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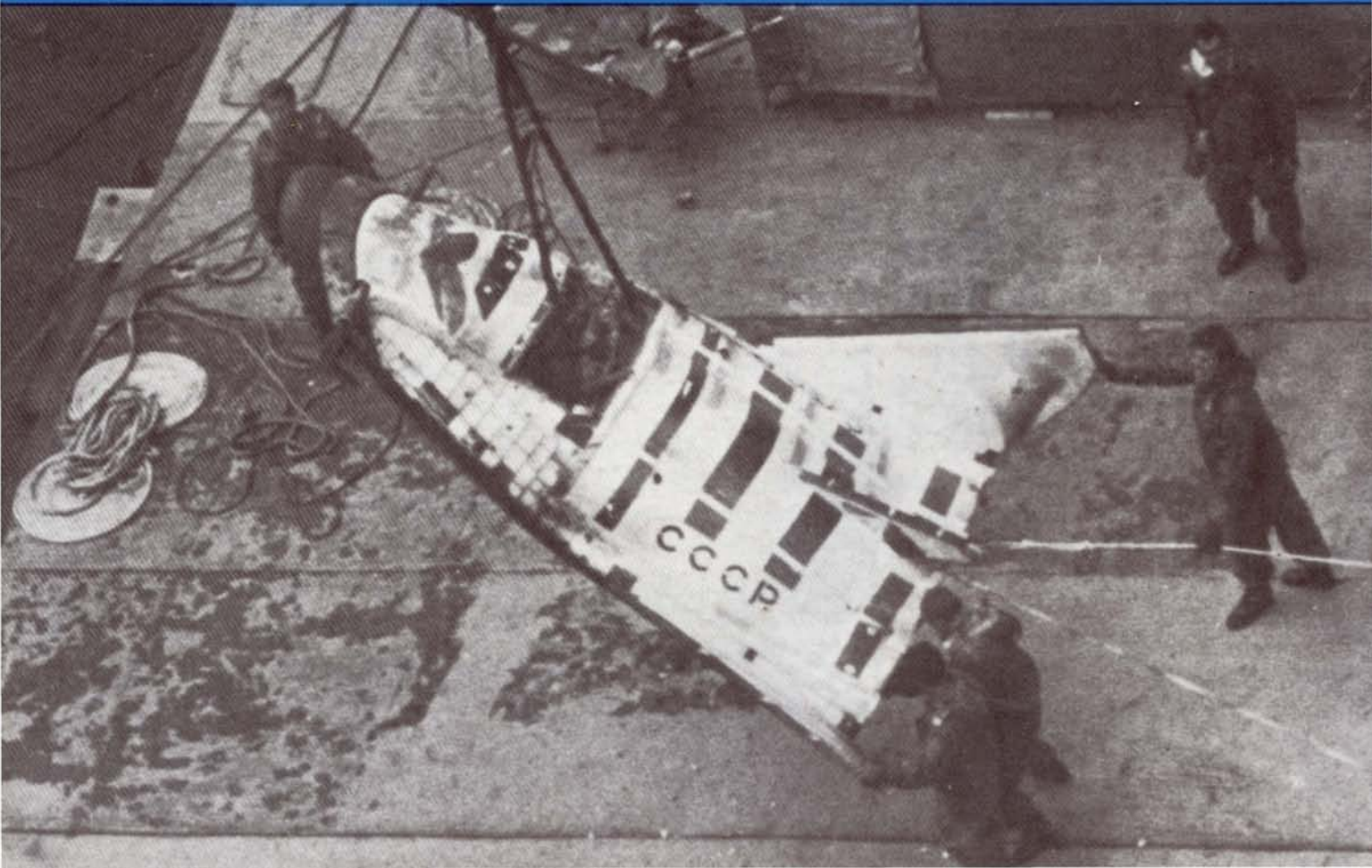
Executive Intelligence Review

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EIR

From the Editor

Some of our friends in California, the Prevent AIDS Now Initiative Committee (PANIC), have announced, on May 29, that they will place another referendum on the California ballot for 1988 which is virtually identical to the famous Proposition 64. This initiative will go directly after the homosexual lobby and cost-cutters who caused Prop 64 to fail by lying before the November 1986 vote. They lied about "casual transmission," and about the extent of the AIDS threat, and as a result, many people will die. Now, voters will have a second chance to save lives.

That's good news; but equally important is an initiative kicked off on the centerfold pages of this issue by *EIR*'s founder Lyndon H. LaRouche, Jr., which holds the scientific key both to finding a vaccine and cure for AIDS, and to turning the tide against the Soviet war drive. I suggest you turn first to pages 36-37 to find out why *EIR* is taking up the issue of radio-frequency weapons in much the same way that in 1982, more than a year before President Reagan's famous address of March 1983, *EIR* and the scientific organization Fusion Energy Foundation took up the battle for what became SDI.

As to the SDI itself, the cover story this week reveals the reality behind Soviet attacks on the American "Star Wars" program for allegedly "militarizing outer space." No one should be fooled into thinking that the Soviets have developed their Saturn V-class booster rocket, launched on May 15, for "peaceful exploration of space." The rocket gives the Soviets a significant jump ahead of the United States in being able to launch and orbit laser weapons to attack satellites, and battle stations for strategic defense.

On page 22, LaRouche targets the treasonous nest in the Department of Justice which helped the Soviets obtain this advantage; and on page 30, he analyzes why a Paris court case pitting LaRouche and his friends against top Soviets is bringing to the surface the very core of KGB-Justice Department collaboration.

On the related subject of "Project Democracy," the illegal foreign policy apparatus thoroughly exposed in *EIR*'s recent Special Report, I draw your attention particularly to articles on the Philippines (p. 35) and Mexico (p. 38).

Nora Hamerman

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America's foreign subsidy comes to an end at Venice

by David Goldman

For the past year, the national finances of the United States have depended upon the printing-presses of its trading partners; since the first of the year, exclusively so. Foreign private investment in the United States, which must borrow \$150 billion a year to finance its external and budget deficits, long since gave way to the ballooning of unwanted dollar holdings in the official reserves of foreign central banks. *EIR* warned in its *Quarterly Economic Report* of September 1986, that the political agreements under which America's foreign subsidy might be financed were eroding. The summit meeting of industrial nations at Venice will bury them.

That much was already made clear by the Western leader most hostile to American interests, Italian Foreign Minister Giulio Andreotti, who told Italian reporters that he would propose *a system of currency blocs* before the Venice meeting. That is as much as to say: *to eliminate the dollar as principal international reserve instrument*, or, the same thing: *to eliminate foreign central banks' need to accumulate more dollar holdings*.

Andreotti, to be sure, represents a fringe viewpoint, shared only by the most anti-American "Central Europeans" among European bankers and the European Commission bureaucracy. But the reality of the international banking crisis pushes such plans onto the international agenda, regardless of the policy-intent of America's trading partners.

They accumulated \$30 billion of additional dollar reserves during the first quarter of 1987, about equal to America's \$34 billion trade deficit, by purchasing unwanted dollars on the market (foreign exchange market "intervention"), and purchasing U.S. Treasury securities with these dollars. In other words, they financed the entire U.S. trade deficit with these purchases, and, by purchasing Treasury securities,

financed almost two-thirds of the U.S. government's borrowing requirement for the quarter.

"Such official financing cannot be continued indefinitely," warned the dominant Treasury dealer, Salomon Brothers, in a commentary last Oct. 10. "U.S. securities will have to offer foreign investors adequate compensation for currency risks."

However, to purchase these dollars on the foreign exchange markets, foreign central banks created more of their own currencies, and sold them to private institutions in exchange for unwanted dollars. \$30 billion of yen, marks, and other foreign currencies were thus added to the so-called Eurocurrency deposit pool.

To precisely the extent that the Japanese, West Germans, or others purchase unwanted dollars with their own currencies, they increase the exposure of their national banking systems on the shaky offshore market, since every unit of their currency held offshore, constitutes a potential claim upon their national banking system.

At a moment when the American banks are taking unprecedented crisis-measures to reduce their exposure, including multi-billion-dollar additions to reserves against Third World loan losses, it is ridiculous to presume that foreign central banks will permit the banks they supervise to increase their foreign exposure, and at an unprecedented rate. Their massive support operation for the dollar's market parity (and for the U.S. Treasury), i.e., the creation of massive amounts of national currencies with which to purchase dollars, nourished a drastic shift toward non-dollar-lending in the Euro-markets.

Between 1980 and 1986, between 60% and 80% of each year's issuance of international securities was denominated

in U.S. dollars. However, between the last quarter of 1986 and the first quarter of 1987, the volume of dollar securities in the nearly \$200 billion per year market fell by about half, from about 65% to about 38%. That corresponded to a shift from the American syndicate managers' historic domination of the market, to the emergence of the Japanese investment banks as the dominant managers of new securities issues. In 1986, Crédit Suisse-First Boston ruled the Eurosecurities market, leading 105 issues totalling over \$20 billion. In 1987, Japan's Nomura Securities came in first, with almost \$8 billion of new issues, while Crédit Suisse-First Boston fell to less than \$4 billion.

That pinpoints European central banks' principal area of concern. The collapse of major portions of the Euromarket, including the now-infamous \$200 billion market in "floating rate notes," defines the epicenter of banking risk. Central banks concerned about the safety of their national banking systems will be forced to contain the expansion of such risk, i.e., the involvement of non-U.S. institutions in the floating of more yen, deutschemark, Australian dollar, or sterling Eurobonds.

The decline of America's economic power

America's dominant position in world trade made the reserve-role of the dollar inevitable during the postwar years. America's abuse of that reserve role, i.e., the employment of the dollar as a rentier currency, buying up foreign production facilities and labor at cheaper than domestic rates, set the stage for the present crisis. Nothing backs the reserve position of the dollar today, except for the perception of foreign governments that they must subsidize America's strategic role as the defender of the Free World; to the extent that the Reagan administration abandons that role, through such devices as the so-called "zero option," the justification for the subsidy disappears.

The substitution of foreign official purchases of dollar securities, for foreign private purchases, reflects the strictly *political-military nature* of support for the dollar. Some commentators, e.g., former Council of Economic Advisers chairman Alan Greenspan, woke up with a start to find that foreign central banks' reserve holdings financed the entire U.S. trade deficit during the first quarter of this year. In fact, the shift from private to public support was complete by the end of 1986. Foreign official participation in U.S. auctions and custody holdings at the Federal Reserve had already grown to \$38 billion during the first nine months of last year, largely due to exchange-market intervention. During 1984, foreign official holdings of U.S. dollars rose by only \$8.5 billion, and by only \$4 billion in 1986. Between January and June of 1986, these purchases rose at an annual rate of \$42 billion, and to an annual rate of \$60 billion during the June-October period. That rate doubled to \$120 billion per year during the first quarter of 1987.

Unpublished data circulated by Morgan Guaranty Trust

show that Japanese institutional investors sold \$30 billion worth of U.S. securities, both stocks and bonds, during the first quarter. Apparently, U.S. institutional investors picked up the difference. The Japanese institutions, by contrast, moved into DM, sterling, and Canadian dollar securities.

Large Japanese purchases of U.S. Treasury securities no longer necessarily reflect any net movement of funds by private investors into the U.S. market. Since mid-1986, according to a recent Bank for International Settlements study, Japanese banks began using *borrowed* dollars to finance purchases of U.S. Treasury bonds, rather than selling yen to buy them. The BIS, the central bankers' central bank, reportedly fears that the change has increased the vulnerability of the U.S. bond market to a Japanese fund withdrawal, e.g., at the point the dollar borrowing cost to Japanese banks outweighed the return from holding U.S. bonds.

How should America respond to Andreotti's proposal to eliminate the reserve role of the dollar? The trade data appear to support him. In 1986, West Germany became the world's leading exporter, shipping about \$230 billion, overtaking America's \$220 billion for the first time. Japan's share of world trade, meanwhile, continued to grow, reaching the level of 10% of world exports for the first time. The combined exports of Japan and West Germany last year were 100% greater than exports from the United States, against a 66% difference in 1978.

But U.S. dollars still account for more than 70% of total world reserves, even though American exports are a mere third of the combined Japanese-German-American total. That makes clear why gold has reached a four-year high point in the range of \$470 an ounce. During 1986, Japan bought half of the total Free World gold output, or about 608 tons, more than triple the previous record of 197 tons in 1985. While official statements have claimed the gold is for a commemorative Emperor Hirohito coin, analysts believe that Japan may be building its central bank gold reserves. More importantly, the Japanese government and financial institutions believe that any gold in the hands of Japanese nationals constitutes a sort of national reserve.

The time has gone when the United States can hold its trading partners to their responsibility to the alliance, while destroying its own capacity to defend them. To follow the International Monetary Fund's advice, and throw America into a Brazilian-style austerity program, would immediately destroy the American credit system (see *EIR*, May 22, 1987, "President Reagan dives into the budget trap"). To attempt to prolong the present non-policy, will erode the dollar's foreign position and American securities markets, leading to a general financial crisis almost as quickly. Nothing short of a global financial reorganization, including the restoration of gold backing to the dollar, a low-interest, long-term rescheduling of Third World debt, and a concerted development program for the Third World, will avoid the long-overdue reckoning.

Global financial crisis predicted for October

by Lyndon H. LaRouche, Jr.

The following release was issued on May 26 by the news bureau of the LaRouche Democratic Campaign.

Leading European financial officials have warned my associates, that we should expect to see the beginning of the world's biggest financial crash by October of this year. My comment on that forecast: It might not occur in just that way, but, if the Reagan administration continues its present policies, it is certain that the world's economic situation will become much worse than it is today over the summer months.

I don't welcome this worsening of the situation. It will cause enormous suffering, for one thing. Also, in the defendant's motion which the Soviet government submitted to a Paris court last Friday, Moscow makes implicitly clear that it will react with efforts to assassinate me as soon as possible, for fear that such a crash might bring me at least close to gaining the 1988 Democratic presidential nomination.

Nonetheless, in history, usually, only the eruption of terrible events brings governments and peoples to their senses. It is when the bombs drop on London or Pearl Harbor—or, something like that—that the English-speaking peoples seem to come out of foolish dreaming, and awaken to reality. It is probable that only a growing sense of the reality of the AIDS menace, combined with a financial disaster, combined with awakening to the reality of the Soviet threat, will get the majority of U.S. citizens out of their present wishful stupor before their TV sets.

Whether the great financial crash of 1987 erupts by October, or later, will depend upon what leading governments do at the international monetary "summit" held in Venice on June 12. Those bankers who are expecting a crash by October, make that forecast on the basis of assuming that the U.S. government's role at Venice will be a continuation of the foolish international monetary policy which the Reagan administration has followed over the past five years. In that

case, a crash in October would not be absolutely certain, but it would be, at least, a very good guess.

This forecast is based on the observation, that even now, President Reagan is clinging stubbornly to belief in a "Reagan economic recovery" which never actually occurred. The President believes in that nonexistent "recovery" for ideological reasons; he wishes, desperately, to believe that his economic policies have been successful ones. As long as the official line of the administration is to stick to the "successful economic policies" of the past five years, the Reagan administration is likely to stick to those policies. This would turn the Venice "summit" into a disaster, destroying the last bit of confidence in the U.S. dollar in international financial markets. Under those conditions, an October crash would be very probable.

The case of Egypt's loan

Take, for example, one of the most recent developments on the international financial markets. The way in which a small loan was granted to Egypt by the international bankers' club called the "Club of Paris."

Egypt was blackmailed into signing what is called an "IMF letter of intent." Egypt was told, all credit would be cut off, unless it signed that letter. The letter required the consent of the Egyptian government to devaluing its currency, and shutting off the highly successful land-reclamation projects which are the only hope for a basic solution to the problems of Egypt's economy. Reluctantly, Egypt signed, and was then promptly given new lines of credit. Egypt received, however, much less than it lost by devaluing its currency, the pound.

This has been the pattern of U.S. support for IMF "conditionalities" policy. The key margin of increase of the U.S. trade-deficit, has been the collapse of U.S. exports to, and increasing imports from, developing nations which have submitted to the terms of such "conditionalities." The "conditionalities" have, in each case, turned a poor debt-repayment possibility by these countries, into an impossible one, in each case.

This affects the internal economy of the United States directly. Take for example, the Reagan administration's reaction to the drop in OPEC petroleum prices.

Continued production of U.S. petroleum requires a price of about \$24 a barrel. Without that U.S. petroleum production, we are dependent upon increasingly uncertain flows of cheaper oil from the Persian Gulf's war-zone. Instead of putting a price-triggered import charge on imported petroleum, to defend domestic petroleum production, the U.S. government decided to go with dependency on cheaper Persian Gulf oil. This, combined with the U.S. Agriculture Department's policy of collapsing U.S. agriculture, was the cause of the financial crisis among the regional banks of Texas, Oklahoma, Louisiana, Wyoming, Montana, and so forth.

Our government's follies in international monetary poli-

cy usually come home to cause suffering inside the U.S.

A "zero-economic-growth mafia" inside the IMF and World Bank bureaucracies, acting with U.S. government support, has been collapsing the internal economies and world trade of both developing and Western industrialized nations, while piling up the financial obligations of both developing and industrialized nations. We have been increasing nations' obligations to pay debt, while destroying their means for paying that debt.

Inside the United States itself, one of the mechanisms which has been used to prop up apparent consumer purchases, has been a process of increasing average consumer debt, while average consumer income fell. This has been the leading basis for President Reagan's wishful belief in an economic recovery—consumers going deeper into debt to maintain ordinary levels of consumer spending, while average, after-inflation levels of household income have been falling. Now, the growth of consumer debt has reached approximately a saturation-level.

Meanwhile, the prices on the world's stock exchanges have zoomed into the financial stratosphere. Present stock prices are way, way above anything justified by the price-earnings ratio. The bond markets have been sliding down for weeks. About 1,500 U.S. banks are in bad trouble, and more than 200 in immediately serious trouble. Any significant rise in interest rates could sink as much as half of the savings institutions, and could blow out the banking system generally. If this inflated financial structure collapses significantly in any one sector, all sectors could blow. Any collapse would reveal quickly, that most of the values of financial paper depend upon mere "hot air," such as so-called "junk bonds" or similarly dubious bookkeeping accounts.

When the system blows, more than half of the more than \$13 trillion of hard-core debt obligations could blow, more than half of this inside the United States.

The problem is approximately 20 years of bad monetary and economic policies by all Western industrialized nations, excepting Japan. (We sometimes complain that Japan is being "unfair," because it refuses to be as stupid as the governments of other industrialized nations.)

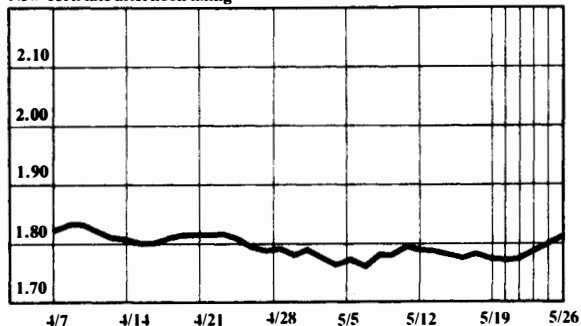
Now, during recent weeks, many of the world's leading bankers have awakened to the seriousness of the situation. Except for the governments of Japan and of France's Prime Minister Jacques Chirac, the governments, and political party leaderships of the other Western industrialized nations are still as much in dreamland on the economic situation as they are on the subject of the AIDS pandemic.

Technically, on any day that the U.S. government came to its senses, this crisis could be brought under control. The crash of 1987 is not inevitable. However, unless the governments come to their senses, it is inevitable. During the Venice monetary "summit," and during the weeks following that, we shall see whether the crash occurs as leading European bankers now suspect it will.

Currency Rates

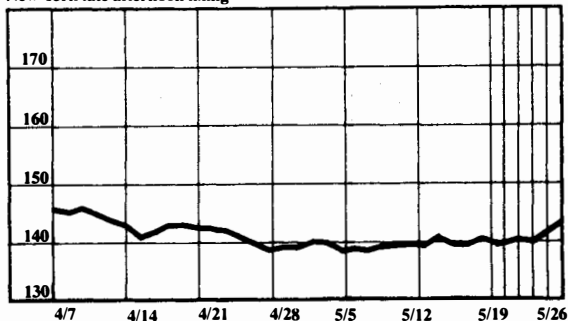
The dollar in deutschemarks

New York late afternoon fixing



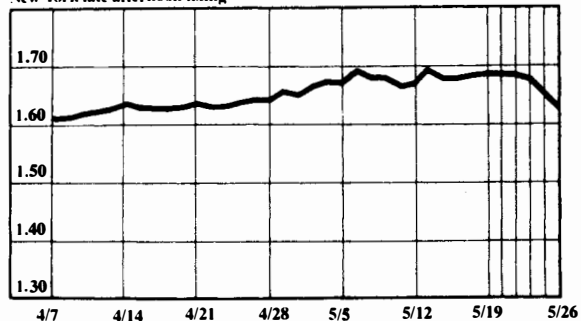
The dollar in yen

New York late afternoon fixing



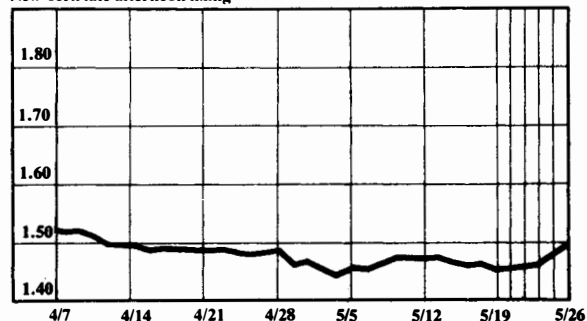
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Deregulation and 'recovery' bring trucking to a state of emergency

by Marcia Merry

Any average motorist has recently experienced some episode on a U.S. highway, where a giant, speeding truck bears down upon your car, and you wonder whether the truck driver is in control. Then comes fear and cursing all around, and occasionally, injuries and death. However, the full scope of the nationwide trucking, and general transportation, crisis must be grasped by the citizen and lawmaker soon, or else both the highway accident rate will soar, and the rate of collapse of the logistics capacity of the nation will sink to the depth of a security crisis.

In May, the Senate Subcommittee on Transportation Appropriations took testimony on the state of the trucking industry in the country, and on air, rail, water, and other sections of the national transport grid—ports, airports, truck terminals, etc. The picture was grim. Recommendations were solicited on what to do, but no emergency actions were initiated. The lawmakers, and many of the industry spokesmen as well, are too inhibited by the atmospherics of Gramm-Rudman, to even think of the option of restoring productive economic activity, and the massively improved transportation and other infrastructure required to go with it.

The following presents some of the information given in testimony to the Senate by the American Trucking Associations, and other information from the Commerce Department and truckers. The need for emergency measures is evident.

Safety

Truck accidents reported to the office of Motor Carriers increased 16.5% in 1984, and increased another 6.3% in 1985, and, by latest estimates, accidents are increasing at an even faster rate at present, according to the safety records kept by the Department of Transportation (DOT).

There is turmoil in the industry, because of the cutthroat competition prevailing since deregulation went into effect in 1978, and also because of the worsening economic conditions under the "Reagan Recovery." There is a relatively shrinking volume of standard freight to be hauled, for example, steel and heavy manufactured products.

On May 13, the crisis was politely described in testimony to the Senate, by Robert V. Brown, president of Suburban Transfer Service, Inc.: "There is generally a trend in the trucking industry toward reduced profits. Prior to 1978, the median profit margin was approximately 3%. From 1978-85, the industry had *not* been able to achieve profits greater than 2.2%. Only through fuel price decreases was the industry able to achieve a greater profit margin in 1986.

"There is a relationship between smaller motor carrier profit margins and unsafe motor carrier operations. These indicators portend the possibility of further increases in truck accidents in 1986 and future years, unless strong, positive actions are taken quickly by industry and government." With the fuel price increases to be expected over the summer, disaster lies ahead.

Under these kinds of financial strains, truckdrivers are pressured to break the law. They are worn out, and demoralized. Instances of the use of dope and alcohol are more prevalent. There are still thousands of model drivers across the country who can each log over a million miles without any kind of mishap, but the general condition of drivers is worsening. The decline in quality of food at the truck stops is even an indicator of degradation. Truckers don't have the money to spend to eat well.

At the same time, hundreds of towns—especially in the rural Midwest—are without any bulk shipping service, neither rail nor truck. Small businesses have a more and more restricted set of potential locations because of the shrinkage of rail service, and now of truck service, due to deregulation and depression.

Table 1 shows the marked increase in the number of trucking concerns authorized by the Interstate Commerce Commission since the 1978 deregulation of the industry. However, this apparent growth was characterized by major shifts in routes, cutthroat discounts in rates, financial strains, mergers, bankruptcies, fatal accidents, and decreasing services to remote, or otherwise less-traveled areas.

Almost all the regular route common carriers of 20 years

TABLE 1

Number of ICC-authorized motor carriers* increased sharply after deregulation

Year	Carriers	Year	Carriers
1972	16,000	1980	18,500
1973	16,000	1981	21,500
1974	15,500	1982	26,000
1975	17,200	1983	27,500
1976	17,300	1984	31,000
1977	17,500	1985	34,000
1978	17,700	1986	36,000
1979	18,000		

*Numbers are rounded off to show trend.
Source: Commerce Department.

ago have gone out of service. Only the top 10-15% have survived, mostly because they maintained established routes and had been well-managed, for example, Carolina Freight Carriers, Overnite Transportation, and Consolidated Freightways.

According to Dun and Bradstreet, motor carrier business failures increased 9.6-fold between 1978 and 1986. In 1980, the Motor Carrier Act created even more loss of income and financial pressure by imposing higher taxes, and raising business costs, while deregulated freight rates were being slashed to compete for carrying a relatively stagnant volume of freight.

Dun & Bradstreet data on intercity trucking report that 200 trucking concerns, with combined debts of \$258.8 million, went under during the first three months of 1986. Failures of the same category of company numbered only 67 for the whole year in 1979, then went up to 125 in 1980. The number of failures rose each year thereafter, reaching 714 in 1985. From 1980 through March 1986, a total of 2,569 in-

TABLE 2

Local and long distance trucking ton miles are increasing more than the rate of trucking earnings and employment, 1984-87

Year	Cargo intercity ton miles (billions)	Revenue (\$ billions)	Average hourly earnings	Employment
1984	605	195.2	10.67	1,076,000
1985	603	205.5	10.71	1,103,000
1986*	614	207.0	10.85	1,135,000
1987*	637	215.4	10.92	1,162,000

*Estimates
Source: Commerce Department.

tercity trucking companies failed.

Table 2 shows a number of features of this worsening situation over the last four years. Truck freight volume carried increased over the period, although declining from 1984 to 1985. Revenue increased as shown; however, also increasing were costs, not shown, but increasing at a much greater rate than revenues. One of the largest cost factor increases comes from insurance premiums.

The General Accounting Office, in a recent study for Congress, found that almost 1,300 trucking companies ceased operations in 1985 because of insurance problems. More than 12,000 policies were cancelled. As the Commerce Department's 1987 *Industrial Survey* reports: "Most cancelled carriers were able to obtain replacement coverage, even though four out of five of the insurance companies that had been writing most industry coverage have declared bankruptcy. The [GAO] study revealed that average premium rates rose 72% in 1985 and were expected to increase by an average of 29% during 1986."

Nationally, hourly earnings from trucking increased only 25 cents an hour over the four-year period, much less than the increase in living costs.

Some trucking innovations were introduced during this time period, but not enough to alter the general picture of deterioration in overall trucking capacity. Productivity improvements took the form of permitting 80,000-pound, twin 28-foot trailers along with 48 ft./102 in. trailers, on all interstate highways. These vehicles were mandated by the Surface Transportation Assistance Act of 1982, which promised productivity improvements in exchange for higher highway user taxes (the taxes almost doubled). The Act also promised a designated highway system with adequate access arrangements, which has not been fulfilled, especially under the "recovery" rationalization dominant in Washington, which has permitted large parts of the national rail, air, and road systems to attenuate and break down.

Despite the existence of a few hundred impressive trucks nationally, the average truck is aging and in disrepair. Trucks placed out of service by federal and state inspectors for serious defects increased from 23% in 1984 to 41% at a national truck inspection in September 1985. The percentage of motor carriers with unsatisfactory safety ratings is highest among those that have most recently received operating authority from the Interstate Commerce Commission, and the number of these is steadily increasing. Of course, the companies with the lowest profit ratings have the greatest prevalence of unsatisfactory safety ratings.

The trucking industry accompanied its report to Congress with lobbying for assistance for trucking, as opposed to rail, air, or water transport. However, each system is in the same devastating decay. What is required is a massive improvements campaign to locate and build new break-bulk points, and distribution and handling systems, integrating all types of freight shipping and handling, and planning for the most modern magnetically-levitated rail systems for people as well.

Bradley plan for Third World debt relief ignores reality, offers pittance

by Peter Rush and Dennis Small

At a June 29, 1986 bankers conference in Zurich, Switzerland, Sen. Bill Bradley (D) of New Jersey surprised colleagues and the Reagan administration by unveiling what he called a new approach to dealing with the enormous foreign debt of Third World countries, especially in Ibero-America. He reiterated the proposal at the U. S. Congressional Summit on Debt and Trade, held at the Waldorf Astoria hotel in New York on Dec. 4, where he amplified his concept of "debt relief," which he proposed replace Treasury Secretary James Baker's policy of "pour[ing] in new money that adds to the debt."

Bradley, in a third speech to the National Press Club on July 24, 1986, added, as a further argument for his plan, the fact that, as a result of the debt crisis, Ibero-American imports from the United States have plummeted since 1982, costing the United States 400,000 lost jobs from falling exports, and another 400,000 in potential jobs that America didn't get because the Ibero-American economies stopped growing.

At face value, Bradley's proposal represents an effort to go beyond existing disastrous IMF and Reagan administration plans to deal with the Third World debt crisis. But it falls far short of what is minimally required to restore growth to these nations and to provide them a long-term means to eventually repay their debts. Bradley has posed the right question, but he has not supplied the correct answer.

Bradley summarized his three-year proposal for Third World debt as follows:

- 1) Forgive 3% of the principal owed to banks and governments in each of three years;
- 2) Grant up to 3 points of interest rate relief for each of three years, on outstanding debts to banks and governments; and
- 3) Use these concessions to get debtor nations to implement "structural adjustments" of their economies.

Bradley emphasized that this debt relief should be offered to debtor countries on condition that they implement "growth-oriented economic reforms," including: a) liberalizing trade restrictions to enhance imports; b) reverse capital

flight; c) allowing free-floating exchange rates; d) enforcing fiscal discipline in government spending; e) encouragement of internal investment. The senator's office explains that such reforms would be reviewed on a yearly basis by the major private and government creditors, to determine how "credible" they are. Interest rate relief would be granted differentially, of anything from 0 to 3 points, based on these reviews.

Although Senator Bradley's office has made few quantitative details of his proposal available, they assert that the measures should be applied for a three-year period, and would add up to \$42 billion in debt relief over that time period, for the 10 largest debtors in Ibero-America. The Bradley plan has no provisions one way or the other on the subject of new credits, but assumes a normal flow will return once the Third World economies are stabilized.

Money woefully inadequate

Bradley's proposal purports to have two principal objectives. The first is to lessen the debt burden and to restore growth to the Ibero-American economies, so they can reverse their present slide into social and economic catastrophe. The second is to create, in this way, a reinvigorated export market for American goods. Will it achieve this?

Taking the second goal first, Bradley's proposal would unfortunately do little to restore Ibero-American imports from the United States or elsewhere. If the entire \$10 billion yearly "saving" in lower interest rates (3% on \$320 billion in Ibero-American debt to banks and governments) were used to increased imports, it would only restore one-quarter of the nominal value of imports lost since 1981. In 1981, Ibero-America imported \$103 billion in goods, while in 1985 the figure had dropped to \$63 billion, a 39% decline. If the nearly 20% inflation in the dollar since 1981 is taken into account, the present real (constant dollar) value of Ibero-America's imports would be only \$53 billion—about half the 1981 real value. If \$10 billion per year were restored to Ibero-America, this would be useful; but even if it were entirely applied to importing goods from the United States (ignoring Europe,

Japan, and other suppliers), it would not begin to revive U.S. export markets to their pre-1982 levels. In fact, after the three years of the Bradley plan were over, Ibero-America would still be importing less than it was a decade earlier. In point of fact, it would require three times as much net debt relief as the Bradley plan proposes to simply restore Ibero-America's earlier, inadequate importing capacity; it would take about 10 times as much relief for the continent to be able to import what it actually requires in order to industrialize.

In his Zurich speech, Senator Bradley correctly stated that "We must stop the perverse flow of resources from the poorest countries to the richest." But Bradley's Plan won't do that. In 1985, Ibero-American exports exceeded imports by \$34 billion (\$38 billion in 1984, \$32 billion in 1983), representing a net outflow of tangible wealth of this magnitude. Bradley's entire package would reduce this by less than a third, leaving almost \$25 billion of annual net outflow of resources "from the poorest countries to the richest." And this estimation doesn't even take into account the massive capital flight that has plagued Ibero-America over the last decade: Over \$100 billion has been looted in this fashion over the past eight years.

But the picture is worse still. Although Bradley mentions in passing the fall in prices for Third World exports, he fails to note that Ibero-America has suffered just as cruelly from falling terms of trade as it has from excessive interest rates. Since 1981, the average price of Ibero-American exports has fallen 17% in relation to the prices of its imports. This means that in real terms (based on 1981 prices), Ibero-America exported \$19 billion more in 1985 than the dollar value indicates, or \$110 billion, against exports of \$57.5 billion, for a whopping \$52.5 billion yearly net outflow of real wealth. Against this, Bradley's assistance is a pittance.

Reviving the region's economies

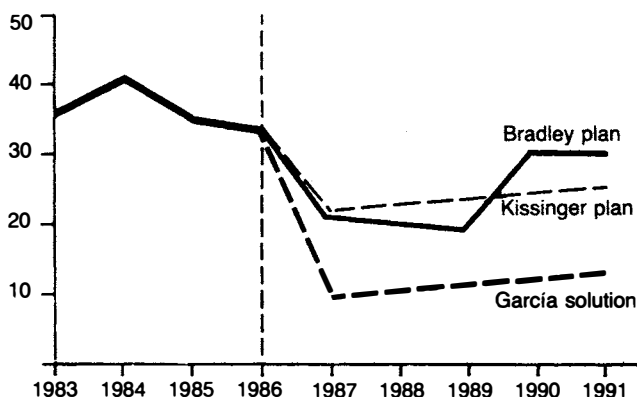
Bradley's proposal is just as wanting with respect to reviving the economies of Ibero-America. First, he cites the Marshall Plan for postwar Western Europe as an example, a plan which permitted Europe to run substantial net trade deficits for many years. But Bradley's plan, as noted above, still leaves Ibero-America exporting much more than it imports, a prescription for failure of any economic recovery plan. No economy in the world ever developed without a sustained period of net imports of capital and other goods needed for development.

