* practitioners.

*Chikung* experts are reported to be appearing before audiences numbering in the thousands in Peking. Mass hysteria was triggered at Peking *chikung* rallies this August.

Until recently, *chikung* was outlawed as witchcraft by communist authorities.

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## German expert calls for mass AIDS testing

A West German medical expert has called for mass testing of students, civil servants, and armed forces personnel in order to obtain a realistic overview on how many people are infected with AIDS. Prof. Zoellner, an expert in internal medicine at the Munich University Hospital, where he treats AIDS victims on a daily basis, called for the mass testing in an interview with the daily *Berliner Morgenpost* Nov. 1.

Zoellner attacked West German Health Minister Rita Süßmuth, saying that the present anonymous registration of AIDS-positive blood samples does not provide any picture of the actual epidemiological situation.

The mass testing he has proposed would reach an estimated 1 million people from all areas of life. Zoellner also called for mandatory registration of all AIDS-infected persons and for a change in the federal health law to permit quarantine of patients who knowingly continue to spread the virus.

Zoellner is an AIDS adviser to the Bavarian government and a member of the federal Parliament's AIDS Commission.

By contrast with the rest of West Germany, where the do-nothing policy prevails, Bavaria has adopted firm public health measures against the disease. Although State Secretary Gauweiler, who instituted the measures, was stripped of his authority on AIDS matters recently, the Bavarian Parliament outvoted the Social Democrats and the Green Party and ruled to keep the Gauweiler measures in place.

In addition, the Parliament called upon the state government to determine whether obligatory mass testing is necessary and possible and whether Bavaria has the capacity to quarantine and treat people who knowingly continue to spread the AIDS virus.

Süßmuth, for her part, announced on Nov. 1 that the doubling rate of AIDS cases has slowed down to 13 months, compared to a 6-month doubling rate three years ago. Süßmuth based her statement on the figures of 2,488 people sick with AIDS (as of the end of September), of whom 1,045 had died. Another 26,291 persons are known to be infected. Süßmuth sticks to her estimate that no more than 30,000 to 100,000 are infected—an estimate she made three years ago!

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## Locusts spread widely outside of Africa

Clouds of desert locusts originating in Africa moved across the Arabian Gulf from Saudi Arabia and Kuwait into the port of Bushehr in Iran, Reuters reported Nov. 1. The Iranian Agriculture Ministry said that planes would start spraying the same day, but that they expected more swarms to invade if the locust explosion on the Arab side

of the Gulf is not halted.

The locusts had invaded southern Kuwait on Oct. 30, devouring crops on several farms. Officials said that the number of locusts was small and could be stopped by ground spraying. The locusts, the first to invade Kuwait in 20 years, came from Saudi Arabia.

Meanwhile, African desert locusts carried thousands of miles on air currents had even reached Cornwall, Britain by Nov. 1, the first locust finding reported there for 34 years. British officials say that a sudden cold spell in the region would prevent the locusts from breeding, and that there would be no risk of a locust plague developing and devouring crops.

The latest *Locust Bulletin* of the U.N. Food and Agriculture Organization from Rome notes the extension of the plague into the Near East region, the continued breeding in West Africa, the appearance of second-generation swarms in Mali and Niger, and large-scale breeding in Sudan, particularly on the Red Sea coast. It termed the situation "very serious."

The *Bulletin* minimized the threat in the Caribbean, where locust swarms appeared in mid-October, swept across the Atlantic by winds. The report says, "In the Caribbean and adjacent areas of the South American coast, small-scale laying is likely to occur shortly, with hatching in early November, but it is considered unlikely that a viable population will persist."

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## Soviet deputies' 'no' vote wows Western media

Thirteen deputies of the Supreme Soviet, the rubber-stamp "parliament" of the Soviet empire, voted *Net* against two new police-state laws at the end of October, but that was enough to send most Western press trumpeting the praises of *glasnost*.

One of the new laws requires official permission for demonstrations, and the other gives broad new powers to internal troops.

But "Kremlinologists" said that, while there have been abstentions in the past, this

is the first time "no" votes have been recorded in the Supreme Soviet since it was created in its present form in 1936.

Western press gushed enthusiastic over the "no" votes as a sign of "true democracy" coming to the Soviet Union. The *New York Times* called this a "small but symbolically important step toward increased democracy." Small is the word. There were only 13 "no" votes of 1,350 delegates. The two police-state laws were passed overwhelmingly. The *New York Times* in its coverage obscured the nature of the laws.

## ***Genscher mediates between Moscow, Beijing***

West German Foreign Minister Hans-Dietrich Genscher, an East German emigré who is Western Europe's most outspoken champion of Soviet General Secretary Mikhail Gorbachov's "reforms," is now helping to mediate between the Soviet Union and China.

Genscher emerged from meetings with Chinese leaders Li Peng and Zhao Ziyang to report that Moscow and Beijing may normalize their relations but will not "ally."

"Normalization would not mean a return to the past era of alliance," he said, delivering a message from the Chinese leaders.

"I think this would be in harmony with the view from the Soviet side," Genscher added. At the end of October, Genscher was in Moscow, accompanying West German Chancellor Helmut Kohl.

Meanwhile, from Moscow, Soviet spokesman Gennadi Gerassimov declared that the Soviet Union and China have settled most differences over their disputed border.

## ***Heterosexual AIDS on the increase***

"Heterosexual AIDS Infection Rate Increases," reads the front-page headline of the Oct. 31 *Times* of London. Said the report, "A government appointed research team has calculated that several thousand people have

been infected with AIDS through heterosexual intercourse, a much higher total than shown in Department of Health figures."

The *Times* continues, "The researchers' report, to be submitted to health ministers, confirms estimates that up to 50,000 people, most of them homosexual, will develop AIDS in the next 10 to 15 years. The most recent Department of Health figures show that about 1,794 people in Britain have developed AIDS, of whom 965 have died. Another 9,512 are known through blood tests to be carrying AIDS. Of these, only 400 are believed to have been infected through heterosexual intercourse.

"However, the report calculates that up to 3,000 men and women may have been infected heterosexually in England alone."

## ***U.S. in new gestures toward North Korea***

The State Department Oct. 31 announced new gestures toward North Korea. Though the U.S. has no diplomatic relations with Pyongyang, spokesman Charles Redman said that U.S. diplomats have been given permission to renew substantive contacts with North Korea.

There is also to be a relaxation of travel restrictions between the two countries. As of Oct. 31, the United States will allow North Korean purchases of humanitarian supplies, to be determined by the Commerce Department, which is expected to include food and medicines.

The United States will not, however, remove North Korea from the list of terrorist states, and will not lift sanctions against North Korea, said Redman.

He insisted that any serious consideration of reducing the 46,000 U.S. troops in South Korea was "far in the future." He noted that the above overtures were coordinated with South Korean President Roh Tae Woo.

The Soviet Union and China are acting as mediators, and have been asked to deliver the details of the U.S. initiative to Pyongyang.

● **SATANISTS** are targeting children for use in ritual sacrifices, according to Dianne Core of Britain's Childwatch organization. Childwatch is helping three children—ages 8, 10, and 11—who were crucified upside down and forced into sex acts at a ritual last April for "Beltane" or "Walpurgisnacht," Satan's birthday.

● **A COUP THREAT** has apparently been thwarted in Venezuela, but the incident remains under investigation. During the last week of October, immediately after President Jaime Lusinchi departed for a Uruguay meeting of Ibero-American leaders, a caller to the presidential palace identified himself as the chief of staff and said a coup was imminent. In response, an army major ordered 30 tanks to surround the palace in defense.

● **BISHOP** Dario Castrillon of Pereira, Colombia has suddenly resigned from the Democratic Cooperation Committee, which negotiated the freedom of the kidnapped Conservative Party politician, Alvaro Gómez Hurtado. Earlier this year, he had called on the Colombian government to open negotiations with terrorists. His unexpected resignation from the committee he headed was reportedly the result of a direct order of the Pope.

● **'UP TO 40%** of sexually active adults are already seropositive and some villages have lost most of their young people" to AIDS in some areas of Africa, a Red Cross worker reported to European press.

● **THE WORLD** Medical Association's September meeting in Vienna adopted a resolution urging physicians not to refuse treatment to a patient simply because they are infected with the AIDS virus.

## Beijing regime faces breakdown crisis

by Webster G. Tarpley

The maneuvers of Beijing's wily "paramount leader" Deng Xiaoping to wring the maximum of concessions from the desperate Gorbachov Kremlin as the price for a Sino-Soviet summit, confirm Deng's status as a world-class past master of manipulation and subterfuge. Since mid-October Deng has been playing Moscow like a yo-yo, now announcing as a sure thing the first summit of the Communist giants since the Mao-Khrushchov meetings of 1959, and then sending forth his subalterns to stipulate the price he demands the Soviets pay, progressively upping the ante. Soviet diplomats, their skills perhaps vitiated by too many months of easy triumphs over the striped-pants suckers of the U.S. State Department, are getting a reminder of what the big leagues are really like.

Deng's skillful playing of the summit-hungry Kremlin is all the more remarkable in the light of the salient fact that Deng's finesse tends to obscure: The Beijing regime is even more desperate, even more crisis-ridden than the Soviet Empire itself. Deng's 10-year-old economic reform program has now reduced the Chinese economy to utter chaos, and this final failure of the Beijing regime has torn away its last shred of political legitimacy. The facts point to a cataclysmic political-economic crisis in mainland China during the years immediately ahead, with the potential of sweeping away the post-1949 order in the world's biggest country.

But first, give the devil his due. On Oct. 13, Deng received Finnish President Mauno Koivisto and his Foreign Minister Kalevi Sorsa in the Great Hall of the People in Beijing and informed them that he would meet Gorbachov for a summit next year. Sorsa then went out to tell reporters the good news that Deng had "confirmed the forthcoming summit with the Soviet Union." Wire service reports said at the time that Gorbachov would come to Beijing for the parley. Moscow immediately accepted Deng's offer, saying that

the Russians wanted a summit "the sooner, the better." But by the very next day, all certainties had dissolved. Sorsa, talking to journalists in Hsien, northern China, emended his report of Deng's remarks. Now the quote from Deng had become that "there might be a summit next year" if the planned early-1989 visit of P.R.C. Foreign Minister Qian Qichen to Moscow were a success. Deng apparently knew exactly what he wanted, but the pro-Soviet Associated Press lost no time in attributing the "uncertainty" over the summit to the 84-year-old Deng's slurred diction. As if to show just how lucid and well-informed he in fact is, Deng then chose to make further comments about the summit on the occasion of the Oct. 17 Beijing visit of Romanian President Nicolae Ceaușescu. "A summit meeting could take place next year," Deng told Ceaușescu, whom he described as his "old friend." Deng diabolically gave the merit of having promoted the summit to Ceaușescu. It all goes back, said Deng, to a letter to Gorbachov that Deng had given Ceaușescu on the occasion of the Romanian's last visit, back in 1985. "It is happening later than expected. But never mind, history is very long and the road is very long too," commented Deng. Ceaușescu, who had just been in Moscow, said that Gorbachov had asked him to convey his best greetings to Deng. Deng then laughed and asked Ceaușescu to return the greetings. Deng stressed traditional close relations between Beijing and Bucharest.

Deng is well aware that Warsaw Pact divisions are massed on Romania's borders for the purpose of a possible short-term invasion assembled under the cover of maneuvers. Deng's ironies take on new dimensions in this context.

In order to propitiate Beijing, *Pravda* even published an account of how Mao, in December 1949, rebuffed the hegemonist Stalin by asserting Chinese sovereignty and independence through his insistence on holding a Chinese reception



in the Metropole Hotel and not in the Kremlin, the seat of the Soviet government.

What does Deng expect to gain from summitry? When dealing with the United States, the P.R.C. goes for economic and technology-transfer advantages, including in the military sphere. When dealing with Moscow, the agenda is dictated by Beijing's desire to enhance its strategic position. This means above all parrying the attempted Soviet strategic encirclement of the Chinese mainland. Thus, the three obstacles publicly declared by Deng to stand in the way of U.S.S.R.-P.R.C. normalization: the Vietnamese troops in Cambodia, the Soviet forces in Afghanistan, and the Red Army buildup along the 5,000-mile Soviet-P.R.C. border, the world's longest. During Ceausescu's visit, Chinese Communist Party chief Zhao Ziyang named Cambodia as the biggest issue influencing a possible summit. "Provided progress is made towards a solution of the Kampuchean question in forthcoming talks between the Soviet and Chinese foreign ministers, a Sino-Soviet summit would be possible at an early date," said Zhao according to the *Renmin Ribao* (*People's Daily*) of Oct. 16. Interestingly enough, on that very same day an official communiqué of the Vietnam News Agency monitored in Bangkok promised that Vietnam would complete the promised pullout of 50,000 of its troops from Cambodia by the end of December, according to the schedule already made public. "The remaining units will be withdrawn monthly from now to the end of 1988, and the last contingent of the 50,000 volunteers to be withdrawn in 1988 will be repatriated by land and water during the month of December," said the communiqué.

On Oct. 18, *Renmin Ribao* questioned whether Hanoi was actually withdrawing its troops in the manner indicated. *Renmin Ribao* accused Hanoi of trying to "trick world opinion" with its assurances that the pullout is going on. At the same time, a spokesman for the Red Chinese Foreign Ministry denied that his country was willing to grant asylum to Cambodian butcher Pol Pot, whose Khmer Rouge regime slaughtered millions, and who has to be gotten out of Cambodia if the country is to be pacified. Persistent reports had indicated that Beijing, which has always supported Pol Pot, was now willing to take him in, but this was now indignantly denied: "No Chinese official has ever made such a remark, and the report that you mention is groundless," said the spokesman by telephone.

Also on Oct. 18, the Vietnam News Agency reported further border attacks by the P.R.C. which had claimed the lives of eight Vietnamese over the past month. Several were killed by People's Liberation Army commandos 20 kilometers inside Vietnamese territory, while others were killed by some of the 4,444 shells that the People's Liberation Army had fired into Vietnam, the agency said.

Then, on Oct. 20, TASS announced that Red Chinese Deputy Foreign Minister Tien Cheng-pei arrived in Moscow for a further round of talks with his Soviet counterpart Igor

Rogachev over the two sides' border demarcation disputes. It is certain that Beijing will be looking for concessions in these talks, and there is also no doubt that Beijing is not pleased by the Soviet announcement that their troop pullout from Afghanistan has been halted. For the moment, the Kremlin is left hanging: On Oct. 20, former Communist Chinese President Li Xiannian told a group of Japanese visitors that the summit was still uncertain, and would depend on effective Soviet pressure on Hanoi to evacuate Cambodia. Li, aged 79, referred to the proposed summit as only a possibility, which was "not decided by one's own wishful thinking." "It is decided by mutual understanding and trust and by real solutions to problems," the Dengite added, stressing that the Cambodian question remained the biggest obstacle to normalization, the usual P.R.C. litany.

In the meantime, Deng has been harvesting abundant diplomatic and economic gate receipts, including the visit of Japanese Prime Minister Noboru Takeshita, who came bearing an economic aid package. Saudi Arabia, which currently has diplomatic relations with the Republic of China on Taiwan, has been making overtures to the P.R.C. in the form of a visit to Beijing by Prince Bandar Bin Sultan, the Saudi envoy to Washington, who may be buying weapons. There are persistent reports of Israeli-Beijing "academic" exchanges which seem redolent of weapons trafficking. And then there is the announcement of Rajiv Gandhi's intention to visit Beijing in December, the first time an Indian Prime Minister has done so in 26 years, since the Sino-Indian border war of Fall 1962. "We want good relations with all our neighbors, and my China visit will be a step in that direction," Gandhi told reporters in Jammu, northern India. Soviet influence in New Delhi has been very great of late.

But, despite their mastery of intrigue, Deng and his friends are profoundly desperate. Their problems have to do with the fact that the hated and discredited Chinese Communist Party (CCP) has staked its survival on its post-1978 reform program. That program is now disintegrating. And unlike Moscow, the CCP has to bear the heavy burden of comparison with a highly successful, authentically Chinese alternative to its continued misrule—the exemplary economic progress of the Kuomintang government of the R.O.C. on Taiwan.

### **Hunger, homelessness, disease**

The data concerning the cataclysmic economic dislocations going on in the P.R.C. are fragmentary, but they are most stark. According to P.R.C. figures quoted by the *Wall Street Journal*, the living standard of the average P.R.C. city-dweller has fallen by more than 21% in the last 12 months alone. Nationwide inflation, which has for some time exceeded 20%, was reported by UPI from Beijing to be estimated at a current yearly rate of "nearly 40%." Between June 1987 and June 1988, total currency in circulation increased by 35%. Retail price increases in the key industrial city of Nanking are pegged by the *Wall Street Journal* at about 23%.

Between 1987 and 1988, the retail price for pork, a staple meat in the Chinese diet, went up some 60%. Vegetable prices in the same period went up by 100%.

Given these levels of price inflation, the 17% industrial growth touted by Beijing is reduced to stagnation and perhaps even backsliding, since this figure is calculated using the prices of the goods produced, not physical units. In the view of the *Journal*, Deng's inflation is "crushing urban Chinese."

On Oct. 15, the official *China Daily* admitted that 1 in 10 mainlanders—and that means 100 million people—is suffering from serious malnutrition because of poor or improper diets. The article reported a symposium of nutrition experts held in Kwantung province, who found that protein intake is insufficient and poor in quality because it comes mainly from cereals, with not enough legumes, meat, and eggs being consumed. The experts said also that fully one-third of the children under three years old in the countryside suffer from anemia and rickets. Kao Jun-de of the Beijing Research Institute for Nutritional Resources also conceded that the number of those suffering from malnutrition might be even higher if the issue were judged according to the criteria of certain more advanced countries.

Part of the problem was attributed to four years of very disappointing harvests. This year's summer harvest has been disrupted by both flooding and by drought. The figures on this year's autumn harvest are not yet available in full, but it is expected that it will be the worst in recent times, because of the drought.

The severity of the drought can be gauged from the fact that the upper reaches of the Yellow River in northwest China have totally dried up, according to a New China News Agency dispatch of Oct. 17. Water reserves at a key reservoir in the upper Yellow River are at about one-half of their normal level. This meant among other things that 2.8 million acres of farmland had to be deprived of irrigation water, and that the region was also facing a 25% shortfall in hydroelectric power.

The *China Daily* of Oct. 12 had stated that more than 60 million mainlanders (some 5.5% of the total population) are suffering from endemic diseases such as leprosy, bubonic plague, and schistosomiasis (snail fever), and that this figure is increasing. The source was Ho Chie-sheng, vice minister of Public Health in Beijing. She said the plague, which was formerly limited to such western regions as Tibet and Tsinghai, has now penetrated Yunnan, Sinkiang, Kansu, Inner Mongolia and Heilungkiang, while schistosomiasis is spreading in southern and central China.

In north-central China, 30 million people are living in caves. In addition, there are some 50 million unemployed drifters or homeless, many of whom have been fired from their jobs in state-sector companies as a part of Deng's "reforms." Not a good record, all in all, after almost 40 years of Communist rule and 10 years of Deng's "modernization."

The next scheduled step in the Deng reforms was to have

been "price reform," a euphemism for further gouging the urban population by permitting drastic hikes in the prices of staple commodities that have been frozen at "political" prices for many years. Most sensitive of all is the controlled price of rice, which has been frozen for some years at the U.S. equivalent of 14¢ per pound. Back in May the mainland was whipped by rumors that the price of rice was about to be jacked up, leading to panic buying in large cities. The same thing has happened recently with towels, soap, and salt. "Price reform" under these circumstances would have meant another brutal round of inflation for strapped wage-earners, perhaps setting the stage for food riots and mass strikes against the Communist regime in certain cities. Widespread runs on P.R.C. banks were reported during August in such cities as Shanghai, Canton, and Harbin, as frantic families sought to turn their savings into hard commodities before the expected price hikes hit. During that time, Deng and company decided that they could not risk the looming political upheaval, and must rather retrench.

### Central Committee plans austerity

Deliberations on what to do were undertaken in September at a meeting of the CCP Central Committee, which announced its intention of slowing down economic growth and curbing inflation. The Central Committee line was that a pause of two years would now be necessary to straighten out the strained economy. The result was a decree promulgated by the State Council, the P.R.C. cabinet, in the first week of October to take effect in the whole mainland Dec. 1. According to the decree, planned capital investment will be cut by 50 billion Jen Min Pi (JPM), equivalent to \$13.5 billion or 12% of projected investment for 1989. Projects that rely on imported raw materials or other raw materials that are in short supply are to be halted instantly, even where plants are already under production. This will strike at cotton textiles, leather and rubber goods, tractors and television sets. Projected plants that were supposed to manufacture electrical appliances like rice-cookers, vacuum cleaners, and irons, which are thought by Beijing to consume too much energy, are to be axed. The same goes for planned factories to produce goods not called for in the state plan, for infrastructure projects like highways and smaller ports, and for public buildings and stadiums. The cuts allegedly exempt foreign investments, high-tech, energy, transportation, telecommunications, and some raw materials and agricultural projects.

Price reform is not merely halted, but is being rolled back as the state attempts to reassert its ability to set prices by imposing price ceilings on essential raw materials like copper and steel that are produced over and above state quotas. Cheng Zhiping, director of the State Administration of Commodity Prices, was quoted by the official Hsinhua News Agency on Oct. 14 as saying that Beijing will establish price ceilings of important "means of production" and freeze the

prices of "daily necessities." "The situation in the last month shows that the prices of some commodities have not been reined in," said Cheng. The price caps will impact grain sold on the free market, plus the prices of chemical fertilizers and pesticides, which have been favorites of speculators and profiteers. Also, provinces can no longer set their own prices for locally produced products on the list of some 1,000 items whose prices are decreed by Beijing.

This is a sweeping retrenchment, equivalent to the junking of 10 years' tinkering with the mainland economy. It is

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*Deng's 10-year-old economic reform program has reduced the Chinese economy to utter chaos, and this final failure of the Beijing regime has torn away its last shred of political legitimacy. The facts point to a cataclysmic political-economic crisis in mainland China during the years immediately ahead.*

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also clearly an austerity program. "The scale of the rollback will be rather huge," said Deng Zhiqiang, an official of the Kwantung Province Planning Committee. Kwantung, the area around the city of Canton, is one of Deng's special coastal economic zones where the private companies allowed since 1985 and foreign investors have been active. Tong Talin, vice chairman of the Society for Research on Restructuring the Economy, described the P.R.C. quandary in a different way: "If Marx himself were in charge of the economy, I'm not sure he would know what to do," he commented.