Second, Bradley's proposal ignores the damage done to the structure of the Ibero-American economies since 1981. Since that time, there has been a net cumulative outflow of \$109 billion in tangible wealth (not counting capital flight and other monetary drains) in the form of trade surpluses since 1982, and a further \$95 billion in real loss due to falling relative export prices, or more than \$200 billion in directly looted real, physical resources. Against this drain, Bradley's proposals are a drop in the bucket.

FIGURE 1

Ibero-America's annual debt service payments: three options 1983-91

(billions of dollars)



Bradley does cite the severe economic crises the leading Ibero-American economies are in, but he vastly understates the magnitude of the problem. He says Mexico has suffered only 8% decline in living standards over the last few years, whereas the true figure is closer to one-third. Again, the deficit in unmet social needs of the populations of the continent requires hundreds of billions of dollars just to restore living standards to levels of 1980, a need overlooked by Bradley's plan.

The García solution

In his Dec. 4, 1986 New York speech, Bradley made conspicuous reference to the ostensibly commendable "reforms" of Ecuador and Costa Rica, while studiously omitting any reference to the most important success story on the continent, Peru. This despite the fact that Peru has accomplished exactly what Bradley said countries ought to do to warrant debt relief: Peru has ignited 8% annual GNP growth, with over 20% growth in manufacturing, while halving inflation, and provided 50% increases in real income for the poorest segments of the population.

The way the García government of Peru has done this is by restricting foreign debt service payments to a maximum of 10% of annual export earnings, and productively investing this wealth in the domestic economy. If a similar approach were taken by all the countries of Ibero-America, truly significant debt relief could be achieved: \$27.2 billion per year, or about three times the relief provided by the Bradley plan.

A close examination of the Bradley plan thus demonstrates that the level of debt service payments it implies hardly differs from that of other more "orthodox" debt policy proposals, such as that of Henry Kissinger, as Figure 1 indicates. Only the García solution provides a real answer to the debt-strapped nations of Ibero-America.

Banker Ulloa faces criminal trial

The Peruvian friend of David Rockefeller and the Socialist International is boxed into a corner, and threatens "war."

Peru's Chamber of Deputies voted on May 22 to seek criminal proceedings against former economics ministers Manuel Ulloa and Carlos Rodríguez Pastor, for their role in a government bailout of the failed Commercial Bank of Peru (Bancoper) in 1982-83. The Chamber's action was based on the final report of its Special Investigatory Commission into the Bancoper collapse, which found the two officials guilty of "crimes against the public faith, abuse of authority, misappropriation of funds, and extortion."

"It is time that the people get to know the dark world of bank operations, now transformed into a gangster-like world, where operations are ruthless, and guarantee only the interests of the owners of the banks," the head of the Special Investigatory Commission, the ruling APRA party's Héctor Vargas Haya declared on May 26.

The impending trial of Ulloa, a former Wall Street banker turned politician (lately, the darling of the Socialist International), and Rodríguez Pastor, a top executive in Wells Fargo Bank, is no "Peruvian" affair. The Bancoper case sets a precedent for all of Ibero-America, assembling court-admissible evidence on how the local oligarchy and international bankers illegally used foreign debt contracts to loot the Treasury.

Under the direction of its owner Luis Bertello (now in jail awaiting trial), Bancoper contracted foreign loans, to relend them largely to Bertello's companies, many of which only existed on paper. When his shell-game

collapsed, Bertello turned to his good friend Ulloa, then economics minister, for a bailout. The money was shelled out of the Treasury on the pretense of "saving local depositors," but went straight out of the country as "re-payments on foreign loans."

For the past month, the Bancoper trial has dominated Peruvian attention. Congressional aides dug up documents; officials from the last government and private bankers were called in to testify before the Chamber's Special Commission.

The 29-page report which summarized the commission's findings specified that Ulloa had intentionally altered the truth, in his efforts to secure the bail out of Bancoper. Ulloa and Rodríguez intervened "with unusual interest, excessive and foreign to their specific functions," even though they knew the bank was unsalvageable, "causing grave damage to the State" by siphoning off 3.5 billion soles for unsecured loans to foreign creditors, the report concludes.

Because the report of the deputies is a constitutional motion, further congressional action is required before the case goes to the Supreme Court. On May 26, the deputies voted by a wide margin, to form an accusatory commission, which has 15 days to study the Investigatory Commission's findings, and formalize charges. If the charges are accepted by the Chamber, that committee will take the case to the Senate, the body empowered to lift Ulloa's parliamentary immunity (he is now a senator), and send the case to the Supreme Court.

Other officials named in the Chamber's report are already facing trial. An arrest order was issued May 23 for Banking Superintendent Juan Klingenberg (charged with extortion in the Bancoper case), after he failed to show up at a hearing into Bertello's case.

Ulloa is getting worried. "It is a monstrosity to attempt to open judicial proceedings against those who were my loyal collaborators when I was economics minister," he screamed. "If they want war, they will get war." On television, he lashed out at García for "political vengeance" against the previous government.

He finally forced former President Fernando Belaúnde to come to his defense, after a month of silence. The attack on Ulloa is an attack on the entire Popular Action party, Belaúnde charged on May 26, adding vague threats that this "lowest kind of political vendetta . . . the product of gutter politicians" may turn into the García's government "suicide."

Belaúnde cried that his cronies should be treated with "deference," because they had "handed over power" to García. Giving a French touch to Ulloa's threats of "war," Belaúnde promised, "*Si vous voulez la guerre, vous aurez la guerre*," a phrase, he said, used by "gentlemen" when they are provoked!

Belaúnde's outrage provoked laughter in Lima. His government didn't "hand over power"; they were defeated by a landslide, receiving only 6% of the vote in the 1985 elections!

Belaúnde is confusing "courtesy with complicity," García's press secretary Victor Tirado answered on May 27. "We are going to war, but against immorality, corruption, drug traffic, subversion, and the complicity of those who are desperate to stop the democratic process."

Slim prospects for a bailout

Is Citibank gambling on federal guarantees for "secondary market" Third World paper?

New York's Citicorp has been telling European bankers that its \$3 billion addition to reserves against losses hinged on a deal with the U.S. government to offer some form of federal guarantee to secondary-market trading of Third World loan paper.

On May 21, Citicorp chairman John Reed said he planned to reduce the bank's Third World loan portfolio by a third, or about \$5 billion, over the next five years, via debt-for-equity swaps, loan sales, and so forth.

He estimated that \$1 billion would be swapped for equity in debtor countries—assuming the countries are willing to sell Citibank anything it wants.

The debt-for-equity scheme has been around for a long time, and debtor countries' willingness or ability to play along with it has diminished, if anything, since Henry Kissinger first floated it five years ago. Even less promising, as matters stand, is the so-called secondary market in Third World debt, where regional banks now trade a few million dollars of Third World debt paper at a time.

The present "secondary market permits smaller regional banks to a) get out of such paper entirely, b) diversify risks, or c) consolidate risks, in order to eliminate certain countries entirely from portfolio, and save on the expense of participation in creditors' committees; this they do by barttering loans. It couldn't absorb \$1 billion of Citibank or anyone else's paper.

However, some European banking sources envision a massive expansion of the market, based on federal guarantees. "We have information that a deal has been worked out" to offer official guarantees for heavily discounted Third World loan paper, said a spokesman for one of West Germany's largest banks. "We are very happy with the Citibank move. It will now allow the creditor banks to be more tough with debtors like Brazil."

A well-informed British banker was more cautious. "The scheme is highly risky," he said. "It may well be beyond the time that President Reagan can deliver on anything," especially something as politically hot as a bailout of the big New York money center banks during a pre-election period.

There are two major, possibly insurmountable, obstacles. First, Congress must approve the scheme. Second, as some European bankers argue, Washington must persuade Japanese and European finance ministries to pick up some of the burden.

"But Germany is not about to go for this bailout. It's completely without historical precedent for the U.S. government to bear such responsibility for private bank debt, not even during the 1930s," one banker said. The Continental Europeans and Japanese have already written off most of their developing-sector loans, in contrast to the British and Americans.

In essence, the scheme under discussion revives the March 1983 proposal of Princeton University's Peter

Kenen, an adviser to the International Monetary Fund, and co-founder of the "Group of 30." He argued that an official institution backed by industrial countries should offer its paper to banks in exchange for Third World loans, paying them 80¢ (he now suggests 60¢) on the dollar. The official institution would then try to collect a fraction more than that from the debtors.

John Makin of the American Enterprise Institute promoted a similar scheme in the March 25 *New York Times*.

But Professor Kenen warned recently that implementation of any such plan would have to wait for the next administration, given the present state of affairs in Washington.

In the short run, the World Bank is the only available candidate to make a market for "secondary trading" in Third World debt, Kenen suggested. Citibank's intention to off-load Third World debt at a discount on the secondary market is unworkable without the participation of some official institution, since the present market trades \$5 or \$10 million at a time. Given the present budget crisis, the U.S. Congress will not vote up U.S. government guarantees for such paper, or funding for an agency to buy it. The only institution capable of doing this now is the World Bank, which might put in a few hundred million dollars of "seed money" to make a market in such paper, encouraging large banks to come in at the billion-dollar level by its simple presence, he adds.

Fierce objections from the Japanese, who want the World Bank to lend for development, and from debtor nations themselves, make the World Bank's role a politically explosive one. Should it trade in discounted Third World paper, it might end up persuading major debtors to immediately reduce their payments of debt service.

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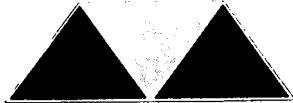
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Just a touch of blood

The Centers for Disease Control has again proved itself impartial—willing to risk anyone's life.

As was inevitable the Atlanta Centers for Disease Control was recently forced to report three cases of health care workers who were infected by skin contact with blood from AIDS-infected patients. Just as inevitably, CDC officials downplayed the significance of the cases and even managed to throw in an argument against AIDS testing for hospitalized patients, thus demonstrating their impartiality: They are just as willing to risk the lives of fellow health care professionals as those of the general public.

In the first case, a female health-care worker in an emergency room applied pressure to a needle puncture site to stop bleeding during an attempted cardiac resuscitation. During the procedure, she may have had a small amount of blood on her index finger for about 20 minutes before washing her hands. Afterwards, she may also have assisted in cleaning the room, but did not recall any other exposures to the patient's blood or body fluids. She had no open wounds, but her hands were chapped. She was not wearing gloves during this incident.

The patient died and an autopsy examination identified *Pneumocystis carinii* pneumonia, and a blood sample was positive for HIV antibody by enzyme immunoassay (EIA) and Western blot methods.

Twenty days after the incident, the health-care worker became ill with fever, myalgia, extreme fatigue, sore throat, nausea, vomiting, diarrhea, a 14-pound weight loss, and generalized lymphadenopathy which her physician diagnosed as a viral syndrome. That illness lasted three weeks. She had donated blood eight months be-

fore the incident and was negative for HIV antibody by EIA. She donated again 16 weeks after the incident and was positive for HIV by EIA and Western blot.

In the second case, a female phlebotomist was drawing blood from an outpatient with a suspected HIV infection when the top of the tube flew off and blood splattered around the room, on her face, and in her mouth. She was wearing gloves to protect her hands, and was wearing eyeglasses, so she did not think she got any blood in her eyes. She had facial acne but no open wounds. She washed the blood off immediately after the exposure.

The outpatient's blood sample was positive for HIV antibody by EIA and Western blot, and a hepatitis B surface antigen test was negative. The phlebotomist's EIA was negative the day after the incident and again eight weeks later.

When she donated blood nine months after the exposure, she was positive for HIV antibody by EIA and Western blot. She presently has no symptoms. She denied having any sexual contact during the previous two years, ever using drugs intravenously or ever receiving a transfusion. She has not had any needle-stick injuries in two years.

In the third case a female medical technologist was operating an apheresis machine (a device to separate blood components) in an outpatient setting. While attempting to correct a problem that developed during the procedure, blood spilled, covering most of her hands and forearms. She was not wearing gloves. She does not recall having any open wounds on her

hands or any mucous-membrane exposure. However, she had dermatitis on one ear and may have touched it. She washed the blood off herself and the machine several minutes after the spill.

The patient undergoing the apheresis had denied risk factors for HIV infection. However, a blood sample from the patient was positive for HIV antibody by EIA and Western blot the next day. The technologist's HIV-antibody tests were negative five days and six weeks after exposure. Eight weeks after the exposure, she had a flu-like illness with fever, myalgia, diarrhea, hives, and a blotchy red rash on her arms and legs. This illness resolved after a few weeks. Three months after the incident, she was positive for HIV antibody by EIA and Western blot.

Despite efforts by the CDC to downplay the significance of these rare cases, the fact remains that three people are now documented to have become infected by touching infected blood, without any needle-stick injury. Since there is evidence that superficial skin cells can be infected by HIV there is nothing intrinsically surprising about these cases. The potential for transmission by skin contact with infected body fluids exists and, as the infection continues to spread in the population, such cases will occur with increasing frequency, in spite of the denials of the CDC.

This is the most probable explanation of the case in Dusseldorf, West Germany, in which infection was transmitted from a transfusion-infected child to his uninfected brother by skin contact with saliva.

The continuing failure of the CDC and other agencies to confront the growing evidence of casual transmission will have a growing body-count associated with it.

Business Briefs

International Debt

Debtors demand Venice discuss solution

Eleven indebted Ibero-American countries have issued a call asking that a solution to the debt problem be discussed at the Venice summit of the top seven industrial nations.

Italy's *Corriere della Sera* reported that the call was sent as a telex to Italian Premier Amintore Fanfani by the President of Uruguay, Giulio Maria Sanguinetti, who "formally asked the seven meeting in Venice on June 8 to make concrete commitments."

"For the poorer, and particularly the sub-Saharan countries," writes *Corriere*, "a 10-year moratorium is being considered, followed by rescheduling for a period of 20 years. Italy will propose to the summit the creation of a 'critical mass' of fresh money for other countries."

Agriculture

French reject OECD policy

French Agriculture Minister François Guillaume, in a statement released in Paris May 25, was highly critical of the agriculture policy being pursued by the OECD nations, a policy whose aim is a reduction of food output. Guillaume charged that this policy does not take into account consumption needs of the developing countries, which could become Europe's largest trading partners.

Guillaume renewed his demand for a "Marshall Plan" for the Third World to "fight hunger more quickly than was possible previously, with the help of European food surpluses."

Raymond Lacombe, president of the French farmers union FNSEA, supported the agriculture minister's criticisms of OECD governments. Third World nations are "important economic partners in the long term," he said, and the OECD is refusing to promote equitable agricultural trade with developing countries. Instead of starting a trade

war, the United States and Europe should attempt to reach an international agreement on world markets, Lacombe stated.

AIDS

WHO opposes any mass screening

The World Health Organization (WHO) has come out strongly against AIDS screening programs now advocated in several countries, because these could be "misconceived, intrusive—even threatening fundamental human rights—and most likely both extremely expensive and very ineffective," WHO Director Dr. Jonathan Mann stated.

"These kinds of programs can have a negative impact on overall AIDS-prevention and control work by diverting resources away from education programs and other HIV prevention activities." Mann was summing up a meeting of 21 scientists, virologists, and physicians from as many countries who drew up criteria, covering 50 distinct issues, that the WHO claims should be met before any resort to screening.

"Screening to many people seems to be a simple answer to a very complicated question," he intoned. "Unfortunately, screening is itself a complicated part of an answer, a reflex action, to a complex problem."

East-West Trade

Soviets say they can do without U.S.

In an interview with *U.S. News and World Report*, Soviet propaganda chief Aleksander Yakovlev declared that Moscow is no longer concerned about the U.S. military threat, and can do without U.S. trade.

"We have concluded that it is difficult for Americans to attack us with nuclear weapons," he said. "We lived in the fear of such a possibility for three decades, but not any more."

He added that the Soviets are downgrad-

ing trade with the United States. Washington's "arrogant, high-falutin' actions, [such] as embargoes [and] clamping down on export of all kinds of technologies," have caused the Soviet Union to give up trying to encourage trade with the United States, and to reorient its efforts instead to Japan and Western Europe, said Yakovlev. "You made us do it," he said.

"I think Europe is more and more interested in détente and establishing good relations with us. I believe that the Soviet Union and Japan are natural trade and economic partners. I believe that the Japanese understand this, too."

Comecon

Gorbachov demands loot from Romania

Mikhail Gorbachov, during his two-day stopover in Bucharest on his way to the East Berlin Warsaw Pact summit, demanded that Romania integrate its economy more closely with that of the Soviet Union, according to a May 26 Radio Moscow report. His talks with Nikolai Ceausescu and other Romanian officials centered on bilateral relations, including "expanding economic and scientific-technological cooperation" and "expanding bilateral trade, which is already slated to grow by 80% during the 1980s . . . but, 80% should not be seen as the limit. . . . The rate of growth should be even higher," said Radio Moscow.

Then came the ultimatum: "The two sides discussed establishing direct production links" between Romanian and Soviet enterprises—that is, Romania's move from a satrapal to a colonial status.

Preceding the visit, *Pravda* featured Romania's severe economic problems, especially in energy supplies, and its vastly increased dependency on Russia. *Pravda* noted that in 1986, Soviet crude oil exports to Romania tripled, while exports of natural gas and electricity went up by one-third. *Izvestia* went even further, focusing on the country's serious food shortages and enforced food rationing.

Briefly

In some quarters, Gorbachov's reported statements are being read as a signal that Moscow would like a change in leadership in Romania. Gorbachov attacked "bureaucratism and nepotism," code words for the Ceausescu family.

Romania has been the only Comecon country to refuse to enter agreements with the Soviet Union on an enterprise-to-enterprise basis.

Corporate Strategy

Harcourt Brace chief denounces takeover bid

Harcourt Brace chairman William Jovanovich angrily rejected Robert Maxwell's \$2 billion bid to take over his U.S. publishing company, calling Maxwell "unfit to control the largest textbook, scientific, and medical publisher in the United States."

The Czech-born Maxwell is the owner of Britain's *Mirror* newspaper chain. He is also the leading British member of the Club of Rome. His Pergamon Press publishes all Club of Rome writings.

Jovanovich cited Maxwell's hidden funding sources and fronting for Soviet propaganda as reasons why his bid should be rejected. Jovanovich summed up: "Mr. Maxwell has money, but not enough. He has ambition, but no standing. He ought to be sent packing to Liechtenstein," where his holding company has its headquarters.

'Invisible Hand'

Rumors spread of Soviet dollar bailout

The Soviet Union is bailing out the U.S. dollar, as part of a scheme to keep President Reagan from changing his disastrous current economic postures at the June 12 economic summit, according to some U.S. intelligence sources. Other sources say the report is disinformation; its circulation, however, serves the same strategic purpose.

According to some sources, the Soviets have been dumping gold on the Swiss markets, and buying U.S. dollars to postpone a dollar collapse.

The reported Soviet gameplan is to ensure that Reagan continues in his economic policy delusions. The U.S. State Department is reported to be in secret negotiations with the Soviet foreign ministry on a Soviet bailout in exchange for progress at "zero option" arms talks.

According to other well-placed intelligence sources, however, the reports are disinformation to foster the illusion that U.S. banks do not face impending collapse.

The Debt Bomb

London Economist expects coup in Peru

The *Economist* magazine of London, in an editorial in its May 23-29 issue, calls for a cutoff of credit to countries like Peru that refuse the austerity conditionalities of the international bankers; it also predicts a military coup against Peru's President Garcia.

"There is a danger that failing populism may mean that military coups come glumly back to fashion in Latin America," the *Economist* writes, "and that a 'slowdown in lending after Citicorp' may cause bankers to be blamed for it. The international financial organisations and pilloried commercial bankers need to think out what policies they should follow then.

"Two rules would be wisest. First, to refuse to lend to military regimes that topple presidents even as muddled as poor Mr. Garcia. That refusal would give military regimes an incentive to call new general elections quickly, preferably within three months—and such coups are the only conceivably respectable ones. Second, international organisations and prudent commercial banks should stop lending to a country the moment it adopts policies like Mr. Garcia's in 1986. The World Bank stopped lending to defaulting Peru only last week. Far too late."

● **DANISH FARM DEBT** last year hit an all-time high. According to figures released by the national Farm Organization, farmers in 1986 loaned 12.5 billion D.Kr. (\$1.8 billion), and the total farm debt has now exceeded 100 billion D.Kr. (\$15 billion). As a result, 53% of farm income goes to meet interest payments.

● **PARITY PRICES** for farm products would permit European Community farm subsidies to be phased out, stated the head of the European Farm Organization in a statement in Copenhagen in May. H.O.A. Kjeldsen also charged that low world market prices are artificial, and only benefit countries like the Soviet Union.

● **'TECHNICAL level'** talks began May 26 between U.S. and Japanese representatives, on the trade issues that led to the U.S. imposition of sanctions against Japanese imports. But White House spokesman Marlin Fitzwater said he did not believe an end to the sanctions would occur prior to the June 12 Venice economic summit.

● **CHASE MANHATTAN** May 27 followed Citibank by recording a huge loss to cover defaults on loan repayments. Chase Manhattan wrote off \$1.4 billion, in comparison to Citibank's \$2.5 billion. The BBC commented that with Chase's move, "other U.S. banks will be forced to take similar actions."

● **JAPANESE POLICE** May 27 arrested two senior officials of Toshiba Machine, one of the biggest machine-tool producers in Japan, after learning that the company had sold advanced machines and computer software to the Soviet Union. Tokyo is concerned that Toshiba Corporation, the parent company, may be barred from American strategic defense research as a result.

Energia: Soviets take the lead in rocketry

Marsha Freeman reports on the nature, and the awesome strategic defense implications, of the Soviet Union's new superbooster.

"Now the Soviets can put anything they like in Earth orbit," remarked Dr. Tom Paine, in response to the May 15 launch of the *Energia* booster from the Baikonur Cosmodrome. Paine, who was the head of the U.S. space program at the time of the first manned lunar landing in 1969, pointed out that, "The *Energia* has the same lift capability as the Saturn rocket that took us to the Moon," and that this feat changes the entire international balance-of-launch capabilities, for the first time in 20 years.

It is not astonishing that the Soviet Union finally launched a Saturn V-class booster this past month—they have been working on one for at least 22 years; in terms of its military application, it is, however, quite frightening. What is astonishing was the complete silence from Secretary of Defense Weinberger, the White House, and the SDI office, in response to this new development.

Since 1981, when the Pentagon started publishing its *Soviet Military Power* report, they have been warning that a Saturn V-class booster would give the Soviets a significant jump ahead of the United States in being able to launch and orbit laser weapons to attack satellites, and battle stations for strategic defense. When the day for the first flight test finally arrived on May 15, 1987, no one in the White House seemed to be interested.

On May 16, TASS described the new capabilities of *Energia* by stating, "It opens up a new stage in the development of Soviet space rocket engineering and broad prospects for a peaceful exploration of outer space." No one should be fooled, however, into thinking that the Soviets have developed *Energia* for the "peaceful exploration of space."

James Oberg, noted for his analyses of Soviet space programs, stated in the May 18 *Washington Times* that the Soviets could keep the United States out of space with their new heavy rocket. "A few payloads like this [i.e., 100 tons each] would allow the Soviets to set up an orbiting battle station system and to deny space to any payloads that did not meet their approval." Such battle stations, he said, could be armed with lasers, small missiles, fragmentation bombs, or satellite warheads.

"Only three or four *Energia* payloads would be enough to set up an effective anti-satellite network," he said, which "could attack any satellite within a few orbits and enforce their own 'export controls' on it. . . . It is impossible to overestimate the importance of the Soviet achievement. For the first time in 25 years, they have resumed the lead in rocket power with the obvious intention of using it."

The May 20 issue of the *Defense Daily* newsletter also attempted to set the record straight on the Soviets' intentions. It stated that *Energia*, "is not a launcher just to provide competition with the United States' NASA Space Shuttle civilian flight demonstrations, although that is certainly one of its objectives. . . . The *Energia*, more than anything else, is a window of significant potential for expansion of the Soviet military into space. . . . Its contribution to the eventual construction of Soviet battle stations in orbit cannot be overemphasized, especially at a time when it flies in the face of a confused and misdirected congressional leadership that would bind the hands of the United States' quest for a strategic defense system."

The May 19 issue of the Italian daily *La Stampa*, accu-

ately headlined its coverage of the *Energia* launch: "Maxi-Missile for the Soviet SDI." They state: "With the *Energia*, the balance between the two superpowers has changed. . . . It is easily understood that the same missile can put into space anything needed for a space shield: lasers, directed mirrors, spy satellites."

No civilian Soviet space program

A grave mistake is made by newspaper reporters and commentators in the West regarding the Soviet "space program." Many try to compare what the Russians allow them to see on Soviet television, to the NASA space launches they watch at home. What the world sees on Soviet television, is a very small percentage of the actual capabilities the Russians have in space. The vast majority of their resources and systems are for use by the military. Their civilian science, exploration, and technology programs are mainly a spin-off from their strategic capabilities, and are used to maximum political effect.

The Baikonur Cosmodrome is often compared by Western journalists to NASA's Kennedy Space Center in Florida. However, the Soviet Air Force is responsible for all cosmonaut training, the Strategic Rocket Force conducts all space launches, and the three major Soviet launch sites are administered by the military. Unlike any of the NASA space facilities, what goes on at these centers is secret, unless the military releases the information.

The Soviets do not need the *Energia* rocket to expand or supply their *Mir* space station. Nor is there any serious evidence that they need that 100-ton lift capability because they are imminently planning to send men to the Moon or Mars.

There is, however, every reason to believe that the strategic defense and anti-satellite programs they have been developing for the past 20 years, require this next-step launch capability to place next-generation directed energy systems into space. Without a leap into large booster technology, more advanced Soviet military space systems could not be deployed.

The failed first try

On Oct. 4, 1957, the world was stunned by the news that the Russians had succeeded in placing a small satellite into orbit around the Earth. Less publicity, however, was afforded the precursor to that event a month before, which was the Soviets' (and the world's) first successful launch of an ICBM (intercontinental ballistic missile). The Sputnik launch was an ICBM with a satellite on top.

The United States, too, depended upon its military rocket vehicles for the first few years of the space era, but when President Kennedy announced in 1961 that the United States would go to the Moon, an enormous rocket had to be built to accomplish it, though there was no planned military mission for such a rocket at that time.

In 1964, NASA administrator James Webb announced that the Russians were working to develop a booster with a capability comparable to the Saturn V rocket that astronauts would take to the Moon. Mockingly known as "Webb's Giant," the booster was estimated to have between 10-15 million pounds of thrust using conventional petroleum-based fuels, compared to the planned 7.5 million for the Saturn V. Webb estimated that the Soviet rocket would carry a smaller payload than the Saturn V, though it would be much larger, because it would use less efficient fuels, rather than the liquid hydrogen carried in the second and third stages of the Saturn. This superbooster was dubbed in the West the G-1 rocket.

But the Soviets could not compete with a mobilized United States on a giant civilian booster project. According to James Oberg, in his 1981 book, *Red Star in Orbit*, a briefing by the Central Intelligence Agency in 1976 confirmed that the first big booster test in early June 1969 (one month before Apollo 11) exploded on the launch pad. This was apparently caused by a fire in its upper stage, and probably resulted in casualties.

A second test in the summer of 1971 ended in an in-flight explosion when the first stage malfunctioned, and this was repeated on Nov. 24, the following year. The G-1 booster under development by the Soviets in the 1960s was undoubtedly designed for their lunar program, though for years there has been a debate over whether or not the Soviets were indeed in the race to place men on the Moon, as the "sour grapes" Russians denied they were in the Moon race, since they lost it.

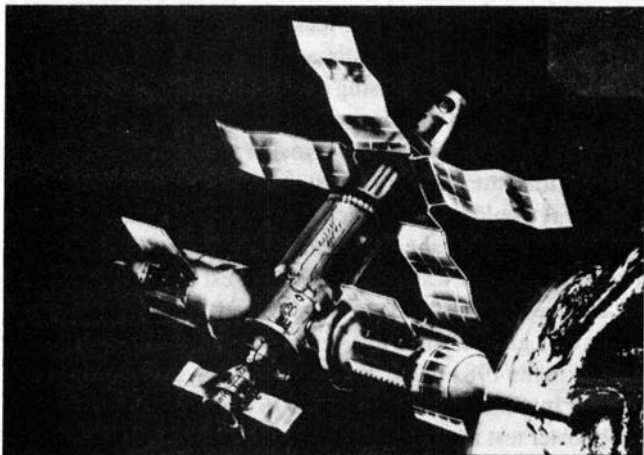
As close to the Apollo 11 lunar launch (July 16, 1969) as June 2, Soviet veteran cosmonaut Alexei A. Leonov (the first man to "walk" in space) stated to a group of Japanese science correspondents in Moscow, "If everything goes well, it will be possible for Russia to send a man or men to the Moon before the end of this year or early in 1970" (reported by Kyodo news agency).

However, in October, three months after Neil Armstrong and Buzz Aldrin walked on the Moon, Soviet Academy of Sciences head Mstislav Keldysh stated, "At the moment, we are concentrating wholly on the creation of large satellite stations. We no longer have any scheduled plans for manned lunar flights." It was clear to the West, that the Soviets gave up in the race to the Moon because they could not develop the huge launch capability necessary to take men out of Earth orbit.

The reworked G-1

In 1971, the Russians launched their first *Salyut* space station, on their workhorse Proton booster. This rocket has a maximum payload delivery capability of about 44,000 pounds to low Earth orbit, compared to the 300,000-pound payload of Saturn V. Each of the eight Soviet stations launched in the past 15 years, including the current *Mir*, have been about the same size (40,000 pounds) and all were launched on Proton

FIGURE 1



The Soviet Mir space station is the same approximate size as previous Salyut stations, with the new capability to dock up to six other spacecraft to it to form an orbital complex.

boosters (Figure 1).

But in 1980, after eight years of silence about a super booster, U.S. intelligence again reported that a huge new booster was under development. It was assumed that the G-1, with some improvements, was back on the agenda. It was posited at that time that a permanently manned space station, which the Soviets said they would orbit by the mid-1980s (*Kosmograd*), weighing perhaps 220,000 pounds, would require the big booster. *Aviation Week and Space Technology* magazine speculated in that year that the first launch would be in 1983, and the booster would be operational for the space station launch by 1985.

With the launch of the *Mir* on Feb. 20, 1986, the idea that the Soviets were developing a big booster just to deploy civilian space stations went out the window. The *Mir* station central core is essentially the same size as the former *Salyuts*', but with six docking ports, rather than only two (Figure 2). The largest space station to date that has ever been launched remains the U.S. *Skylab* in 1973, which took advantage of the Saturn rocket's huge payload capability.

The Soviets have never seen their "man-in-space" program as a "civilian" program. At least two of the *Salyut* stations launched in the program have been strictly military, and the lack of U.S.-comparable electronic, computer, automation, and navigation systems has required that they have people in space simply to do many of the things the United States has developed the technology to do without people.

The United States decided to give up its military manned space program, the Manned Orbital Laboratory and the Dynasoar shuttle program, in the 1960s. The Soviets decided

that this orbital capability would be important to test new space technologies, do reconnaissance missions, and perhaps repair critical orbital military assets, when that capability is developed. Considering the poor record the Russians have in the long-duration functioning of electronic equipment, it is highly likely that a man-in-orbit function will be required when strategic defense assets are ready to be deployed by *Energia*.

The Soviets opted for building their *Kosmograd* last year, by attaching modules to the central *Mir* core, delivered by the Proton rocket, and have succeeded this year in docking three other modules to the *Mir* at the same time—the *Soyuz TM* spacecraft that delivered the cosmonauts, an unmanned *Progress* supply ship, and the *Quantum* astrophysical module for scientific research.

In 1981, the first Pentagon issue of *Soviet Military Power* suggested a more plausible mission for the superbooster. Cognizant of the Soviet ASAT capability, and the push for directed-energy systems for more advanced capabilities, the report states: "A very large space booster similar in performance to the Apollo program's Saturn V is under development and will have the capability to launch very heavy payloads into orbit, including even larger and more capable laser weapons." Figure 1 depicts the Defense Department's speculated picture of the superbooster.

One can choose to believe anything the Russians say, but there is no indication that *Energia* was built, over a period of 22 years, at a cost of billions of dollars, and with loss of human life, to put up space stations that are actually being built with Proton boosters.

Are cosmonauts going to Mars?

There is no question that the Soviets have an aggressive program for the exploration of the planet Mars, but is this why the *Energia* was developed? On May 21, R. Kremnev of the Glavcosmos, the "civilian" agency of their space program, announced a three-phase unmanned Mars program. In 1992, the Soviets plan to send a balloon-type system through the atmosphere of the red planet.

Two years later (the Earth-Mars launch "window" occurs once every two years, with today's technology), Kremnev said, the Soviets will send a small rover to Mars, with a range of 200 kilometers, with a larger one to follow. In 1996 or 1998, a complicated unmanned soil sample return is in the works, which would gather between 500 grams to 3 kilograms of soil from various sites, and return the samples to Earth.

But the Soviet space program does not have an impressive record in terms of successful Mars missions. More than half have failed either en route, or once they reached the planet. Most important, cosmonauts have never ventured past Earth orbit, and there is no indication that the radiation protection, extended life support, navigational, or other systems re-

quired, have been developed to take them even to the nearby Moon.

Lunar manned travel is a definite prerequisite to a conservative, reasonable-risk manned Mars mission. While it is true that the Russians have had no big booster that could take them to the Moon the way the United States went, their years of operational Earth-orbiting space stations, have provided an ideal launching pad for trips to the Moon, and then Mars. The Soviets could have sent a manned mission to the Moon by now, if that were their priority.

When the Apollo astronauts left Cape Canaveral, they took everything with them they needed to get to the Moon, and back. The United States made the decision, opposed by many, to do this direct flight mission, requiring a superbooster, because it was estimated that building operational space stations first would not allow NASA to meet President Kennedy's "before this decade is out" deadline.

But the Soviets have had space stations in orbit for the past 15 years—plenty of time to collect and assemble the

material needed to send men to the Moon. It appears, again, that the military leadership of the Soviet space program has had more pressing, top-priority projects under development than missions to the Moon.

The only country with bombs in space

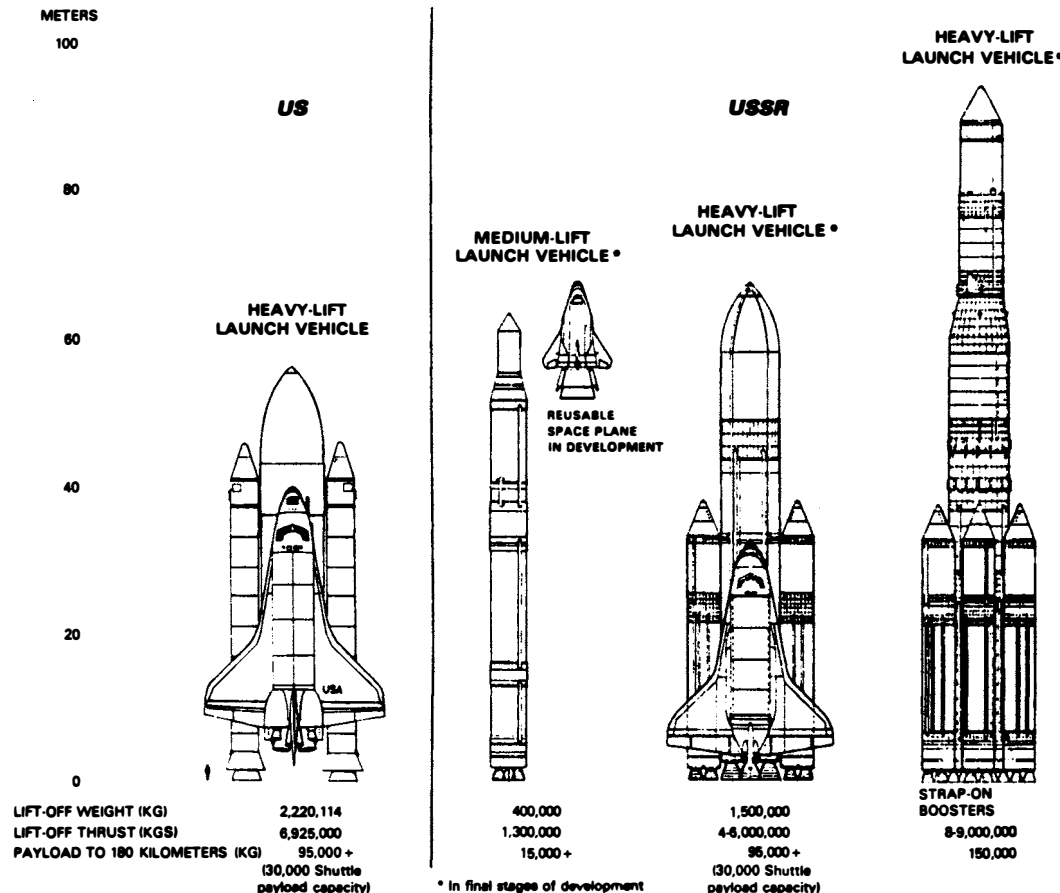
What were the Soviets doing, while the United States was sending astronauts to the Moon, and unmanned probes to the outer planets? At the present time, the Soviet Union is the only nation with an operational anti-satellite (ASAT) capability, and the demonstrated ability to orbit nuclear bombs.

On Sept. 17, 1966, the Soviets started conducting a series of tests with their Kosmos satellites, "with odd trajectories." Instead of going into orbit, these vehicles arced far above the altitude normal for reconnaissance satellites, and then fell back to Earth, without completing a full orbit.

In January 1967, the Soviets did their first test of what became known as the Fractional Orbital Bombardment Sys-

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FIGURE 2
New U.S. and Soviet space launch vehicles



Until the launch of the Energia, the Department of Defense assumed that the Saturn V-class heavy-lift launch vehicle under development (extreme right) would be nearly 100 meters tall, with six strap-on boosters, to orbit 150 metric tons. The use of liquid hydrogen engines made it possible to make the booster 60 meters tall, with four boosters. (From Soviet Military Power, 1984, p. 44.)

How DOJ'S Mark Richard helped Moscow make the booster break-out

by Lyndon H. LaRouche, Jr.

The news bureau of the LaRouche Democratic Campaign released this bulletin on May 19.

The Soviet "SDI" has just literally taken a giant leap into basing of Soviet space weapons, with this past weekend's launching of a 100-ton-payload super-rocket, *Energia*, from the Russian empire's Baikonur site—from which the original *Sputnik* was launched. This Soviet leap into first place, in the race to deploy "SDI," could not have been accomplished without assistance from a group within the U.S. Department of Justice, a group including Mark Richard.

I refer to the case of the methods of extortion which Mark Richard used, to carry out Soviet initiatives, in the expulsion of U.S. space-scientist Arthur Rudolf on fraudulent charges. I refer also to a pattern of other actions, by the same combination within the Justice Department, which has already crippled the U.S. aerospace and SDI capabilities to a very significant degree. This is a crew which was chiefly responsible for the fact that the *Challenger* Shuttle tragedy occurred as it did.

Certainly, Russia could have produced its new, giant super-rocket without help from Mark Richard and his cronies. Moscow could not have gained the margin of advantage in "SDI" it has just established, without sabotage of U.S. aerospace capabilities by circles in the Justice Department operating under the influence associated with Soviet agent Armand Hammer.

Despite the valuable contributions of scientists such as Goddard, both the U.S.A. and Russia obtained their space-rocket technology from the German Peenemünde scientists. All of the major rocket-systems of both superpowers, still today, are built upon solutions to fundamental problems of design of rockets and propulsion systems by groups of German and Italian scientists whose activities were centered either around Italy's Guidonia center, or, most emphatically, Peenemünde.

The famous technological contributions to our space science are those of such Peenemünde veterans of Professor Oberth's pre-Hitler, 1920s Moon-rocket program as Wernher von Braun, Arthur Rudolph, and Krafft Ehrlicke. Less known are the indispensable contributions to the physics of aerodynamics and rocket-propulsion systems by scientists, such as Prandtl and Busemann, trained in the Göttingen tradition of Gauss, Riemann, and Felix Klein, and by Italian hydrodynamicists in the Riemann-allied tradition of Betti and Beltrami.

This physics from that Göttingen tradition, was not only the indispensable basis for the rocket-science and general aerospace programs of both the U.S.A. and Russia. It has also been of vital importance in the progress of both superpowers in plasma physics. It was on the basis of the continuation of Riemann's work by Soviet-captured German scientists, that Russia acquired its H-bomb capability.

Russia knew, that its only chance of outpacing the United States in SDI and related technologies, was to cripple our programs, while they pushed theirs ahead full-steam, as they have done. For example, the accelerated attacks on me, inside the United States and around the world, since April 1983, were ordered by the Soviet government, and carried out by Western factions who supported the Soviet demand that a U.S. SDI not be built—while Moscow worked full-steam to deploy its own.

At the same time, Moscow launched various programs aimed at crippling the kinds of U.S. aerospace capabilities essential to the SDI program. In this setting, the Justice Department's anti-SDI mafia took a variety of actions aimed at crippling the administration of NASA, at destroying the research capabilities of leading defense contractors, and at gutting and demoralizing the core of scientists associated with the development of the U.S. rocket programs.

In this virtually treasonous sabotage, the Justice Department's Mark Richard and Office of Special Investigations,

working closely with leading elements of Ollie North's Project Democracy (National Endowment for Democracy), have been working closely also with Soviet agents such as Armand Hammer, and with Hammer's business cronies in Soviet "joint ventures."

Not all intend to be traitors, exactly

Some of the channels responsible for the sabotage of our aerospace capabilities are consciously collaborating in these actions with known Soviet agents such as Armand Hammer, or Soviet dupes such as Edgar Bronfman. More are simply being what Lenin famously described such liberals to be, "useful fools." Some are simply opportunistic bureaucrats, who are playing "power games" inside the party leaderships and government bureaucracies, persons who seem not to care in the least whether their corrupt acts of personal greed and ambition are subverting our Constitution, or ruining our country in other ways.

Whatever the motives for the actions of each type of person involved, they are all giving substantial, if sometimes unwitting "aid and comfort" to an avowed Soviet adversary which defines itself as being in a state of pre-war mobilization against us.

Among influential establishment circles, the problem has been, that some liberal factions (of both parties) have taken it into their heads to reach agreements on joint world-rule with Moscow. The term they often use to describe this, is not "one-worldism," but rather a "bipolar world." Everything will be nice and cozy, they argue, if we can divide the world into zones of strategic influence, each controlled by one of three "superpowers": Moscow, Washington, and Beijing.

To such fuzzy-thinking sorts of U.S. establishment liberals, like Willy Brandt's Socialist International, or West Germany's former Chancellor Helmut Schmidt, Russia is not an "adversary," but only a bad-tempered sort of "competitor." They insist that Moscow has no intent to prepare actually for war. They insist that nothing more lethal than a bit of limited bloodshed, all as part of a way of conducting diplomatic negotiations in a "crisis management" environment, is on the plate. Secretary of State George Shultz has consistently represented this point of view.

These liberals propose, that by a combination of hard-bargaining diplomacy (with occasional bloody monkey-shines on the side), and "confidence-building measures," we can gradually disarm a world neatly, placidly divided among imperial rule of Washington, Moscow, and Beijing. Moscow's intent to consolidate its world empire by the end of this century depends upon such liberal fools' continuing to believe in such future utopias.

As part of these "confidence-building" measures of diplomatic "crisis management," Secretary of State Henry A. Kissinger negotiated an agreement with Moscow, under which the U.S. Department of Justice would frame up U.S. citizens and other residents accused solely on the basis of forged

evidence manufactured by the Moscow Procurator with assistance from the Soviet KGB. Later, a woman with important connections into Moscow, then-Representative Elizabeth Holtzman, introduced a bill setting up the present operations of Mark Richard and OSI within the Department of Justice.

Now, whenever Moscow demands this, the Department of Justice victimizes a few U.S. citizens on the basis of such forged Soviet evidence. This usually occurs, not accidentally, during the period the U.S. is engaged in some sensitive sort of diplomatic negotiation with Moscow. As a result, the relevant U.S. citizen—always one marked for "anti-Soviet activity"—is railroaded as a gesture of diplomatic "confidence-building" measures.

That is the mechanism through which I have been targeted by the U.S. Department of Justice. That is the mechanism used to target Tscherim Soobzokov for assassination by cronies of Project Democracy's Anti-Defamation League (ADL). That is what was done in the cases of Arthur Rudolph and numerous others.

On U.S. defense contractors, as opposed to selected "anti-Soviet" personalities like me, Moscow's approach works through channels of the arms-control "mafia." This "mafia" includes not only the State Department's Arms Control and Disarmament Agency, but a network of law firms and other private establishment networks which are the ACDA constituency inside the establishment.

Moscow defines these defense contractors as the core of "the U.S. military-industrial complex." It demands that the U.S. government and bankers curtail this section of the establishment. The action is then taken as a "confidence-building measure," often with aid of a Justice Department frame-up of a corporation and some key aerospace figures. The victimization of a few such corporations and individuals serves as a warning to others, to keep out of areas of research which Moscow and the arms-control "mafia" wish to suppress. Moscow's arms-control demands upon the United States are not limited to the numbers or kinds of weapons we deploy. Moscow also demands that we eliminate the capability to design and, potentially, to produce, entire classes of technologies of possible military use.

Arthur Rudolph was a leading figure among those U.S. rocket scientists whose specific, demonstrated capability would have been to head up a team to construct a rocket capable of matching and surpassing the Soviet giant just successfully deployed. This would have been one of the important options for the U.S. SDI program. Targeting Rudolph meant, by 1985, that we lost Rudolph, and also intimidated into inaction both the employers of other such scientists and those scientists themselves.

There are now about 100 tons of Soviet SDI orbiting above your heads. More will follow. For that situation today, you can give much of your thanks to the circles around Mark Richard in the Reagan Justice Department.

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tem (FOBS). In November that year, Defense Secretary Robert McNamara held a hastily called press conference, and revealed that the FOBS was designed to drop a nuclear bomb on a target from outer space, within a fraction of a single Earth orbit.

The goal of FOBS, the Defense Department stated, was to circumvent America's first line of defense against a Soviet ICBM assault, the Distant Early Warning or DEW line series

of radars. The DEW radars were aimed along the United States' northern horizon to spot missiles traveling along the great circle route, on their way to U.S. targets. The FOBS could potentially be launched east-to-west, rather than the conventional west-to-east which takes advantage of the Earth's rotation, and "sneak up" on the United States by evading the DEW line altogether.

Even if the missiles came along the great-circle route, because the FOBS soared to a 1,120 kilometer altitude, by

TABLE 1
Major offensive Soviet military launches (1957-80)

Spacecraft	Date	Mission	Spacecraft	Date	Mission
	Aug. 3, 1957	First ICBM	Kosmos 404	Apr. 4, 1971	ASAT, passes near 400, deboosted into Pacific
Polyet 1	Nov. 11, 1963	Maneuverability test	Kosmos 433	Aug. 8, 1971	FOBS test
Polyet 2	Apr. 12, 1964	Maneuverability test	Kosmos 459	Nov. 29, 1971	Target for ASAT
Kosmos ?	Sept. 17, 1966	Possible FOBS test, failed	Kosmos 462	Dec. 3, 1971	ASAT, approaches 459 and explodes
Kosmos 139	Jan. 25, 1967	FOBS test	Kosmos 521	Sept. 29, 1972	Target for ASAT, no sign of interception
Kosmos 160	May 17, 1967	FOBS test	Kosmos 803	Feb. 12, 1976	Target for ASAT
Kosmos 169	July 17, 1967	FOBS test	Kosmos 804	Feb. 16, 1976	ASAT, approaches 803; deboosted into Pacific
Kosmos 170	July 31, 1967	FOBS test	Kosmos 814	Apr. 13, 1976	ASAT, approaches 803 and deboosted
Kosmos 171	Aug. 8, 1967	FOBS test	Kosmos 839	July 14, 1976	Target for ASAT
Kosmos 178	Sept. 9, 1967	FOBS test	Kosmos 843	July 21, 1976	ASAT, failed
Kosmos 179	Sept. 22, 1967	FOBS test	Kosmos 880	Dec. 9, 1976	Target for ASAT
Kosmos 183	Oct. 18, 1967	FOBS test	Kosmos 886	Dec. 27, 1976	ASAT, approaches 880, and explodes
Kosmos 185	Oct. 27, 1967	Possible ASAT precursor test; failed	Kosmos 909	May 19, 1977	Target for ASAT
Kosmos 187	Oct. 28, 1967	FOBS test	Kosmos 910	May 23, 1977	ASAT, intended for 909; result unclear
Kosmos 217	Apr. 24, 1968	ASAT precursor, never reached orbit	Kosmos 918	June 17, 1977	ASAT, approaches 909, plunges into Pacific
Kosmos 218	Apr. 25, 1968	FOBS test	Kosmos 959	Oct. 21, 1977	Target for ASAT
Kosmos 244	Oct. 2, 1968	FOBS test	Kosmos 961	Oct. 26, 1977	ASAT, approaches 959, plunges into Pacific
Kosmos 248	Oct. 19, 1968	Target for ASAT	Kosmos 967	Dec. 13, 1977	Target for ASAT
Kosmos 249	Oct. 20, 1968	ASAT, passed near 248 and exploded	Kosmos 970	Dec. 21, 1977	ASAT, approaches 967 and explodes
Kosmos 252	Nov. 1, 1968	ASAT, passed near 248 and exploded	Kosmos 1009	May 19, 1978	ASAT, approaches 967, plunges into Pacific
Kosmos 291	Aug. 6, 1969	ASAT test, probably failed	Kosmos 1171	Apr. 3, 1980	Target for ASAT
Kosmos 298	Sept. 15, 1969	FOBS test	Kosmos 1174	Apr. 18, 1980	ASAT, approaches 1171, explodes a day later
Kosmos 354	July 28, 1970	FOBS test			
Kosmos 365	Sept. 25, 1970	FOBS test			
Kosmos 373	Oct. 3, 1970	Target for ASAT			
Kosmos 374	Oct. 23, 1970	ASAT, approached 373 but exploded later			
Kosmos 375	Oct. 30, 1970	ASAT, approached 373 and exploded			
Kosmos 394	Feb. 9, 1971	Target for ASAT			
Kosmos 397	Feb. 25, 1971	ASAT, passes 394 and explodes			
Kosmos 400	Mar. 18, 1971	Target for ASAT			

This table does not include the reconnaissance, communications, navigational, and other Soviet military satellite launches, which occur frequently and at regular intervals, but only the missions which tested new offensive military space capabilities.

the time it were picked up on the DEW line radars, it would be only about 700 kilometers away from the target. At this distance, there would be only a three-minute warning.

McNamara also pointed out that a high-yield nuclear warhead set off several hundred kilometers above the United States would generate a titanic electromagnetic pulse, knocking out power and communication lines throughout North America.

The signing of the Outer Space Treaty in 1967, which prohibited the placement of "weapons of mass destruction" in outer space, did not deter the Soviets from continuing the testing of their FOBS system. At least 15 tests were conducted between 1967 and 1971 (see Table 1). By that time, it is likely that since the United States had developed reconnaissance satellites that could detect any Soviet missile lift-off, the FOBS system had no great advantage as an offensive ICBM capability.

The Soviets had begun to develop the capability to maneuver spacecraft in orbit as early as 1963, according to William Shelton, in his book, *Soviet Space Exploration*. At that time, Soviet spokesmen stated that this capability would be used for assembling space stations and ferrying orbiting crews, but for three years, there were no manned flights using this maneuverability.

Shelton states that, "By 1965, Russia had announced that it already could place nuclear bombs in orbit." Soviet Col. Gen. V.P. Tolbubko stated: "Powerful missiles are being created that can ensure delivery to the target of nuclear warheads, both on ballistic and orbital trajectories, and that are capable of maneuvering within that trajectory." Elimination of the FOBS system was one of the requirements of the now-dead SALT II treaty, but like the majority of treaty requirements, the Soviets never honored that agreement.

Anti-satellite weapons

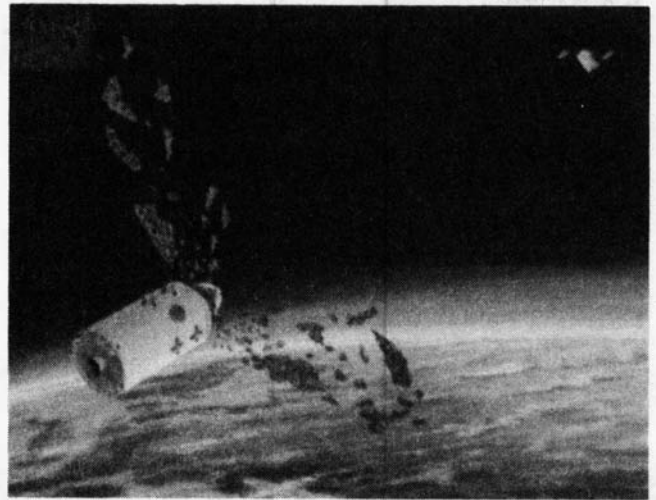
At the present time, only the Soviet Union has willfully destroyed satellites in orbit. The first-generation Soviet ASATs became operational in the mid-1970s. Using radar guidance, the ASATs demonstrated the capability, with an 85% success rate, to close in on a target and explode near enough to throw out deadly shrapnel. Not terribly sophisticated, but highly effective (Figure 3).

Recent improvements, such as single-orbit pop-up launches and optical infrared homing devices, were not as successful, but third-generation directed-energy systems are now under development.

In the fall of 1985, American physicist Edward Teller stated on television, that the gas dynamic and iodine lasers based on the ground at Sary Shagan had become operational. As early as 1982, *Air Force* magazine reported that a ground-based Soviet laser had used the *Salyut* space station as a tracking target and that the cosmonauts were apparently told to put on goggles to protect their eyes from the laser light.

FIGURE 3

Operational Soviet ASAT



The operational Soviet anti-satellite system has been tested with an 85% success rate. The ASAT simply explodes, as seen here, hurling deadly shrapnel toward any other spacecraft within range. (From Soviet Military Power, 1985, p. 54.)

According to James Oberg, the Soviets can use this capability to blind U.S. satellites and destroy their optical sensing systems. The Pentagon has estimated that the Soviets could deploy space-based lasers for ASAT applications in the 1990s. To do that, they will need the capabilities of the *Energia* rocket they have just tested.

The Soviets have never admitted that they have an ASAT capability. They have repeatedly castigated the United States for trying to finally develop ASAT weapons, and have served as the moral and more direct support for the congressional grouping that has held up U.S. ASAT testing for the past 18 months.

One of the flags waved by congressional ASAT opponents, is the fact that the Soviets have only tested their system against satellites in low Earth orbit (less than 300 miles above the Earth) (Table 2). In order to launch a killer satellite to chase and destroy a U.S. navigational or communications satellite tens of thousands of miles high, a more capable rocket than the Proton would be required.

The Proton can carry about 10% of its low-Earth orbit payload into geosynchronous orbit (GEO) 22,300 miles above the Earth. But that 2-ton GEO capability cannot deliver a 3-4 ton ASAT into that high an orbit. If the *Energia* can carry a comparable 10% of its 100-ton low-Earth orbit payload to GEO, the Soviets can place a 10-ton spacecraft in the vicinity of a large number of U.S. military satellites.

Now the Soviets have the launch capability they need to threaten all U.S. military space assets.

TABLE 2

Payload capability of U.S. and Soviet rockets

(1,000s of lbs.)

Launcher	Payload to LOE ¹
U.S. vehicles²	
Delta	5
Atlas Centaur	8
Titan 34D	10
Shuttle	65
Soviet vehicles	
A-2 (Soyuz)	16.5
Proton D-1	44
Proton D-1-h (Salyut)	49.5
U.S. Apollo-era vehicles	
Saturn-1B	40
Saturn-V	300

¹Low-Earth Orbit = 300 miles. The Titan 34D can launch 27,000 lbs. to a 100-mile orbit.

²Vehicles rarely ever launch their maximum payload, including the shuttle.

Source: NASA.

Where did they get the technology?

According to TASS reports, released a week after the *Energia* test flight, the four probably multi-chamber engines in the first stage of *Energia* are powered by liquid hydrogen. The four liquid strap-on boosters are kerosene fueled.

For 25 years, the Soviets have been unable to master liquid hydrogen technology. This light and plentiful element must be kept at -423°F to be in a liquid phase, and is not only flammable but explosive when exposed to the air or oxygen in an uncontrolled manner. In the *Challenger* disaster, it was the breaching of the liquid hydrogen fuel tank that produced the spectacular explosion seen on television, not the leak from the solid rocket booster.

As early as the turn of the century, space pioneers recognized that the superior, liquid hydrogen fuel would be needed to propel unmanned spacecraft to the outer planets, and to take crews past the Earth. In the measure of rocket fuel efficiency, known as specific impulse, hydrogen is nearly twice as efficient as petroleum-derived fuels, though its mass is much lighter.

Liquid hydrogen was proposed for the upper stages of multi-stage rockets, to provide the higher escape velocity to the payloads that had already made their way into Earth orbit. The heavier fuels are used in U.S. and Soviet military vehicles, and the Saturn rockets for the first stage, when the spacecraft is pulling against the strong gravitational force of the Earth.

Peenemünde veteran and space scientist Krafft Ehrlicke began to investigate the possibilities and problems of liquid hydrogen for rocket propulsion during the Second World War. Two months after the launch of Sputnik in 1957, Ehrlicke presented a proposal to the Air Force to build the Centaur liquid hydrogen-fueled upper stage, to increase the payload capability of the Atlas ICBM.

In 1959, the Centaur program was transferred to the newly-formed National Aeronautics and Space Administration, and in 1962, the United States tested the world's first liquid hydrogen upper stage. The Centaur was put atop the Atlas, and later the Titan missile, and was used to launch NASA's planetary probes. A modified Centaur engine became the basis for the two liquid hydrogen upper stages of the Saturn V, that took men to the Moon.

Handling liquid hydrogen a few degrees above absolute zero required the development of safe and sophisticated cryogenic technologies, which the Russians could not master until very recently. The propulsion configuration of the *Energia* is eerily similar to that of the Space Shuttle, which also uses liquid hydrogen engines alongside external boosters, in the first use of this higher-energy fuel in the first stage of the rocket.

How did the Russians make this "great leap forward" in propulsion technology? Quoted in the May 18 *Washington Times*, Oberg remarked that the Soviets had somehow managed to "skip over" many years of testing and development (and failures) of these advanced engines, which took the United States 25 years to develop. "This is evidence of either divine intervention, or their ability to use Western experience," Oberg remarked. "It is a tribute to their rocket engineers and to the GRU and the KGB," he stated.

Similarly, the *Defense Daily* of May 19 commented, "The use of liquid hydrogen in the *Energia* launch would mark a major breakthrough for the program and is seen as a tribute in a large measure to the KGB technology transfer department." Perhaps this is what Soviet leader Mikhail Gorbachov means by *glasnost*.

The same eerie feeling is even more striking in the Soviet space shuttle program. Why spend years doing wind tunnel testing and aerodynamic design, when you can build yours just like the one that already works, Soviet designers must have asked themselves.

Not until recently did the Soviets admit they are developing a reusable spacecraft, though Western intelligence agencies have actually photographed a small, scaled-down version of the Soviet shuttle, as we show on the cover of this issue. The Russian shuttle is apparently made up of only an orbiter that is reusable. The glider, without engines, will be launched strapped on to the *Energia*-class expendable rocket and most probably has half of the payload capability of the U.S. system. In that sense, it is similar in design to the small Hermes shuttle being developed by the French, which will

be launched atop an upgraded expendable Ariane rocket.

Unlike the U.S. plan to use the Shuttle to bring crews and supplies to the space station, the Soviets have developed a well-oiled system for station resupply, using unmanned *Progress* ships for consumables and equipment, and the tried-and-true *Soyuz* for crew delivery and highly publicized "guest cosmonaut" visits.

The U.S. military is now deciding whether or not this nation should also have a space station complex, explicitly for national security missions. The foolhardy short-sightedness of military planners, plus the budgetary sabotage by the Congress of DOD and SDI space initiatives, has left only the Soviet Union with military commanders in space on a full-time basis.

Could we catch up?

We've done it before. In 1960, during the presidential campaign, John F. Kennedy charged that the Eisenhower administration was responsible for a "missile gap." Indeed, at that time, the United States had 21 ICBMs in its missile arsenal, to the Soviet Union's 50. In intermediate-range missiles, the ratio was about the same.

However, two years later, the United States had outstripped the U.S.S.R. in ICBMs, and in early 1963 the United States had 450 long-range missiles, to the Soviets' 75. In 1958, Maj. Gen. Bernard A. Schriever wrote that his group, which had been given "the highest national priority" in 1955 to develop a U.S. ICBM, had accomplished "in three-and-a-half years what it took the Soviets seven years to do."

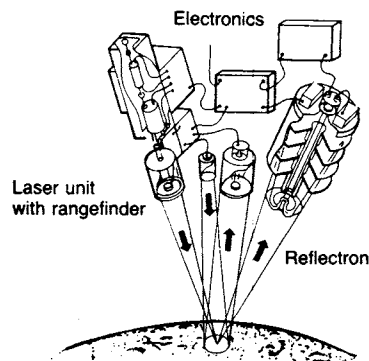
The United States decided before the first American landed on the Moon, to throw away the heavy-lift launch capability Saturn V rocket, as soon as the Apollo program was over. Without a national program to develop directed-energy technologies for strategic defense, or for the ASAT defense of assets in space, no mission was in sight for the military use of heavy boosters.

The civilian NASA programs were stripped to one-third their previous size over the course of the 1970s, and the only NASA vehicle on the horizon was the Space Shuttle. Both NASA and the Defense Department have been in the process of reevaluating this nation's launch requirements over the past few years, and the loss of the *Challenger* accelerated the process. It is now agreed that the United States needs a heavy-lift launch vehicle for SDI-related missions, and future space science and exploration plans.

So far, the Congress has stood in the way of getting development of a new heavy launcher under way. The Defense Department requested that \$500 million be added as a supplemental budget increase, to the FY87 (current year) SDI budget, over \$100 million of which was to be the start-up funding for a joint DOD-NASA program to develop a heavy-lift launch vehicle. That request was never even taken seriously by the Congress.

FIGURE 4

EXPERIMENT SCHEMATIC



The 1988 Soviet Phobos mission will fire a laser and an electron beam 50 meters above Mars' moon Phobos, to vaporize and measure the chemical composition of the soil. Though these are small laboratory-sized directed energy devices, they are trial-runs for the battle stations the Energia rocket can now put into Earth orbit.

On April 22, the Air Force announced that it was seeking industry design concepts for what is now being called an "Advanced Launch System," which it is estimated will cost about \$17 billion to develop. The Air Force announced as well that it would be the lead agency for the project, perhaps in a move by the Defense Department to take the booster out of the controversial and publicly visible SDI budget.

The booster is supposed to be able to carry 100,000-150,000 pounds to low Earth orbit, and be available in 1998. They have included the proviso, that some version of this booster should be ready by 1994, for possible use in SDI deployment. Considering the fact that engines, boosters, and other components of the Space Shuttle system could be reconfigured without the orbiter to produce a Shuttle-derived heavy-lift launch vehicle without 10 years of new development, this schedule is excessive.

So far, the House Armed Services Committee April 30 did approve \$150 million in FY88 for the Advanced Launch System, but the DOD budget has been slashed by \$23 billion by the full House, and even the Senate version includes over \$10 billion in cuts.

There has been no sense of national urgency, no national mobilization called, to answer the threat to the West posed by the *Energia* rocket. As James Oberg has stated, for the first time in 25 years, the Soviets have the lead in rocket power. In the classical case of the tortoise and the hare, this lead was obtained while the "dumb bunny" United States was asleep. Stealing superior Western technology also helped the plodding tortoise.

U.S. Persian Gulf policy: a chance for a change

by Paul Goldstein

“There is a major opportunity in the Persian Gulf for the United States to begin a process of reversing the disastrous consequences of the previous Iran policy, as a result of the *USS Stark* tragedy. Defense Secretary Weinberger is trying to ignite a shift in the overall U.S. military posture, albeit in a piecemeal fashion.” This statement by a high-ranking military official reflects both hope and anxiety about the newly fashioned U.S. posture in the Persian Gulf.

The hope is based upon some sound strategic and military assumptions which Weinberger and the President have put forward concerning the Persian Gulf situation.

First: the attempt to reverse the decline of U.S. power and prestige in the region since the fall of the Shah of Iran and the removal of several U.S. bases in the region in 1974, is central to the present U.S. deployment. Prior to the shift in U.S. deployment strategy, the moderate Arab nations led by Saudi Arabia and Kuwait were demanding a greater U.S. presence in the Persian Gulf.

Arab governments in the region were not only upset with the Iran policy formulated by the illegal U.S. “parallel government” that operated under the code name of “Project Democracy,” now being exposed in the Irangate scandal; they had been actively pursuing contacts with the Russian government both officially and unofficially, to the exclusion of U.S. policy interests. The long-held Russian imperial dream of controlling the Persian Gulf was becoming a reality. Moreover, the State Department, under the rubric of “Regional Matters,” had negotiated with its Russian counterparts a deal for escorting Kuwaiti ships by *both* superpowers. This gave legitimacy to the Russian naval presence in the Persian Gulf—something the Russian Empire had never achieved.

Therefore, it became incumbent upon the patriotic faction of the Reagan administration to foster a change in the U.S.

posture in the region which would assure our allies in Europe and Japan that the United States would protect the interests of the West, not just-perceived interests of the United States and the Russian Empire. This viewpoint is supported by the fact that the United States gets only 7% of its oil from the region, while Western Europe and Japan are far more dependent on Gulf oil. The commitment to prevent a Russian-controlled chokepoint in the Gulf is thus a move to prevent the decoupling of the United States and Western Europe.

Second: as a result of the *USS Stark* tragedy, the Navy Command is no longer free to determine U.S. global strategic posture based upon assumptions for war-fighting which are not only unrealistic, but fail to grasp the nature of the potential strategic conflict with the Russian Empire’s “high-intensity irregular warfare” policy, and as a sub-feature of that, its low-intensity conflict with Russian surrogate forces within the Persian Gulf. The Iraqi jet which scored a direct hit on the *USS Stark* by means of an Exocet missile, demonstrated that “Stage 3 alert status” is wholly inadequate for the present strategic situation. That alert status had been the standing orders given by the previous Navy Secretary John Lehman, whose view of U.S. naval deployment was based on the Theodore Roosevelt model of “gunboat diplomacy” vis-à-vis the Third World—not on meeting the Russian challenge. This is one of the reasons for the Stage 3 alert status in a war zone where the danger to U.S. forces is underplayed, because our mighty Navy would never be attacked, at least not successfully, by Third World nations. Lehman was a staunch ally of the “Project Democracy” swindlers in the Reagan administration.

With the shift in the military-naval configuration in the Persian Gulf, the Navy will now operate in line with the command structure of the U.S. Central Command based in

Oman. The Navy will take the point, backed up by U.S. air bases in Bahrain and a future air base being negotiated in Saudi Arabia. Although the Saudis will publicly deny this, U.S. intelligence reported that the Saudis enthusiastically back the plan. The reestablishing of U.S. bases, both naval and air, and the creation of new ones, is one of the centerpieces of the U.S. posture. This will shift the emphasis away from the 600-ship Navy policy of Lehman and move it closer to former Chief of Naval Operations Admiral Watkins's idea of developing deep-water ports around the key global chokepoints.

Third: for the first time since the ascension of Saddam Hussein to power in Iraq, the U.S. military investigating team led by Admiral Rogers has been permitted access to high-level Iraqi military officials. The public apology to the United States by Saddam Hussein represents a break in his public posture of never admitting a mistake, and signals willingness to open up channels to the Iraqi military, which had been trained and dominated by Russian advisers. According to U.S. intelligence, the pilot of the jet that attacked the *Stark* will be debriefed by the U.S. delegation and a determination will be made on whether the attack was a Russian-instigated one, in which Soviet operational control over the Iraqi Air Force was greater than President Saddam Hussein's.

This new opening signals to both the Russians and the Iranians that there is a new U.S. policy being forged in the region with the intent of isolating and, if necessary, attacking the Iranian regime. This has caused great consternation within the Iranian military command, which fears that the Pasdaran (Revolutionary Guard) naval forces—which are independent of the regular command—may in fact decide to test U.S. resolve.

The War Powers Act

In the last week of May, after a U.S. naval escort convoy protected a Kuwaiti ship carrying military equipment to Bahrain and Defense Secretary Weinberger announced that the United States was ready to immediately begin escorting Kuwaiti tankers under a U.S. flag, key senators and congressmen began placing obstacles in the way of the President's policy by calling upon the President to invoke the War Powers Act. As a result of this maneuver, led by Sens. Robert Dole (R-Kan.) and Alphonse D'Amato (R-N.Y.), the White House announced that the escorting of Kuwaiti ships will be delayed for a couple of weeks.

According to informed sources, President Reagan will not back down on the deployment of U.S. military forces in the Persian Gulf, and the time lag is in order to rally congressional support rather than to stop the deployment. Central to the President's strategy is the sending of Sens. John Glenn (D-Ohio) and John Warner (R-Va.) to the Persian Gulf, where they will not only announce support for the President's plan, but will request an upgrading of U.S. force structure in the region. Senate Majority leader Robert Byrd (D-W.Va.) sig-

naled on May 28 a willingness to support the decision to deploy U.S. forces in the region if the President invokes the War Powers Act. According to informed sources, the President may in fact invoke the Act as a way to demonstrate his willingness to seek congressional support, but not at the price of reversing his policy.