Deng has at least one idea of what to do: Call out the riot squad. According to the *China Youth News* of Oct. 22, the regime is creating nationwide anti-riot squads of soldiers, trained in sharpshooting and hand-to-hand combat, to deal with possible political unrest unleashed by economic dislocations such as inflation. According to the paper, the People's Armed Police Force has constituted emergency riot police units in 200 mainland cities "to deal with the special characteristics of increasing numbers of sudden violent incidents." Deng has shown interest in the riot-control techniques developed recently in Poland. The new squads have already gone into action in certain cities, the paper wrote. Almost 50 strikes and other labor disturbances have been officially acknowledged by the P.R.C. over recent months.

One minor consequence of the *volte-face* by Deng is the total eclipse of the secretary general of the CCP, Zhao Zi-

yang, who had been pressing for drastic price reform as well as "political reform," meaning the separation of the party and the government, including ousting the CCP from its residual dominant role in many factories and enterprises. Zhao was the true believer of Deng's "socialist commodity economy," brought in by Deng to take over after Hu Yao-bang was ousted in early 1987 in the midst of student demonstrations, because he was considered too soft on "bourgeois liberalization." After the August Politburo meeting at Peitaiho, a coastal resort near Beijing, the economics portfolio had clearly been taken out of Zhao's hands. Zhao told an American newspaper publisher that in the future he would be "studying" and doing "research" on subjects to be discussed at party meetings. Zhao's remarks recalled similar statements by Mao Zedong himself in 1953, after the (temporary) defeat of his "Three Red Banners" movement (Great Leap Forward, General Line for Building Socialism, and People's Communes) that he would spend more time reading and studying Marxism-Leninism and doing research.

Zhao's defeat, in short, was manifest.

The winner appears to be Premier Li Peng, a representative of a party stratum of technicians trained during the 1950s before the 1962 interruption of exchanges between P.R.C. and U.S.S.R., who are especially resentful of the Cultural Revolution. Li preached to the State Council in mid-October that officials had to fight overspending and inflation, since planned price increases have "made many people uneasy" and are "affecting social security and people's confidence in reform." Li promised draconian measures for "rectification": "If problems crop up, whoever will be responsible shall be held responsible. Nobody can shirk responsibility and the problems cannot be left unsettled," Li said ominously. Li told the State Planning Commission to cut investment, the Finance Ministry to cut financial deficits and limit government procurement, and ordered the Materials Ministry to punish profiteering by state-owned companies. Li has set forth 15 rules, including denial of bank credit for new projects, the formation of price inspection teams, and a suspension of building permits. Price reforms, Li stressed, are no longer on the agenda: "Price reforms must move in step with other reforms." "You don't send a single soldier deep into enemy territory without support," said Li.

Some days later, on Oct. 21, Li told the visiting Angolan President Dos Santos that the biggest mistake made by the CCP after seizing power in 1949 was its emphasis on class struggle rather than economic development. This is a standard tenet of Dengist orthodoxy. "We were not clear about the country's central task after we took power," Li stated. According to Premier Li, the confusion was not corrected and the party remained engaged in class struggle rather than economic construction until the third plenary session of the party Central Committee in 1978, which launched the Deng program.

Even Western commentators favorable to Beijing are

compelled to acknowledge that the setback to Deng is severe. Some note that the ying-yang pendulum, having gravitated for 10 years in the direction of greater decentralization, is now swinging back to the opposite pole of total centralized control whence it started out. The *Asian Wall Street Journal* of Oct. 21 quotes an unnamed P.R.C. official as saying that the entire country could be "mired in stagnation." In reality, the stakes for Deng and company are unlimited, and, transcending economics, will determine the future survival or collapse of CCP rule on the mainland over the period immediately before us.

### **The legacy of Mao Zedong**

The creation and consolidation of a Communist regime on the China mainland was made possible by a set of extraordinary circumstances, including U.S. aid to Mao during the years before 1949, as well as the bankrupt and criminal no-win policy of the Truman administration during the Korean War. British assistance to Mao through Hong Kong trade contacts also played an important role. As a result, the CCP was able to hold on to power long enough to carry out a land reform of sorts, and to nationalize the key means of production.

However, after about 1955, every undertaking of the CCP, without exception, has turned out to be an unmitigated disaster. First came Mao's 1957 campaign of smoking out internal opposition under the heading of "let a hundred flowers bloom," soon followed by bloody repression and crackdowns. Then came the Great Leap Forward of 1958, designed to secure a preeminent position among the industrial powers through voluntaristic Stakhanovism and such expedients as placing a tiny pig-iron blast furnace in the yard behind each shack. The Great Leap Forward produced a killer famine that lasted well into the early 1960s. (The Hundred Flowers and the Great Leap Forward correspond closely to their Soviet copies, *glasnost* and *perestroika*.) Then came the peasant communes, designed to solve the contradiction between city and countryside, and which also ended up as a catastrophic failure. Then came the Great Proletarian Cultural Revolution, which went on through fascist excesses until the death of Mao in September 1976. This period was punctuated by the murderous factional battles around Lin Piao's attempted coup of 1969, and ended in another bloody massacre in the settling of accounts with the ultra-left Maoist Gang of Four.

It has been estimated that the butcher's bill for the years 1949-80 is in excess of 100 million dead, including both political extermination as well as deaths caused by avoidable economic upheavals. Mao thus far outclassed Stalin as well as lesser contenders like Hitler for the rank of the greatest assassin of recorded history. But even though Mao's slaughter makes Stalin look like a Good Samaritan, Mao has never been subjected to a systematic public indictment of even the superficial type that Stalin has lately received in the U.S.S.R.

Mao built his party on the basis of "revolutionary con-

sciousness" communicated through the leadership to the party cadre. Although a professed materialist, Mao staked everything on total mind control of people. His premise was that the party had to assume leadership of all aspects of human society. Mao thus fashioned the most effective large-scale totalitarian instrument ever forged by man. Mao was thus able to act out, on the colossal stage of China, his megalomaniac dream of reincarnating the Emperor Chin Shi Huang, the book-burner of the short-lived Chin dynasty. But, after 10 years of economic collapse and declining living standards provoked in the name of Mao's insane utopia by the Red Guards and the Cultural Revolution, even the CCP was approaching the breaking point. Some months before Mao died, demonstrators congregated in Tienamen Square, ostensibly with the purpose of honoring the recently deceased Zhou Enlai. Mao sent troops to fire on these demonstrators, killing over a thousand of them. But with this incident, even Mao realized that the handwriting was on the wall: An attempt to maintain a "Maoist" CCP general line would have courted insurrection, a military coup, the emergence of regional warlords as in the 1920s, and other phenomena of violent backlash against the regime. The People's Liberation Army had long been a center of ferment against Mao: In 1959, Defense Minister Gen. Peng Teh-huai, who had commanded the Red Chinese intervention force in the Korean War, was purged from the CCP after having sent Mao a protest letter complaining that the latter's triumphant production statistics published during the Great Leap Forward were fake and that the policy was a failure.

It was during the first half of 1976 that Mao brought in Hua Kuo-feng as premier, as a sop to placate the sentiment manifested at Tienamen. Several months later Mao was dead, and shortly thereafter Deng succeeded in mopping up the Gang of Four. Post-1978 Dengism has been in effect an attempt to procure a last chance for the hated, bankrupt, and bloody-handed CCP based on the promise of better economic performance and an improved standard of living. At the same time, the CCP totalitarian apparatus was to remain substantially untouched, thus leading, as old Mao would have said, to a contradiction.

Deng envisioned reliance on the personal material incentives loudly condemned by Mao, including piecework, the profit motive, and so forth. A private sector and an associated labor market would coexist with the state sector, and although the latter would continue to be dominant, it would be subjected to liquidations of inefficient firms, bankruptcies, mass firings, layoffs, and the like. Foreign investment would be encouraged up to a point. Enterprise zones would be created along the coast, but no serious TVA-style infrastructural development of the Yellow River and the Yangtze-kiang systems and no Grand Canal would be contemplated, so as not to disturb the heartland of the peasant masses.

All this meant the end of the Maoist class struggle party, obsessed with utopian social upheaval, referred to by Li

Peng, and its replacement by a party focused on the practical tasks of economic development, on delivering the goods to an exhausted, cynical, and mistrustful population. Revolutionaries had to be replaced by technocrats, and civil war veterans had to yield to "experts." The top party leadership had little to fear from all this, since it was clear that the party bosses would continue to monopolize all key government posts. But at the lower levels in factories and countryside, a mass of petty CCP officials who had in effect been managing (or mismanaging) plants and collective farms, had to be junked and thrown into the labor market to fend for themselves. The factories had to be managed by qualified experts, and not by raving Maoist ideologues, Deng argued. The 1966-76 Red Guard generation also had to be junked, since Deng, given his personal tribulations at their hands, understandably had no use whatever for them.

### 'Revolutionary' pragmatism

And what do the CCP revolutionary cadres look like today? When Adi Ignatius of the *Wall Street Journal* visited a working-class family in Nanking, a local party official dropped by to check up. The official was in effect the block-watcher of the family's *danwei* or residential unit. But this CCP cadre is no longer a fire-eating ultra-left Red Guard or Gang of Four extremist, waving a copy of Mao's *Red Book*, nor yet a traditional rubbery Marxist-Leninist centrist apparatchik hack.

The CCP is now represented by one Lao Chen, "the local busybody," a woman "with fat arms and thick tortoise-shell glasses," and a set of "gleaming" false teeth. Lao Chen wages a fierce struggle against the imperialist bourgeoisie through evening visits to families to lecture them about government policy, including Deng's malthusian one-child family planning, and to reconcile family quarrels. According to Lao Chen, "there are no secrets here. Everybody in the neighborhood knows everything about everyone else." Lao Chen's revolutionary mass line is to demand that families of her *danwei* struggle sharply and protractedly—to pay their bills each month!

The result is that the 40 million-member CCP is not supposed any longer to regulate the details of everyday management of companies, but rather to devote itself to ideological work. But if the CCP's job is ideology, that ideology is universally scorned and totally meaningless. It is seen as a waste of time, something that interferes with the efficient functioning of work units. The CCP as a revolutionary organization has under Deng become totally redundant. Its previous belief structure is totally discredited, and the only thing that keeps it together is the exercise of raw power and the fanatical commitment to hang onto such power, since all other integument is gone. The CCP is simply a cartel of vested interests held by a small minority of mainland society, and if it were ever out of power, it would simply cease to exist.

## 'New line': chaos, corruption

*The China News, an English-language daily appearing in Taipei, offered the following comments on the mainland situation in an Oct. 14 editorial entitled "New Line." Extracts follow.*

But suppose the Communist dragon's flame really is going out? Almost every day new reports of unrest, chaos, and disorder surface. The mainland economy is in a shambles. Runaway inflation and banking problems have driven the party to slow down Deng's much-ballyhooed new economic policies and send them scurrying to find a scapegoat for failure.

Waves of crime and anarchy are reported in the streets. In the halls of what passes for "government," corruption is rampant, with Communist functionaries falling over each other to see who can grab the greatest amount of graft the quickest. Even Deng's own son stands accused of looting welfare funds and state corporations.

Out in the border provinces, a reported gold rush has sent thousands raging through the countryside, destroying farms and looting villages, apparently unchecked by the so-called government which is supposed to have monolithic power and control. Bankers and businessmen in Hong Kong report fear that the capitalist colony's economic infrastructure may be destroyed before the scheduled turnover—by fast-buck, profiteering Red Chinese bureaucrats carrying suitcases full of state capital (translate that as tax money).