The faction of senators and congressmen seeking to impose a limit on presidential authority has strong links to the Israeli lobby which sees in the U.S. deployment a shift away from the Israel-NATO policy that many sought. These forces think that Israel should be given special NATO status to serve as the "surrogate" of U.S. policy in the region. The net result of such a policy move would virtually guarantee Russian domination over the region and control over the flow of oil.

This political group in Congress is looking for every opportunity to corral the President into a "weak-kneed" posture and seeks to lock the U.S. into an arms-control agreement which would decouple the United States from Western Europe. This reasoning is leading senators such as Richard Lugar (R-Ind.) to demand more support from the NATO allies. However, Weinberger and other U.S. officials will not let this issue stand in the way of promoting a stronger U.S.-European alliance. In fact, according to informed sources, Weinberger would never have initiated the new Persian Gulf policy unless he had received prior commitments from individual NATO countries to support the U.S. position.

The alliance's response

The Dutch and British governments have already signaled their intention to militarily support the U.S. deployment. The French will support the U.S. position politically, but will not upgrade their military posture. West Germany has not stated what its stance will be. The British position, according to U.S. intelligence sources, will be stronger militarily than most people expect. However, the British will await the anticipated Conservative Party victory in the elections to finalize their plans for joint Anglo-American deployments. During the NATO Defense Ministers' meeting in Norway, Weinberger made it absolutely clear that the United States has embarked on a new course in the Persian Gulf and linked this policy to the strengthening of the NATO alliance.

Whether this posture leads to an overall shift in U.S. posture vis-à-vis the growing Russian threat remains to be seen. The administration's track record and the President's commitment to a summit with Russian leader Gorbachov makes the anxiety among U.S. patriotic forces all the more acute, because, as one military source told *EIR*, Weinberger and the patriotic faction do not have the political clout at this point to stop what is known to be a bad deal with the Russian Empire.

In fact, the source stated that the "joint ventures" crowd around billionaire Soviet agent Armand Hammer still has the upper hand in shaping U.S. policy toward the Russian dictatorship.

Moscow admits LaRouche is No. 1 Soviet target

The following news release was issued by EIR's Paris bureau on May 24:

Strategic analysts are studying closely an astonishing document which the Soviets presented to a Paris court on Friday, May 22. The document, purportedly the Soviets' defense motion in a libel action here, contains personal attacks on 1988 U.S. Democratic presidential candidate LaRouche so violent, that experts assess this as signaling that Moscow has now openly targeted LaRouche as "Soviet public enemy number-one" worldwide.

Intelligence services are watching the case closely, indicating that the Soviet actions in this case may lead to important adjustments in current strategic and related assessments.

The Soviets' motion asserts that the case against it should be dismissed, because, among other arguments, "LaRouche was not the victim of any defamation." However, near the close of the motion, the Soviet government insists that LaRouche's policy "is no less disquieting than that which animated Adolf Hitler in *Mein Kampf*; like Hitler, LaRouche bases himself on those values . . . which if they are someday put into practice, would lead to a concentration-camp society, perhaps different from, but just as monstrous, as the Nazi universe."

This pattern of Soviet public attacks on LaRouche began during April 1983, as part of the Soviet government's reaction to President Ronald Reagan's March 23, 1983 televised announcement of the U.S.'s new SDI policy. The charge that LaRouche was a sponsor of the SDI was the consistent allegation against the Democratic candidate, in numerous Soviet items published during the following dozen months.

LaRouche, whom Moscow believes to be the chief original author of the U.S. SDI, has been the only sponsor of the SDI singled out for the kinds of persisting attacks the Soviets have directed against him.

Later, in close collaboration with the U.S.-based Anti-Defamation League (ADL), Moscow concocted and spread the allegation that LaRouche had been behind the Feb. 28, 1986 assassination of Swedish Prime Minister Olof Palme. The same year, beginning August through the end of September 1986, the Soviet government launched a fresh, intensive

campaign, demanding that the U.S. Department of Justice take precisely the course of action which Criminal Division head William Weld—whose business records expose his own personal connections to Soviet intelligence—launched on October 6-7 of that year.

The Soviet libel

The unprecedented, multi-page libel featured in the September 15, 1986 edition of the largest circulation Soviet publication, *New Times*, was the cause for the Paris filing of legal action under France's libel law of 1881, against *New Times*, et al.

In a virtually unprecedented action, the Soviets themselves entered the case as the voluntary defendants. Top-ranking French Communist Party attorney Joe Nordmann, who is the lawyer of all the communist-resistance organizations in the trial of Klaus Barbie, was assigned as the Soviets' principal legal counsel in the case.

It is Nordmann's motion in response to charges, which contains the extraordinarily virulent personal attack on LaRouche.

The other most notable feature of the Soviet attacks on LaRouche, is that the Soviets attempt to defend their publications' action by adopting passages from documents of member organizations and agents of the same Project Democracy now under fire for complicity in operations involving the drug-trafficking "Contra" network. All of these cited are known to be violently enemies of LaRouche, and some of them known collaborators of the Soviet government.

Some of these elements of Project Democracy, including the Anti-Defamation League, are key conduits for Soviet disinformation into the U.S. news-media and offices of the FBI and U.S. Department of Justice, and are closely linked with Soviet agent Armand Hammer. Moscow's principal "authority" cited is Dennis King, a former Maoist activist and avowed associate of the U.S. drug lobby. Since 1979 King has worked closely with the ADL and with sections of Project Democracy, which assist political operations of Soviet drug-trafficking circles in Central and South America.

Since the Soviet government was a leading factor in pushing for the series of legal harassments which the Department of Justice has aimed against LaRouche's campaign and friends since September 1984, the possible bearing of the Soviet arguments in Paris on U.S. Department of Justice actions is under close scrutiny.

Justice Department angle

There are presently the strongest indications that the pretext for setting these legal harassments into motion was President Reagan's issuance of two National Security Decision Directives, NSDD 12333 and NSDD 12334, during December of 1981. If Dennis King's, the ADL's, and the Soviet government's "Nazi-like" allegations against LaRouche were adopted by the Department of Justice, both under the lan-

guage of the Holtzman bill setting up Neil Sher's OSI, and under NSDD 12333 and NSDD 12334, this would provide the only available pretext for the kinds of covert and open FBI and DOJ actions which have been conducted.

If the President's NSDD 12333 and NSDD 12334 are indeed the pretext being used to run DOJ and FBI operations against LaRouche and his friends, that fact would explain fully the otherwise curious motives of the Soviets for their choice of virulent personal attacks on LaRouche in the Paris motion. In the case that NSDD 12334 is the model pretext for the FBI's and DOJ's two-and-a-half-year vendetta against LaRouche and his friends, then the Paris trial would put the entire Soviet-pushed U.S. operations against LaRouche et al. into jeopardy.

The Waldheim case

The Soviet connection to such actions by the DOJ is identical with the Soviet authorship of the actions by Attorney General Edwin Meese and President Ronald Reagan, placing Austrian President Kurt Waldheim on the U.S. "watch list" of undesirable aliens.

The U.S. government has repeatedly refused to present the Austrian government any evidence supporting Attorney General Meese's actions. However, the presence of the DOJ's Mark Richard and OSI's ADL-collaborator, Neil Sher, heading the recent delegation to Vienna, clarifies the action greatly.

The only pretext of evidence against President Waldheim is a Soviet document which Moscow asserts to be based on an NKVD official's discussion with a member of Josip Broz Tito's Yugoslav partisans, a single meeting asserted to have occurred immediately following World War II. There is no document found in exhaustive, expert search of the Yugoslavian archives which supports the content of this recently presented hearsay allegation. Meese's Department of Justice refuses to permit the content of this Soviet document to be exposed for examination.

Under an arrangement established by Secretary of State Henry A. Kissinger, in the matter of alleged Nazis and neo-Nazis, the U.S. Department of Justice accepts the presentations of the Moscow Procurator and KGB as uncontested fact. NSDD 12333 and NSDD 12334 provide the mechanism by which Soviet pressures for DOJ and FBI actions against LaRouche could lead to covert and other actions taken under the authority of President Reagan's formulation.

If that is the structure of DOJ dirty operations against LaRouche et al., and all the evidence points in that direction, then the Soviet government's voluntary entry into the Paris case is understandable. On this issue hangs the pretext for eliminating LaRouche physically by aid of so-called legal means.

Some senior intelligence sources estimate, that if this Soviet legal tactic fails, Moscow will move to assassinate LaRouche at the earliest opportunity.

Waldheim case bares modern Inquisition

by Mark Burdman

"The modern Inquisition needs no proof, no evidence, but only a culprit."

So commented the daily *Die Presse*, Vienna's newspaper of record, May 18, about the visit of two leading officials of the U.S. Justice Department, Deputy Assistant Attorney General for Litigation Mark Richard and Office of Special Investigations (OSI) head Neil Sher, to Austria's capital, during the May 15-17 weekend. In Vienna to present "the case" of the U.S. government in declaring Austrian President Kurt Waldheim *persona non grata* in the United States, Richard and Sher presented not one shred of evidence, but only informed the Austrian government of the legal procedures the United States had used, in coming to the decision against Waldheim.

The delegation only "confused and provoked," the same day's *Die Presse* charged. One day later, on May 19, *Die Presse*'s Thomas Chorherr wrote, about Richard and Sher: "From Washington, came a 'high-ranking' delegation, with full mouths and empty hands."

The Justice Department argument boiled down to three points. One, as an *Oberleutnant* (second lieutenant in American ranking) in the Austrian army under German command in the Balkan theater in the 1940s, Waldheim would have been in the proximity of places where war crimes were being committed. Second, Waldheim would have "known" that such crimes were being committed. Third, Waldheim's own explanations about his activities with respect to that period have not been "credible" in American eyes.

The U.S. delegation did not even bother to explain, much less express regrets over, the fact that Waldheim, elected President in a democratic election, had not even received a formal hearing on the U.S. side. As the *Jerusalem Post* reported from Vienna, May 17, the Justice Department officials "only gave an oral account. They explained that Waldheim had served in a unit of the German army involved in war crimes, and this was enough according to U.S. law to put him on the list. No personal guilt was needed." The *Post* noted that Austrian ambassador to the United States, Thomas Klestil, attending the meeting, responded that if this criterion were really applied, "half of the surviving veterans of the

German army would be on the list.”

The same point, in essence, was made by Austrian Chancellor Franz Vranitzky, during a trip to the United States. In a May 20 press conference in Washington, he concurred with an *EIR* reporter's contention that virtually anybody who fought in the German or Austrian army during World War II, was a potential target for the “Watch List” treatment. Said the chancellor: “Your country and ours apparently have two different kinds of law. We do not have an institution of a ‘Watch List.’ We identify with something that could be called a ‘sentence.’”

Even the disreputable weekly *Profil*, a mouthpiece for OSI propaganda, was forced to conclude in its May 18 edition: “Waldheim is correct in feeling he is being treated unfairly in many respects. On the other hand, U.S. law leaves open to the Department of Justice no other possible decision.”

‘Straw man for Soviet propaganda’

The drama of the OSI-Austrian government meeting was heightened by the fact that, immediately thereafter, on May 19, *EIR* held a seminar in Vienna, on the “Project Democracy” factor behind the OSI's action. This was the first time that the personnel and motivations of “Project Democracy,” the “parallel government” apparatus in the United States, were brought before the Austrian political public.

Before an audience of 40, representing political elites and Austrian and international press, *EIR* speakers documented the extensive manipulation of U.S. politics, by such operatives as Israeli Mossad spy Jonathan Pollard and Irangate culprit Michael Ledeen, these being two of the case studies explaining how the “parallel government” in the United States works. With this background, *EIR* documented how the Soviet intelligence and judicial apparatus has penetrated the United States, especially via the extensive back channels maintained by the OSI with top-level East bloc officials. Parallels were drawn between the attack on Waldheim, and the extraordinary actions against *EIR* founder Lyndon LaRouche.

The most animated reaction came to *EIR*'s charges that Edgar Bronfman, head of the World Jewish Congress, is not only a component of the “Project Democracy” apparatus, but also linked to Soviet intelligence and organized crime.

The next day, May 20, *Die Presse* wrote, in an item following its lead front-page article on Waldheim, under the heading, “Rightist Americans Attack U.S. Justice”: “A seminar of the *Executive Intelligence Review* of the right-wing Democratic U.S. presidential contender LaRouche in Vienna was devoted to a massive, if not unconditionally useful, support for Waldheim. A speaker showed a connection between the activities of the U.S. Office of Special Investigations in the Justice Department, ‘the U.S. parallel government,’ and the U.S.S.R. The particular goal of the Waldheim campaign would be to alienate friends of America. The president of the World Jewish Congress, Edgar Bronfman, would

be closely linked to organized crime and would be a straw man for Soviet propaganda.”

The Waldheim affair: Cui bono?

Minimally, *EIR*'s intervention forced the questions: What is the broader strategic context in which the Waldheim affair is happening? Who benefits from it?

First, several tens of thousands of West Germans, who fought in the Wehrmacht during World War II, could easily come under the same “charges” as Waldheim. Many of these Germans today are part of the administrative, banking, managerial elite of West Germany, and represent the backbone of pro-American tendencies in the country. Who stands to benefit from alienating and angering pro-American layers in Germany?

Second, as some Austrians are beginning to warn, if the affair leads to internal political chaos inside Austria, it is not to be excluded that an international “Austria crisis” could develop, given Austria's sensitive post-war status of neutrality and relations vis-à-vis the superpowers. Who would benefit from stoking the fires of an “Austria crisis,” at the same time that a “Berlin crisis” is heating things up considerably in Central and Western Europe? The French conservative Jewish writer Annie Kriegel, in the daily *Le Figaro* May 14, put the matter somewhat differently, in an article attacking Edgar Bronfman for forwarding Soviet aims; Bronfman, Kriegel charged, was helping “destabilize a pro-Western democratic state on the frontier of the Soviet Empire.”

Third, much of the “Nazi-hunting/Watch List” activity of the OSI et al. is aimed at detracting attention from some of the worst culprits during the original Nazi era (Nazi Economics Minister Hjalmar Schacht, to cite one example among many), and from the fact that international financial agencies, today, are pushing fascist, Nazi-modeled responses to the global economic crisis.

The Waldheim dossier

As for the Waldheim case as such:

On the one side, there is no question that the unit in which Waldheim served in the Balkans, was involved in committing acts definable as war crimes, including mass deportations, and the notorious massacre in Kozaro in the summer of 1942, committed by German and Croatian troops against anti-Nazi partisans and civilians, during the Balkan wars of World War II.

To go from there, however, to Bronfman's demagogic outburst at the World Jewish Congress meeting in Budapest, that Waldheim was “part and parcel of the Nazi killing machine” and that it would be “a crime against humanity” even to associate with him, is the most evil form of fallacy of composition, and selective targeting, especially given the kinds of chaotic conditions that prevail in war, and the experience of lower-ranking officers forced by the Nazis to fight. As Waldheim himself stated to Radio-Television Lux-

embourg May 25, "There is nothing against me other than the fact that I was a member of the Wehrmacht. My family was persecuted by the Nazis. My father was arrested immediately after the *Anschluss*. My entire family suffered greatly. We were forced to do military service. The chances of getting out of military service were minimal. I was 21 years old and there were millions and millions of young people who did exactly the same thing."

As for the Waldheim dossier itself, we make a few brief points:

Item: The May 11 *Berliner Tagesspiegel* indicated that the basic evidence against Waldheim was presented by a Yugoslav, Colonel Golentic, to the station chief of the Soviet NKVD (the predecessor of the KGB) in Vienna, in the 1947-48 period. The dossier is principally a Soviet/East Bloc creation.

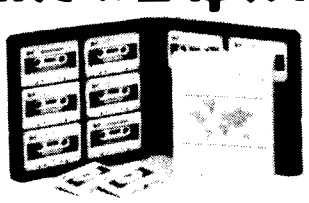
Item: An Austrian investigative team sent to Yugoslavia in mid-May, headed by historian Manfred Rauchensteiner, found no evidence to implicate Waldheim, and, according to the May 19 *Die Presse*, came back with suspicions that the material "may have been doctored." The same day's *Neue Kroner Zeitung* commented that, on the basis of the findings by Rauchensteiner et al., the whole "house of cards" on which the Waldheim accusation had been based was "collapsing." Even Peter Michael Lingens, the editor of the pro-

OSI weekly *Profil*, was forced to admit, in the May 18 edition, that "there is a certain injustice against Waldheim himself, for he was not a Nazi, and was no war criminal." But, added Lingens, the Waldheim case was useful in underscoring the collective guilt of Austrians toward the matter of Nazism!

Item: If Yugoslavia, since the late 1940s, has been in possession of "documents" implicating Waldheim, how did it come to pass that they only emerged into the light of day in the mid-1980s? Waldheim, after all, has hardly been a private figure. After serving in positions as high as Austrian foreign minister and on high-level United Nations bodies, he was United Nations secretary-general, beginning in 1972, for approximately a decade. In that latter position, he received a special security-clearance status, which made him privy to information that many heads of state are not even allowed to see. Why the silence from the United States all those years? Why did the Soviets not only maintain silence about Waldheim, but also treat him with great friendship all those years (as they are now pretending to do again, today, for various cynical and opportunistic reasons)? Aren't the Soviets so pious about attacking "Nazis" and "fascists"?

Where was Israel all those years? And what about the other United Nations Security Council members: France, Britain, China?

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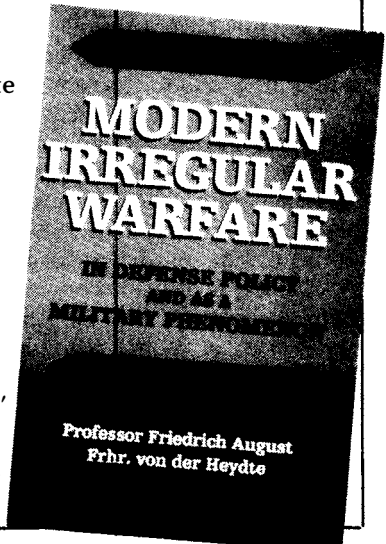
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Racist society steps into limelight

The Russian "Memory" society has come out of the shadows to bolster the Military Command's ambitions for world rule.

World Zionism, Freemasonry and imperialism" threaten the world, and above all, Mother Russia. A "Russian national rebirth" must occur, based on a mixture of Russian Orthodoxy and a return to old-Russian beliefs away from "the Jewish religion" of Christianity, to the old Slavic gods of Perun and Dash. This is the credo of a Great Russian racist society, called *Pamyat* (Memory), now getting enormous publicity in the U.S.S.R. Its leaders include the Dostoevskian mystic icon-painter, Ilya Glazunov.

Pamyat, the latest manifestation of organized Great Russian Race chauvinism, is prominently featured in the Soviet media and has received all-but official endorsement. The Moscow-based *Pamyat* Society, a creature of the "Russian Party," was formed in the early 1980s, as the post-Brezhnev period began. Originally devoted to "preserving Russian historical and cultural monuments, sites and treasures," it has now shown its true colors as an anti-Semitic society.

The Soviet youth paper, *Komsomolskaya Pravda*, May 24, quoted *Pamyat* members objecting to Jewish emigrants being allowed to return to the U.S.S.R. "Instead they should be facing a firing squad," said one.

On May 6, over 400 *Pamyat* members demonstrated near the Kremlin, unmolested of course, with placards reading "Down with the enemies of *perestroika* (restructuring)." The next day, a *Pamyat* delegation was received by Soviet candidate Politburo member and Moscow city party boss, Boris Yeltsin. According to the West

German daily *Süddeutsche Zeitung* of May 26, *Pamyat* has been heavily funded and otherwise promoted by the GRU and KGB, with much of the operation conducted through the Ministry of Civil Aviation.

In recent months, *Pamyat* has attracted popular support across the Russian Republic and beyond. This is not surprising. Many *Pamyat* members also belong to another "Russian Party" creation, the mass-based Society for the Protection of Ancient Monuments, founded by the late Soviet Marshal V. Chuikov. According to exiled Russian author A. Yanov, it was Marshals Chuikov and Kulikov, Warsaw Pact commander in chief, who secured permission for the publication in Moscow of Ivan Shevtsov's explicitly chauvinist and anti-Semitic novels.

Pamyat's program can be traced to other "Russian Party"-created vanguard movements, in the 1970s and earlier, ranging from dissident groups and underground organizations linked to the *Veche* and *Mnogaya Leta* publications, to official publications like *Molodaya Guardiia* and *Nash Sovremennik*, out of which came the "village writers" Valentin Rasputin, Vasili Belov, and Sergei Zalygin, who today adorn the leadership of Raisa Gorbachova's Soviet Culture Foundation.

The *samizdat* (underground) journal *Veche*, spawned in 1971, professed loyalty to the Soviet state, but attacked the State's widespread destruction of Russian historical and cultural monuments, "the rape of the environment," demographic and social threats to the well-being of "ethnic

Russians," and the persecution of the Russian Orthodox Church.

Veche was suppressed in 1974. Then in 1980-81 appeared another *samizdat* publication, called *Mnogaya Leta* (*Many Years*). Its editor is Genadi Shimanov, an extreme Russian chauvinist, who had been interned for several years at a KGB psychiatric ward. *Mnogaya Leta* was allowed to advance, uncensored, the *Veche* line, now stressing the common interests between the Orthodox conservatives and the Soviet State. The true spiritual danger to Mother Russia, argued Shimanov, was the "Jewish-Masonic conspiracy" and the West, especially the United States, the latter-day Babylon. False, secular Western models must be replaced by a "religio-patriarchal organization of life."

There are striking similarities between *Mnogaya Leta's* program and *Pamyat's*. *Pamyat* members attack "international Zionism" and the "Americanization" of Soviet society, with the same language found in *Mnogaya Leta*. *Pamyat*, like *Mnogaya Leta*, also advocates a "concordat" between the Russian Orthodox Church and the Soviet State.

This is the *Mein Kampf* milieu out of which the Soviet Culture Foundation leadership emerged. The head of the Foundation's Presidium, Dmitri S. Likhachov, 80, an arch-Russian chauvinist, was prominently featured in a 1981 *Pamyat* publication as the movement's "spiritual father."

Many reliable sources have noted for some time that Soviet leader Mikhail Gorbachov and Marshal Nikolai Ogarkov are leading members of the "Russian Party." The Russian High Command understands that Ogarkov's *perestroika* requires the enlistment of a "Great Russian" people to make the sacrifices necessary so that Moscow can enter the Third Millennium ruling the world.

Aquino shows the IMF fist

by Linda de Hoyos

In the second week after the May 11 congressional elections in the Philippines, the Aquino government's heavy-handed tactics against its legitimate opponents has sent a political chill throughout the country.

As of May 29, the Aquino government continues to claim that only one member of the opposition Grand Alliance for Democracy slate won a seat in the 24-person Senate, thereby turning that newly created institution into a rubber-stamp body for the policies of President Corazon Aquino and the families and interests around her. On May 27, more than two full weeks after the elections, Comelec, the government election commission, had counted only 75% of the vote, and had stopped counting due to the high number of irregularities in the vote tallies. For example, in the Ziga district, 150,000 votes were counted, although the district has only 110,000 voters. The pattern is repeated throughout the country. Aquino presidential press secretary, former Communist Party member Teodoro Benigno, had announced the "landslide victory" only two hours after the vote had closed, when no votes had yet been tallied! His "report" has stuck.

By the week following the elections, the dangerous implications of the gross fraud committed by the Aquino government—with the full backing of the United States—began to emerge. On May 26, the Grand Alliance for Democracy, along with protestors from Ferdinand Marcos's KBL, held a 15,000-person rally outside Camp Aguinaldo and Camp Crame, the military encampments on the perimeter of Manila which were the site of the "people's power" protests that brought down Marcos in 1986.

Although the protestors were non-violent, riot police from Quezon City were dispatched to the scene, and began shooting into the crowd. Although the news was blacked out of the international press, our special correspondent in Manila reports that at least two people were killed, with unconfirmed reports that up to 11 people were killed, including a two-month-old baby. When some of the protestors ran to the gates of Camp Aguinaldo, they received protection from the military, who told the police that if they persisted firing, they would be drowned in blood themselves.

This is the second time that Aquino's riot police have shot into the crowds—actions unheard of during the Marcos "dictatorship." The violence at the demonstration brought

the political temperature in Manila and within the military to a boiling point, but a coup has been, for the moment, precluded by the full U.S. backing for the Aquino government, support that goes as far as the early May transferral of 20,000 Marines from Okinawa to Subic Bay.

Vendetta tactics

On May 27, the Aquino government launched its campaign of political vendetta against the Grand Alliance leaders. The Manila Bank, the third largest bank in the Philippines with over 1 million depositors and 72 branches nationwide, was summarily shut down in a Chapter 7 involuntary bankruptcy proceeding brought by the Central Bank and its chief Jose "Jobo" Fernandez. The bank is owned by the Puyat family of Grand Alliance chairman Vicente "Teng" Puyat. At 8 a.m. in the morning, Philippine marshals sealed off the bank's main branch and informed Puyat by phone that the bank would no longer be open for business.

The bank seizure, said Puyat, "is a classic act of political vendetta by the Aquino government." The action was taken, he said, to punish Puyat for his harsh criticism throughout the campaign of the economic policies of the government and its surrender to the International Monetary Fund and World Bank, and his naming of Finance Minister Jaime Ongpin and Central Bank chief Fernandez as the top IMF henchmen.

Ongpin himself is credited with directing the Manila Bank shutdown. The "word" in Manila is that he gave Aquino the lying report that Puyat was funding the anti-Aquino rallies through the bank, and that on this basis, Aquino gave her consent to the bank's seizure.

The bank's assets, which outweigh its liabilities anyway, according to bank president Consuelo Puyat Reyes, are now in the hands of the Central Bank. There are now reports in Manila that First Bank of Boston, which was last year caught laundering more than a billion dollars in drug money, is keenly interested in buying up the Manila Bank. Puyat's bank is slated to become one of the first victims of the Ongpin policy of debt-for-equity sellout that he denounced throughout the campaign.

By the last few weeks before the election, Puyat's campaign against Ongpin et al. had succeeded in galvanizing the nation's major columnists to oppose Ongpin's sellout. Now all attacks on Ongpin have ceased. Before the elections, it is estimated, presidential secretary Joker Arroyo, a factional rival of Ongpin within the cabinet, had permitted the anti-Ongpin campaign. Now, all articles and television tapes must be submitted to a board of censors.

The mood in Manila is angry and tense, reports our special correspondent. But this anger is muted by fear. The "people's power" democracy, Filipinos now know, has been a giant hoax. Behind the image of "Saint Cory," the IMF and the World Bank, which May 28 announced it will not fund a land reform program in the Philippines, are more firmly in the saddle in Manila than ever before.

The next Soviet 'Sputnik': strategic radio-frequency assault weapons

by Lyndon H. LaRouche, Jr.

Soviet military technology is nearing the point of catching a Gramm-Rudmanized United States, strategically flat-footed. The new Soviet weapons are fairly described as a "Sputnik of the 1980s"; they are radio-frequency assault weapons suited for use against both tactical and strategic targets. For a large portion of Soviet strategic targets these new assault weapons are as deadly as nuclear warheads.

Back in 1982, when *EIR* was outlining the feasibility of what later became known as the Strategic Defense Initiative (SDI), *EIR* was already looking at the possibility of such weapons becoming strategic weapons, although we proposed then that such weapons were a bit further down the road than SDI as such.

When the Soviets falsely accused the U.S. of intending to use a space-based SDI system as a strategic assault capability against the Russian empire, the Soviets were admitting that their own version of "SDI," on which they had been working since at least 1962, included such a radio-frequency beam capability.

Then, as a by-product of our research into certain crucial features of the physiology of human brain functions, during

1983, we found ourselves in areas of what is called "optical biophysics," which led us to map out the possibility of devising radio-frequency technologies which could do a variety of desirable and also unpleasant things. Among the effects possible, was the killing of badly behaving cancer tissue, or healthy persons, with a remarkably low wattage on the target area.

Gradually, with the aid of various specialists we pieced together the critical features of the method, and learned enough to permit the design of such weapons. During 1986, we had the opportunity to test out the principle of such a weapon's design. What was astonishing to us was the relative ease with which such a weapon could be deployed. After this, we took Soviet threats to use such weapons very seriously.

We consulted with both scientists and military professionals on both sides of the Atlantic. With scientists, we

FIGURE 1

The first coherent radio and microwave generators were constructed with ordinary types of materials—copper wire windings, paper and plastic insulation, etc. But these ordinary materials "break down" when exposed to extremely high energy densities—intense electric and magnetic fields. That is, their chemical bonds literally are broken apart. An overloaded copper wire will melt. A heavier electric load can vaporize and even ionize it—i.e. turn it into a plasma. Plasma—a sort of fourth state of matter, liquid, gas and solid being the ordinary three—is unlike conventional materials in that it can be made stronger and more finely structured through increasing the electric and magnetic field intensities. Therefore, if properly structured, plasmas offer a means of vastly increasing both the power density and coherence of electromagnetic wave generators.

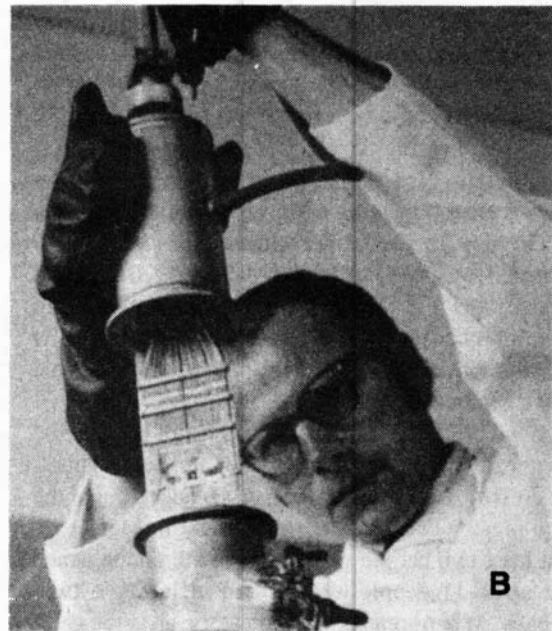
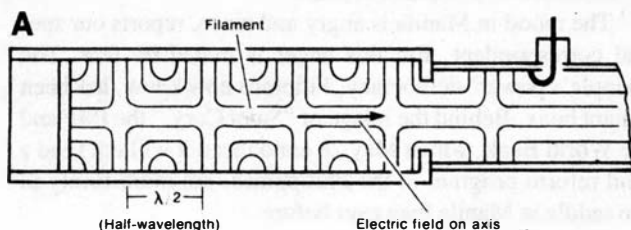


Figure 1a shows a diagram from the Soviet scientist Peter Kapitsa's work on plasma "gyrotrons"—high frequency microwave generators. Figure 1b shows a superconducting Josephson junction assembly for a computer circuit being extracted from its cooling system. These materials exhibit "plasma" behavior at low temperatures.

worked on related areas of technology, including our research into methods of biological research needed for mastering AIDS. With military specialists, we consulted on the new Soviet military options for attacks into Western Europe made feasible by use of such weapons for tactical operations and strategic assaults.

The gist of the feasibility of anti-personnel radio-frequency weapons, is that all living processes are harmonically tuned to specific electromagnetic pulses. The DNA of the cell, for example, absorbs energy at specific lower frequencies, and emits coherent pulses, somewhat like laser action, one quantum at a time, within the ultraviolet spectrum. All aspects of living processes have characteristic, harmonically ordered tuning.

This principle may be used for fundamental biological research into aspects of living processes otherwise not understood. It can be used to develop cures for such diseases as cancer or AIDS. It can also be used as the basis for design of extraordinarily efficient weapons, against unwanted hordes of insects, or persons. These weapons do not depend upon the much less efficient, lower-technology use of microwave weapons. Very low wattage per square meter on targets is sufficient.

The Soviets began to reveal much more, as they disclosed more and more of the details of Marshal Nikolai Ogarkov's pre-war mobilization program, *perestroika*. They revealed much more by the kinds of concessions Marshal Ogarkov et al. permitted General Secretary Mikhail Gorbachov to offer as "bait" to the United States, in efforts to lure the U.S.

government into a "zero-option" agreement. Since we know—contrary to many wishful Western strategic analysts and others—that Moscow is determined to win a strategic confrontation with the United States a few years ahead, we had to focus on the kinds of decisive, almost irreversible advantages Moscow would gain from—say—a 1990 implementation of the proposed "zero-option" agreements.

Soviet radio-frequency weapons came prominently into focus in Soviet forward war-planning for the early 1990s.

The crucial point is, that using the kinds of radio-frequency weapons we know could be produced, the Soviet military intelligence service's spetsnaz "special forces" troops, operating deep inside Western European territory, could use "hand-carry" weapons such as compact nuclear bombs and radio-frequency weapons to take out most of the approximately 250 key strategic military and logistical targets we had earlier assumed were targets for Soviet missiles' war-heads.

Instead of a Soviet GSDD force's tank assault into Germany, we must expect a major role by Soviet spetsnaz and other irregular forces behind allied lines, paving the way for an airborne assault, using Soviet tanks essentially for occupation forces, rather than forces of the initial assault. Compact nuclear bombs, in some cases, plus radio-frequency weapons, would make the difference. Soviet nuclear missile arsenals would play a part in the assault, but a smaller portion than might be otherwise assumed.

In this area of technology, the United States and its allies are potentially ahead, but only potentially.

Coming issues of *EIR* will be devoted to unveiling more of this technology, in the same way we campaigned for adoption of what became SDI back in 1982.