After this much time, it's hard to seriously consider the dream of a generation that came here with President Chiang Kai-shek—that the Communist rebellion would collapse and clear the way back home. Even President Lee Teng-hui talks in terms of the Chinese nation as a state of mind, rather than a geopolitical location. Some cynics even suggest there are Westerners, and Chinese, who are uncomfortable with the idea of one-China-one government. Particularly if it is the Republic of China government.

But what if the Communist regime really is collapsing? Would it not be utter folly to form liaisons or consortia to prop it up? Should the R.O.C. breathe life into a dying monster so it can form a coalition with killers—just to prove to the world how civilized, reasonable, and cooperative we can be?

There are any number of barometers of these developments. Marlboro, Lucky Strike, and Kent are the most sought-after brands of cigarettes. Coke is going for 50¢ for a small bottle—and the ghost of Mao is one troubled spirit. The *People's Daily* has to complain that its readership is in sharp decline. *Red Flag*, the CCP theoretical organ, has simply been junked along with so much of the other ideological baggage. In fact, the CCP now avoids any theoretical discussion whatsoever. One distinguished observer has compared certain CCP organs to the Societies for the Protection of the Emperor in the late Ching dynasty, say about 1910, who were so spent and exhausted that they had no arguments to put forward. The CCP is reduced to sniping at its opponents. The CCP of the 1980s, to coin a phrase, is a paper tiger.

The CCP today is based on pragmatic socialism, or what Deng has defined as “socialism with Chinese characteristics.” The question naturally arises as to what such characteristics might be. “We don't have any preconceived ready answers,” said Hu Yao-bang in his 1984 speech marking the 90th anniversary of Mao's birth. “Practice is a great school,” argued Hu in that same appearance. “Practice is the sole criterion for testing truth,” goes a popular slogan of the CCP cadres. Post-Mao orthodoxy says take one step, and then decide on what the next step is to be. If that is the case, why does China then need the CCP, and not some other party? At this point the CCP falls back on Deng's Four Cardinal Principles: the leadership of the Communist Party, the socialist road, the dictatorship of the proletariat, and Marxism-Leninism-Mao-Zedong Thought. Upholding these principles is the essence of opposing “bourgeois liberalization.” All of this amounts of course to an unprincipled argument for staying in power at all costs.

Deng's other *vademecum* is his Four Modernizations, touching industry, agriculture, defense, and science-technology. More than one observer, including some friendly to Deng (see for example, Charles Burton, “China's Post-Mao Transformation,” in *Pacific Affairs*, Fall 1987), has pointed out that Deng's Four Cardinal Principles and his Four Modernizations are totally incompatible and contradictory. That is, of course, the conclusion that must be drawn from the crisis now exploding.

Totalitarianism and the insane quest for world domination are not a good development strategy. Many mainland Chinese are reasoning that if practice is the sole criterion for testing truth, the fact that the CCP economic reform program is disintegrating, shows that the party has no access to truth and no concept for developing China.

### **Influence of Taiwan**

It is thus no exaggeration to state that if free elections were held in mainland China tomorrow, the Kuomintang would win the absolute majority. Today an urban working-class mainland household in which both husband and wife have jobs can perhaps hope for a monthly income of U.S.

\$50. University deans, whose position has still not been restored from the ravages of the Cultural Revolution, must get along on \$30 per month. On Taiwan, any unskilled laborer can immediately earn more than \$350 per month by getting a job working on any of thousands of assembly lines. When the Kuomintang retreated to Taiwan, the per capita income was less than \$150. The 20 million Chinese on Taiwan enjoy an average per capita income of \$6,000, which is several dozen times that of the mainland. Taiwan's foreign trade is in excess of \$100 billion per year, much of it funneled through the southern port city of Kaohsiung, which is one of the 10 busiest harbors in the world. The R.O.C. has virtually no unemployment, but rather has 300,000 jobs going begging, which are beginning to attract guestworkers from the Philippines and Thailand. As seen at the recent Taipei International Electronics Fair, the R.O.C. firm Acer is beginning to challenge IBM and Compaq in certain areas.

In sum, Taiwan is the most prosperous province in over 5,000 years of Chinese history. And although trade ties to Japan are intense, Taiwan's economic progress can in no way be regarded as an automatic reflex of the Japanese economic miracle. Mere proximity to Japan means nothing, as the contrasting cases of the Philippines and Thailand demonstrate.

With the recent relaxation of R.O.C. rules on mainland visits, some of the 600,000 soldiers who followed Generalissimo Chiang Kaishek to Taiwan in 1949 are now returning to the mainland for the first time to visit families and the graves of their ancestors. The people they meet on the mainland are astounded to find that these veterans, many of them from humble occupations, are able to bring with them color television sets, refrigerators, washing machines, and other consumer goods which cost the equivalent of a year's salary or more on the mainland. Many mainlanders are beginning to wonder why they have so long tolerated an oppressive regime that cannot deliver the goods. Similar conclusions are being increasingly drawn among the 5.7 million inhabitants of Hong Kong, the British colony that London has agreed to hand over to Beijing in 1997. With nine years left to go before the Reds take over, a serious “brain drain” out of Hong Kong has already developed, involving the flight of professional people, skilled workers, and anyone else who can afford to get out and buy a residence permit in a free world country.

Speaking in Taipei on Oct. 10, the Kuomintang's “Ten-Ten Day” national holiday commemorating Dr. Sun Yat-sen's 1911 overthrow of the last Manchu emperor, R.O.C. President Lee Teng-hui repeated the Kuomintang's policy of promoting the reunification of China on the basis of Sun's Three Principles of the People (national sovereignty, democratic republic, and economic development). The R.O.C. is currently embroiled in a highly emotional political debate about how this policy is to be pursued.

One obvious option for Deng is war, an external adventure to deflect attention from his economic failure. Deng

stated on Jan. 16, 1980: "Taiwan's return to the fatherland is one of the three major tasks of the 1980s." From Jan. 1, 1979 to Sept. 1 of this year, P.R.C. government officials have repeated the threat of invading Taiwan on at least 84 separate occasions. To be militarily feasible, a P.R.C. invasion would depend on thoroughgoing subversion of the R.O.C. in advance of a formal attack. But this is precisely what one would expect from the heirs of Mao and Lin Piao, who, although

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failures at nation-building, have generally been more adept at armed aggression.

The next two to three years will decide whether Beijing or Taipei will govern China in the next century, and the outcome will touch every human being on this planet.

### **Chaos behind the Bamboo Curtain**

Deng Xiaoping's "Open Door" economic policy can best be understood as a cunning policy of primitive accumulation against the Chinese population, in order to procure hard currency needed for technology to promote a limited modernization of the P.R.C. economy, especially in the military sector. Deng started by creating coastal free enterprise zones modeled on Hong Kong: Here sweatshop labor under speedup conditions plus child labor exploitation could produce for export. Many of the firms were joint ventures with Trust-linked foreign investors. In 1985, private companies with more than eight workers were allowed for the first time. Wages in the zones could be kept down by "market forces," that is to say by liquidating enough state companies and firing enough employees of others in order to keep a permanent reserve army of jobless at the gates of free enterprise cities like Shenzhen, on the Hong Kong border in Kwantung province. The regime would keep the price paid to farmers for grain and rice low, gouging the peasantry to keep food cheap for the sweatshop workers.

An integral part of Deng's scheme was the coexistence

of a dominant state sector with a subsidiary but considerable private sector. These were to be linked by a two-track pricing system. On the one hand, goods produced as a matter of obligation to the Communist state under the compulsory state plan quotas would be transferred according to low, fixed prices. Goods produced over and above the plan quotas could trade at free market prices. The coastal enterprise zones had even more leeway, with Kwantung enjoying a margin of 20% above or below the state price on 1,000 basic commodities.

The obvious problem posed by the two-track price system is the very great temptation for individuals, including impoverished government officials, to acquire goods at low state prices, and then sell them on the speculative free market, pocketing the difference. And sure enough, Deng's scheme has indeed turned out to be a recipe for monstrous distortions.

### **Grain wars, commodity speculation**

The first is that under conditions of food scarcity, the high-price coastal enterprise zones are attempting to buy up the grain, rice, and sugar available in the interior, starting a grain war among the provinces. Private and official traders and speculators from coastal Kwantung, Fukien, and Kwangsi have been showing up in inland Hupei, Hunan, and Kiangsi, virtually denuding the latter of food stocks.

In mid-October, Beijing Commerce Minister Hu Ping expostulated that the country "must absolutely end profiteering, speculation, and hoarding and stop the grain wars." Hu announced that rice was henceforth under the control of the state grain department, making it illegal for traders to buy rice directly from farmers. The speculators were quick to find a way around that one: They appealed to the greed of state-sector officials. On Oct. 21, the *People's Daily* complained that four state-owned companies in Hunan had conspired to send 1,000 tons of rice and corn to Kwantung against payment of high, free market prices, in defiance of orders from Beijing.

In theory, Beijing could raise the grain price to a parity level, but that would mean less chance to accumulate against the farmers. Zu Qiren, an official of the Beijing State Council's Research Center for Rural Development, acknowledged that 1988 "is the fourth consecutive year the harvest has not reached the 1984 record." He described low production as "a form of passive resistance by our farmers against the low prices" set by the state. He described self-defense measures by the poorer food-producing areas as follows: "For them, self-sufficiency is paramount. So they took measures like banning the carrying of grain in freight cars out of the province, forcing traders to use lorries, which is more expensive."

Beijing authorities are also reluctant to attempt to buy grain on the world market, even if they could find it, because they are reserving their precious foreign exchange for purposes more germane to their imperial theme. Another obvious way for profiteers to beat the system is to take advantage of the ability of the coastal zones to keep all the foreign

exchange they earn by exporting. Other parts of the country must pay Beijing 20% of their foreign exchange earnings. The solution: Transfer your goods to a company in the zones before exporting, pay off an official of that company, and then keep 100% of the foreign exchange.

Even more remunerative ways of beating the Deng system involve straight commodity speculation. The *People's Daily* recently attacked the management of one state factory in north China which totally halted production and laid off all its workers, and then held a party for management to celebrate increased profitability. The secret of the plant's success was to procure tons of its principal raw material, polythene, at low state-sector prices, and then sit tight. Since the price of polythene has been rising at more than 100% per year, reselling the chemical after many months was far more profitable than using it to make goods.

Similarly, in north China's Hopeh province, party officials and civil servants in an area that traditionally grows medicinal herbs have left their offices to speculate in the market for the herbs, which are in short supply. According to other mainland media, "bureaucrat profiteers" have disrupted industries that need steel and aluminum, by illegally buying huge amounts of these materials at the "back doors" of state-sector supply bureaus at the low fixed price, and then selling them on the speculative free market. One result is that state plants needing these commodities cannot procure them. This is the realm of the "briefcase companies," many run by officials of state-sponsored trading groups. Using their political connections, some of these officials have attempted to corner the free market on certain commodities, establishing virtual monopolies in their supply.

The New China News Agency has cited the example of an Army paratroop officer who entered the "wholesale business" by using military trucks and an Army warehouse to hoard illegally \$540,000 worth of raw silk as a subcontractor for a south China private company. Silk is supposed to be a state monopoly in the P.R.C.