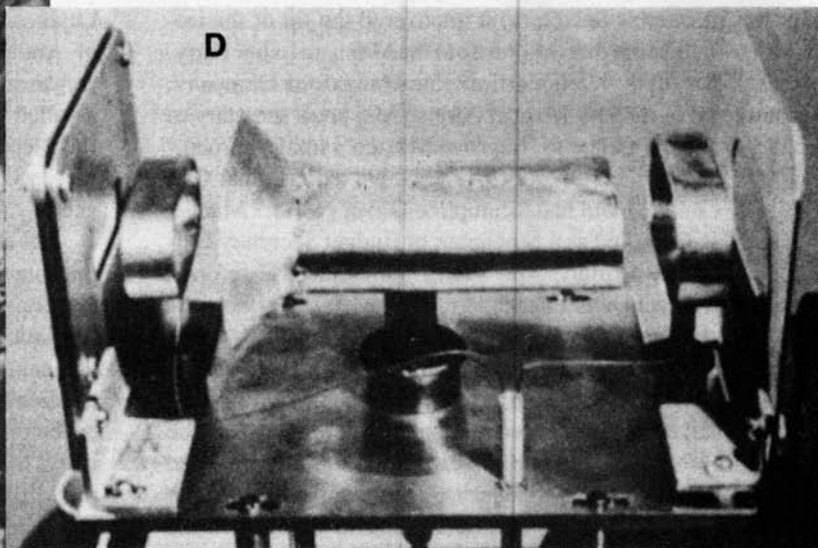
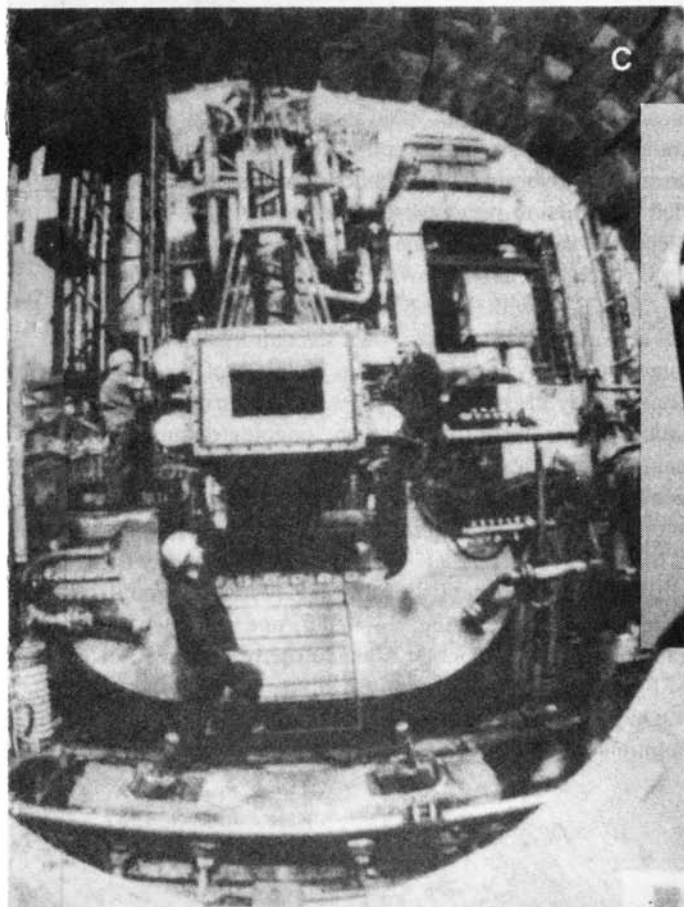


Figure 1c shows a large-scale utilization of a plasma "waveguide"—the U-25 MHD electric power generating plant in Moscow. Figure 1d shows the crude type of electrodes that can be utilized to generate an extremely fine-structured plasma waveguide.

Irangate scandal in Mexico may sink Wall Street's presidential favorite

by Hugo López Ochoa

The ramifications of the "Iran-Contragate" scandal toward Mexico, detailed to a large extent by the *Miami Herald* of May 10, could end the presidential aspirations of that country's Interior Secretary, Manuel Bartlett Díaz. A serious investigation by the Mexican government would reveal that Bartlett Díaz not only protects the Nazi-communist National Action Party (PAN), whose leaders directly coordinated with the apparatus of Irangate protagonist Col. Oliver North; but that Bartlett himself is an integral part of North's machine, which illegally sold arms to Iran to channel money to the Nicaraguan "Contras," under the cynical name of "Project Democracy."

In fact, some political circles have begun to press for such an investigation. On May 16, the nationally circulated daily *La Prensa* reproduced parts of a news release from the Mexican Labor Party which reveals that "there are interests within the government of Mexico which are attempting to keep the truth of the treasonous marriage of the PAN with imperialism from being known by the people of Mexico in its full magnitude." Although the cited newspaper did not mention the powerful Interior Secretary, it uncovered the tip of the iceberg by indicating that according to the Mexican Labor Party, the "U.S. public relations firm, the Hannaford Company, contracted in 1985 by Manuel Alonso M., press secretary of the President's Office to 'improve Mexico's image abroad,' is part of the illicit network of the convicted criminal Carl 'Spitz' Channell and his accomplice Oliver North." Manuel Alonso is identified as a henchman of Budget Secretary Carlos Salinas de Gortari, who shares the "structural reform" ideas of Project Democracy.

Another nationally circulated daily, *El Sol de México*, wrote on the same day that "the Mexican Labor Party yesterday issued written proofs of the participation of the PAN in a continental plan of supposed democratization, including the overthrow of the Mexican government. . . . It demanded that in the face of the evidence of this conspiracy against Mexico, a high commission be formed to investigate the charges."

Skillfully, the reporter wove into the same news story statements by Fidel Velázquez, the leader of the Confederation of Workers of Mexico, the biggest labor confederation

of the country, where Velázquez charges that Ricardo Villa Escalera—the PAN leader who met with "Spitz" Channel, the fundraiser for the Nicaraguan Contras—"is not the only PAN member who assaulted the interests of the country, but that the entire leadership of the National Action Party committed acts of treason. . . . If these acts of treason to the country be proven, it would be sufficient cause for the authorities to cancel the registration of this political institution." Fidel Velázquez's declarations were made to refute the argument used by the PAN leadership in the Chamber of Deputies, the lower house of Mexico's Congress, where they had to answer the charges published by the *Miami Herald*. They claimed that the cited Ricardo Villa Escalera "was not authorized" by the PAN leadership to meet with "Spitz" Channell, and that, if he did, they would only take "disciplinary" measures against him.

On July 18-19, the columnist of Mexico's biggest daily *Excelsior*, José Luis Mejías, put into his "The Untouchables" column lengthy reports showing that other PAN leaders, such as Jesús González Schmall, Rodolfo Elizondo Guillermo Luján, and Francisco Barrio, "paid a visit to the Organization of American States, seeking political support against the constitutional government of Mexico." Mejías reproduces detailed information previously published by *EIR*, on the PAN leaders's relations with the firm Clews Communications, Inc., whose chief, Carter Clews, is registered as a "foreign agent" of the PAN with the U.S. Justice Department.

But it was Villa Escalera's own uncontrollable tongue that blew up the hysterical cover-up attempts of the PAN leaders. On May 11, he put out a press release attributing the revelations of the Miami paper to an "ongoing defamation campaign" by the Mexican government and U.S. presidential candidate Lyndon H. LaRouche, who, according to the PAN, "is behind the spreading of this story." On May 13, in statements to the daily *La Jornada*, Villa Escalera confirmed what the *Miami Herald* had published on May 10, saying that in one of the meetings, on Aug. 14, 1986, one day after the Reagan-de la Madrid encounter, Channell had asked the PAN for \$210,000 for a public relations drive in favor of the Nicaraguan Contras, in exchange for the support of the Reagan administration for the PAN's activities to destabilize

Mexico. "The meetings were . . . in the offices where they worked . . . at 1300 Connecticut St." confessed Villa Escalera cynically to *La Jornada*.

He added: "Look, this Fund for the Preservation of Freedom [founded by 'Spitz' Channell] is a foundation where I arrived. . . . They were making television ads for the Contras. . . . This fellow [Channell] had various employees, among them this girl McLaughlin . . . who was dedicated to getting money from all the private citizens who wanted to collaborate in the Contras' program."

Villa Escalera promised to speak with "Mexican businessmen willing to contribute money because they considered the PRI [the ruling party of Mexico] as a communist party and . . . pro-Sandinista," said the *Miami Herald*, based on Jane McLaughlin's personal notes.

It was not hard for Villa Escalera to keep his promise. In mid-March in Mexico City, the Ibero-American Businessmen's Forum held a meeting, attended by (among others) Villa Escalera himself, many businessmen from Coparmex, the big employers association—whose millions of dollars of flight capital are deposited in the United States—and Jaime Morales Carazo, the "liaison" of the Contras in Mexico. Morales Carazo gave "us a stupendous speech," Villa Escalera said to *La Jornada*.

The meeting had the financial support of the International Center for Private Enterprise (CIPE), funded in turn by the National Endowment for Democracy, the public arm of the conspiratorial Project Democracy.

But Villa Escalera also told *La Jornada*: "As I say, we are the Contras in Mexico." This statement is not a pose; various PAN leaders have repeatedly stated that their objective is to finish off Mexico's presidential system and that they are willing to use violence. Such a statement on Villa Escalera's part should not only be enough for the Congress to take action, but also for the Interior Department, which is in fact responsible for state security.

Nonetheless, the Mexican Congress decided that it is not capable of carrying out the proposed investigation, and sent it back to the "authorized" institution, the Federal Electoral Commission of Mexico, which is controlled by Interior Secretary Bartlett.

Bartlett is now on the spot. His aim is to work out a deal with the PAN executive to merely purge Villa Escalera and his group as "scapegoats." It remains in the hands of the nationalists and patriots inside the PRI, to make sure that any effort to make such a deal will merely serve as evidence before public opinion that Bartlett himself has to be investigated for treason together with the PAN leadership as a whole.

Irangate and the 'Iranizers'

Bartlett's connection with the Oliver North political machine is no accident, nor is it limited to mere "sympathy" toward the PAN. On the one hand, Bartlett shares with Project Democracy the aim of destroying the presidential system and replacing it with a British-style parliamentary system; an

objective openly shared by both the PAN and the communist United Socialist Party of Mexico (PSUM). Moreover, at this moment Bartlett is the principal tool of the powerful financial interests of the U.S. Eastern Establishment which are attempting to provoke the "Iranization" of Mexico, as was documented in 1986 in the book, *The PAN, Party of Treason*, published by the Mexican Labor Party in Mexico and also issued in the United States in English by *EIR*.

Using the PAN as a weapon to threaten civil war, Bartlett hopes to impose on Mexico a "two-party system" supposedly in imitation of the U.S. model of "democracy." His candidacy to become President of Mexico for the 1988 elections is backed by the drug bankers' mafia which controls Mexico's so-called parallel banking system, the stock market. In 1982, then President José López Portillo nationalized Mexican banking to take away from this powerful group its dictatorial control over the country's economy, since instead of investing in Mexico they devoted their money to speculation, laundering of dirty money from the dope trade, and facilitating capital flight of over \$50 billion out of the country—half of Mexico's foreign debt!

This clique, which forms the Mexican branch of the Eastern Establishment, is made up of individuals such as Manuel Espinoza Iglesias, Miguel Alemán, the Legorreta family, and Carlos Hank González, among others. In the four years of the Miguel de la Madrid government, this group succeeded in getting a concession on the Mexican stock market, like a kind of parallel private bank, with which today they manipulate the capital that "returns" to the country and are in a position to blackmail the Mexican government by financial warfare. The ideological chieftain of the group is Juan Sánchez Navarro, not accidentally, the same person who organized the Ibero-American Businessmen's Forum last April, where, besides conspiring to make sure that President de la Madrid did not adopt the "Alan García model" to deal with the debt problem, gave a forum to the Contra Jaime Morales Carazo (who met with Villa Escalera) to carry out a campaign to raise money for the Contras.

In its desperation to keep the PAN scandal from wrecking its game, millions are being doled out to the Moscow-controlled parties to keep them backing the PAN. "The hysterical campaigns against National Action (PAN) have to stop," said Congressman Pedro Peñaloza on May 16, in the name of the Trotskyist Revolutionary Party of Workers (PRT) to the newspaper *El Universal*. Pablo Gómez, general secretary of the communist PSUM, told the same daily: "We want to overthrow the (Mexican) presidential system and not the PAN."

As is obvious, just as in the U.S. Irangate scandal, where arms were being sent to the Soviet asset and terrorist Khomeini, in order to obtain funds for the "anti-communist" Contras—in Mexico, the Interior Secretary has run into the same contradiction, by feeding the formal alliance between the PSUM (formerly known as the Communist Party of Mexico) and the "Contra" PAN.

New tracks on Irangate's Ledeen

by Mark Burdman

Irangate investigators might find it well worth their while to devote some attention to the latest exploits of chief Irangate/Project Democracy protagonist Michael Ledeen, in Europe and the Middle East.

According to information received by *EIR*, Ledeen spent the first days of May at the prestigious Cini Foundation in Venice, as one of the participants in an extraordinarily lavish conference sponsored by the New York City-based Young Presidents Organization and financed by American Express bank, with some "cultural" assistance from the Guggenheim Foundation. One Venetian insider said privately, that the conference was the most lavish he had seen in years in the city. Four hundred business executives, many accompanied by their wives, spent four or five days in Venice, and then were given a tour of Rome.

One highlight event, during the strictly confidential conference proceedings, was a speech by Ledeen on "The Anatomy of Terrorism," a subject he certainly knows quite well from the inside. They were treated to Ledeen's first-hand account of his exploits with Lt.-Col. Oliver North and friends.

Ledeen being at Cini is interesting in and of itself. The Foundation, on the Benedictine-dominated island of San Giorgio Maggiore, frequently sponsors highly important cultural events, especially those that equate modernist degeneracy and mystical cultism with culture. Following a recent conference at the Cini Foundation, a journalist for the Soviet government newspaper *Izvestia* praised Venice as the mother-center of world culture. The Foundation's original patron, the Venetian Count Vittorio Cini, a minister in the Mussolini government and financial wizard for leading Venetian families, has been cited by Ledeen as one of the most important influences on Ledeen's book, *Universal Fascism*, a book which is favorable to fascist ideology.

Even if Irangate investigators would want to avoid the deeper cultural aspects, the goings-on at Cini in early May would be interesting from a more limited standpoint. During his stay in Venice, Ledeen met with Irangate cohort Adnan Khashoggi, as well as with Watergate culprit R. "Bob" Haldemann, the Nixon aide who has already served time in jail.

According to one source in a position to know, Haldemann gave them both a detailed account of what it's like to be in jail.

One aspect of the Ledeen-Khashoggi meeting involves their common "Israeli connection," a journalist named Dafra Barak, who writes for the leftist magazine *Hoalem Hazeh*. This Israeli lady is, according to good information, Khashoggi's Israeli romance. At the same time, Israelis in a position to know refer to her as "Ledeen's girlfriend here," and speak of the "good relations" between the two.

We don't know what Ledeen's influential wife Barbara would have to say about such talk, but we do know that Dafra Barak is the first person Ledeen contacts when he comes to Israel. She is assisting him in a legal case now in preparation, against *another* Irangate insider, the 33-year-old Amiram Nir.

One reported motivation behind such a lawsuit, is that Ledeen is angry about what Nir told the Tower Commission about Ledeen's role in the Israeli-U.S.-Iran arms-trafficking deals.

A second, possibly more intriguing, suggestion, is that Ledeen and other Irangate insiders, including former Foreign Ministry Director-General David Kimche, have decided to make Nir the "fall guy" for the Irangate deals, to treat him as "the Israeli version of Oliver North." This would be a damage-limitation exercise, in the same sense as many corrupted individuals in the United States have tried to make North's operation (or, for that matter, the operations of Mossad spy Jonathan Pollard) appear to be a rogue operation divorced from Project Democracy.

Toward such efforts, Ledeen was in Israel some time around late-March/early-April, and granted his "girlfriend" Dafra Barak an interview in *Hoalem Hazeh*.

Ledeen, Israel, and the Russians

Despite all the efforts by U.S. congressional committees, the Mossad, Project Democracy, *ad nauseum*, to cover up the real dimensions of Irangate, the *New York Times*'s May 27 revelations about Soviet-Israeli collusion to sell arms to Iran, should make cover-ups all the more difficult. From this standpoint, Ledeen's relationship to *Hoalem Hazeh* is quite fascinating.

The magazine's founder and editor, Uri Avnery, is a prominent figure in the international left-radical jet set, whose sympathy for pro-Soviet causes is not limited to his close relations inside Israel to assets of the pro-Moscow Israeli Communist Party. One of his more recent claims to infamy, was his public support for the cause of the Soviet-sponsored West German Green Party, an entity that wiser Israelis have correctly denounced as Nazi-like and anti-Semitic. One Israeli source stresses that Dafra Barak is "very close to Uri Avnery."

Avnery, both personally and through the New York office of his magazine, has been very active in defamation and counterorganizing against *EIR* founder Lyndon LaRouche.

Book Review

New attempt to cover up the English side of the Bolsheviks' 'Trust'

by Allen Douglas and Scott Thompson

Reilly: The First Man

by Robin Bruce Lockhart

Penguin Books, New York, 1987

176 pp., \$3.95 paperbound

Robin Bruce Lockhart, who catapulted British Secret Intelligence Service (SIS) agent Sidney Reilly into popular fame and televised glory as *Reilly: Ace of Spies* (the title of Lockhart's 1967 book), has just demolished that myth. In his latest work, we learn that this supposedly daring, resourceful leader of anti-Bolshevik forces in the 1920s not only worked for Soviet spy agencies, but from 1925 into the 1940s, personally set the stage for all the later infamous Soviet spies inside British SIS: Guy Burgess, Donald Maclean, Kim Philby, Anthony Blunt, et al.

These characters were gradually exposed, from Burgess and Maclean's 1951 flight to Moscow up until most recent years, as the "Third Man," "Fifth Man," and so forth, of the Soviet network in SIS; Lockhart now proclaims, that the great Reilly started the mess. He announces in his preface, that "new evidence that I have unearthed has forced me to reconsider the whole question," of just whom Reilly was really working for.

But Lockhart's revelations are a cover-up, of the sort known in the trade as "damage control."

Reilly: The First Man appears at a time of intense warfare within British (and American) intelligence, when some of the highest-level figures in British intelligence have been charged as Soviet agents—a process closely related to debates, in Britain and elsewhere, on how to deal with the Soviet regime today. Certain British and American intelligence specialists, after reexamining the Sidney Reilly story, have concluded what U.S. Consul General DeWitt C. Poole and American Secret Service chief, Xenophon Dimitrievich Kalamatiano, charged in 1918: that Reilly was working for the Bolsheviks all along, i.e., that he was not just "turned"

after his disappearance into the U.S.S.R. in 1925.

For Lockhart, the son of one of Reilly's closest collaborators, to lift the veil from the 1918-25 period, would mean to really expose Reilly, as a central figure in British and U.S. intelligence, banking, and industrial circles, who helped sponsor the Russian Revolution of 1917 in the first place! In the 1920s they continued that under the auspices of the organization known as the Trust, and many of their political (and biological, where sexual proclivities permitted) heirs prolong their assistance to Soviet world domination.

Lockhart's new material

In 1925, according to the previous myth, Sidney Reilly was lured into a trap, conceived by Soviet Russia's first intelligence chief, Feliks Dzerzhinsky. He went back to Russia ostensibly to assess the strength of an alleged powerful internal opposition group, with which SIS worked: the Monarchist Organization of Central Russia, known under its cover name in that hey-day of the New Economic Policy, as the Trust. Caught, the story goes, the master spy was liquidated.

For decades afterward, rumors circulated about Reilly's fate. He might have survived, it was said. Some in MI-5 (British counterespionage) strongly suspected, that he had gone over to the Soviets. But nothing definite surfaced in public, before the present book.

Now, Robin Lockhart reports that Sidney Reilly's two closest associates in SIS circles, Capt. George Hill and Robert Bruce Lockhart (father of the author), both had proof, which they apparently kept from the relevant authorities, that Reilly not only survived, but went on to work for the OGPU, the Soviet intelligence organization. Maura Benckendorff, who had been Lockhart, Sr.'s mistress in 1918, wrote to him in a 1932 letter, that she had met Reilly in Russia. And George Hill, posted as British SIS liaison to the NKVD (successor of the OGPU) in Moscow during World War II, ran into his former agent Sergei Nekrasov, now an NKVD officer, who told him that Reilly was alive, working for the NKVD.

This 1940s assignment for Hill was remarkable: Together

with Reilly and Lockhart, Sr., Hill had been a chief organizer of the "Lockhart Plot" in 1918 to overthrow the Bolsheviks! "To the astonishment of everyone, including Hill himself," Robin Lockhart reports, "from the short list of names put forward by the British, the NKVD expressed a firm preference for Hill as chief of the SOE mission."

As for Lockhart, Sr., he became deputy director of the Foreign Office and director of the Political Warfare Executive during World War II. All the while, Lockhart did not drop his old ties to Russia, in particular his friendship with Maura Benckendorff. She had gone on to become the mistress of Bolshevik culture leader Maxim Gorky, and then of pro-Soviet writer H.G. Wells. Although based in Britain from 1927 until shortly before her death in 1974, Benckendorff traveled freely in and out of Russia. "Through Wells and my father, Maura met most of the people who 'mattered' and as a result was able to maintain her finger on the pulse of the political and diplomatic worlds." This was not out of idle curiosity: "She was, perhaps, the Soviet Union's most effective agent-of-influence ever to appear on London's political and intellectual stage."

The truth about the 'Lockhart Plot'

Lockhart now admits, nay, even emphasizes, that Reilly worked for the OGPU, an idea he "vehemently pooh-poohed," when MI-5 presented it to him in 1967. Why does Lockhart now, just as vehemently, deny that Reilly worked for the Bolsheviks back in 1918?

In the hot, humid Moscow summer of 1918, Reilly and his closest SIS associates, Robert Bruce Lockhart and Capt. George Hill, mounted a plot to overthrow the Bolshevik government. As World War I raged on the Western front, the Eastern front was silent—by the March 1918 German-Soviet Treaty of Brest-Litovsk, Russia had left the war. The "Lockhart Plot," allegedly, would overthrow the Bolsheviks, and bring Russia back into the war.

The Bolshevik leadership was badly split over Brest-Litovsk. The "holy war" faction, led by Dzerzhinsky and soon-to-be Red Army Commander Leon Trotsky, argued for war against Germany at all costs. Lenin, fearing a continued war would end the Revolution, threatened to quit the party, unless the separate peace were signed.

Lockhart had received instructions from London, to "exploit the differences" between Lenin and the "holy warriors." Hill described his work and the Lockhart plot's setting, in his *Go Spy the Land*: ". . . I was instructed to keep in touch with them [the Bolsheviks], bearing in mind that they might come in on the Allied side. I therefore took an early opportunity of calling on Mr. Trotsky at the War Office. Trotsky knew all about the work I had been doing and received me well. . . .

"After our first talk he appointed me 'inspector of aviation' and I was given extensive powers in that department. . . . I was to give Trotsky advice on the formation of a new air force. Two or three times a week I would spend

half an hour with him. . . .

"I helped the Bolshevik Military Headquarters to organize an intelligence section. . . . Secondly, I organized a Bolshevik counterespionage section to spy on the German secret service and missions in Petrograd and Moscow. . . .

"Savinkov's organization [the Socialist Revolutionary terrorists] at the time of which I am writing had its own secret service. . . . I was constantly in touch with this section. . . .

"I was seeing Reilly daily, and he kept me informed of what he was doing and of his plans for a coup d'état against the Bolsheviks. . . . I was kept informed of all this . . . if anything happened to Reilly it would be possible for me to carry on the work. . . . Reilly had no difficulty in traveling between Moscow and Petrograd, as he had obtained a position with the Cheka and had a Cheka pass."

Thus, Reilly, allegedly plotting to overthrow the Bolsheviks, received a top job in the Bolshevik intelligence service, the Cheka, while his co-conspirator, Hill, organized what would become the counterintelligence branch of the Cheka, the KRO, and Red Army Intelligence, the GRU! The KRO, less than three years later, would create the infamous Trust! Lockhart, meanwhile, poured millions of rubles into the plot.

The plot began in July with the assassination of the German ambassador, Count Mirbach. This hit was a signal for an uprising, led by Boris Savinkov, the British-funded Socialist Revolutionary, with whom Hill was "constantly in touch." It was also meant to provoke a German declaration of war. Mirbach's assassin, Cheka officer Yakov Blyumkin, not only headed the counterespionage unit founded by Hill, but was living next door to Lockhart in Hill and Lockhart's hotel! Savinkov's forces rose, to be put down with ease. Hill's friend Jakob Peters ran the Cheka investigation. Peters, who spent the previous decade in England, and whose wife and child still lived there, found "no evidence of foreign involvement."

Reilly and company went ahead with the next phase—to seize the Bolshevik leaders at an executive meeting, and install a new government. The Petrograd Cheka head, Moisei Uritsky, had told the British that they were under his particular surveillance. On Aug. 30, at 11:30 a.m., a Socialist Revolutionary assassinated Uritsky, and less than 12 hours later, another S-R, Dora Kaplan, shot Lenin as he came out of a meeting. Kaplan's gun had been provided by Savinkov (Savinkov, *Memoirs of a Terrorist*); Reilly, in the following days, hid in the flat of Vera Petrovna, a close associate of Kaplan.

When the smoke cleared, the Bolsheviks, far from being overthrown, were in fact vastly strengthened, especially Trotsky and Dzerzhinsky. On Sept. 2, as Lenin lay in critical condition, Trotsky was named chairman of the newly created Revolutionary War Council, while Dzerzhinsky's Cheka gained vast new powers with the declaration of the Red Terror in response to the attacks on Uritsky and Lenin. The internal opposition, both monarchist and leftist, which had posed a

substantial threat to the shaky Bolshevik regime, was smashed.

While the dread Cheka could not manage to find Hill and Reilly, who were meeting daily in a public restaurant to plan their “escape,” they did manage to find and crush the American intelligence network led by Xenophon Kalamatiano, who was sentenced to death.

The failure of the “Lockhart Plot” was ascribed by Reilly and co. to a French communist journalist who infiltrated their group, and gave the plot away. In his *Secret Agent*, Lockhart noted the upshot: “I found that Poole, the American Consul General, took a more serious view of the conspiracy. He was inclined to regard Reilly as an agent provocateur, who had staged this plot for the benefit of the Bolsheviks . . . I laughed at Poole’s fears. . . . Ridiculous as this story was, I found nevertheless that through Poole it had gained some credence in England. When later I reached London, I had to go to bail with the Foreign Office for Reilly’s bona fides. I did so without the slightest hesitation.”

In 1922, V.S. Kiakovsky, head of the Anglo-Saxon desk of the KRO, the Cheka counterintelligence unit established by Hill, traveled to the Baltic states. Claiming to speak for an underground group inside Russia, he met British SIS personnel in the Baltic states to coordinate joint work. Virtually to a man, the chief personnel of this new opposition group—the Trust—were those with whom Reilly, Lockhart, and Hill had worked in the summer of 1918.

Sodomy and one-worldism

Why would a broad faction in British SIS work, then and now, on behalf of Soviet interests? How about the bankers and industrialists who supported the Bolshevik Revolution, Reilly’s friends at his offices at 120 Broadway in New York City, in the early 1920s? Were they all double agents, or secret converts to communism?

What these Western Trust partners share with the Soviets is a passionate hatred for the most basic values of Western Judeo-Christian civilization. Two, most characteristic, forms of this hatred recur repeatedly in the Western half of the Trust: homosexuality as a cult—what the Cambridge Apostles called “the Higher Sodomy,” and the fanatical commitment, by Western oligarchs and their servants, to rid the world of republics, to establish a one-world order.

In a footnote, Robin Lockhart releases a crucial new fact in the Reilly case: The James Bond prototype, the great lover Sidney Reilly, was a bisexual. Reilly set up, from the homosexual cult at Trinity College, Cambridge known as “The Apostles,” the spy nest which produced Anthony Blunt, Maclean, Burgess, and many others. The Apostles argued that “since women were mentally and physically inferior to men, homosexual love was of a higher order.” According to Lockhart, Reilly’s case officer on this gang of homosexual Soviet agents, “the Homintern,” was one Semyon Nikolayevich Rostovsky, better known in intelligence circles as Ernst Henry. (Henry, still active, in 1986 authored a vicious attack on

EIR’s founder, Lyndon LaRouche, in Moscow’s weekly *New Times*.)

The second “red dye” of British intelligence is the one-worldist fanaticism of many of its chief personnel. The first British SIS chief, Mansfield Cumming, who deployed Hill and Reilly, was such a one-worldist. He was a close supporter of Kurt Hahn, the founder of the Gordonstoun School, associated with Lord Mountbatten, and of the United World Colleges—founded to educate a one-worldist elite—which Mountbatten also championed, and which are funded by Soviet agent Armand Hammer.

The following expresses Reilly’s own outlook, in a letter he wrote to Robert Bruce Lockhart before his 1925 return to Russia, on the subject of “Bolshevism”:

“I believe that . . . it is bound by a process of evolution to conquer the world, as Christianity and the ideas of the French Revolution have done before it . . . and that nothing—least of all violent reactionary forces—can stem its ever-rising tide . . . the much decried and so little understood ‘Soviets’ which are the outward expression of Bolshevism as applied to practical government, are the nearest approach I know of, to a real democracy based upon true social justice and that they may be destined to lead the world to the highest ideal of statesmanship—Internationalism.”

From Capt. George Hill, in his 1936 *Dreaded Hour*, speaking of the League of Nations: “In 1928 the League, in its machinery and functions, was as imperfect as the first aeroplane in comparison with the modern airliner. . . . But its fundamental idea of substituting for a system of armed nationalism a system of disarmed internationalism, and the renunciation of war by means of pooled security, will live. . . . In time some such League will have sufficient strength and power to impartially police the world; and it will be accorded the same respect and authority that the police force of England enjoys today.”

From Arnold Toynbee, chief theoretician for the Round Tables’ Royal Institute for International Affairs from the 1920s into the 1960s, in his 1971 “dialogue” with Kei Wakazumi of Kyoto Sangyo University:

“If I am right in forecasting that a world dictatorship is likely to be the way in which we shall avoid liquidating ourselves in an atomic war, and if I live to see this development, I should on the whole be optimistic, because I should not expect the dictatorship to be permanent. . . . It is most unlikely, I fear, that it will be established by the will, or even with the acquiescence, of the majority of mankind. It seems to me likely to be imposed on the majority by a ruthless, efficient, and fanatical minority, inspired by some ideology or religion. I guess that mankind will acquiesce in a harsh Leninian kind of dictatorship as a lesser evil than self-extermination or than a continuing anarchy which could end only in self-extermination. If the reluctant majority does accept this dictatorship on this ground, I think they will be making the right choice.”



Dealing with the threat of Soviet irregular warfare

Col. Michael Hickey is author of *The Spetsnaz Threat: Can Britain be Defended*, published as an Occasional Paper by the Institute for European Defence and Strategic Studies. He was interviewed in Winchester (U.K.) by Michael Liebig, EIR executive director for Western Europe, on April 11.

The first part of the interview, published last week, dealt with Colonel Hickey's personal experience as a light aircraft and helicopter pilot in counter-guerrilla operations in Malaya, South Arabia, and East Africa.

EIR: To turn to the advanced sector side, so to speak, of irregular warfare, what in your view is the essence of operational doctrine of Soviet Special Forces like spetsnaz and/or air-assault forces?

Hickey: First of all, I do not regard spetsnaz as air-assault. I think you have to isolate spetsnaz operations from the air assault and amphibious assault. They use a different sort of troop anyway. I regard the spetsnaz as being the absolute cutting edge, and the air-assault (in Soviet terms, *desant*) as such is the man with a club following in behind. I believe the United Kingdom is particularly vulnerable to spetsnaz operations, much less so to *desant*, basically because we are an island, and it is quite difficult to cross the water, of course, once NATO is alerted, and it is quite difficult to insert troops in any quantity by air, given the fact that our air defense in the United Kingdom is quite sound (it's not the best, but will soon be much better).

EIR: You would say that while spetsnaz is a genuine form of irregular warfare, air-assault forces are a more conventional form of warfare?

Hickey: Yes, I see air assault being used against NATO rear

forces on the continent, because one of their objects, of course, is to take out NATO's nuclear capability, take out nuclear units, if you can in their barracks, and neutralize their munition depots in locations which I am quite sure are well known to the opposition throughout the allied zones in West Germany. I am pretty sure these are fairly vulnerable targets. I think also that air assault would be used if there was to be a conventional general assault, it would be used against headquarters, bases, communications, C(3) in other words, radar, and it would also be used in an attempt to eliminate the personalities of the NATO command structure. But that has got to be divorced from the idea of truly deep penetration into the homeland of the Western European NATO allies.

EIR: How would you characterize the specifically spetsnaz doctrine of the Soviet command?

Hickey: Basically in that it can, if necessary, operate independently of air assault and conventional land assault. It could be used with them, or it could be used without, because there is already, let's face it, an infrastructure of spetsnaz agents in existence in the West in all of the NATO European countries. There are people of varying degrees of dedication to the goals of the Kremlin, who can be relied upon to varying degrees to do their stuff if there is a rising period of tension possibly leading to war. I believe that the Soviet planners have assessed, for instance, the strategic value of the United Kingdom, and have identified its importance as the hinge in the door, or "the European pillar in the trans-Atlantic bridge," through which trans-Atlantic NATO reinforcements would pass on their way to northwest Europe.

EIR: So you would say spetsnaz has a high priority in the

Soviet war plan?

Hickey: Oh, yes. You have to put yourself into the position of the people sitting in Moscow, or wherever, making their war plans, and one of their options must surely be to achieve strategic dominance over Western Europe, with the minimal amount of conventional, and certainly without use of *any* nuclear forces. I believe at present the United Kingdom is particularly vulnerable to attack by spetsnaz, because alone, of all the Western Europe allies, we long ago gave up conscription.

EIR: Do you think that was a mistake?

Hickey: I don't think it was a mistake. I think it was inevitable, given the mood of the nation at the time, and of the government of the day, a Conservative one, MacMillan's government.

EIR: These were the historical circumstances then. But in terms of the objective military requirements, must we not have the draft?

Hickey: Yes, well, we kept conscription on for a long time in this country after the war, because we needed a lot of troops to supervise the withdrawal from Empire, and because moving troops still had to be done by slow troop-ship, and when the Korean war was on, and we were fighting in Malaya, there were never less than about 3,000 soldiers at sea, going to and fro at any one time. Nowadays, we couldn't afford that at all, and we don't have to, because we can move troops quite quickly by air, even down to the Falklands if necessary. The last national service man left the service in 1963. At the end of the 1960s, we contracted even more, and we then met our military commitments just by the use of volunteer or regular forces. At that stage we could still recall ex-national servicemen in their 20s and 30s, and they were still fit in the army, but the youngest ex-national serviceman now, in 1987, is 45 years old, and he is *not* very fit! And so we have no true in-depth reserve. This is where we created a vacuum. No one in those days ever envisaged that the homeland could be threatened in the way that it is now.

I think—I hope—people have drawn the lesson from Prague 1968, which was the first major spetsnaz operation, and one of their big developmental exercises, when they seized Prague airport—a spetsnaz *coup de main*. To see how far they have gone in 11 years, see what happened in Kabul in 1979, when the spetsnaz went in and took out the government, I mean the government, its friends and girlfriends, and also prevented the Afghan army from mobilizing. This was all spetsnaz, actually, and this was also the only really successful part of the whole Soviet military operation, because when they moved their second-, third-, and fourth-grade troops in, they got themselves bogged down, in a sense like the American troops in Vietnam. The first-class American troops performed brilliantly in Vietnam, the Green Berets,

the Marines, the air-mobile troops. But when you started sending the third-, fourth-, fifth-rate divisions in, with the conscripts—well, you have to be very careful the way you use them against a really effective guerrilla army, which is what the Viet Cong had become. We had to learn the hard way in Malaya that counterinsurgency warfare is as much a state of mind as the acquisition of new military skills.

EIR: In Britain, you have the experience of the SAS, the SOE during World War II, and the irregular warfare campaigns of the post-World War II period. The French have the Resistance, Vietnam, and Algeria. The Americans had Vietnam. So there is a treasury of experience with irregular warfare in the West. I try to compare that with the experience the Russians have. Do you think the West has learned the right lessons? In comparison, the Russians seem to have drawn the right conclusions.

Hickey: Well, the Russians do not have, for instance, the "Africa touch," they do not have the "Arab touch," they don't have it at all. They've tried in Africa, the Russians—and they've tried without success in the Middle East. The French had the "Arab touch" in the old days, but lost it. The British, oddly enough, have always had a very good touch in Southeast Asia and with the Arabs, and in Africa. It is a question of being like a musical comedian: You have to get the pitch of the hall right. The Russians don't. The French were quite incredible in Algeria; after a marvelous start, they lost the hearts and minds of the people and they brutalized themselves. The French military establishment were totally brutal. The British on Cyprus, we brutalized ourselves from time to time there. I think history will show that we behaved very badly against the Enosis movement on Cyprus by using very crude methods to dominate the population, instead of winning the hearts and minds, as we had done very successfully in Malaya. And the Soviets have entirely failed to win *anyone's* minds and hearts in Afghanistan.

EIR: I entirely agree, but nevertheless, they have obviously succeeded quite effectively in building up the irregular warfare spetsnaz capability.

Hickey: Oh, they're doing quite well now. If anything, they're going to win—through penetration. From what I've read, their spetsnaz are about their only troops who are meeting with any success, because they are using chaps who are fairly brown, who are circumcised, who look and talk and speak and feel like Muslims, and cannot be distinguished, and this is the essence of the spetsnaz-type operation. It would be very difficult to differentiate between the local people and the spetsnaz. I believe that if the spetsnaz came to this village, they will not be wearing red stars and spetsnaz on their helmets, bearing AK-47s.

EIR: So you think the psychological-political component is

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at least as important as the military component?

Hickey: Yes, if you can get the local population to believe that the intruder is really a liberator, and is really identifying with the people's grudges against the government, then I think they will win, and I think this is why the spetsnaz forces are succeeding in Afghanistan now, where the regular forces have failed. They move like fish amongst the tribes.

EIR: What in your mind has made the Russians build up this degree of excellence of their spetsnaz apparatus over the last decades?

Hickey: I think they see the weakness of the West's defenses. They appreciate, as any sensible person in the West sees, that nuclear deterrence, like it or not, *works*, and has now reached the stage where the use of nuclear weapons is ritualized—I cannot see any circumstances in which anybody would chance the use of nuclear weapons. I can, however, see a much greater risk of warfare breaking out at the bottom of the ladder. Now, it is at the bottom of the ladder of deterrence that Britain's defenses are at their very weakest. At the top of the ladder we are very strong. We have the umbrella of the American nuclear deterrent, we have our own independent nuclear deterrent, which is shortly to be updated with Trident. Very strong indeed at the top of the ladder—lovely, shining, very expensive rungs! It's when you go down to the bottom of the ladder of deterrence that you will discover that successive British governments have allowed the rungs of the ladder to rot away, or have willfully chopped them away.

Thus it was in the 1960s that we virtually destroyed our territorial army. We destroyed our civil defense.

EIR: To come back to the question: Why are the Russians giving their Special Forces such priority?

Hickey: So that you can neutralize the nerve centers of NATO, and in particular, I believe, the United Kingdom in a period of rising tension which could possibly escalate into war. But rather than have an escalation into war, why not attack the entire nervous system of the United Kingdom, its military, political, and economic and infrastructural systems, so that it is incapable of functioning, either as a mobilization base for its own forces, or to dispatch 155,000 troops to the continent, recognized as being part of our war plan. The preparation of air bases and seaports for the reception and onward transmission of trans-Atlantic reinforcement, the activation of the early-warning system, the transition of the whole population and economy of Great Britain from a peace to a war-footing, and for the use of a number of military air-bases in eastern England as stand-by bases in case the forward bases in Germany and northern Europe are knocked out. They might not be attacked, but if they were attacked, I don't think the airfields in northern Germany would survive more than one day. We certainly would not be operating NATO air forces from German soil much after 24 hours of war. I think

they would have to come back to the bases in East Anglia, where they would be under cover of the United Kingdom air-defense environment, and they could be protected there against Backfire and its lay-down or stand-off weapons.

EIR: Do the Russians base their irregular warfare doctrine their own home-grown experiences? To what extent have they learned from the French, the British, and the Americans?

Hickey: They have a fairly good home-grown tradition, from the days of the revolutionary war. There are things the Russians have always been fairly good at. First of all, fighting for Mother Russia on Russian soil. The further they go away from home, the worse they fight. The closer they are to guarding Mother Russia, which is deeply inside them—you scratch any Russian, and you will find a God-fearing patriot inside—they fight furiously. This is basically what Stalin capitalized on: He knew they wouldn't fight for him after the first three months, and so it became the Great Patriotic War, dear old Mother Russia. They have been good at fighting the invader on their own soil, whether it was Napoleon or the Kaiser, and certainly against Hitler. Brilliant ad hoc warfare—they love it, they take to it, and they play it ruthlessly, harrying the enemy's rear, the destruction of his lines of communication. A great deal of the German effort in World War II had to be dedicated to keeping the lines of communication clear, and making sure that civilian populations were either removed or eliminated, evacuated or protected from Soviet partisans. So they have got a tremendous tradition of what you might well call deep-penetration and irregular warfare. They have always been far better at it than they have ever been in open, conventional warfare.

EIR: Have you seen in the postwar period an evolution of the spetsnaz concept? Was it always there, upholding the continuity from World War II?

Hickey: Yes, they've intensified it, refined it. Unless you refine your military doctrines, you are doomed. The Russians have always been quite good at refining military doctrine after disasters, and God knows they've had enough disasters. They do learn, and they are helped in this by their extraordinarily open military press. Everybody thinks, in the West, that no one in Russia can see what is going on. Of course, I haven't been to the Soviet Union, but my friends, particularly the ones who speak Russian, have been there. And they are amazed to be able to buy, over-the-counter, these huge numbers of Soviet military magazines, which are semi-officially, or totally officially produced by the Soviet military publishing house in Moscow. They are there, and they are bought by serving soldiers or interested civilians, and they are remarkably candid. They talk about exercises which have taken place in the Soviet Union, and how colonel X or colonel Y, who are named, made a thoroughly botched job of a military exercise, and why their sergeant-major thinks they should

go. It's quite an extraordinary self-criticism which goes on.

And there is a case very recently of which I know, involving the missile troops, the strategic rocket troops, which are supposedly the elite of the elite. They were created some 30 years ago, they took all the best of the air force, artillery, and missile troops, and gave them artificial traditions, august traditions, just like it is becoming traditional at some public schools for us to walk around with our left hand in our pockets! It's quite extraordinary. They gave them bogus battle honors, which had nothing whatsoever to do with rockets, going back to the artillery of the 1812 campaign. You fire a missile, and its got letters on it "Borodine"—the British army does this all the time, and I often wonder, what if the Russians suddenly got a missile dud thunking right down next to their headquarters, and they see "Xth Battery . . . Royal Artillery . . . Gibraltar 1783"! The Russians do it as well as we do, and they created these elite forces. But let's face it—if you're on station for two years at a time, out in the sticks on the other side of the Urals, in a hole in the ground, do you really get up every morning and say "Ahh, I am an elite troop, and this is another great day in my life!" sitting downstairs looking at the radar screen. Well, you can't, you just go mad. And they are having terrible problems with absenteeism, desertion, drugs, drink, the lot, and it's worrying them. And it's coming out, of course, in these remarkably candid Soviet military publications.

EIR: What do you think is known about the spetsnaz infrastructure in Britain, and how would you characterize it?

Hickey: Very difficult to quantify it. I would guess, if it followed the same pattern as the Danes, the Dutch, the Norwegians, and the Germans, that the crucial feature is what we have described in our literature: the moles, and volts, the creepers and sleepers. They are all slightly different, the sleepers being people who, for varying reasons, either idealistic or embarrassment involved with blackmail, got themselves willingly or inadvertently recruited many years ago. I've heard that the Danes reckon they have about 5,000 people in their society, in their population, which is not much larger than Greater London, who would be likely to perform in some way as spetsnaz agents if the actual spetsnaz were inserted. These are not chaps with snow on their boots or anything like that. These are not illegals, not spies as such. They are people with a long-standing affinity for Marxism-Leninism, the cause of the Soviet Union as they see it.

EIR: Is that all run through the GRU?

Hickey: Yes, the KGB have a spetsnaz as well, but I am thinking of the GRU, which is the one I have been studying.

EIR: Would you say this is closely coordinated between the KGB and the GRU?

Hickey: Not if they can help it, because they hate each

other's guts! This is one weapon that operates to our favor. The KGB is really the political wing, political assassination and elimination at the highest levels, the economic and political structure. The GRU are targeted basically against the military structure and infrastructure. Obviously they *do* need to be coordinated at the highest level in order to avoid duplication and messy mix-ups.

EIR: Would they themselves be operators, or would they be supporters?

Hickey: They would be supporters, they would provide safehouses, letter drops, dead-letter boxes, equipment. They could provide a car at a given place at a given time, with a full tank of petrol, a set of maps. They could provide medical support, certain stores, guide these people to previously hidden stocks of radio equipment, explosives, could provide them with all sorts of support—and they would. On the other hand, they might just leave a door open, a safe unlocked, a light switched on or off, a window left open, a file uncovered in an office. They might take a photograph. The scope and scale of support is almost unlimited.

EIR: To me the strict distinction between war in an immediate prewar situation and “peacetime” operations in irregular warfare looks almost theological. Are the spetsnaz here right now, or will they come when tensions reach a certain level? How do you see this?

Hickey: The spetsnaz are here all the time. The sleepers have been planted, and of course, on top of them there are the illegals, there are the residents of the GRU and the KGB in embassies and consulates worldwide. The spetsnaz detachments, the actual hard-core troops, who, when they are in Russia, wear the striped pullovers and do their two years' conscript service, and the regular cadre who trained them, they *can* be introduced in peacetime, and they almost certainly *do* come into these countries in peacetime, because it's very easy to get into them, as a seaman, a TIR lorry driver, a flight deck or cabin crew of an Aeroflot airliner, a tourist, a member of sports or cultural delegations—very easy, you can come in and step aside for a few days, and go and look around, or you can be driven around to certain sites and have them pointed out to you, and when you ask, you will be told, “You are now passing the Atomic Energy research establishment for the entire world, look at the lack of proper fences, look how easy it is to walk in.”

You can be unofficially and illegally resident in this country for weeks, months, often for years before people catch up with you, because we don't have identity cards with fingerprints or photographs in this country. These are regarded as a gross infringement of civil liberties, and there is a very strong left-wing lobby which has taken over the old, honorable National Council for Civil Liberties, and who will fight this concept to the last ditch.

EIR: Are you aware of any patterns, or suspicious patterns of an increase of spetsnaz operatives at specific times over the last 15 years, whether at certain times there were more, at certain times less?

Hickey: No, not myself, because I do not have access. I am not a member of the intelligence community, and I do not see intelligence reports. But I would be very surprised if routine Special Branch reports nationwide did not reflect the incidence of suspicious events. Cars parked in obscure parts of Scotland, with maps and photographs, with no explanation for why they should be there. These things have happened, and they are reported through the usual channels. I think it goes on all the time, but it is very difficult in peace time to be alert, unless you know what you are actually looking for. You can't have people looking around on every street like this. One reason for the campaign we've been fighting for the last five years is to create a corps of observers, not fighting soldiers; but people in every community, every village, who in a time of crisis can be mobilized and asked to report anything unusual, not snooping—people won't like it, because that's against the British way of life. But if you see a strange car in your village that you've not seen before, strange people in the pub, don't approach, don't arouse their suspicions, but report this to police, and the picture will then develop very quickly that you are being penetrated. And then of course, once any invaders of this sort realize that the population is alert, they will be obliged to move very slowly and cautiously. At the moment, if I wish to come into this country, disguised as a tourist with a pack on my back and a stick in my hand, and a map showing the tourist places where I can hitch-hike my way around, nobody would question me at all, especially if I was talking decently good English. And these spetsnaz are people who have studied the English language well. We are told that they come here frequently enough to perfect their English accents, so they don't draw attention in Scotland by speaking the way I do, with an Oxford accent, or similarly go to Wales and speak like a Scotsman.

EIR: Their training appears to be superb.

Hickey: Yes, they have real quality training, they can be selected, you see. They can be selected at the age of 14-15, for outstanding ability in school in linguistics, also in sports and athletics. They will receive priority training in the DO-SAAV organization, and by the time they are 18, they will have all the basic military skills anyway. They can shoot straight with simple weapons, they can swim, many will be able to parachute, and therefore a lot of basic training can be left out. They only have two years, but they do work on Saturdays and Sundays, they do not have holidays, and they work their butts off. During that two years of national service training, if they pass the first six months, they will be sent on a training visit to their target country. And if they have been coached in English at school, if they have an ability in En-

glish, they will come to England, quite legally. They will come as part of an athletics team. If they come as part of a dynamo sporting team, they are part of the KGB/spetsnaz. If they come as part of the armed forces sporting group, Spartakus, etc., those teams contain a high number of GRU/spetsnaz trainees.

EIR: Now you say, once the problem is recognized, it can be handled. Do you think that within the British army, let's say at the staff level, and in officer training, the spetsnaz problem been effectively recognized?

Hickey: I think so, yes. I was very interested reading that interview with General Berkhof (*EIR*, Vol. 14, No. 17, April 24, 1987). He says that in the military academies in the West irregular warfare is not taught. That is not entirely correct. At Sandhurst and in our staff colleges, even in the late 1940s, and certainly throughout the the 1950s, '60s and '70s, it was taught very thoroughly. Now this is something we've always been rather good at. Anyway, we've got a longer experience in it than most. The word spetsnaz was almost unknown in this country until 1983, because it was only in 1983 that the articles by Suvorov began to appear in the *International Defense Review*. Until then, the intelligence world had sat very tightly on this. We had, of course, known that the Soviets have commando-type forces, like Marines, good airborne forces.

EIR: What triggered the change with respect to spetsnaz?

Hickey: Oh, I think "Defense Begins at Home." We started in 1982 onwards to talk openly about it, to the embarrassment I think of certain parts of the government, who felt, who admitted in the 1982 *Defence White Paper* that our whole defenses were being reorganized and reexamined in light of the threat posed by "small groups of Soviet special force personnel." They didn't mention the word spetsnaz. And then in 1983 they announced that a home service force, in addition to the territorial army's and defense battalions, was being formed out of older volunteers with prior military experience. And in 1984 they said they were going to hold an exercise in 1985, the exercise "Brave Defender," which was the biggest home defense exercise held in this country since 1941.

EIR: I think this exercise is rather exceptional and unique for NATO.

Hickey: It shouldn't have to be unique, but it was largely a public relations exercise, because none of the real key points in this country was involved at all, they created exercise places at nice neutral locations away from the centers of population. And they also introduced about 5,000 "spetsnaz," (SAS people, troops pulled in from Germany), and even some Americans were brought over from Germany to test our defenses. But of course we don't think that 5,000

troops would be needed to reduce this country to chaos. We've always said that 1,000 to 1,500 spetsnaz troops, in squads of 4 or 5, would produce the necessary chaos, if backed by an effective agent network.

EIR: They could take care of several targets simultaneously.

Hickey: Oh, they could take care of *hundreds* of targets simultaneously. If I wanted to cut Southampton off from London, and Southampton is a very important port, I could probably do so quite easily. This railway that runs past the field, that you were traveling on earlier this morning, carries 200 trains every 24 hours, it is a very vulnerable line, and because it is electric on the third-rail system, it is even more vulnerable, because every 5-8 kilometers there is a transformer station which takes the power from the electrical grid, reduces it from 30,000 to 750 volts, turns it from alternating to direct current, and feeds it into the electric conductor line. You really only have to knock one of those down, and you've neutralized ten miles of railway line, and somebody has to come and repair it. Now if the first man on the scene is shot dead with one shot from a silenced gun, no other railway worker in his right mind is going to come near that place unless there is a battalion of infantry to protect him. Now, there are no spare battalions of infantry. So you will have neutralized that length of line with a few ounces of explosives. You don't even need explosives, just a strong incendiary charge to knock it out. You might electrocute yourself if you do that, though, very dangerous.

But there is *nothing* to protect these targets. We can protect our nuclear air fields, our nuclear power stations, centers of government, our naval ports, but on mobilization, if we were driven as far as that, we send 155,000 troops across to Germany, which leaves 100,000 uniformed personnel, which is 37,000 less than the total of police in England, Scotland, and Wales—it's absurd.

EIR: Another critical question. The Soviets obviously try to exploit the differentiation or the non-communication between the armed forces on the one side, and the police forces on the other side. How great is that a problem in Britain, and what has been done to overcome it?

Hickey: I think you must appreciate that in the United Kingdom the principle, as far as the maintenance of law and order in time of crisis is concerned, is the primacy of the police. British soldiers are not employed to maintain law and order, so that they can get on with defense. There is consequently very considerable liaison in peacetime between the police at all levels and the military. It takes the form of joint exercises at staff colleges, joint conferences, and a considerable amount of contact. Occasionally, when their roles overlap, you will find full-scale exercises being held, say at Heathrow, where the police and the military are both out together, but in fact the operational decisions on these occasions are in the hands

of the police, because they are first of all seen as a law and order operation. But if the thing turns into a military operation, if some suspects lurking in the luggage department at Heathrow turn out to be armed terrorists, the policeman says “over to you,” straight off to the soldier at his side, and the switch is almost instantaneous, and from that moment the soldier is in charge.

EIR: An uncomplicated, unlegalistic process?

Hickey: We are very careful about using troops in this country. Northern Ireland is a very different case, as you appreciate, because we sent in the troops in to replace a particular category of Royal Ulster constabulary in the early '70s, the “B Specials,” who were disbanded, because it was thought they were far too politically involved in a gendarmerie role, and so they were disbanded and the army was put in to fill the vacuum. When the British Army is confronted with a situation in which the control has been put over to them by the civil authorities, the drills are very clearly laid out. If you fire, you do not fire to warn. You select the ringleader, and you shoot to kill, which means that one shot will probably defuse the entire situation. For instance, look at what happened at Berkeley when the National Guards went in. Troops who were untrained to deal with a student riot, and it was nothing more than a student riot. They went in, they lost cohesion, they lost their leaders, and their leaders lost them. The soldiers were faced with what they thought was a hostile lot of young people. They started firing almost indiscriminately in the air, and eventually indiscriminately at groups of students, who they thought were going to attack them. A tragedy. A classic example, still taught here—when I was teaching on this subject, this was one of the examples I used as a case history for what happens when the military go in, and are given carte blanche, are badly led, and the troops are badly trained, and not properly equipped.

When I was in the Far East, in Malaya, we used to have riots in Singapore—nothing to do with the communists, these were Islamic fundamentalists. They were very vicious. The actual request for the army to take action was in writing, and it was handed over by the magistrate to the army commander on the spot, who signed it and acknowledged it formally, whereupon the Riot Act was read, the big banners were hoisted in all languages “Disperse or we will open fire,” and if they didn't disperse, a bugler came to the front and blew “Disperse”—not that a foaming Malay mob knew the British bugle call for disperse, for God's sake, but they knew the army meant business. The next thing that happens is that a row of riflemen comes and ostentatiously loads their rifles. But the chap who actually fires the round, if a round has to be fired, is a designated marksman, unknown to any of the riflemen, so that nobody would actually know who had fired the shot. But the designated marksman would be given explicit orders—“range 100 yards, one round, man in black at the foot of the statue of Queen Victoria,” and pow. It's called the principle of minimum force. Far more effective psycho-

logically and much less likely to shed innocent blood.

EIR: But I would say you have a very different situation here from what we have on the continent, the tight coordination between the police and military.

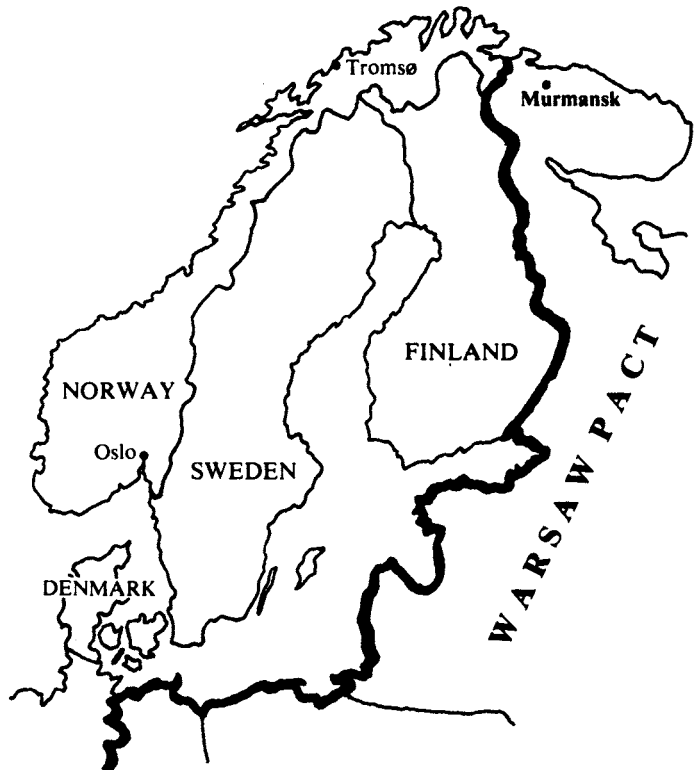
Hickey: Oh yes, but you see, we have to have a very careful interface, because in Britain we have no gendarmerie. There is nothing like what the Dutch have, the Marechanssee; the French have the gendarmerie; the Italians have the Carabinieri, who have tremendous powers. But in England, no. We have always disliked the arming of the police, we distrusted an armed police force, although in London a hell of a lot of police are armed now, sadly. We don't like that. The police themselves don't like it. It was policemen, not army, who went in to get black gunmen out of the black ghetto, and even in the Tottenham riots last year, when a policeman was hacked to death, the army was not involved in any way, although many people thought they should have been.

EIR: What is your proposal for concrete measures to deal with the spetsnaz threat in Britain?

Hickey: Given the very real restrictions under which all defense planning has to be made in the U.K., one has to go for a solution which is acceptable financially, politically, and socially. After studying a number of options, I am convinced that a modified form of the Danish Home Guard system would work well. That is to say, a citizen volunteer force covering the entire country. Its role to be essentially deterrent, with emphasis on surveillance and guard duties rather than aggressive combat activity. Such a force need not be heavily armed, and its members need not be trained beyond the basic requirements of their duties. These volunteers will be recruited on a local basis so they will know their own operational area intimately. They will be able to recognize any unusual activity, or the arrival of unfamiliar people. The knowledge that such a force is mobilized and active is in itself a deterrent to any would-be infiltrators and saboteurs, whose best hope of success lies in their ability to “swim amongst the people” in the best Maoist style. No Special Force operator is happy if he thinks he's under constant observation and this slows him down significantly. Not only that; it means that his “friends” already in the community are less ready to provide safehouses, information, supplies, and all other forms of assistance.

A Home Guard of this type can be rapidly mobilized for the protection of targets for which there are clearly no resources elsewhere, such as the national infrastructure; the power distribution system, telephone exchanges, gas pipelines; the list is endless. At present these targets are wide open to attack and can be knocked out with ease. It is a very worrying problem and it needs to be addressed now. If whole areas are deprived of the electricity which the population has come to take for granted, there will be a rapid collapse of civilian morale, leading to outbreaks of unrest which would place an unbearable load on the police and security forces.

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*When in Tromsø,
see the town from above —
by the Cable Car!*

Italy-Spain arrests hit narco-terrorism

by Leonardo Servadio

In a coordinated sweep between Italy and Spain, during the second half of April a dozen persons were arrested in the Italian cities of Ivrea, Turin, Rome, and the Spanish city of Barcelona, accused of ties to the Red Brigades and the assassination of Gen. Licio Giorgeri. Giorgeri was killed in Italy in March for his role in coordinating Italy's role in the Strategic Defense Initiative.

Barcelona is emerging as the operational center of the Italian Red Brigades. The most recent "strategic resolution" distributed by the Red Brigades in Italy, which called for attacks on NATO and especially the SDI, was printed there.

Moreover, some of those arrested, namely Clara Piacenti and the American Ellen Codd, kept in contact with the French terrorist group Direct Action in Barcelona. From some of the documents found on another arrested suspect, Laura Trevisin, who shuttled between Italy and Barcelona, it appears that the activities of the Red Brigades, Direct Action, ETA, and other terrorists are coordinated through Barcelona.

Little is known about the operations being planned by the suspects, but one thing stands out: All of them are connected to drug trade or drug consumption, and the press has started to recognize something that *EIR* has been saying for over 10 years, that drugs and terrorism are one and the same problem, that likely the primary source of money for the terrorists is drugs.

The persons arrested are described as the "new Red Brigades," but some of them do have a history: Giuliana Zucaro, arrested in Turin, and Riccardo D'Este, arrested in Barcelona, were militants of "comontist" and "situationist" groups already in the early 1970s; D'Este seems to have already been under investigation at the time of the Aldo Moro kidnap-murder. In other words, more than a new phenomenon, this is the continuation of the old Red Brigades, or at least a product of the same groups which were the breeding ground for the Red Brigades of the 1970s. The "situationists" were known for theorizing on the marriage between terrorist activities and common criminality, and therefore the drug trade.

Since 1982 at least, as a result of the blows struck against the mafia by various judges operating in Sicily, Barcelona has become the "new Marseille," the preferred port for what

was once called the "French connection" of the mafia and drug trade, for introducing drugs from the Mediterranean into Europe.

Coincidentally, 1982 is the year when the Spanish socialist party, the PSOE, took power in Spain. The gangster Antonio Bardellino, wanted in Italy, was arrested in Barcelona in 1984. The activities of the now "repented" mobster Gaetano Badalamenti were centered in the Barcelona area, when he was arrested.

Bardellino was able to flee, thanks to the complicity of a judge who released him few months after the arrest. The issuance of a new warrant yielded no results since Bardellino quickly disappeared. This episode underlines a certain institutional support for such illegal activities.

In Barcelona, much has been said and written in the press about the Pianelli-Traversa firm, an industry based in Turin with plants in Barcelona. Some have alleged that the firm might have functioned to cover drug traffic and the transfer of money from it. According to the same sources, the firm may also have been a conduit for funds from some groups in the Italian Socialist Party (PSI) to others in the PSOE.

The Moscow angle

The narco-terrorist connection, otherwise well documented to be an asset of the Soviet intelligence services, has become an urgent matter for investigation in Spain. Terrorism in Spain was until recently monopolized by ETA, which operated nearly exclusively in the Basque region and in Madrid. It has spread to other cities, such as Barcelona and Saragossa, where it has claimed several victims this year. In addition, a new form of "mass terrorism" in the style of the German Greenies is emerging: During the many-weeks-long trade union strikes in the city of Reinosa—organized by the trade union Comisiones Obreras (CO), which has a Communist leadership but many Franquist cadres—some groups which were obviously militarily trained attacked the police with rudimentary weapons, like deadly slingshots with metal balls. Two persons have died and several were injured in the resulting clashes.

In the Basque village of Portugalete, on April 25, some militants of the separatist party Herri Batasuna, known as the political front for ETA, burned down the "Casa del pueblo," the PSOE's cultural offices, with Molotov cocktails. The arson caused the death of one PSOE member and seriously injured several others. The PSOE in the Basque region accused Herri Batasuna of being "Nazi" and asked that the party be outlawed.

As in the case of the assassination of General Giorgeri in Italy, which was aimed at undermining Italian participation in the SDI, the Spanish terrorism has a strategic purpose. It aims at pushing this country, which is currently negotiating over whether several strategically important U.S. bases remain on its territory, to close the American bases and pave the way for a split in the Atlantic Alliance.

Malaysian leader beats challenge

by Mary McCourt

Although Malaysian Prime Minister Datuk Mahathir Mohamad held on to the leadership of his country's ruling United National Malay Organization (UMNO) in strongly contested party elections in April, the party which has led the country since independence from Britain in 1957 remains deeply split. The April 24 election, which Mahathir won by the narrowest of margins—43 votes out of 1,500 cast at the party's national convention—was the first in some 40 years in which a party president, who has always then led the country as prime minister, has been seriously challenged.

Prime Minister Mahathir defeated his challenger, Trade and Industry Minister Tengku Razaleigh Hamzah, 761-718. Mahathir's ally, Deputy Prime Minister Ghafar Baba, beat former Deputy Prime Minister Datuk Musa Hitam, Mahathir's strongest critic, for the post of UMNO deputy president, by a margin of only 40 votes. But Mahathir's supporters did win enough of the key positions in the party leadership to enable him to fire the two opposition leaders and several other cabinet ministers a few days after the election.

With Mahathir's victory, a serious challenge mounted by the international malthusians and bankers who backed his opponents has been at least temporarily fought off. For now, Malaysia will continue to pursue policies of economic and population growth.

Attention is already focused on the next party elections in 1990, which is also the year in which the New Economic Policy (NEP), adopted in 1970, must be renewed. Malaysia now faces great problems due to the international financial crisis, which has cut the nation's growth from almost 8% in 1980 to less than 1% last year. The prices of the commodities in which Malaysia is so rich—tin, palm oil, oil, and rubber—have collapsed, and drug use in the population has soared as the international drug mafias, facing a glut in the U.S. market, have pushed heroin consumption throughout Asia. The weakening economy raises the spectre of renewed racial troubles between the two largest population groups, Malay (48%) and Chinese (34%). And in the midst of all this, Islamic fundamentalism is rearing its ugly head.

The deep division in UMNO is something new, and dangerous. In the full 30 years since independence, the party has led Malaysia in the most stable government among the ASEAN nations. Tengku Razaleigh, a prince of the Kelantan state royal family, worked closely with Mahathir for some 20 years, and Musa Hitam was his former deputy. The defection of this faction from Mahathir's commitment to national development and growth, to espousing the views of the bankrupt world banking structure, would have sold Malaysia down the river had Mahathir not won.

Hitam has been using the international press, which led the charge in the Aquino-IMF coup against Marcos in the Philippines, to undermine Mahathir internationally. The *International Herald Tribune* reported April 4 that Musa Hitam had accused Mahathir's government of misuse of power and money. "Political reporters who cannot say so in the government-controlled press draw parallels to the rule of Ferdinand E. Marcos in the Philippines and to President Suharto of Indonesia," the *Tribune* wrote. Musa said in a recent interview that Mahathir had cost Malaysia much-needed investment by his outspoken criticism of industrial powers for unfair treatment of the developing sector, and his criticism of Zionism and "Zionist-dominated" Western news organizations. Mahathir, committed to a "look East" policy toward Japan, has also told Malaysia to "buy British last," his assessment of the quality of British products.

Musa himself could have commanded little from his touted "foreign investors." The recommendations of a Jan. 31 survey on Malaysia by the London *Economist* are the same population-destroying policies forced on other developing-sector nations: cut imports, especially food, privatize aviation, ports, the telephone system, railways, and other industries, and cut the state payroll, which supports 25% of the population.

These policies could never go through unless Mahathir's leadership were broken. One key program is the New Economic Policy, inaugurated to end the causes of the deadly 1969 riots, to bring Malays from owning some 4% of industry to a more equitable position. At the time of independence, the Malaysian economy was 97% owned by huge British and Dutch-based corporations, and overseas Chinese. During the 1970s, the country bought out Dunlop rubber, the huge Sime Darby company which owned mines and plantations, and Royal Dutch Shell, bringing these industries more under national control.

In the last year, Malaysia has led a fighting war against drug consumption, by decreeing, and carrying out, the death penalty for all traffickers, no matter how small, no matter the color of their skin.

But probably most frightening to the nervous financiers of Wall Street, Basel, and the City of London is Mahathir's population policy, which the *Economist* called "alarming." He is committed to raising the country's population from its current small 15 million to 70 million by the year 2100. Just

prior to the mid-April Kuala Lumpur conference of the Interaction Council of Former World Statesmen and Leaders, dominated by the Socialist International's Helmut Schmidt, one of Schmidt's aides told a journalist in Europe that Mahathir was facing a significant internal political challenge, and would be forced to compromise on some of his policies, notably population growth. But Mahathir refused to accept the Interaction Council's recommendations for population reduction, the aide complained after the meeting.

Fundamentalism vs. nationalism

Those who could immediately profit the most from the UMNO split are the Muslim fundamentalists, who were shut out of the government when the Parti Islam won no seats in the last general election, but continue very active in the provinces. The French daily *Le Figaro* warned May 2 that Mahathir may well find himself walking on a razor's edge because of his party's split, having to seek the support of UMNO members likely to become closer to the fundamentalists.

The fundamentalists, most active among younger Malays on university campuses in the past decade, are playing a dirty game among Malaysia's racial divisions, which were fostered when the British colonialists brought in both Chinese and Indian workers for the plantations. The *Far Eastern Economic Review* Jan. 22 quoted Mohamad Abu Bakar, a lecturer at the University of Malaya, from his essay on Islam and nationalism: Nationalism directly contradicts the Muslim tenet that "one should submit to no authority other than Allah. . . . Now that the exponents of Islam are ascendant . . . the Malay attachment to nationalism may disappear completely."

An article in the April issue of the London-based Muslim Brotherhood publication, *Islamic World Review*, is quite explicit. "Muslims . . . are not so naive as to put their total trust in electoral processes of a secular-democratic variety. . . .

"One thing now is certain. . . . Mahathir has effectively silenced critics even from within his own party, and with his electoral win, one can only wait for more repression to come."

The "repressions" the Muslim Brotherhood decries include the "Memali incident" in November 1985, in which some 18 persons—four of them policemen—were killed after the police attacked a group of fundamentalists led by one Ibrahim Libya at Kampung Memali. "Memali was, and is, the substance of the Islamic movement," the *Islamic World Review* wrote.

The incident was used to undermine Mahathir at the UMNO party convention, with allegations that he ordered the attack. The incident occurred the day before he left Nov. 20, 1985 for a trip to China. During a speech April 12 opening the UMNO convention, in one of the predominantly Muslim states of Malaysia, Mahathir said, "This is the responsibility of the police, and their responsibility rests with the Home Affairs Minister." The Home Affairs Minister at the time was Datuk Musa Hitam.

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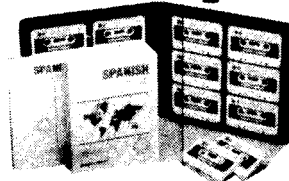


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AUDIO-FORUM

AIDS, drugs are top election issues

No thanks to the leaders of the political parties, who have tried to keep a lid on controversy.

On June 14, Italians will go to the polls in early national elections, to vote up a new Parliament. The elections were called one month ago, as the inevitable outcome of a long government crisis which followed the resignation of Socialist Premier Bettino Craxi.