### **Unraveling of the social fabric**

The "socialist commodity economy" boom town of Shenchen has seen the influx of some 300,000 migrant workers, attracted by wages of over \$50 per month, in contrast to the mainland average of about \$20. Nine female workers of one large electronics factory are living in a small room of 22 square meters, according to Cinty Li of the Associated Press. In a factory making silk flowers, 12-year-old girls work 15-hour shifts, and sleep two or three to a bed in a tent that serves as a dormitory. Promiscuity and prostitution are widespread among the female workers, who heavily outnumber the men working in Shenchen. Unwanted pregnancies are increasing. This has upset the "one child per family" malthusian bureaucrats of the CCP. According to Thomas S.S. Dunn of the *Free China Journal*, "the meddling Marxists are actually keeping such close tabs on the menstrual cycles of 250,000

women workers in Shenchen on the Hong Kong border that the women can only obtain sanitary napkins through a government accounting office."

Dunn also points out that within a few years, there may be no universities left on the mainland, with grim implications for future scientific and technological development there. Professors and other intellectuals were labeled "the stinking ninth category" during the Cultural Revolution. Currently a university professor has to teach for two years to earn 3,000 JMP (about \$750), which is what a taxi driver can now earn in a month. Medical doctors are not much better off. Some professors are making ends meet by moonlighting as waiters. More and more faculty wives are running off with wealthy taxi drivers and affluent hotel bellboys, says Dunn, citing reports in the *Hongkong Mirror*.

Beijing Public Security Minister Wang Fang has called the attention of the government to the unraveling social fabric, including growth in gambling, prostitution, pornography, violent crimes, and economic crimes. According to Wang, the cause of these problems is the "corrosive influence of decadent bourgeois ideology in culture and lifestyles."

But foreign capitalists are also not happy. U.S. Assistant Secretary of Commerce James P. Moore, Jr. told Beijing journalists over a Worldnet hook-up that U.S. investors are worried about "tariffs increased overnight" and about the "uncertainties, confusion, and disincentives that exist for a lot of U.S. businessmen dealing with China." He gave examples of one U.S. investor who completed a plant on the mainland and was then told that the products could only be sold in a limited part of the country. Another exporter was surprised by a 350% increase in tariffs involved with his product when Beijing signed a joint venture deal with one of his competitors.

As of mid-October, Beijing Finance Minister Wang Bingqian was dispatching 27 special teams of red "G-men" into the provinces for a four-month mission of combatting graft, corruption, and "financial irregularities." The snoopers' orders are "to expose big scandals and punish severely those who are found guilty, 'no matter who they turn out to be.

But on Oct. 23, *People's Daily* reported that inspectors from the National Industrial and Commerce Bureau in Beijing sent to probe profiteering and speculation were being surrounded by speculators and severely beaten up, with the perpetrators escaping punishment. Alternatively, inspectors were being regaled with banquets, gifts, and bribes. The CCP has expelled some 25,000 members, one-third of them for various economic crimes. Some 306 high-ranking Reds were purged for what the CCP called "serious bureaucracy," a euphemism for disobeying and sabotaging orders issued from Beijing.

On Oct. 14, Zhao Ziyang proclaimed that the public would no longer tolerate profiteering: "There is some corruption among party and government workers . . . this is one of the problems the people resent most," he announced.



## Corruption at the top

Accusations have been raised even against the family of Deng, who once said that "to get rich is glorious," thereby consciously or unconsciously quoting Nikolai Bukharin. Too bad for Deng that is he is not as good at economic policy as he is at bamboozling the Russians.

On Oct. 15 the *People's Daily* announced that a large mainland corporation had been ordered to cut its links with a welfare fund for the handicapped headed by Deng's son, Deng Pu-fang. The younger Deng has been paralyzed since being thrown out of a window by Red Guards during the Cultural Revolution. The Kang Hua Development Corp. was told to stop all dealings with Deng Pu-fang's China Welfare Fund for the Handicapped. Kang Hua Development Corp. is a state-run investment and development concern which controls over 200 mainland facilities. According to Hong Kong press reports, Kang Hua officials have been using their ties to Deng's welfare fund to obtain illegal tax privileges and abusive import permits. *People's Daily* said that Kang Hua will lose tax privileges, be forced to close its Hong Kong office, and be banned from further middleman trading. Kang Hua was also ordered to stop selling production materials that are not directly necessary for its production lines. It is widely reported that Kang Hua was profiteering in imported and scarce materials.

Rumors persist in dissident circles that the entire top CCP leadership, including Deng, are the holders of large bank accounts in foreign banks.

## Famine looms

On Oct. 28, the *China News* and other Taipei papers reported a series of extraordinary statements made by top Communist Chinese authorities and diffused by official Beijing news organs. The most dramatic of these was the admission by the Peking Ministry of Civil Affairs that 80 million P.R.C. citizens are facing famine in the coming winter. According to Peking's official English-language *China Daily*, which printed the report, the Ministry of Civil Affairs had identified 60 million Chinese as facing serious food shortages, with an additional 20 million in the countryside described as "facing possible starvation."

The *China Daily* account attributed the cause of the looming famine to crop damage caused by frost, drought, and floods that struck eastern China during the spring and summer of this year. The famine victims are said to be concentrated among peasants in rural areas in northeast and southeast China. The *China Daily* said that the Peking government has allocated "more than \$10 million" from a special relief fund to avert widespread food shortages in these areas. This is less than a drop in the bucket.

The Peking government shows no sign of any serious effort to halt death by starvation in the afflicted areas. Quite the contrary. In a speech made to CCP cadres at the end of September and quoted on Oct. 27 in the official Peking press,

Communist Party Secretary General Zhao Ziyang stated that "it would not be wise for China to import large amounts of grain at this time."

Zhao reported that, whereas the official target for the grain harvest had been set at 410 million tons, that figure would not be reached. Worse, said Zhao, this year's total could be less than last year's 401 million tons. Some months ago, Lyndon LaRouche ventured the prediction that, if faced with serious food penury, the Peking leadership might respond by writing off 200 million P.R.C. inhabitants, consigning them to death by starvation. Zhao's remarks are a confirmation that this is, indeed, the Peking policy.

In the course of that same late September speech to CCP cadres Zhao openly admitted that the current economic crisis in China has opened the question of whether the CCP can stay in power. According to Associated Press, Zhao stated that the Communist Party's ability to rule will be measured by whether it can significantly reduce inflation next year. According to the same version, Zhao also warned the party that if widespread corruption among public officials is not ended, "we'll lose the support of the people."

According to the Reuters version of Zhao's speech published in the *Hongkong Standard*, the Communist Party boss says that "the government must see to it that inflation next year is conspicuously lower than this year." "If the rate goes above double digits, social and economic stability could be affected. A series of measures will be taken to stabilize the financial situation and control the money supply." Note that Zhao is conceding that inflation might rise above 100%. Recent press accounts have now confirmed that P.R.C. retail prices in August stood 40% higher than in the same month a year before. Grain, pork, sugar, and eggs are currently rationed in larger P.R.C. cities.

In a desperate bid to stave off unrest among urban workers who have been hit the hardest by Dengism, Yuan Mu, spokesman for the State Council, announced wage increases for industrial and office workers sometime next year. Yuan could not say when the wage increases would come, or how much they might be. At the same time, he hinted that prices for agricultural products, including rice, would be raised slightly. This is a sop to farmers, who have been suffering under low state prices for their grain quotas.

At the same time, Trust-linked foreign investors in the P.R.C. have been stunned by the Peking regime's admission that it may cancel contracts for joint ventures with foreign partners. Wang Zhaoguo, governor of the province of Fukien, said in late October: "With regard to Sino-foreign joint ventures on which contracts have been signed, we must honor these contracts - with the exception of a few." These remarks, which call into the question the sanctity of contracts and contradict earlier P.R.C. assurances that Peking would meet all its obligations to foreign parties, have terrified foreign investors. A number of joint ventures are already being reported as canceled.

# Elite spokesmen warn against trusting Soviets

by Nicholas F. Benton

The top national security adviser to the campaign of Vice President George Bush, in a recent interview with *EIR*, expressed concern about Soviet plans to exploit the transition period immediately following the U.S. presidential election. The same concern has been reflected in a spate of warnings by spokesmen for what might be termed a "center" faction of the U.S. elite, who fear the impulse of a U.S. President-elect to leap into Soviet leader Mikhail Gorbachov's open arms.

Remarks by NATO Supreme Commander Gen. John Galvin in Bonn Nov. 3, by West German Defense Minister Rupert Scholz in Mainz a day earlier, by former NATO official Luigi Caligaris in the Italian daily *Corriere della Serra* Oct. 31, and by former U.S. Secretary of State Henry Kissinger in Washington Oct. 26, all echoed the same theme, warning against appeasement tendencies.

Their caveats on Gorbachov's intentions came as both U.S. presidential candidates, in the days leading up to the election, expressed their eagerness to meet with the Soviet leader as soon as possible, which was received with immediate enthusiasm by Soviet spokesman Gennadi Gerassimov.

In unusually candid comments to *EIR* Oct. 19 (see "Eye on Washington," Oct. 28, 1988), former U.S. National Security Adviser Gen. Brent Scowcroft, rumored to be first in line to replace William Webster at CIA if Bush is elected, told *EIR* that he expected Gorbachov to test the Western alliance with, at minimum, a major "diplomatic offensive" immediately after the U.S. election.

He said that the test would probably take the form of a generous-sounding proposal for an asymmetric reduction of conventional forces in Europe. "He will offer to remove two Warsaw Pact soldiers for every one removed by NATO, and this will be made to look very good to the average European citizen," Scowcroft predicted.

"But," he noted, "this will only be a ploy, because in reality, the asymmetry is not two-to-one, but four or even six-to-one." Nonetheless, Scowcroft lamented, "NATO does

not have its act together" to counter such a Soviet move, and responsibility to remedy that falls directly on the President-elect of the United States immediately after the election. Speaking of Bush, Scowcroft said, "But it is not going to happen. Now, he is thinking about nothing but the election. . . . I don't know that anything is going to get done after the election, either. I doubt if anything will happen before the inauguration in January."

Scowcroft should know. During the campaign, he has headed Bush's National Security Task Force.

Therefore, the barrage of warnings from Galvin, Scholz, Caligaris, and Kissinger, which began with an even more severe analysis of the Soviets by CIA Deputy Director Robert Gates in a Washington, D.C. speech Oct. 14, is an attempt to stiffen Western resolve in the face of the expected post-election Soviet "surprise."

But while each warning has focused on the continued Soviet threat to the West despite Gorbachov's feints toward peace, none of these individuals proposed any concrete policy toward the explosive tensions emerging in the East bloc that would be the trigger for Soviet aggression.

That task was left solely to independent presidential candidate Lyndon LaRouche, who in a half-hour paid political advertisement telecast nationally on NBC Oct. 31, spelled out a "food for peace" approach to alleviating the economic debacle facing the East bloc, a fundamental cause of the Soviet impetus toward war.

LaRouche, identifying himself as the leading spokesman for the "traditionalist" faction in the United States, ridiculed the foolish thinking of elite circles in the West who view the disintegrating economic conditions in the Soviet Union and Eastern Europe with glee. Instead, LaRouche said, the key to a war-avoidance strategy requires that "we heed the lesson taught us by a great military scientist nearly four centuries ago, Nicolò Machiavelli: We must always provide an adversary with a safe route of escape."

This means, LaRouche said, that "at the same time we discourage Moscow from dangerous military and similar adventures . . . we must rebuild our economies to the level at which we can provide the nations of the Soviet bloc an escape from the terrible effects of their economic suffering."

Otherwise, LaRouche warned, the ruling military and KGB faction in the Soviet Union that consolidated power during the extraordinary leadership meeting Sept. 30 is fully prepared to solve its problems by military means. Far from being a peace-loving advocate of "détente," Gorbachov is a ruthless product of former KGB chief Yuri Andropov and Marshal Nikolai Ogarkov's "kindergarten," which includes other Soviet hardliners like Viktor Chebrikov, Vadim Medvedev, and Vladimir Kryuchkov, all of whom were promoted on Sept. 30.

LaRouche's telecast created shockwaves internationally. The U.S. Public Broadcasting System (PBS) agreed to make the show available to all its affiliates for re-airing, under equal-time provisions, before the election.

### Other warnings

While none of them echoed LaRouche's policy approach toward cooling out East-West tensions, the recent warnings on the continuing Soviet danger all reflected some themes touched on by LaRouche:

● **Gen. James Galvin**, NATO Supreme Commander, speaking to the Konrad Adenauer Foundation in Bonn Nov. 3, said that "the West must not allow wishful thinking or idle illusions" to color its thinking about defense, or to delay the modernization of NATO military forces. He said that the "process in the Soviet Union is open-ended, and could change overnight."

He advised the audience to read Gorbachov's book, entitled *Perestroika*, which calls for the denuclearization of Western Europe, the removal of all U.S. forces, and the dissolution of NATO. "The method may have changed," he said, "but the goals have not. . . . The Soviet military is sticking to its old practices. They are modernizing their tanks and aircraft carriers, and building thousands of new T-80 tanks."

● **Rupert Scholz**, West German defense minister, in Mainz Nov. 2 to report on his talks with the Soviet leadership in Moscow the previous week, said, "When looking at Gorbachov's reform program, one should not close one's eyes to the fact that with a superiority of 32,000 battle tanks over NATO, the Warsaw Pact has an invasion capability." He said that Soviet Defense Minister Dimitri Yazov told him that all Soviet arms control policy is run directly out of the Soviet Defense Ministry, as a subsumed feature of Soviet military policy.

He noted that economic reform efforts in the Soviet Union "have been confined to the military sector so far," with "no functioning consumer goods sector." Furthermore, he said,

"*Perestroika* and *glasnost* have not altered the basic state ideology of the Soviet Union, which is incompatible with a pluralistic, democratic society."

● **Luigi Caligaris**, former high-level NATO officer, wrote from Moscow for the Italian daily *Corriere della Sera* Oct. 31, that his interviews with Soviet military leaders, including General Chervov, and tours of different branches of the armed forces there, revealed that "Marshal Ogarkov is considered the hidden inspirer of military *perestroika* since 1982."

It was then, Caligaris pointed out, that Ogarkov wrote, "The dialectics of transformation from quantity to quality demand changes in armaments, structures, and proportions among the different branches of the armed forces . . . elimination of the old, which blocks progress." "In these words," wrote Caligaris, "written six years ago, there is the essence of the military reform wanted today by the Communist Party."

The premier role of Ogarkov was pointed out to him, he said, by Soviet military men during his discussions. Ogarkov was described as "the head of the school of great reform, whose writings help in the verification of the convergences or the dissonances between the political *nomenklatura* and the military."

Two of Ogarkov's main ideas, Caligaris wrote, are "initiatives and autonomy of decision and command," adding, "They are essential ideas and also the aims of the general *perestroika*. Ogarkov, in fact, not only demands changes in the military's approach, but demands more intervention into the military by the party, by the Komsomol, and by the Soviets. . . . This is in fact what *perestroika* wants to achieve: to overcome the differences between the military and the politicians by promoting better cooperation."

● **Henry Kissinger**, the former U.S. Secretary of State and National Security Adviser, speaking at the National Press Club on Oct. 26, warned against "the whole world becoming mesmerized by Gorbachov," adding, "I can't predict Gorbachov's intentions. He probably doesn't know himself what he is going to do."

Kissinger emphasized, "It is dangerous to make the foreign policy of a nation dependent on the good will of one individual." He said, "We will have to take into account the possibility that the Soviet Union goes through a new crisis. . . . We must remember that, when talking about the Soviet Union, we are dealing with 70-years of Communist ideology and a history of Russian security concerns. After every century, the Russian borders have expanded in all directions. . . . To rely passively on the evolution of the Soviet system would be mortgaging the future. We need some conception of the kind of world we want to create."

Kissinger did not elaborate on any such conception, himself. That, together with the equally important "how to get there," was left to LaRouche.

# See-no-evil bankers finally come under attack—but will it stick?

by Jeffrey Steinberg

Ten years ago, when the groundbreaking book-length study of the international drug trade, *Dope, Inc.*, was first released, the overwhelming reaction to the charges that major international financial institutions were up to their eyeballs in dope trafficking was: “preposterous.”

Indeed, the publication of those allegations in *Dope, Inc.* triggered a barrage of slanders against American political economist Lyndon H. LaRouche, Jr., who had commissioned the study. The “free enterprise” Heritage Foundation, beginning in 1978, branded LaRouche a “Communist” for attempting to disrupt the free market economy by calling for a crackdown against dope money. And the Anti-Defamation League (ADL), ostensibly a civil liberties arm of B’Nai B’Rith International, pronounced LaRouche the world’s most fierce “Anti-semitic,” for linking organized-crime figures Meyer Lansky and Edgar Bronfman to drug money washing enterprises. The two attacks came out within weeks of the release of *Dope, Inc.* The linkage was undeniable. The attacks have never ceased.

With the October indictment against the Bank of Credit and Commerce International (BCCI), the eighth-largest privately held bank in the world, on charges that top officials helped launder \$32 million for the cocaine-running Medellín Cartel, drug banking has emerged—albeit belatedly—as the new centerpiece of the international war against drugs. But the \$64 billion question, especially in an election year, is whether the BCCI precedent will be followed by more of the same. How far that crackdown against the big dope banks goes, may very well determine whether the war against drugs is won over the next months and years, or whether it goes the way of America’s costly, losing adventure in Vietnam.

So far, the Reagan administration is at least talking a tough, war-winning game.

In the wake of the BCCI bust, a grand jury in Tampa, Florida has handed out subpoenas to 41 banks in the United States, Western Europe, and Ibero-America, all suspected of participating in the dope-for-dollars laundering business.

When the boom came down on BCCI, U.S. Customs Commissioner William Von Rabb, echoing *Dope, Inc.*, pronounced drug cash flows as the most vulnerable chokepoint in the entire narco-economy. Von Rabb vowed to strangle the dope mafia on its own money, by shutting down its access

to what he chose to call “legitimate” banking institutions. Describing the BCCI executives indicted by the Tampa grand jury as “big-time” figures, as opposed to the “punks” who made their money smuggling cocaine, the commissioner promised a no-holds-barred assault on the banks.

Assistant Commissioner of U.S. Customs William Rosenblatt gave an interview that was beamed via satellite into Mexico, Colombia, Venezuela, and Bolivia on Oct. 25, declaring that the U.S. Customs Service would take a “hard line” against bankers who permit drug money to pass through their accounts. The mid-October indictment of executives of BCCI took the financial community by surprise, Rosenblatt stated in the interview, with many institutions protesting that bankers could not act as policemen. He answered bluntly: “If you have criminals coming to your bank to make enormous deposits, we are going to go after your officers, your directors, for conspiracy with those criminals.”

Another, unnamed Treasury enforcement official told the *Wall Street Journal* on Oct. 31, “It is clear to us that in many cases, bankers know, or ought to know, where this money is coming from. See-no-evil banking will not cut it any more.”

## Hitting the right targets

The Oct. 31 *Wall Street Journal* report, drawn from documents in the court record in Tampa, named the 41 banks ordered to produce account records. Most of those banks were first named in *Dope, Inc.* as among the big London and Wall Street banks implicated in the washing of narco-dollars.

More than one of Ibero-America’s major creditor banks is now under investigation by the U.S. government for money laundering. These include: Wells Fargo and Co., Deutsche Sudamerikanische Bank, Manufacturers Hanover, Security Pacific Corp., and Bank of America.

**Bank of America**, a subsidiary of the third-largest bank in the United States, BankAmerica Corp., is the largest of the banks subpoenaed thus far. In 1972, BankAmerica helped finance the founding of BCCI’s start-up company, and at one point owned 30% of BCCI. Although it sold off those holdings in 1978, as part of a takeover by Democratic Party circles including Clark Clifford, Bert Lance, and Stuart Symington, BankAmerica still serves as a clearinghouse bank for BCCI in the United States.

In the BankAmerica case, Customs agents are scrutinizing accounts there used by people linked to **Roberto Alcaino**, a Colombian arrested in September in New York on cocaine-smuggling charges. Alcaino was named in the Tampa BCCI indictment as a "major trafficker" of Medellín Cartel cocaine in New York, Los Angeles, and Chicago. BCCI executives allegedly helped him to launder his profits.

Other Dope, Inc. banks targeted by the federal probe include:

- **Marine Midland**, since 1978 owned by the Hong Kong and Shanghai Banking Corporation, the most notorious of the British Opium War banks. So blatant was HongShang's drug-laundering activities over a 100-year span, that the New York State Banking Commission originally blocked HongShang from purchasing Marine Midland. The deal only went through after the Federal Reserve Board took the extraordinary measure of granting Marine Midland special interstate bank status, thus shifting jurisdiction over to the Fed.

- **Republic National Bank**, the New York City flagship bank of Israeli mafia bigshot **Edmond Safra**. According to federal government sources, Safra is a target of the ongoing probes. His banking empire stretches from the eastern Mediterranean to Ibero-America. Safra comes out of a very unique community of Jewish families from the Syrian smuggling capital of Aleppo. Those families are not only tied to the Ariel Sharon circles inside Israel; they are also historically the bankers for the Syrian Alawite mafia of Syrian President Hafez Assad and his brother Rifaat. The Aleppo "mafia," now based out of Brooklyn, New York, is believed to be virtually interchangeable with the Russian mafia, which has not only moved heavily into the international drug trade, but provides a ready channel for KGB penetration of the Western Hemisphere. Republic National Bank was formerly owned by mystery man **David Gravier**. The bank is widely believed to be one of the major fronts for Israeli intelligence overseas operations, including the lucrative Central American guns-for-drugs trade.

- **Bank of Nova Scotia**, the Canadian banking giant with assets on deposit of over \$8 billion. It was identified in *Dope, Inc.* as the institution that opened up the British Caribbean as an offshore haven for hot money, including notably the dope revenues of the Meyer Lansky crime syndicate. Bank of Nova Scotia maintains close ties to the **Bank of Boston**, which was caught in 1985 concealing over \$1 billion in cash transaction with a string of European banks. Then Assistant Secretary of the Treasury for Enforcement John Walker publicly accused Bank of Boston of laundering drug mafia funds. The principal partner bank of the Bank of Boston in the cash washing scheme was the Geneva-based **Crédit Suisse**, known as Meyer Lansky's Swiss piggybank.

### **ADL banks to be hit?**

In what will undoubtedly soon be branded a case of "Reagan-Bush anti-Semitism," the Tampa grand jury subpoenas also went out to a string of smaller banks in Florida that all

have a common denominator: historically close ties to the ADL.