To judge from the media, the only "issue" in this election would seem to be the personal confrontation between Craxi and the head of the Christian Democratic party (DC), Ciriaco De Mita, who is claiming the right of his party to take over the premiership again. In TV debates, rallies, and interviews, leaders of all parties are very carefully avoiding any discussion of the problems that Italy is facing right now, and find it more comfortable to reduce the election campaign to personal insults. Craxi, in his first campaign rally in Milan, went so far as to blame God for sending a downpour, which prevented voters from attending.

To the extent that significant political and moral issues have been raised, this has been done from outside the electoral process as such, by Pope John Paul II and by the Schiller Institute. The Pope has been touring southern cities, calling for a fight against "the culture of death," as expressed by proposals for euthanasia and abortion, and for "returning to Italy its Catholic image." At one town, Gargano, he cited a passage of the Apocalypse which had not been used in the liturgy for a long time: "There was a war in the sky;

Michael and his angels fought the dragon. The Ancient Serpent, the one who was called Devil and Satan, was cast down on the Earth and with him were cast down his angels." The Pope explained, "This fight is still relevant today, because the Devil is alive and at work in the world." He urged Catholics not to accept any "compromise or accommodation" with evil.

The Schiller Institute, an international association headed by Helga Zepp-LaRouche, is distributing a leaflet entitled "Stop AIDS to Defend Life!" which includes concrete proposals to stop the AIDS epidemic in Italy. The measures have been endorsed by five Christian Democratic electoral candidates, four of them parliamentarians: the Hon. Maria Pia Garavaglia, who chairs the DC health commission; the Hon. Vincenzo Bianchi di Lavagna; the Hon. Rolando Rocchi; the Hon. Luigi Memmi, a member of the DC economics commission; and Tiziano Garbo.

As the leaflet emphasizes, "AIDS disappeared from the front pages of Italian dailies as soon as the election campaign started. They even wrote that the virus is, after all, not so dangerous, since recent figures would indicate that new cases are not increasing exponentially as initially expected."

The cited, typical wishful electoral lie contrasts sharply with the actual health situation in Italy. According to the Istituto Superiore di Sanità, Italy's top health institution, out of 48,000 people tested in Italy for AIDS in the

last few months, 16,000 tested seropositive. In Naples, in southern Italy, an epidemic of hepatitis has broken out, spurred by poverty and the lack of hospital facilities. One person in seven is carrying hepatitis, which is linked to AIDS in terms of symptoms and immunological deficiency.

The Schiller Institute demands universal screening to determine the real extent of the epidemics in Italy, the allocation of funds for new hospitals, as well as the creation of a national research center, similar to the Pasteur Institute in France, working on a crash program to develop nonlinear spectroscopy and optical biophysics, "with the maximum national and international coordination."

Other Christian Democratic candidates have also taken up issues for which the Schiller Institute is famous: the war on drugs and the call for a new international economic order to solve the debt crisis and allow high-technology industrial development.

In November 1985, the institute held a conference in Rome on St. Augustine and the fight for a just economic order, with the participation, among others, of Helga Zepp-LaRouche and two Christian Democratic parliamentarians, Sen. Vincenzo Carollo and the Hon. Publio Fiori. The conference opened a debate on the link between economics and Christian morality, which is still ongoing today.

One of the speakers at that conference, Publio Fiori, is now distributing an election campaign sticker that reads, "War on Drugs: Vote Fiori!" He gave an interview recently to the weekly newspaper *Nuova Solidarietà*, supporting the anti-drug efforts of Peruvian President Alan García. Parliamentarian Rocchi, who endorsed the Schiller Institute's AIDS program, also supported Peru's efforts to achieve a new economic order, in an interview with the same newspaper.

A political Exocet

Mexican presidential hopeful Bartlett may have had his high-flying ambitions shot out from under him.

On May 24, syndicated columnist Jack Anderson published an analysis of the presidential succession fight in Mexico, which suggests that certain intelligence circles—for whatever reasons—fed him some rotten fish for dinner.

Anderson's analysis is based on an alleged CIA report which gives Manuel Bartlett Díaz, currently Mexico's interior ministry, significant chances for becoming the ruling PRI party's candidate for President this fall. According to Anderson's sources, if Bartlett is the next President, there will be "a rosier period in U.S.-Mexican relations."

Anderson was apparently not privy to recent developments here that threaten to prove highly unfavorable for the interior minister's reputation, developments which exploded in a scandal whose impact is comparable to that of an Exocet missile exploding on the bow of the Bartlett campaign ship.

The scandal broke around the publication of an "underground" book about Planning and Budget Minister Salinas de Gortari, also a leading presidential contender. The book is an attack on the minister, proceeding from the claim that at six years of age, Salinas de Gortari accidentally murdered a housemaid with a shotgun.

The book's contents were publicized in various magazines, and circulated clandestinely throughout Mexico City's political circles. Even the national president of the PRI, Jorge

de la Vega, felt obliged to comment on the matter, describing the book as an "execrable" attack on the reputation of a leading public official

Confidential sources indicate that the book also irritated President Miguel de la Madrid. However, the scandal didn't stop there.

The interior ministry began an investigation of the book's publication. One of the two supposed authors, Walter López Koehl, is a reporter for *Por Esto* magazine, run by long-time intelligence agent Mario Menéndez Rodríguez. For this reason, the interior ministry concluded that the book came out of the publishing house of *Por Esto*.

On May 14, several police agents entered the magazine's offices to "investigate" the matter. That same day, an armed confrontation among police agents took place which, according to Menéndez, was prefabricated to try to provoke the workers of *Por Esto* magazine.

On May 15, *Por Esto*'s director met with deputy Interior Minister Jorge Carrillo Olea, in charge of matters related to national security. Also attending the meeting—previously unannounced—was Pedro Vázquez Colmenares, the director general of the National Security Intelligence Service (DISEN).

Menéndez Rodríguez denounced the acts of police "provocation" against the magazine, and said that Walter López had not even been involved in producing the book attacking Salinas

de Gortari. Rather, he charged that the libel had been financed and published on instruction from Interior Minister Manuel Bartlett Díaz, for the purpose of eliminating Salinas de Gortari as a rival for the presidency. He added that one of the presumed authors, José Luis González Meza, worked for Pedro Vázquez Colmenares, the director of the DISEN with links to Bartlett's personal secretary Ruben Guerrero Zorrilla.

Menéndez Rodríguez went ever further. He said that González Meza had given a press conference to national and foreign correspondents to announce the release of his book, and on May 4-6, had visited several national newspapers to distribute the book, guarded at all times by two DISEN agents.

Menéndez's accusations before Carrillo Olea infuriated the DISEN director, who demanded that Menéndez reveal the identity of his sources. The *Por Esto* director replied with a challenge to debate the veracity of his charges before President de la Madrid, which Vázquez Colmenares—again according to Menéndez—not only refused but retaliated with the threat to "begin our investigation with you."

In number 269 of *Por Esto* director Menéndez demanded an investigation of "the links of Vázquez Colmenares and members of his family with the drug trade . . . en Oaxaca." In number 268 of the magazine, Méndez said that the matter "obliges the President of the Republic to conduct a full investigation, which of course cannot be carried out by either the interior ministry—which in our judgment is directly involved in the matter—nor by the defense ministry—because some of its highest officials appear to be committed to the head of Bucareli (the interior ministry—ed.) in the presidential succession."

The Kremlin's 'Kissinger' pays a visit

The stage was set for some good, old-fashioned patronizing, and Dobrynin did not fail to oblige.

On May 27, Anatolii F. Dobrynin and his eight-man delegation concluded a seven-day visit here "fully satisfied." The CPSU Central Committee secretary said talks with Prime Minister Rajiv Gandhi showed that India and the Soviet Union shared similar, if not identical, views on the major problems of the day. "We attach great importance to the talks we had here and we are sure that Indo-Soviet relations have a great future," Dobrynin said.

A guest of the government and the ruling Congress (I) Party, the high-powered Soviet diplomat was on an official mission to follow up joint programs launched during General Secretary Gorbachov's spectacular November 1986 visit and prepare the ground for Mr. Gandhi's early-July trip to Moscow to inaugurate the Festival of India.

But the ironies surrounding the visit gave it a significance beyond protocol. Rajiv Gandhi had just okayed the next phase of a dubious campaign, championed by the party's pro-Soviet wing, against "foreign destabilization," to regain his government's standing in the wake of a series of debilitating scandals. Rajiv himself launched the campaign with a volley of rhetoric against the imperialists, their accomplices in the neighborhood, and traitors within India. Agitation over the U.S. military relationship with Pakistan—with the alleged bomb and AWACS sales in the forefront—is at a peak here now, and border tensions with China keep bursting into the headlines.

Even as the Rajiv Gandhi govern-

ment puffed up its "anti-imperialist" posture, the great-power designs of the mother of anti-imperialism, the Soviet Union, have led India's great friend to woo both China and Pakistan, the two main accomplices in the recent Congress (I) version of the plot against the country. It is this coincidence, and all it implies, that put a special edge on the Kremlin heavyweights' visit.

Most revealing was Dobrynin's May 22 meeting with the Congress (I) leaders, recounted in one local paper under the headline, "Dobrynin Decries India's Paranoia." Asked to comment on the destabilization issue, Dobrynin reportedly said, "You can only destabilize a country when you are internally not united. If the nation has this unity, no one can destabilize you."

It was not exactly what the Congress anti-imperialists wanted to hear, but according to one report, it was fully coherent with the Kremlin's careful response to the Indian government's recent complaint.

"The Soviet Union is India's friend. It does not anticipate a conflagration," Dobrynin replied to similar queries about China's intentions toward India. Dobrynin explained to the Congress leaders that the Kremlin had also had a problem with China, one that took 15 years of negotiation to begin to resolve.

On Pakistan, another key to the destabilization game, Dobrynin could have been mistaken for a U.S. State Department spokesman. Pakistan does *not* have a nuclear bomb, he stated, and spoke of hopes for peace between the neighbors. "You have a problem.

We had a problem. In the end, Pakistan will have to realize that Pakistan, India, and the Soviet Union are close friends."

If this was all a bit jarring to the ruling party, Dobrynin's meetings with the two Communist parties must have added a further jolt. Conveying the "firm view" that Delhi's policies are against imperialists and friendly to the U.S.S.R., Dobrynin still listened sympathetically to the Communist claims that the government's economic and social policies were "anti-people," cautioning only that the fight against destabilization must not suffer.

Though they have declined to join an opposition front against the government, both Communist parties have been cold to fervent entreaties from the Congress (I) to team up against the "destabilization."

For the rest, the "protocol" side of Dobrynin's visit yielded the expected. Meetings with Indian Foreign Minister N.D. Tiwari and Defense Minister K.C. Pant—significantly, Dobrynin's delegation included a major general of the Soviet Armed Forces—reviewed India's security concerns and the general situation in the region. Indian officials were briefed, in turn, on Soviet perceptions and initiatives, from Afghanistan to the Geneva talks.

Dobrynin affirmed that the Soviet Union would continue to extend cooperation in defense supplies and production technology, and at a dinner speech in Kashmir, where he vacationed for several days, Dobrynin heralded the cooperation in science and technology that would get a new boost with an omnibus agreement to be signed in July.

It was also determined that commercial and economic relations would be diversified to raise the annual \$3.6 billion Indo-Soviet trade two-and-a-half times by 1992.

International Intelligence

Spanish terrorists can't join Euro Parliament

A subgroup of the Rainbow Coalition of the European Parliament, known as the GRAEL, has decided to reject the application for membership by Spain's Herri Batasuna party, on the grounds that it "supports, in one way or another, violence . . . and promotes negotiation between armed organizations and the Spanish state." Herri Batasuna is the legal front for the ETA terrorists.

The announcement was greeted with some surprise in European political circles. The Rainbow Coalition itself is largely composed of pro-ecologist riff-raff, who have been involved in one scandal after another, concerning their relations with "reformed" members of the Red Army Faction (Baader-Meinhof Gang), their financing of the anti-French New Caledonian Liberation Movement, and other such causes.

The decision came in the midst of an uproar over the murder of two Socialist Party militants in Portugalete, Spain, in the course of a firebombing action presumed to be have been carried out by Batasuna members, rather than by ETA. It also followed the release to the Spanish authorities, of documents seized at the ETA Cooperative "SOKOA," documents said to prove the financial and other relations between ETA and the Herri Batasuna.

New riots, street battles threatened in Germany

Prior to President Reagan's June 12 visit to West Berlin, the Soviet-backed pro-terrorist milieu is threatening new riots and provocations throughout West Germany:

- West Berlin: A rioter, arrested during the May Day rampage, died in his prison cell at the end of May, and leftists are accusing the police of "murder." They are threatening "a storm of fire" to greet President Reagan when he visits the city.

- Goettingen: Terrorist leaflets caused the cancellation of the official celebration of

the 250th anniversary of Goettingen University. Police feared riots, in connection with a protest rally of 25,000 students. The leaflet said that the universities have to be "attacked" as "capitalist ventures."

- Wackersdorf: A "commemoration" of last year's Pentecost confrontation with the police at the nuclear reprocessing site is now on the agenda.

- Aachen: Unusual steps were ordered to protect Henry Kissinger, who received the Charlemagne Award on May 28, from attacks by anti-American rioters.

- The Green Party's parliamentary caucus in Bonn displayed a poster of Pope John Paul II, portrayed with a hole in his forehead, as if caused by a bullet. After protests from enraged Christian Democrats, the Greens removed the poster, which closely resembled the terrorist poster which had appeared before the pontiff's recent German tour.

Soviets stop jamming Voice of America

Voice of America broadcasts were not jammed the weekend of May 23, for the first time in seven years, a U.S. embassy official in Moscow reported. The apparent end of the VOA jamming comes on the eve of a visit to Moscow by Charles Z. Wick, director of the U.S. Information Agency (USIA).

However, Radio Free Europe and Radio Liberty, whose programs are sharply critical of the Soviets, reported intensified jamming of their service over the weekend. Radio Liberty broadcasts to the Soviet Union and Radio Free Europe covers Eastern Europe.

Malcolm S. Forbes, Jr., chairman of the Board for International Broadcasting, which oversees the two services, said "at least two of the Soviet jammers previously aimed at VOA have been redirected against Radio Free Europe-Radio Liberty."

At a Washington airport news conference, Wick linked the halt in VOA jamming to Mr. Gorbachov's alleged *glasnost* (openness): "Mr. Gorbachov seems to be very much more attuned to the need and value of

public diplomacy. We hope the Soviet decision on VOA signals a sincere initiative to open up their closed society. It's a positive step. . . . The spirit of *glasnost* in the Soviet Union, we hope, will not be selective and a temporary tactic."

Soviet foreign ministry spokesman Yuri Gremitskikh stated on May 26 that Russia had ended its jamming of Voice of America broadcasts, as an example of "openness" and "good will." However, Gremitskikh confirmed that jamming of Radio Free Europe and Radio Liberty would continue: "Their basic objective is to relay information that can undermine the internal security and stability" of East bloc countries, he stated.

U.S., Canada clash to Moscow's benefit

There is an increasing pattern of controversy between the United States and Canada, on issues ranging from access of U.S. submarines to the Arctic, to "acid rain," the Canadian purchase of nuclear submarines from third countries, fishing rights, and the ongoing legal case of former White House aide Michael Deaver, in which the Canadian ambassador has been asked to testify.

Lyndon LaRouche, in a statement issued May 26, warned that the disputes serve the interests of the Soviet Union.

Under the Soviet scenario, he wrote: ". . . Canada would become a neutralized buffer for the U.S. against Soviet positions in the Arctic region.

"This Soviet formulation was recently confirmed by statements of Canadian Foreign Minister Joe Clark, stressing the urgency of settling Canada's territorial claims to Arctic regions now part of the U.S. defense perimeter. The May 18 Soviet *New Times* contains a signal piece by Vladimir Ulasovich, signaling to Soviet agents and dupes around the world, that now is the time to push hard for a limited rupture in U.S.A.-Canada relations. . . .

"According to the *New Times* signal-

piece, the principal concern of Moscow is not that U.S. nuclear weapons might be based in Canada, but that NORAD radar facilities in Canada might be upgraded to meet the requirements of SDI for detection of Soviet missiles and submarines. . . ."

Communal violence flares up in India

At least 60 people were killed and several hundred wounded in religious riots between Hindus and Muslims, as violence flared up again in India May 22. Five days after riots broke out in Meerut, north of Delhi, violence spread to the old sections of the capital, *Le Monde* reported May 25.

Newspapers reported at least 100 dead. Police are now on general alert, and soldiers and reinforcements are being called into the Delhi area from as far away as India's southernmost province of Tamil Nadu.

Prime Minister Rajiv Gandhi said in a television address: "Nothing is more dangerous for our culture and our future than the cancer of communalism. We will survive in a secular India, or not at all."

Areas of Delhi looked like a battle zone, *Le Monde* reported, after deadly riots that began when police lifted the curfew to allow Muslims to attend mosques for the last Friday in Ramadan. Bands of Muslim youths set fire to Hindu homes, and were only driven back when the army was called out.

Council of Churches moves against Korea

World Council of Churches networks are deeply involved in the destabilization of South Korea, a council source said on May 24: "Global ecumenical solidarity with the churches and students of South Korea, against the government, is increasing," he stated.

"The regime is squeezed. I would say this regime will be finished by the end of the

year. There are similarities to the Philippines."

He stated that Catholic fathers and Protestant pastors, across South Korea, have begun hunger strikes against the regime. He said a key target date this year, would be a meeting in the second week of November of the Korean National Council of Churches, what he called an "international gathering on peace, justice, and unification of the Koreas."

This would involve participation of the "Consortium for the NCC/Korea," comprised of top American and European churches, including West Germany's Evangelical Church (Lutherans).

Kinnock: Britain is like Afghanistan

British Labour Party leader Neil Kinnock has created a small political storm in England by suggesting in a mid-May statement that the Soviet Union at some point in the future might occupy the British Isles, and British defense policy should be based on that prospect. Ever since, Prime Minister Margaret Thatcher, running against Kinnock and others in June elections, has been having a political field-day at his expense.

Kinnock argued that Britain's defense should be based on "making any occupation totally untenable," and cited Afghanistan as a model. Presumably, Britons were to prepare themselves for guerrilla war.

Britons were flabbergasted that someone could draw a parallel between the United Kingdom and a country in which 5 million people have been made refugees by Soviet invading forces!

During an election rally in South Wales May 24, Prime Minister Thatcher blasted Kinnock:

"He has left himself no policy but to yield to invasion and occupation and to trust in the forlorn hope that a guerrilla struggle would eventually persuade the army of occupation to withdraw. I do not understand how anyone who aspires to government can treat the defense of our country so lightly."

● **DAILY SKIRMISHES** have been occurring between the Israeli Army and Jewish settlers in the West Bank. The Central Command (West Bank) of the Army is now led by General Mitza, a staunch opponent of Ariel Sharon and extreme right wing settler groups. There have been two army interventions in the last 10 days, as settlers tried to break into the "Cave of Patriarch" in Hebron and the "Tomb of Joseph" in Nablus, both Muslim religious sites.

● **GEIDAR ALIYEV**, the Soviet Politburo's Mideast handler, has fallen into political disgrace, reported the *Baltimore Sun* on May 26. The deputy prime minister is expected soon to be ousted from the Politburo. He has not been seen in public for several weeks and has come under sharp indirect criticism for failing to improve consumer services. He is also reported to be under investigation for corruption.

● **SOVIET DEFENSE** Minister Sergei Sokolov led a high-level military delegation to North Yemen in mid-May. The talks centered on military cooperation between the two countries.

● **ARMED CHINESE** soldiers put an Irish AIDS carrier on a plane to Britain May 23. The man, who had a long history of drug use, was discovered to be carrying AIDS when Chinese doctors examined him after he fell from the Great Wall.

● **TELESPAZIO**, the Italian telecommunications agency, is considering using the Soviet space center at Baikonur to launch its satellites. Soviet Premier Nikolai Ryzhkov made the offer of the facility after the American *Challenger* disaster. The cost will be 25 billion lire for each launch. The Soviets say they will guarantee that there will be no inspection of Western payloads.

Reagan opens door to Constitution's destruction

by Kathleen Klenetsky

President Reagan has opened the door wide to the destruction of the U.S. Constitution, by foolishly deciding to throw his weight behind the movement to convene a constitutional convention.

Sources date Reagan's embrace of the constitutional convention idea to early this year, when certain of his economic and political advisers convinced him that the only way he could persuade Congress to adopt a balanced budget amendment, was through the convention route.

Previously, Reagan took a "neutral position" on the issue, one source told *EIR*. But after the Iran-Contra scandal broke, Reagan shifted his position sharply. Since the beginning of the year, the President has publicly endorsed the convention numerous times, and personally intervened in March to try to persuade the Montana state legislature to become the thirty-third state, out of a constitutionally-required thirty-four—to ratify legislation calling for a convention to be assembled.

Reagan's intervention failed—Montana rejected the convention resolution—but that did not dampen the President's enthusiasm for the idea. During the last week in May, the President gave two major addresses which centered on the theme of the constitutional convention.

In his radio address May 23, Reagan called on the American public to memorialize those killed in the attack on the *USS Stark*, by forcing more "responsible" action on the federal budget. Because of Congress's recalcitrance to enact balanced-budget legislation, said Reagan, the only alternative is to convene a constitutional convention for that purpose.

The President followed that up with a speech to the National Association of Manufacturers May 28, in which he assailed those who say that his economic policies have led to the deindustrialization of the United States—a charge which is absolutely true—and insisted again that a constitutional

convention must be held.

Reagan's decision to make the constitutional convention a key element of his political agenda, highlights most effectively how the President's incompetence in economic matters, and his hysterical refusal to admit that his economic recovery never took place, is leading him into actions which will bring utter ruin on the United States.

First of all, the balanced-budget amendment is a stupid idea in itself. It does nothing to address the fundamental problems of the U.S. economy—the declining tax base, the erosion of industrial and agricultural production—and would effectively prevent the nation from meeting the growing military threat from the Soviet Union. The most popular form of the amendment would permit the country to go into a budget-deficit situation, only in times of actual declared war.

The constitutional convention poses an even greater threat. There is nothing in the Constitution which would limit the actions of the assembly. So, even though President Reagan might want it to produce just a balanced budget amendment, in reality the convention could easily become, by accident or design, a free-for-all which would amend the Constitution out of existence. The potential for a run-away convention is especially great at the present time, because of the powerful movement set into motion by Trilateral Commission member Lloyd Cutler and others to abolish the present form of U.S. government, in favor of a virtual one-party, parliamentary dictatorship.

A 'lalapalooza' of a mistake

In a statement released May 24, Democratic presidential candidate Lyndon H. LaRouche termed the President's endorsement of a constitutional convention a "terrible mistake," one which could prove "fatal to the future existence of the United States." "I like Ronald Reagan," wrote LaRouche,

“but he does tend to make a number of blunders,” and this one is a “first-rate lalalooza.” LaRouche called Reagan’s proposal a “monstrous folly,” which would open the “flood-gates to destroy our Constitution,” and vowed, “On this one, I would fight the misguided President tooth and nail.”

The worst thing about the President’s economic policy, is not so much the fact, that he has no grasp of the ABCs of economics, LaRouche said, “but that he refuses to recognize his ignorance of the subject. So, we have a President who insists we must have a constitutional revision to balance the federal budget, after his administration, in six years, has piled up a bigger increase in the federal deficit than all previous administrations in nearly 200 years, combined.”

The reason for this huge deficit is not the lack of a balanced-budget amendment, LaRouche said, but the administration’s fundamental economic errors. “The way to increase the federal government’s revenues without increasing the tax-rates, is to increase the income of U.S. farms, industries, and households. President Reagan’s economic agenda has done exactly the opposite. Farm income has collapsed, industrial jobs are following the Dodo to the exit, the service jobs available are part-time, or bring in about half the income of industrial employment. Where has the growth been? In a spiral of financial speculation, adding up to the biggest financial bubble in history,” a bubble “about to pop.”

To balance the budget, the United States needs an “actual economic recovery,” according to LaRouche, with “farms back into operation, industrial work-places reopened, repairing the nation’s collapsing basic economic infrastructure, and high rates of investment in creating the advanced-technology work-places that will enable the U.S. to compete in the world market.”

The U.S. Constitution contains “all the powers which the President and the Congress need to balance the federal budget: the power to act in ways which stimulate real economic growth. In fact, the Preamble of our Constitution insists on government doing just that. . . . If a person knows how to read, everything absolutely essential is right there in the Preamble.”

The problem is that the Reagan administration “has not exactly lived up to that Preamble—which those folk took a solemn oath to uphold. . . . ‘Establish justice,’ for example: as I look around this country, and as I know personally, the Reagan administration seems not to know what ‘justice’ means. ‘Provide for the common defense’: there, the administration has been a bit better on performance, up to the point they have to choose between defending the nation and defending Gramm-Rudman. ‘Promote the General Welfare’: this administration seems not to know what ‘General Welfare’ is.”

The National Taxpayers Union

It is clear from the way in which the President has couched his discussion of the convention, that he has been led to believe that the mere threat of a constitutional conven-

tion will be enough to force Congress into adopting a “BBA.”

This ridiculous line was first concocted by the National Taxpayers Union (NTU), the principal group organizing state legislatures on behalf of the constitutional convention call. The NTU was established in 1969 by James Davidson, an Oxford-trained American with an affected British accent. On its board are such luminaries as James Buchanan, the Nobel prize winner in economics (a sure sign of incompetence) and fanatical Friedmanite, along with Richard Lamm, the former Democratic governor of Colorado who thinks the elderly and handicapped should “die and get out of the way.” Sens. Bob Dole (R-Kan.) and Dale Bumpers (D-Ark), and Rep. Les Aspin (D-Wisc.) are among the many members of Congress affiliated with the NTU.

The NTU claims that a constitutional convention will never take place—although they expend an awful lot of time and money to ensure that it does. Instead, says NTU spokesman Sheila MacDonald, the aim is to use the threat of a constitutional convention to “scare” Congress into legislating a balanced-budget amendment.

The NTU argument is complete nonsense. For one thing, they have been only two states short of the necessary 34 for several years—and Congress still hasn’t acted. Will one more state make that much difference? For another, although there are moves afoot in at least five states to rescind resolutions endorsing the constitutional convention, there is a very good chance that the two more states will sign onto the convention before these other states withdraw their approval. According to the NTU, three states could adopt pro-constitutional convention bills this year—California, where the state legislature will hold a hearing on the issue June 10, New Jersey, and Hawaii.

Thus, it seems far more likely that the NTU employs this argument to convince less sophisticated types (including the President) that they can clamber on board the constitutional convention bandwagon, without having to worry about the consequences, since it will never happen. But, of course, it could—and soon.

If Reagan’s embrace of the constitutional convention hasn’t scared Congress, it has surely upset many of his grassroots loyalists. The Eagle Forum, run by conservative activist Phyllis Schlafly, has organized a coalition for the specific purpose of halting the convention momentum, warning that Lloyd Cutler and his anti-Constitution allies in the Committee on the Constitutional System will seize control of a convention, to ram through their scheme for transforming the United States into a parliamentary system. “We are extremely disappointed that President Reagan has come out in favor,” a spokesman said.

Similarly, the Daughters of the American Revolution adopted a resolution at its April national convention calling on its members to get their respective legislatures to rescind. The resolution specifically cited Cutler’s CCS, accusing this “powerful group of elitists” of wanting to restructure the Constitution into a “new world order.”

AIDS 'hottest issue' in the states

by Kathleen Klenetsky

AIDS has so frightened the American population, that measures to deal with the epidemic are now dominating the agendas of many state legislatures. AIDS ranks number-four on the list of legislators' priorities, and is expected to jump to the top of the list by next year. According to Carol Thomas, of George Washington University's Intergovernmental Health Policy Project, AIDS is the "hottest political issue at the state level."

A recent survey conducted by the GWU project revealed that over 350 separate pieces of AIDS-related legislation had been introduced in state legislatures across the country during the first three-and-a-half months of this year. Only a few have been enacted, but, says one analyst who has been monitoring the situation, "I wouldn't be surprised if more than half the states passed some kind of AIDS measure by the end of the year."

The state-level legislation ranges widely. Some proposals would merely allocate more funds for AIDS education, or for distributing free condoms. But many would mandate tougher measures, including mandatory testing of certain groups (e.g., marriage-license applicants, food handlers, et al.), contact-tracing, and limited quarantine of AIDS carriers.

Like Proposition 64, the California ballot initiative which was defeated last November by the state's powerful homosexual lobby, backed by the American Medical Foundation for AIDS Research, a group funded heavily by Soviet agent Armand Hammer, many of the state bills seek to classify AIDS as a communicable disease, subject to the same kinds of public health measures as tuberculosis or syphilis.

As one source put it, there is "a very definite trend toward legislation that codifies existing public health measures, mandates that these measures be applied to AIDS carriers, [and] gives public health officials enhanced enforcement power."

The prevalence of these bills confirms that most Americans haven't bought the lies promulgated by the Centers for Disease Control and the Surgeon General's office that AIDS cannot be transmitted casually, and that mandatory testing will drive AIDS carriers underground. A recent poll conducted by the American Medical Foundation found that only 27% of the population trusts what the medical and scientific experts say about AIDS.

The most promising legislation under consideration is in

the Illinois and Colorado legislatures. Bills there would empower public health officials to require some mandatory testing, contact-tracing, and isolation of some AIDS carriers.

The Illinois House and Senate have passed several AIDS bills, although none has yet been made law. In mid-May, according to the *Chicago Tribune*, the House voted up several measures that would require local health departments to report to school officials the identity of children who are infected with AIDS; require people convicted of sex offenses, including prostitution, to be tested; require health workers to tell their employers if they have AIDS; and make it a felony for an AIDS carrier to deliberately donate blood.

At the same time, the Senate adopted the Illinois Sexually-Transmitted Disease Act, by a vote of 40-15. Its chief sponsor, Sen. Aldo De Angelis (R-Chicago Heights), describes the bill as a "comprehensive act," which "defines the steps the Public Health Service has to take" to deal with the disease. In an interview with *EIR*, De Angelis said his bill would permit quarantine under three circumstances: if a person volunteers for quarantine; if a high-risk establishment shows an unusual cluster of AIDS infections; and if an individual is "willfully and knowingly" transmitting the disease and "endangering the public health." In the last case, the individual could also be charged with a Class IV felony.

The legislation would also require contact-tracing, and would mandate the Department of Public Health to test individuals who may be carrying the disease to take an AIDS test. If they refuse, the DPH can obtain a warrant.

While public health officials already have many of these powers, they have never been codified in law, and thus the authorities are afraid to use them, said De Angelis. His bill will provide that legal back-up. "If you're going to deal with a public health problem of this magnitude," he said, "you need enforcement."

De Angelis told *EIR* that, three weeks ago, he would have said that his bill had an extremely slim chance of passage. "Now, it will almost certainly become law." De Angelis attributed this shift to recent revelations that the state health department has done little to stem the spread of the disease, and to a new study showing that Illinois has the fastest-growing body of AIDS carriers in the Midwest. The study projects that 500,000 state residents will be infected with the virus by the 1990s, and that 19,000 of them will die from it annually.

In California, meanwhile, state voters will get an opportunity to vote for an AIDS referendum almost identical to Proposition 64. On May 26, former officials of the Prevent AIDS Now Initiative Committee (PANIC), the key force behind Prop 64, submitted to the state Attorney General a draft ballot initiative to appear on the same 1988 ballot as the presidential primary in the state of California.

It will be a lot harder for the homosexual activists, Hollywood celebrities, and Armand Hammer to defeat the measure this time around.

Rights panel promises independent inquiry into 'LaRouche case'

The Fact-Finding Committee of the Commission to Investigate Human Rights Violations in the United States began public hearings May 26, on alleged human rights and constitutional rights violations in the case of state and federal actions against U.S. presidential contender Lyndon H. LaRouche, Jr. and his associates.

LaRouche associates have charged that a faction of the Department of Justice, acting on behalf of both the Soviet Union and the U.S. Liberal Establishment, are waging a political witchhunt against their political movement.

During the two days of hearings in Washington, the Committee's six lawyers from four countries, advised by two English attorneys, heard detailed testimony on the pattern of government actions against LaRouche associates since Oct. 6, 1986, the closure of publications associated with LaRouche, and allegations of Soviet involvement in instigating "legal measures" against LaRouche.

Committee chairman Don Victor Girauta y Armada, an attorney from Barcelona, Spain, explained the purpose of the group. "We, as professionals from different legal communities, are observing, with affliction, that the world's severe crisis is causing the failure of many well-established institutions, with the increasing danger of lawlessness. We have been requested, by some friends and supporters of Mr. Lyndon LaRouche, to examine some facts and circumstances in reference to the series of state and federal prosecutions of Mr. LaRouche associates. . . . As an independent committee, and as lawyers, we are here with the intention to investigate the facts, documents, and all possible information we can get in connection with this case."

Girauta said the Committee planned to "make some official contacts, so as to be able to have a clear, objective opinion about the matter," and will eventually issue a report that "will be sent to all the legal communities in the Western world."

"We are focusing our work, for the time being, on supposed human rights violations in the United States," he explained, "from the recognition that no other country has any chance to maintain its freedom, if the freedom in the United

States cannot be defended."

The other members of the Committee are: Dr. Edwin Vieira, Secretary, an American attorney and constitutional law expert; S. C. Birla, counsel of the Supreme Court of India and Secretary-General of the All-India Bar Federation of New Delhi; Dr. Frederick Wills, former Minister of Justice and of Foreign Affairs of Guyana, and now a U.S. resident and professor of constitutional law; Lennart Hane, a Swedish expert in international law, attorney at the European Human Rights Court in Strasbourg, and author of the book *Creeping Dictatorship*; and Larry Lopez-Alexander, U.S. attorney at law and former municipal judge.

'The American ideal of freedom'

The aim of the hearings was elaborated by Kenneth Richardson, Senior Queen's Counsel in England and former chief prosecutor at London's Old Bailey Court, who is acting as an adviser to the Fact-Finding Committee. "We are not here as politicians," said Richardson, introducing himself and his junior, attorney Jill Gort, "but as properly instructed legal advisers to this Fact-Finding Committee." "We have looked up to and admired the American ideal of freedom, out of which the American Constitution was born, and thus, we're happy to assist those who wish to champion the right of persons to express their views without fear of harassment or reprisal." Richardson invited anyone with relevant information on the topic to contact the Committee. He then outlined the main areas of investigation:

"We are anxious to find out, if there is justification for branding Lyndon LaRouche, and those who support him, as 'political extremists,' 'subversives,' 'fascists' . . . or, is the alternative view tenable, that his political writings—and certainly if one judges him only on that—would suggest on the face of them a man whose political philosophy many quite ordinary and reasonable people would find moderate. And I'm not going to go into any of those matters now: You know what I'm talking about, his views on fighting AIDS, SDI, and the various matters that he considers important. But I repeat, we're not here to look into the political side of the

views of any political character or political party.”