Thus, the **Florida National Bank of Miami**, which handles the finances of the ADL Foundation, is prominent on the list of targeted local banks. A few years back, a group of Venezuelan financiers who then owned the bank brought in **Donald Beasley** as director. Beasley was formerly a top executive of the Australia-based **Nugen Hand Bank**, which was shut down after one of its founders committed suicide in the middle of a marijuana field and the other director absconded with millions of dollars in depositors' money. A probe by an Australian government commission revealed Nugen Hand to have been a front for guns-for-drugs transactions, carried out in part by a collection of rogue ex-CIA agents, including ex-covert operations chief **Theodore G. Shackley**.

The **Barnet Bank**, run by **Lou Barnet**, a leading figure in the Florida Israeli Lobby, teamed up several years back with **Kenneth Bialkin**, former national director of the ADL, to buy up a subsidiary of the Israel-based **Bank Hapoalim**. Bialkin, the senior partner in the Wall Street law firm of Willke Farr and Gallagher, was convicted in a civil suit in New York state in 1980 of having masterminded **Robert Vesco's** looting of Investors Overseas Service of over \$130 million. Much of that money was widely believed to have been hot cash laundered through IOS by the Lansky syndicate.

In Israel, both **Bank Leumi**, the country's biggest bank, with extensive ties to major City of London financial circles, and the **Israel Discount Bank** of the powerful Sephardic Recanati family, are prominent on the list of subpoenaed institutions. IDB is heavily involved in funding Israel's would-be Mussolini, Ariel Sharon, and has been linked to the Temple Mount terrorist Jewish underground.

Another Florida bank subpoenaed, **Dadeland Bank**, is owned by **Roberto Eisenmann**, the owner of the Panamanian opposition paper *La Prensa*, and other leading opponents of Gen. Manuel Noriega. This is actually the second time that Dadeland has been linked to drug-trafficking: During the 1985 trial of the Fernández marijuana-smuggling ring, friends of Eisenmann admitted in court that they had used Dadeland as a base for money laundering of their marijuana proceeds. The boss of the pot ring, Cuban-American **José Antonio Fernández**, had bought 9,900 shares of Dadeland stock.

The other banks subpoenaed so far are:

Arico Savings Bank, Banco Atlantico, Banco Central S.A., Banco de Bogota, Banco Ganadero de Colombia, Bank Real Miami S.A., California First Bank, Capital Bank, Consolidated Bank N.A., Eagle National Bank, Eastern National Bank, First Federal Savings of Palm Beach, First Nationwide Bank, Lorain County Bank, Miami National Bank, NCNB National Bank of Florida, Northern Trust Bank of Florida, Peoples First National Bank, Philadelphia International Bank, Professional Savings Bank, Southeast Banking Corp., Sun Bank N.A., United National Bank, Westchester Bank.

# The 'overt acts' of Lyndon LaRouche

by Ralph de Toledano

*The following article, by Copley News Service-syndicated columnist Ralph de Toledano, has been made available to EIR. The trial of Mr. LaRouche and six associates is slated to begin in Alexandria, Virginia, on Nov. 21, 1988. Except for the new charge of "conspiracy to defraud the IRS," to which Mr. de Toledano devotes his commentary, the Alexandria case is a carbon copy of the Boston case against LaRouche and associates, which ended in a mistrial last spring due to rampant government misconduct.*

I have been reading Count No. 13 of the indictment of Lyndon LaRouche. I thought I had reached the pits years ago, when I studied one of Roy Cohn's flights into legal fancy . . . but I don't know whether to laugh or to shudder at No. 13—no matter how one may feel about LaRouche. And I feel that the U.S. Code should be amended to give recourse to those caught in the toils of ambitious or weak-kneed law enforcement officials.

The core and the crux of Count No. 13 are the 51 "overt acts" listed to sustain a "Conspiracy to Defraud the Internal Revenue Service." A first-year law student could have a ball ripping apart those "overt acts," but my readers can judge for themselves.

For example, No. 6 of those "overt acts" charges that "on or about Nov. 24, 1980 . . . defendant LaRouche filed a 1979 individual tax return." No. 7, however, states that "on or about Nov. 24, 1980 . . . defendant LaRouche failed to file an individual tax return for the calendar year 1979," as double-jointed an accusation as you will find in legal annals.

How else did LaRouche conspire to defraud the government?

No. 9 says he did not cash a "royalty check" from a publishing house. Scratch at that one. But let's go on.

No. 22. "On or about Dec. 24, 1983 Dana (Sloan) Scanlon purchased a winter parka for Lyndon LaRouche with a \$141.41 check written on her personal checking account."

No. 23. "On or about Dec. 24, 1983 Dana (Sloan) Scanlon purchased a winter parka for Helga LaRouche (Lyndon's wife) with a \$158.84 check written on her personal checking account."

I guess those friends who accepted Christmas presents from me and did not declare them as income were conspiring

to defraud your friendly IRS agent.

## Campaign expenses

But let's go on to more serious matters. Late in 1979, Lyndon LaRouche was campaigning for the Democratic presidential nomination in New Hampshire. As is always the case, the expenses for this were paid by his campaign committee. LaRouche was not alone. Other candidates whose expenses were paid include Jesse Jackson, Nelson Rockefeller, George Bush, Walter Mondale, Jimmy Carter, Michael Dukakis, and Gary Hart—to name but a few.

In the case of Lyndon LaRouche, the rules do not apply. Overt Act No. 1 states: "On or about October through November 1979, Citizens for LaRouche, the 1980 campaign committee, paid \$4,926 for Lyndon LaRouche's residence in New Hampshire."

They got off cheap, it seems to me—but then, LaRouche does not live as high off the hog as some other candidates I could name.

Overt Act No. 17 is a shocker, demonstrating the depravity and dishonesty of Lyndon LaRouche, and I quote: "On or about April 1983 defendant LaRouche traveled to Leesburg, Va. and visited Woodburn Farm."

Think of it, he traveled to Leesburg and *visited* a farm. If memory serves me, at around the same time, I traveled to New York and visited my aunt. How is that for an "overt" act?

But this is only for starters.

No. 38. "On or about Aug. 14, 1985, Richard Magraw charged a \$39 pair of cufflinks for Lyndon LaRouche on Magraw's Visa card."

And 10 days later, the same man had the temerity to make a present of a pair of shoes to Helga LaRouche. That shows how one criminal act leads to another.

Ordinary people can receive gifts of up to \$10,000 a year in cash, with no tax liability—but not Lyndon LaRouche. Receiving a 40 buck pair of cufflinks? Horrors!

## Enter Henry Hudson

Now it is true that LaRouche lives on a farm in Leesburg owned by one of the organizations to which he is affiliated. But the Internal Revenue Service has had sworn accounts of LaRouche's income and has made no effort to lean on him until U.S. Attorney Henry Hudson, a Dukakis Republican I am told, decided to do away with him. A long trial in Boston ended in a mistrial after it became apparent that the misdeeds charged against LaRouche had been committed by FBI agents attempting to set up a sting operation.

Now the taxpayer will have to pay for a repeat performance in Virginia, this time led by the great legal navigator, Henry Hudson. The first Henry Hudson sailed up the river named after him on the good ship *Half Moon*. Am I being overly flippant if I suggest that today's Hudson, on dangerous legal water, might call his ship the *Half Goon*?

## Will nuclear energy survive in U.S.?

Dr. Dixy Lee Ray, former head of the Atomic Energy Commission and Democratic governor of the State of Washington, blasted the timid behavior of proponents of nuclear power at a meeting of the American Nuclear Society here Oct. 31, warning that the survival of liberty was at stake unless they stopped acting like "doormats" in the face of their opposition.

Dr. Ray threw down the gauntlet to a jammed hall of over 300 nuclear scientists and directors of utility industries, calling for the creation of a new pro-technology organization that will become an aggressive advocate for nuclear power capable of "staying one step ahead of the opposition."

She said the American Association for the Advancement of Science (AAAS) has "fallen into the control of the social sciences," but that the new organization she had in mind would be of the same scale, and called something like the "American Association for the Advancement of Technology." She said it would have at least a half-million members if only the current members of various pro-nuclear engineering and related professional groupings joined.

"If we don't win this battle for the future of nuclear energy, we will lose our liberty as surely as on the field of battle," she said.

She said, "We must know our enemy as well as they know us," and asked how many in the room were familiar with the publications of anti-nuclear groups, like Ralph Nader's

*Public Citizen* newsletter, the Union of Concerned Scientists, and a publication last year called *Shutdown Strategies*. "Will we ignore them as the Allies ignored *Mein Kampf*, until it is too late?" she intoned.

She added, "Paying ransom to the intervenors will not buy the survival of nuclear power," noting that the South Texas Nuclear Project agreed to pay \$4.5 million to one anti-nuclear group to withdraw its legal action, on top of \$5.5 million to other "whistleblowers" and \$1.5 million to paid consultants hired by these intervenors.

In addition, cost ratcheting has driven up the price of constructing nuclear plants, she said, and delays forced by intervenors have wiped out productivity. It used to take only 5.3 man-hours in construction to produce a kilowatt of power from a nuclear plant, she noted. Now it takes 23.0 man-hours per kilowatt.

Despite all the anti-nuclear fear-mongering, however, she said, 108 nuclear plants are now operating very efficiently in the U.S., and that without them, the electrical power shortages that are already creating rolling brown-outs in major cities on the East Coast would be much worse.

However, the current shortages are nothing compared to the trend shown by the North American Electric Reliability Council (NERC)'s annual report of 10-year energy supply and use projections.

## Major energy shortages by 1997

According to the October 1988 NERC projection, the U.S. will require, based on a modest 2% annual growth rate, 90,500 additional megawatts of electrical power by 1997. However, plants now under construction or planned for completion by that date will supply

only 40,000 megawatts—or, less than half of the total amount of new energy that will be minimally needed to maintain the current standard of living in the U.S.

The implications of this study are staggering from every standpoint—running the gamut from strategic national security interests to local services to the average household. Nonetheless, the NERC survey is itself almost impossible to decipher in the form it is produced and distributed out of Washington, which is symptomatic of the "wimp" factor that Dr. Ray criticized.

The report was published as a set of statistical tables, one set listing the forecast for peak demands in 1997 by regions of the country, and the other set listing estimated capacity resources. Nowhere were the two put together to show the result that NERC's Thomas Kuhn forecast at the ANS conference—the drastic net shortfall in energy availability expected by 1997.

Prior to Dr. Ray's speech, Kuhn and five other utility company executives held a press conference to lament the trends in the nuclear industry. Their excuse-making and whimpering reflected the kind of defensiveness the industry has demonstrated ever since it began to come under attack in the early 1970s by the "irregular warfare" tactics of our nation's enemies.

For example, at the press conference, which was covered by less than half a dozen journalists mostly from "in house" journals of the nuclear industry, Kuhn cited his statistic almost in passing, after complaining, "People don't see the need for additional energy." Ron Stinson, chairman of the board of the Management Analysis Company with past experience at General Atomic and General Electric, murmured, "People don't respond unless there is a crisis."

# National News

## Deukmejian endorses anti-AIDS Prop. 102

California Gov. George Deukmejian endorsed Proposition 102, the anti-AIDS initiative, on Oct. 28. In a statement released by his office, Deukmejian said that he planned to vote for the initiative after hearing the evidence on both sides and deciding that "the added tools provided by this measure will enhance rather than impede efforts to combat AIDS." He added that until a cure is found, the only way to stop its spread is by treating it as a "communicable disease."

Homosexual activists denounced the move while 1,500 of them marched to the state building in Sacramento in protest. Bruce Decker, the gay advocate who heads the governor's Task Force on AIDS, along with Drs. Richard Hamilton and Michael Gottlieb, two task force members, immediately resigned in protest.