The Committee, said Richardson, will consider “whether there has been a longstanding and continued harassment” of LaRouche and supporters. The group particularly wants to investigate the circumstances surrounding the Oct. 6, 1986 raid of nearly 400 federal and state agents in Leesburg, Virginia, and “whether the show of force that was there used could conceivably be justified in the circumstances in which it was used.”

Richardson said the Committee will also consider the circumstances in which contempt proceedings resulting in \$21 million in fines were brought against four LaRouche-associated entities, and the bankruptcy proceedings which followed. “The problem about bankruptcy proceedings in relation to people who are to face criminal prosecution,” Richardson noted, “is that they may be deprived of the resources and of what they need to put forward a proper defense.”

“It is alleged,” he said “that there has been a concerted effort to close down all Lyndon LaRouche-connected businesses and publications, and there is the worry . . . first of all, that that might be prejudicial to criminal trials that are coming up, and secondly, that his own position as a presidential candidate will become, if it has not already, seriously flawed in such a way that fundamental rights are being infringed.”

A pattern of harassment

The first witness to be heard was Sanford Roberts, a paralegal aide to some of the organizations involved, who described the government’s legal attacks on LaRouche-associated organizations. He testified to the role of the FBI and the news media, especially NBC, in instigating the Boston Grand Jury investigation (started in October 1984 by then-U.S. Attorney in Boston William Weld, who was appointed last year to head the Criminal Division of the Department of Justice), and the immediate effect on the LaRouche 1984 presidential campaign. He testified that FBI agents instigated a New Jersey bank to freeze LaRouche campaign funds, leading to cancellation of a scheduled LaRouche TV broadcast on the night before the presidential election.

Roberts proceeded to outline the extraordinary events of the past eight months, starting with the Oct. 6, 1986 raid in Leesburg, and leading up to the April 21, 1987 closing of two businesses and a scientific foundation.

Roberts was followed by Lewis du Pont Smith and his wife, Andrea Diano Smith, who testified to the denial of their constitutional rights, because of the opposition of his wealthy family to his political association with LaRouche. Smith was declared “mentally incompetent” and was politically and socially disenfranchised by a court that, acting at the instigation of Smith’s family, issued its ruling simply on the basis that Smith was supporting LaRouche both financially and politically.

The following day, the Committee heard testimony from *EIR* Counterintelligence Editor Jeffrey Steinberg, who presented evidence of mounting Soviet government pressure on the U.S. government to “terminate the political and publishing efforts” of LaRouche and his associates. Steinberg detailed LaRouche’s key role, since the late 1970s, in developing and promoting the policy of Strategic Defense Initiative. Within months of President Reagan’s adoption of SDI as U.S. policy in March 1983, said Steinberg, the Soviets began a “continuous stream” of propaganda attacks on LaRouche, culminating in a demand for “legal measures” by the U.S. government against LaRouche in September 1986, only weeks before the Oct. 6 raid in Leesburg. Steinberg detailed the kind of channels through which the Soviet Union could influence the U.S. government, focusing on official channels like the Justice Department’s Office of Special Investigation, and “back channels” including Dr. Armand Hammer, Edgar Bronfman, and other individuals and associations.

Then Carol White, of the Fusion Energy Foundation, outlined the role of the FEF and *Fusion* magazine in circulating and promoting ideas and policies on the frontiers of science and, in opposition to the idea that the FEF was “bankrupt,” showed that *Fusion’s* circulation had increased to 114,000 and that paid advertising had greatly increased, shortly before the magazine was shut down by the bankruptcy court.

Next Nancy Spannaus, editor of the newspaper *New Solidarity*, traced the history of attacks on her newspaper dating back to the mid-1970s, and testified that *New Solidarity* was a pioneer in coverage on such topics as AIDS and the SDI.

Dr. K.D. Sharma, of India, testified on the brutal treatment of LaRouche associates in court proceedings, emphasizing the treatment of Mark Calney, for whom \$500,000 bail was originally declared, by a California judge who specified that the reason for such exceedingly high bail, was his political association with LaRouche.

The last to testify was *EIR* counterintelligence expert Herbert Quinde, who gave a blow-by-blow eyewitness account of the raid against LaRouche-associated organizations in Leesburg on Oct. 6, 1986.

Each individual who testified was questioned by committee members concerning details of testimony, and most were asked to produce material substantiating their statements. Each was also asked to refrain from drawing conclusions, and to limit themselves to factual statements.

The Commission will soon issue transcripts of the hearings, and the Fact-Finding Committee has tentatively scheduled further hearings in July, to investigate allegations made thus far, especially those by Steinberg concerning the Soviet instigation behind the legal attacks, and the government’s attempts at security-stripping conducted against LaRouche. The Commission will also have observers present at various court appearances of LaRouche-associated individuals.

Vendetta against LaRouche is charged

Ralph de Toledano
Copley News Service

WASHINGTON—Let me say first that I hold no brief for Lyndon LaRouche, his political movement, or the organizations and publications he has engendered. In writing what follows, moreover, I open myself to attack from individuals who froth at the mouth if you dare so much as to say that the man is not Satan incarnate.

Let me also iterate my conviction that whatever we may think about LaRouche and his political movement, they are entitled to the full protection of the law and the Bill of Rights. If they transgress, they must be tried and convicted under the laws of the United States and not in star chambers.

What seems self-evident, however, is that the Justice Department is engaged in a conspiracy to silence Lyndon LaRouche and his movement, to destroy the organizations he heads, and to suppress the newspapers and magazines they publish. Under the circumstances, we will never know whether the LaRouche movement is guilty as charged or whether it is

subject to a frame-up.

LaRouche and the other defendants may be thrice-guilty of the charges leveled at them, but this does not warrant the vendetta mounted against them by the Justice Department or its campaign of thought-control.

“Conspiracy” and “vendetta” are rough words, but I consider them justified by the all-points litigations, the deprivation of due process, and the violation of First Amendment rights by our law enforcement agencies.

Consider that a judge in California set bail for one defendant at \$500,000 simply because he was, in the judge’s words, “part of that Lyndon LaRouche national and international organization.”

Note too:

A phony contempt-of-court citation was slapped against LaRouche’s political party and three of his organizations in order to padlock them and put them out of business.

Executive Intelligence Review, a LaRouche publication, was locked out of its offices and its property seized even though it was named in no indictment.

Legal techniques never heretofore dreamed of were devised to harass the LaRouche movement and its organizations.

The editorial offices of two LaRouche publications were seized and their staffs barred from entry, in direct violation of the First Amendment.

Promissory notes—loans to aid LaRouche’s quadrennial presidential campaigns—were deemed “securities” by the government, with 16 LaRouche party officials indicted for unlawfully engaging in the sale of securities.

The catalog is long, with some actions taken by the government hard to believe but for the fact that even a media hostile to LaRouche has reported them, and it continues.

Now, as I pointed out, Lyndon LaRouche is a highly controversial political figure who has made many enemies.

His rhetoric, and that of his publications, is frequently abrasive and sometimes highly abusive. He has fought the traditional political parties with a passion. He conducts an intelligence operation that has high-level contacts with Central Intelligence Agency and with other intelligence services, and is more often right about what is going on in the Soviet Union than the State Department.

Whether LaRouche and his movement are on the side of the angels or against them is, in my book, irrelevant. The government has the right and the duty to move against them if they have cut legal corners—but no right to throw the Constitution and the U.S. Code out the window in order to intimidate and suppress them.

I am frightened by the behavior of the Justice Department. If it can throw away the book in dealing with one “unpopular” movement, it can do it against anyone.

Ralph de Toledano, a nationally syndicated columnist, is the author of a biography of Richard Nixon.

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Thurgood Marshall, Oliver North, and the Tories of the 1780s

by Anton Chaitkin

Third in a series.

On May 6, Supreme Court Justice Thurgood Marshall publicly joined the “parallel government” in its attack on the U.S. Constitution. Marshall declared that the Constitution had “endorsed slavery” and had not allowed women to vote, and he criticized public enthusiasm in the celebration of the Constitution’s bicentennial year.

Col. Oliver North and his fascist backers in “Project Democracy” say that constitutional government is an impediment to the effectiveness of their operations. While Special Prosecutor Walsh, Senate Intelligence Committee Chairman David Boren, and others press their investigation of the anti-American spook world of the “parallel government,” let us now review the original fight, in 1787-88, over the value of the Constitution.

The Philadelphia Convention having drafted the document, the people of each state were to decide on its ratification. Should the people of the United States, having defeated the British colonial overlords in war, now constitute themselves a nation, with a national government? Two years of riots and threatened anarchy throughout the country made the question an emergency.

The British nabobs, at this very moment planning the opium enslavement of India and China, had by no means resigned themselves to the loss of America, peace treaty or no! British colonial “theories of limited national sovereignty,” pushed in France by their Swiss spies Jacques Mallet du Pan and Jacques Necker, had just (1786) resulted in the British-French Free Trade Treaty. This would quickly destroy French industry, and introduce hunger and chaos leading to insurrection against the American-allied government.

Would agrarian America, swamped with imported British goods, likewise sink, and break apart? The ratification fight, between American nationalists on one side, and the agents and dupes of British interests on the other, would decide that question.

The national contest was tightly organized, from the top down, on both sides.

The anti-nationalists

The opposition was coordinated by a small New York group, which had chosen to name itself the “Federal Republicans”—similar semantically to Mikhail Gorbachov’s “openness” and Colonel North’s “Project Democracy.” The group’s director, New York Collector of Customs John Lamb, corresponded secretly, in code, under false names and false covers, with anti-nationalists in every state.

Lamb’s father, a burglar whose partner had been hanged, was put into the British equivalent of our present-day Federal Witness Protection Program: He was sent to America and became a respectable colonial merchant. Young John Lamb emerged as a violent street agitator, at first against the British. At the outset of the Revolutionary War, however, Gen. Richard Montgomery wrote that Lamb was, within the American army, “a restless genius” with “a bad temper. . . . He has been used to haranguing his fellow-citizens in New York, and cannot restrain his talent here.”

From 1775 until 1780, Lamb’s military career was closely linked with those of Gen. Benedict Arnold and Col. Aaron Burr. During the 1788 New York fight over ratification, Lamb’s traitorous proclivities and his pro-British covert operations against the Constitution became publicly known, and his house was besieged by an angry mob. John Lamb survived, was reappointed New York Customs Collector, was caught stealing a large sum from the new U.S. government, retired, and never went to jail.

The New York opposition headquarters was aided nationally by a Pennsylvania-based covert operative, British immigrant-publisher Eleazer Oswald. After his side lost the ratification fight, Oswald went off to France and became an official espionage agent for the French Revolutionary government. After he returned to America, Oswald’s anti-nationalist publishing activities reached a high point of provocation when he shot publisher Mathew Carey in a duel. Carey survived to teach economics to Henry Clay, as Carey’s son Henry was to teach economics to Abraham Lincoln.

Lamb and Oswald are known today only by specialized historians of the period. The political leaders, whose work

against the Constitution they coordinated, include only a few more widely known figures.

In New Hampshire, an outright Tory, Joshua Atherton, led the fight against ratification. The Constitution would give Congress the right to outlaw the slave trade beginning in 1808; but Atherton, who had sided with the British army during the war, had suddenly become so freedom-loving that he demanded the national government not be formed. This was to be the cry of British-allied Boston abolitionists years later: Let the slave-owners secede from the Union, and keep their slaves—out of the Union! Nationalists from Franklin to Clay to Lincoln fought for a strong, lawful Union in which slavery would gradually be stifled by the growth of technology and a skilled urban population.

Justice Thurgood Marshall's attack on the Constitution is in the tradition of the anti-Unionists, the Tories, and the agit-prop Communist Party rhetoric of the 1950s.

In Virginia, the opposition was led by Patrick Henry, a man widely known among American patriots as a loud faker. In 1784, Henry had tried to reestablish the Episcopal Church as part of the government of Virginia. Defeated in this by Thomas Jefferson and James Madison, Henry then tried to impose a tax to support all approved religions. Jefferson, aggravated by Patrick Henry's statist "religious" proposals, wrote sarcastically to Madison, "What we have to do, I think, is devotedly to pray for his death."

In the Virginia ratification convention, Patrick Henry tried a different rhetorical program from that of brother Atherton in New Hampshire. *Henry warned the delegates that, under the strong central government of the proposed Constitution, "They'll free your niggers!"* Slave-owner George Mason, who argued that the Constitution wasn't abolitionist enough, threw consistency to the winds and complained that the Constitution would make it legal to tax slavery out of existence.

The chairman of the Virginia ratification convention, Judge George Wythe, decided in 1806—at age 80—that a certain family of slaves should be declared free because the Constitution and the Bill of Rights had made slavery illegal. Viciously, personally attacked by Anglophile anti-nationalist "legal experts," Wythe was immediately assassinated, along with his freed slave and heir. Wythe had written the rules for the Constitutional Convention in Philadelphia, signed the Declaration of Independence, taught law to John Marshall, and served as stepfather to both Thomas Jefferson and Henry Clay.

The ratification convention in Pennsylvania was the first American theater of political operations for Swiss-immigrant aristocrat Albert Gallatin. His family had helped arrange for the sale of Hessian mercenaries to King George III for the war against America. Now Gallatin ran the opposition to Pennsylvania's ratification of the plan for an American national government. Through his floor captain John Smilie, Gallatin and his western Pennsylvania machine battled Ben

Franklin's Philadelphians and lost two-to-one.

Gallatin preached to Americans that any government must be oppressive, and it was better to leave the world's serious affairs to be handled by powerful private interests, such as by the merchant oligarchs running Switzerland. He formulated the economic theories which were put forward against the administration of President George Washington. As U.S. Treasury Secretary from 1801 to 1813, in a government whose establishment he had opposed, Gallatin responded to British naval assaults and terrorism by systematically dissolving the

Criminals, oligarchs, and Soviet agents now attack our country's basic law as inexpedient, or "oppressive." Abraham Lincoln answered a similar attack.

U.S. armed forces. He is the forefather of the insane "Gramm-Rudman" austerity doctrine of the present day.

The victorious nationalists

The fight for ratification of the Constitution was run by the central leadership of the Revolution, based in Franklin's Philadelphia.

The Pennsylvania legislature, attempting to call a state ratification convention, was stalled when the Gallatin-Smilie forces staged a walkout and prevented a quorum. Pro-Constitution laborers and tradesmen, incensed by this behavior, went to the houses of two of these anti-federalists, broke in, and dragged them kicking and screaming back to the legislature.

James Wilson, who had played a crucial role in shaping the most advanced features of democratic republican government in the previous summer's Constitutional Convention, went on to lead the republican forces at the Pennsylvania ratification convention. Robert Morris, Superintendent of Finances for the Revolution, and his assistant, Gouverneur Morris, who had written the Preamble to the Constitution, conducted the behind-the-scenes leadership in the Pennsylvania ratification fight.

Alexander Hamilton personally carried New York State through to ratification. Hamilton's writing of the *Federalist Papers*, with his allies James Madison and John Jay, gave Americans at large the experience, unique in world history, of analyzing and debating on their government before it had taken effect.

Hamilton's own pro-Constitution political base was among the working class voters of New York City; the opposition was strongest in upstate regions dominated by the old Dutch

land barons of the Albany region.

In the ratification convention, Hamilton faced down Gov. George Clinton, who was playing political games in support of the anti-nationalist organizing of John Lamb. Hamilton let it be known that if Clinton's forces stopped New York from ratifying, New York City would secede from New York State and join the United States on its own, leaving the state poor and powerless. At this, Clinton's political patronage machine crumbled and the nationalist victory was won.

James Madison, at that point still a rock-hard nationalist, led the fight for ratification in Virginia. Madison later would follow Jefferson into the pro-free-trade attacks on Hamilton and Washington, in the Jeffersonian enthusiasm for the French Revolution. Later still, in his old age, Jefferson wrote to Lafayette that he knew the French anarchist "revolutionaries" had been paid British agents; and he and Madison came back increasingly to the Hamiltonian economic viewpoint of the Founding Fathers.

James Madison supervised the nationalist effort at the Virginia ratification convention, united, by means of constant express horses back and forth to New York, with his ally Hamilton. Hamilton had worked out the same close coordination with John Sullivan and John Langdon in New Hampshire, and with Rufus King in Boston. Robert Morris and Gouverneur Morris, leaders from the nationalists' headquarters in Philadelphia, personally came down to help out at the Virginia ratification convention.

The Massachusetts ratification fight saw the state's old revolutionary leadership back in action. A sort of political theater was pre-arranged. Paul Revere organized a boisterous mob of citizens to appear before the home of Sam Adams, demanding that Adams support the Constitution. Adams, as the master of mass politics, felt he could not afford to appear to have decided too soon, in favor of the new government. But with the demonstration on his doorstep, Sam Adams said he would "follow the will of the people." Adams went to the egotistical John Hancock, told him that the world now waited to applaud Hancock's decisive choice, and won him over. Anti-constitutionalists were then outclassed at the Massachusetts ratification convention.

The constitutional government, successfully ratified by the people of the 13 American states in 1787-88, is the furthest advance of human liberty up to the present time. Criminals, oligarchs, and Soviet agents now attack our country's basic law as inexpedient, or "oppressive." Abraham Lincoln answered a similar attack, speaking in Springfield, Illinois, June 26, 1857, on the subject of the Declaration of Independence, in words equally applicable to the Constitution:

"Its authors meant it to be, thank God, it is now proving itself, a stumbling block to those who in after times might seek to turn a free people back into the hateful paths of despotism. They knew the proneness of prosperity to breed tyrants, and they meant that when such should reappear in this fair land and commence their vocation they should find left for them at least one hard nut to crack."

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Ted Kennedy builds presidential image

Ted Kennedy has put his presidential ambitions on permanent hold, maintains no interest in the 1988 Democratic nomination, and has decided to take on the role of party elder statesman, instead. Right? If you believe that, you could be in for a big surprise.

During the last few months, Ted has undertaken some intriguing junkets, which suggest that he's systematically expanding his political base for a possible presidential run.

Most interesting was his mid-May trip to Poland. Flanked by Solidarity leader Lech Walesa, Kennedy addressed a Solidarity rally in Gdansk. Invoking his brother John's famous trip to Berlin, Kennedy told the cheering crowd, "*Jestem Polakiem*" ("I am a Pole"). He praised Solidarity for fighting against "tyranny, repression, and for human rights," asserted that "my family has had a special feeling for your country," and that "we're having such a good time now, we're going to come back again and again and again."

Upon leaving Poland, Kennedy flew to Rome to meet with the Polish Pope, and from there was expected to fly back home for a series of meetings with Polish-American groups.

What makes all this particularly intriguing is the following: About a year ago, *EIR* was told by several old Kennedy hands, that Teddy would run for the Democratic nomination, no matter what he said in public. Kennedy intended to change his image, dropping his super-liberal, I-love-

Gorbachov profile, they said, in favor of a born-again hawkishness, with special emphasis on the "captive nations" issue. The object would be to increase his appeal among ethnic Americans, especially those hailing from Eastern Europe. Although a traditionally Republican constituency, this important voter bloc has deserted the GOP *en masse*, in disgust at the Reagan administration's actions on the John Demjanjuk and Karl Linnas cases.

It looks like Kennedy may have launched his presidential bid in Gdansk. With all signs pointing to a brokered Democratic convention, the option becomes more plausible.

Simon's simple strategy

Senator Paul Simon, the Illinois Democrat who claims to be the only true New Dealer among the pack of Democratic presidential hopefuls, intends to "ride the balanced-budget amendment straight to the White House," according to people familiar with his campaign strategy.

Simon, part of the hapless Adlai Stevenson machine in Illinois, has been a longstanding proponent of a balanced-budget amendment, and introduced a bill along these lines as his first act upon being elected to the Senate. Aide Deborah Levy says that Simon will introduce another version of the "bba" soon.

Campaign issues adviser Paul Furga reports that Simon will make the balanced-budget amendment "a big issue" in the '88 race. "He's really committed to balancing the budget; he's a 'pay as you go Democrat,' and doesn't think we should add new services, unless you pay for them first."

Simon may also clamber aboard the anti-Constitution bandwagon. As chairman of the Senate Judiciary sub-

committee on constitutional affairs, the senator has slated a series of hearings on constitutional "reform," to hear from Lloyd Cutler and other members of Cutler's Committee on the Constitutional Commission, expound upon their recommendations for replacing the Constitution with a parliamentary form of government.

Robertson roiled by not-so-holy wars

Pat Robertson's White House fantasies have come crashing up against the hard realities of the so-called Pearlygate scandal.

Although Robertson himself has not been directly involved in the increasingly acrimonious cat-fight between TV evangelists Jim Bakker and Jerry Falwell, the fact remains that Bakker got his start in the lucrative field of TV ministry under Robertson's tutelage.

Robertson disclosed several weeks back that contributions to his Christian Broadcasting Network had fallen to their lowest level in four years, and were not expected to rebound for several months at least.

In a meeting with reporters May 23, Robertson revealed that his presidential campaign has encountered unexpectedly rocky going, and that he had decided to run a TV ad campaign later this year to counteract his negative image.

One measure of just how negative that image is, comes from a Gallup Poll conducted in late April. The poll showed that 54% of Republican voters thought Robertson would make a "poor" President, while only 15% thought he would do a good job. The poll also showed that Robertson's personal image and political stature had declined appreciably in the wake of the Pearlygate revelations.

National News

Are Feds closing in on Washington mayor?

Washington, D.C. Mayor Marion Barry, whose political machine stems from the heyday of the "poverty pimps" during the 1960s and 1970s, told a press conference May 27 that he believes he is not the subject of a federal probe, although two of his assistants have been indicted and eight have resigned during investigations by the FBI and the U.S. Attorney for the District, Joseph di Genova.

David E. Rivers, Barry's close friend and the head of Human Services, appears to have been "stung" by federal investigators from whom he received gifts in exchange for city contracts. The agents were informed by one company that Rivers demanded kickbacks for a contract, and the FBI thereupon set up its own dummy company to bid on city contracts.

Barry himself was implicated in a drug conviction case against a city worker and personal intimate, Karen Johnson; another of Barry's female associates was recently found dead of a drug overdose in the apartment of Barry associate and city contractor John Clyburn. Clyburn is involved in other city-contract charges; and three other associates are accused in kickbacks-for-contract cases.

VA patients may be tested for AIDS

The Reagan administration is considering a plan to test all Veterans Administration hospital patients for AIDS, reported the *Washington Times* May 27. The *Times* quotes a senior official saying the President could begin the testing in VA hospitals "with the stroke of a pen. They're already taking blood from patients."

The official added, "You've got to let the people taking care of patients know if they're infected," noting reports of casual

contact infections in three hospital workers.

The proposal for AIDS testing in VA hospitals is part of a larger package that was expected to spark fierce debate at a Cabinet-level Domestic Policy Council meeting May 27, according to *Times* sources. The protesting faction is led by Secretary of Education William Bennett, advocating mandatory AIDS tests for convicted criminals, aliens entering the United States, couples seeking marriage licenses, and hospital patients, while the anti-testing faction, led by Surgeon General Everett Koop, opposes mandatory testing, period.

TV networks feature euthanasia propaganda

CBS television targeted doctors and modern medical technology as monsters in its Sunday Night Movie May 24. "Baby Girl Scott" pits doctors who "play God" against two parents whose child was born three months premature and with multiple disabilities.

The film is done from the standpoint of parents who want their child disconnected from a life-saving respirator. Each scene of the infant's intensive care unit is presented with impending-doom sound effects reminiscent of Dr. Frankenstein's laboratory. The mad scientists are, of course, neonatologists, who battle all odds to save the child. They are accused of experimenting with human beings, and are asked: "Are you trying to prolong life, just to prove you can do it?"

ABC television, on the other hand, invited its views to commit suicide in "When the Time Comes," the network's Memorial Day broadcast. The film was done in collaboration with the Hemlock Society, advocates of "assisted suicide."

The film is clearly designed to break down viewers' opposition. A young woman with cancer reads about "assisted suicide in 'a women's magazine,'" and then pleads, first, with her unwilling husband, then a best friend, to help her kill herself "when the time comes"—before she gets hooked up to a machine and becomes "not human."

All the "facts" in the movie came from

the Hemlock Society, which was referred to in the film repeatedly as "an organization in L.A. that says it is okay to do it. Lots of people do it. They will even send you a list of what drugs to take and where to get them."

The friend decides to "help" after looking into an intensive care ward and seeing a comatose patient with shaved head, filled with tubes, and surrounded by shrill beeps, pulsating monitors, and bizarre sounds—all heightened dramatically for persuasive effect.

Call for radars based in space

A call for space-based radar systems has been issued by Gen. John Piotrowski, commander of the North American Aerospace Defense Command and the U.S. Space Command. In an interview at his headquarters May 23, Piotrowski said: "The goal is to track all aircraft from all potential aggressor nations and know where they are at all times. There's absolutely no question about it: The least expensive way of maintaining surveillance is from space. It's cheaper, and it's ubiquitous; it's always there."

He estimated a surveillance network of 12-15 radar satellites would cost between \$6 billion and \$10 billion.

Piotrowski said the Soviets have deployed two types of satellites to watch the Persian Gulf. One is the EORSAT (electronic ocean reconnaissance satellite) and the other RORSAT (radar ocean reconnaissance satellite).

Piotrowski also said the Soviets' ASATs have the capability of destroying U.S. satellites within hours. "They could poke our eyes out," he said, "and at the same time their satellites would have free rein in targeting our ships." They could then attack them from over the horizon with land-based, 1,600-mile-range cruise missiles. "It's clearly evident to us that we would be giving the Soviets a free ride in space in terms of targeting our forces."

One of Piotrowski's nightmares is that the Russians would knock out U.S. satellites

in a way that's indistinguishable from mechanical failure. "Not having an ASAT is destabilizing," he added.

Scientist: People want more space activity

"The American people are now telling opinion pollsters: 'We want more manned space programs, more American activity in space.' The politician who decides in that direction is going to pick up a lot of votes," U.S. scientist Dr. Lowell Wood told the journal *Space World* in May.

According to an account in today's *Daily Telegraph* of London, Wood was "outspoken" in his criticisms of the amateur, incompetent politicians who are now running NASA, who are not responding to the public mood.

Telegraph science correspondent Adrian Berry states that there is growing "impatience" over NASA's overly cautious response to the challenge posed by the Soviet launch of the super-booster rocket *Energia*. According to Berry, "many influential people . . . fear that the Russians will have built huge space stations and a permanent colony on the Moon while the Americans remain grounded by safety fears. As one scientist put it: 'They will soon own the whole sky from here to the Moon.'"

Dukakis seeks Hollywood's support

Massachusetts governor, Swarthmore College graduate, and Democratic presidential contender Michael Dukakis was scrutinized by Hollywood notables, politicians, and moneybags toward the end of May when he spoke at several fundraisers in Los Angeles.

Among those who attended a private dinner for Dukakis, hosted by Norman Lear, the producer of the TV sitcom "Family Ties," were songwriters for Barbara Streisand. Said Tony Podesta, ex-president of Lear's liberal advocacy organization, People for the

American Way, The Lear dinner "isn't a fundraiser. . . . But it's a chance for Dukakis to meet people who already have met as a group with other Democratic candidates." Podesta is now a Dukakis "volunteer."

Jane Fonda, according to the *Boston Globe*, had "little to say" after Dukakis' private talk to the Hollywood Women's Political Committee and declined to say whether she would support him financially or politically after the withdrawal of her previous favorite, Gary Hart.

Dukakis is viewed in some quarters as a stalking horse for Ted Kennedy.

Gephardt calls for 'open mind' on Soviets

Asked about U.S. relations with the Soviet Union during a meeting with *Boston Globe* editors May 22, presidential aspirant Rep. Richard Gephardt (D-Mo.) said that it has been "particularly harmful for the President to label them the evil empire."

He said he would encourage Americans to "open their minds" to the Soviet Union, because he believes that there can be changes in Soviet society and that protection of human rights will improve. "You can more successfully manage the relationship so you lessen the likelihood there will be a nuclear war," he added.

Gephardt came under fire the same day from GOP aspirant Pete du Pont, who attacked his trade war legislation, calling it an example of "kamikaze economics." Du Pont predicted that Gephardt's economics would result in a loss of 3.5 million jobs nationally. "Protectionism is not the answer to the trade problem. . . . In fact, it would worsen the very problem it promises to fix. It costs in terms of higher prices, reduced trade opportunities, the stifling of innovation, and the threatened return to economic depression."

He continued: "The Gephardt approach reminds me of the Smoot-Hawley Tariff bill enacted in the midst of the Great Depression. . . . It amounts to a kamikaze economics that would cause our economy to self-destruct."

Briefly

● **THE NATIONAL BANK** of Washington, D.C. has filed a federal lawsuit in Denver against Gary Hart. The bank is trying to collect more than \$500,000 it claims Hart still owes on a loan from his 1984 presidential campaign.

● **FBI AGENTS** across the country have contacted scores of supporters of Democratic presidential candidate Lyndon LaRouche and publications associated with him, and attempted to badger them into saying they had been "victims of fraud." "You may not think you were defrauded, but you're not the expert," agents told stunned individuals. None of the persons visited so far, to *EIR*'s knowledge, ever filed a complaint warranting the FBI visits.

● **ST. CLARE'S** Hospital in New York City may become the city's first hospital for the treatment of AIDS victims under a plan disclosed May 27 by state and federal health officials. St. Clare's, with 250 beds, would be the largest AIDS hospital in the country.

● **ALL POLICE** in Washington, D.C. will have gloves and surgical masks available to guard against exposure to the AIDS virus, police officials announced May 27. Vehicles used to transport prisoners or used by crime scene technicians, also will carry disposable uniforms for the officers' use.

● **THE SUPREME** Court's decision to allow "preventive detention" solely on the basis of a prosecutor's argument that a defendant represents a "danger to the community" was attacked on May 27 by the *Baltimore Sun*, the *Washington Post*, and the *New York Times*, which variously characterized it as "police-state behavior," and "denial of due process of law."

Editorial

The Russian R&D challenge

According to senior U.S. intelligence sources, the alarms have, at long last, been sounded in official Washington, of the threat to United States national security posed by the fact that the Russians are rapidly outstripping the U.S.A. in scientific research and development progress.

Even though, still to this day, *applied* Russian science and technology lags significantly behind the United States, the United States, in particular, faces certain dramatic problems which it must address with a sense of great urgency.

One of these problems is that in areas of military and strategic significance, applied Russian science and technology does not lag behind the United States as much as it does in militarily non-significant areas. In fact, in numerous military fields, the Russians may well be ahead.

More alarming is the fact that the Soviet scientific establishment, led by Academicians Y. Velikhov and R. Sagdeev, is focusing on the military strategic significance of new areas of scientific work, most notably in the domain of optical biophysics, electromagnetic radio-frequency weaponry, "high energy" physics, and plasma physics. Some of the more dangerous features of this Soviet work are presented in the pages of this issue of the *EIR*. We shall have more to say on the subject during the weeks ahead.

The most alarming aspect, however, is the assertion, circulating in intelligence community circles in Washington, that at the present time, the Soviet Union is outperforming the United States in basic R&D breakthroughs at a ratio of 3-to-1. According to these reports, a simple linear projection of this current trend into the future produces the conclusion that in not more than 10 years from now, the Soviet Union will have become the world's single, unchallenged imperial superpower, with the ability to dictate its will to all, including the United States.

According to this study, all Moscow needs to do to achieve this result is simply continue doing what it is

now doing in the domain of military-related R&D and ensure that the United States also continue doing what it has been doing.

Right now, there is nothing more important for the United States than to reverse this 3-to-1 Soviet advantage in R&D breakthroughs—and do so fast enough to prevent the consolidation of Russian supremacy in the 1990s.

In short, this is the only truly fundamental issue which will be determined by the direction and outcome of the 1988 U.S. presidential election. The policies of the United States in the areas of fundamental science, research, and development for the first half of the next decade, will be determined by the agreements, "deals," and other such arrangements which ultimately determine the selection of presidential candidates and, finally, the direction of the executive branch of government for the next four or eight years.

This is the proper context of viewing the extraordinary candidacy of Lyndon LaRouche. There is a certain school of thought among senior administrators, which argues that the critical "3-to-1" ratio cannot be reversed by the United States, unless the "LaRouche Reforms" in monetary, economic and industrial policy are finally implemented in some form.

We wish to point to another aspect of this matter: Scientific and technological breakthroughs are willfully caused by policy premeditation, by a certain unique, identifiable, and knowable scientific method, the method associated with the work of Leibniz, Gauss, Riemann, and Cantor, whose ancestor is that method which the Socrates of Plato's dialogues called the "method of my dialogues."

True, without a return of our population to the social practices and ethics of the pre-"post-industrial society" period, no progress can be made in science and technology.

A similar "paradigm shift" will be required, within the ranks of the more thoughtful elements of the policy-shaping elites.

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Why this is the most controversial publication in the West

What EIR wrote

Two years ago, in the summer of 1985, *EIR* wrote: "At present, the Soviet Union is in a full-scale pre-war mobilization, with the objective of acquiring all capabilities needed to survive and win a full-scale thermonuclear-led assault against the United States, according to the Ogarkov Doctrinal War-Plan, by approximately 1988. The economic mobilization in progress is best characterized as an overlap of two complementary general policies. These two, overlaid, policies we have designated as *Plan A* and *Plan B*, respectively.

"*Plan A*, signifies a new dimension of Soviet mobilization policy, which was made visible in Soviet war-planning during the 1983-84 period, and which has been implemented on a massive and accelerating scale immediately following General Secretary Gorbachov's installation in office. Fairly described, *Plan B* represents a virtual revolution in Soviet economic policy of practice. The intent of its addition, is to forestall any U.S.A. move to a 'crash program' method of implementation of the Strategic Defense Initiative. It introduces to Soviet practice, 'science-driver crash-program' methods of rapid technological upshifting of Soviet production in general.

"What we have named *Plan B*, is based significantly on Moscow's exhaustive study and monitoring of the writings of U.S. economist Lyndon H. LaRouche, Jr. . . . The Soviets fear that the Reagan administration might adopt the reforms in economic policy proposed by LaRouche and his associates. Soviet planners associated with Marshal Nikolai Ogarkov and General Secretary Gorbachov, are purging the Soviet apparatus of the so-called 'Brezhnev Mafia,' at an accelerating rate, in the effort to bring a Soviet imitation of LaRouche's 'crash program' into effect."

What happened

Two years later, on May 15, 1987, the Soviet Union launched the *Energia* super-booster rocket from the Baikonur Space Center in Kazakhstan, U.S.S.R., a breakthrough in the Soviet military space program with devastating implications concerning the race between the United States and U.S.S.R. to develop, test, and deploy space-based anti-ballistic missile weapons. In a speech made at the space center on May 13, Gorbachov identified the term *perestroika* (restructuring)—widely misrepresented in the West as "liberalization"—as the implementation of a pre-war plan. He said: "The *perestroika* begun in the country is like the bursting of a powerful rocket into space. . . . Everything must be completely altered in all directions, in the economic, social, and spiritual spheres. . . ."

In short, *Plan B* has gone into action—publicly.