Paul Gann, a cosponsor of Prop. 102, who himself contracted AIDS from a blood transfusion, said that he is "tickled pink" to get the governor's endorsement.

## LaRouche Virginia trial on fast track

In a short hearing Oct. 28 in the "LaRouche case," Alexandria federal Judge Albert V. Bryan, Jr. conceded, "We are pushing the defendants a bit hard in this case in terms of time." Observers considered this to be quite an admission from the judge who is the architect of the famed "rocket docket" in the Eastern District of Virginia federal court.

The hearing concerned a motion brought by Lyndon LaRouche and the other defendants, who are charged with conspiracy to commit tax and mail fraud counts (see page 68), to compel the prosecutors to designate which documents they are going to use for the fraud case and which for the tax case. Defense attorney Fred Sinclair, local counsel for Mr. LaRouche, told Judge Bryan that although prosecutor Kent Robinson had

provided to the defense an index of over 500 documents which may be used by the government at trial, he has refused to say which documents pertain to which case. Sinclair pointed out that the defendants were given only 34 days from their arraignment to prepare for trial.

Judge Bryan told Robinson—who opposed the defense motion—that he couldn't see how the government would be harmed by this procedure, and said that "it might help the defendants put their case together." Bryan then conceded that he is "pushing the defendants a bit hard" with respect to time to prepare for trial, and he ordered Robinson to provide defense counsel with a breakdown of the documents being provided to them in discovery.

Judge Bryan said that a motion for severance of the tax count from the mail fraud counts is the only motion that he will allow to be filed early, before the general deadline of Nov. 10 for pre-trial motions. Trial of the case is still scheduled for Nov. 21.

## Cincinnati Bell probed for phone taps

A grand jury has been impaneled to hear charges that Cincinnati Bell Telephone Company has been tapping phones throughout the city, including the Board of Elections computer to commit election vote fraud.

Two former employees of the company, Lonnie Gates and Robert Draise, revealed that they performed more than 1,000 wire taps of every major political and business figure in Cincinnati. They testified that one of their taps completed a hookup from a mini-computer capable of reprogramming, to the Board of Elections computer. They said that they were ordered by the head of security for Cincinnati Bell to stop the computer during the 1979 election, and they did so.

Gates and Draise also alleged that everyone involved in the wiretap operation within the company had sworn a Masonic oath not to reveal the operation. They claim that they were advised on phone tap methods by the FBI.

Gates is reportedly now in hiding and has called local newspapers to report that he and his family have received death threats.

An article in *New Yorker* magazine, which hit the newsstands Nov. 1, became the latest story on how the outcome of presidential elections can be determined by computer tampering.

## National Economic Commission to gear up?

The National Economic Commission plans to launch a major mobilization on behalf of its austerity package as soon as the presidential election is over, a spokesman for the commission has disclosed. "We've been treading water for months, but as soon as Nov. 8 rolls around, just watch us go into action," he said.

Bob Strauss and Drew Lewis, co-chairmen of the NEC, are already on record saying it will call for cuts in Social Security and other entitlement programs, in defense spending, and will call for tax hikes as well. The NEC is planning public hearings in Washington, D.C. on Nov. 15-16 featuring big names such as Federal Reserve Chairman Alan Greenspan, will then "start meeting privately nearly every day," and has set a target date of Dec. 21 for delivering its final recommendations to the President-elect. The NEC is supposed to conclude its existence by the end of March 1989, "but don't be too surprised to see the commission's charter extended way beyond that," the spokesman said.

Among other witnesses expected to appear before the commission is Libertarian presidential candidate Ron Paul, who is advocating an incredible \$150 billion cut in the first year of deficit reduction. Roughly half of such cuts would come from eliminating cost of living increases in entitlement programs, ending farm subsidies, and freezing medical benefits. The other half would be cut from defense spending.

NEC staffers suggest that their major ally in a Bush administration would be Bush campaign director James Baker III.



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## Infrastructure collapse to cost \$3 trillion

A February 1988 report to President Reagan by the National Council on Public Works Improvement (NCPWI) prompted a call by *Washington Post* columnist James E. Leberherz for a massive investment to replace the nation's collapsing infrastructure. Based upon the report, Leberherz said that the cost of rebuilding will have reached \$3 trillion by the year 2000.

Historically, government spending on infrastructure has declined from 20% of total spending in 1950 to only 7% in 1984. The NCPWI, Leberherz warned, "found convincing evidence that the quality of America's infrastructure is barely adequate to fulfill current requirements and insufficient to meet the demands of future economic growth and development."

Leberherz also cited an unnamed undersecretary of the Interior, who recently warned, "In recent years, instead of continuing to spend on infrastructure, we as a nation have opted to spend on consumer types of things. Consequently, we have realized the depreciation and deterioration of the already existing infrastructure. And as it deteriorates, it accelerates by an order of magnitude if you ignore it, and this has an adverse economic impact." Leberherz suggested a partnership between federal, state, and local governments, and private business to tackle the problem.

*EIR* has estimated that the infrastructure repair cost is already in the \$3-4 trillion range.

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## Abrahamson asks new NATO role in SDI

Strategic Defense Initiative Organization head Lt. Gen. James Abrahamson told a press conference in the Netherlands Oct. 27 that he wants NATO nations to be more involved in the SDI.

Abrahamson said that the U.S. would continue with SDI research, but that "our objective is not to deploy until there is a clear

national and international decision that not only the first phase but some of the second and subsequent phases will be feasible and affordable," according to Reuters.

Meanwhile, the Reagan administration handed a proposal to the Soviets in Geneva on Oct. 24 to limit to 15 the number of anti-missile test satellites permitted in orbit at one time. According to the *Washington Times*, this is the first significant concession in the SDI area. It was made to reassure the Soviets that the U.S. was not deploying an SDI under cover of testing. The U.S. did reassert its right to conduct SDI space tests.

SDI opponents are gloating, as usual, that the SDI is in trouble. Kissinger Associates partner Brent Scowcroft told the *Washington Post* Oct. 26 that George Bush is "clearly aware" that the SDI cannot continue to take an increasingly large share of a tight defense budget.

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## Dairy farms ordered to stop shipping milk

Some Iowa dairy farms have been ordered to stop shipping milk because of deadly toxin found in the milk. The toxin's presence was blamed on lactating cows eating corn rations tainted with aflatoxin.

Despite precautions to prevent lactating animals from eating the tainted feed, the aflatoxin is so prevalent in the drought-stricken corn crop that the precautions failed.

It is likely that similar problems will arise in neighboring Illinois—the other top corn state hit hard by drought. So far, there have been no similar cases reported in Wisconsin, where milk officials have been vigilant. The Iowa dairy farms hit are in danger of bankruptcy from their loss of milk sales. There will be an attempt by farmer cooperatives to continue to compensate the farmers to tide them over.

However, no federal arrangements have been made, because of the refusal by Washington to take proper emergency measures. There is only \$1 million in the federal fund to assist dairy farmers whose milk has been damaged. Several years ago, \$8 million was paid out to Missouri farmers whose feed was tainted by fungicide residue.

● **LLOYD CUTLER**, the leading protagonist for scrapping the U.S. Constitution, advocates a step toward parliamentary government in an opinion column in the Nov. 1 *Washington Post*. Cutler argues that voters must stop "ticket-splitting," because it is causing "deadlocks" in the government. The major issues for which he wants to streamline decisionmaking are to cut the federal budget deficit, and to cut off military aid to allies such as South Korea and Middle East nations.

● **U.S. ATTORNEY Henry Hudson** says he expects to bring the first indictments in the Pentagon fraud investigation in mid-November. "Nothing would have given me greater pleasure than to hand down indictments in the first part of October" before the presidential election, Hudson said.

● **FOOD BANKS** controlled by the grain cartel under the "Second Harvest" name are receiving preferential treatment from the federal government regarding food supplies. Second Harvest Food Banks in Iowa, Arizona, and Missouri have received government "demonstration project" status, assuring them of abundant supplies of government "surplus" food. Meanwhile, independent food banks are being denied food and shutting down. Mrs. James Baker III is a Second Harvest board member.

● **FEDERAL** prosecutors threatened former Philippines President Ferdinand Marcos and his wife Imelda with contempt charges for failing to provide fingerprints, and voice and handwriting samples, after they were indicted on vague charges of criminal activity. The Marcoses, whose indictment is said to be part of a deal over U.S. bases in the Philippines, said Nov. 4 that they would comply.

## Editorial

### *Go nuclear now*

If a society is not to suffer a series of crises as it depletes its resource base, it must develop a succession of new technologies. This implies the necessity of real economic growth—measurable by gains in productivity—which can only occur with increases in the amount of energy per capita and energy-flux densities at the point of production.

This is a necessary, but not yet a sufficient condition for the health of an economy. If we are to have revolutions in technology, then first and foremost we need to use more advanced sources of energy, and indeed such a substitution—from biomass, to fossil fuels, to the potentials of nuclear energy—has characterized the growth of Western civilization.

We should now be on the verge of entering the plasma age, which would revolutionize all production by combining the stages of refining and processing materials. Coupled with the use of directed energy—lasers and electron beams—we would have incredible advances in productivity.

The misery of so many people alive today is completely unnecessary; it has occurred because of the calculated efforts of an influential anti-technology lobby, bent on sabotaging all technological development.

Fifty years ago, nuclear energy was discovered, but it has yet to be adequately exploited today. Indeed, we have gone backward since the 1970s, particularly in the United States, where even nuclear plants already constructed are not permitted to function.

In 1982, a study by the Fusion Energy Foundation determined that 115 million people had died unnecessarily, as a result of the United States' failure to implement the Atoms for Peace policy, first formulated during in the second Eisenhower administration.

The calculations were based upon the well-accepted correlation between expansion in electrical capacity and economic growth. For example, a country such as Bangladesh, with a population of 100 million people, has only 46 kilowatt-hours of electricity available per person per year, compared to the United States, which

uses 11,000 kilowatt-hours per person per year.

In the last decade, the environmentalist movement has succeeded through a number of subterfuges in stalling—and indeed reversing—the use of nuclear power in the advanced sector as well. Indeed, United States use of electrical energy per capita has decreased. As we saw over the past summer, major cities in the United States suffered repeated brownouts, because capacity has not kept up with demand.

While the situation in the advanced sector is not yet life-threatening—as it is in Bangladesh—it can become so in cities which depend upon electricity for the maintenance of vital services.

Now, ironically, the environmentalists are “discovering” that the emission of sulfur dioxide, nitrogen oxides, and carbon dioxide emissions from fossil fuels, into the atmosphere presents a “grave danger” to the biosphere. They are using scare stories about the “greenhouse effect” to attempt to close down a substantial portion of heavy industry.

Of course, the fact that nuclear energy is a non-polluting fuel, which leaves minimal waste to be handled, is of little concern to these cynical malthusian propagandists.

It is well documented that the environmentalist movement in the West is handsomely funded by the Soviets, who welcome anything which will diminish Western industrial capabilities and so, weaken our military logistical capacity. At a recent meeting of the American Nuclear Society which was held in Washington, Dixy Lee Ray, the former governor of the state of Washington and former chairman of the Atomic Energy Commission, lambasted the leaders of the U.S. nuclear industry for acting like “doormats” to anti-nuclear activists.

She called for the formation of a new organization composed of all the existing scientific and engineering societies, that would be a “voice for technology.” We welcome her call for renewed activism on behalf of nuclear power.

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