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Executive Intelligence Review

September 9, 1988 • Vol. 15 No. 36

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EIR News Service
P.O. Box 17390
Washington, D.C. 20041-0390

In Europe:
EIR Nachrichtenagentur GmbH.
Postfach 2308 Dotzheimerstr. 166.
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EIR/Executive Intelligence Review (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July and last week of December by New Solidarity International Press Service P.O. Box 65178, Washington, DC 20035 (202) 457-8840

European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, D-6200 Wiesbaden, Federal Republic of Germany
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In Denmark: EIR, Rosenvaengets Alle 20, 2100 Copenhagen OE, Tel. (01) 42-15-00

In Mexico: EIR, Francisco Díaz Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 705-1295.

Japan subscription sales: O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 208-7821.

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Postmaster: Send all address changes to *EIR*, P.O. Box 17390, Washington, D.C. 20041-0390.

From the Editor

This week's *Feature* is a case study in how economic breakdown threatens Western security. In other recent *Features*, we have looked at the collapse of food production, and the decay of the North American electricity grid. Now we turn our sights to the NATO country which is on the front lines with our Warsaw Pact adversary, and to the most highly concentrated industrial zone in the world—the *Ruhrgebiet* of the Rhine valley in the Federal Republic of Germany.

This exclusive story is adapted from a recent *Special Report* published by our collaborators at EIR Nachrichtenagentur GmbH in West Germany, and translated by Dr. Wolfgang Lillge. It tells how steel production, industrial jobs, and population levels are being chopped down in a deliberate “post-industrial” policy. And how not accidentally, the “business” promoters of this policy are the biggest mouths preaching appeasement of the Soviets, within West Germany and the United States.

The question of Germany's defense catapulted into world press headlines with the tragedy at the Ramstein air show on Aug. 28, where nearly 50 were killed in the crash of the Italian “Frecce Tricolori.” *EIR* readers will recall that our publication has uniquely covered this annual event, which is a magnet for pro-American, pro-NATO sentiment among Germans and Europeans in general.

For this reason, and because the flight techniques exhibited are related to NATO air defense capabilities, the Soviet-steered “Green” movement and others had set up a drumbeat over recent weeks to stop the air show. Our *International* lead article on page 36, reflecting reports from expert sources on both sides of the Atlantic, tells why the possibility of sabotage can absolutely not be ruled out in the Ramstein catastrophe.

In this regard, I would like to remind readers of two *EIR Special Reports* which highlight the capabilities—political and technical—used to terrorize the West into disarming itself. “Germany's Green Party and Terrorism,” details the genesis and networks of the “environmentalist-peace” movement which runs political cover for hard-core terrorism. “Electromagnetic Effect Weapons: The Technology and the Strategic Implications” describes the advanced weaponry which has made the Kremlin oh-so-willing to pull down its (obsolete) nuclear arsenal. Both reports are available for \$150 per copy.

Nora Hamerman

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World food production and stocks plunge

by Marcia Merry and Robert Baker

As drought persisted over the North American Plains this summer, U.S. government officials repeatedly announced that, despite low harvests this fall, food stocks will be sufficient to meet domestic and export needs as usual. However, as the corn harvest now begins in the Midwest, the low yields dramatize how government statements on corn and all other food supplies amount to the Big Lie. Even the statistics published by the Department of Agriculture show a dramatic plunge.

This is of global concern. On average, the United States and Canada in recent years have provided about 48% of all cereal grains exported annually. Therefore, the combination of low harvests in North America, and the decline in the high-productivity farm sector abroad, amount to a catastrophe.

So far, the "official" USDA opinion is that no special effort is called for. Grain and other staples will be adequate for national and international needs. Agriculture Secretary Richard Lyng has stated this repeatedly. However, even the statistics available from his own department show otherwise.

Food output less than consumption

On a world scale, this will be the third year in a row that tonnages of world cereals output will fall below world cereals consumption—without considering that the "consumption level" shown is way below the level adequate for nutrition.

The graph shows the levels of production and consumption of world cereals grains from 1970 up through the present crop year. The USDA estimates that the world cereals output will be 1.545 billion metric tons this year. *EIR* estimates that production will be even less, at least as low as 1.508 billion metric tons.

The current decline in world and U.S. grain stocks is shown in the bar diagram. The USDA figure for 1988-89

ending stocks of 288.5 million metric tons is even low, although based on an overstatement of harvests and stocks. *EIR* estimates world ending stocks at 249.65 million metric tons, with U.S. stocks falling toward record lows relative to need.

The USDA characteristically put out a high monthly estimate, and then alters it each month. The common quip is, "They'll get it right in five years." The July 10 USDA estimate predicted U.S. corn yields would be down by 23% this year. On Aug. 11 this was "revised" to 37%. On Sept. 10, expect another downward revision, although all along, something closer to the truth was known.

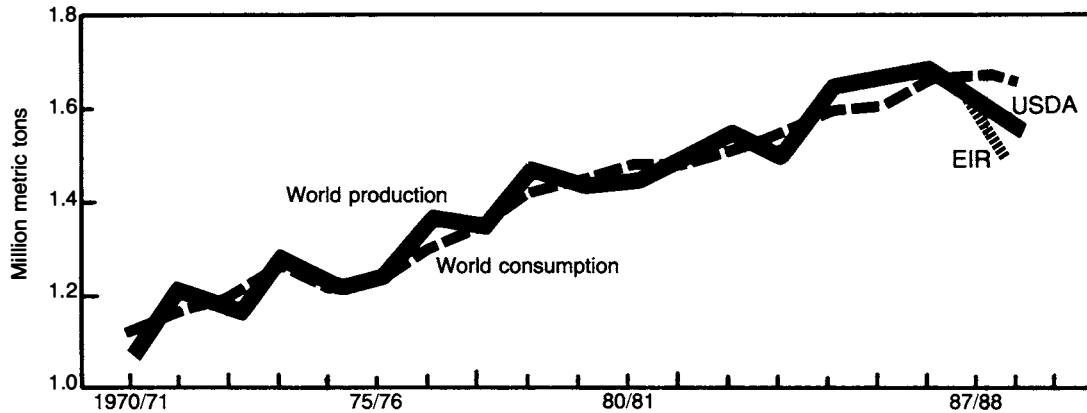
The world map identifies the major exporting nations that account for 75% of annual world cereals trade (coarse grains and wheat), identified by circles proportional to their export share. The United States and Canada alone account for 56%.

World stocks of all basic international grains and soybeans are plunging far below recent levels of use.

- **Feed Grains.** Annual world use has been about 800 million metric tons a year for three years. Production has dropped from 812 million tons in 1986, to 798 million tons last year, and will fall to about 680 million metric tons this year, although the USDA is overestimating the harvest to be 710 million tons. Stocks will fall to 100 million tons or less, though the USDA estimates 120 million or more. This is the lowest level of stocks relative to use in recent history.

- **Wheat.** Annual world consumption has been about 526 million tons in recent years. From 1984 to the present, annual wheat output was above consumption only in 1986. In 1987, production fell to 505 million tons, and may stay the same this crop year. Therefore, stocks have dropped drastically relative to use. In the United States, which accounts for 40% of annual world wheat exports, production

World grain production falls behind world consumption levels of recent years



has declined from about 2.8 billion bushels in 1982 to less than 2 billion at present (USDA estimate), or even 1.6 billion. The USDA estimates that wheat carryover may be at 597 million bushels this winter—a very high estimate given declining output and increasing exports.

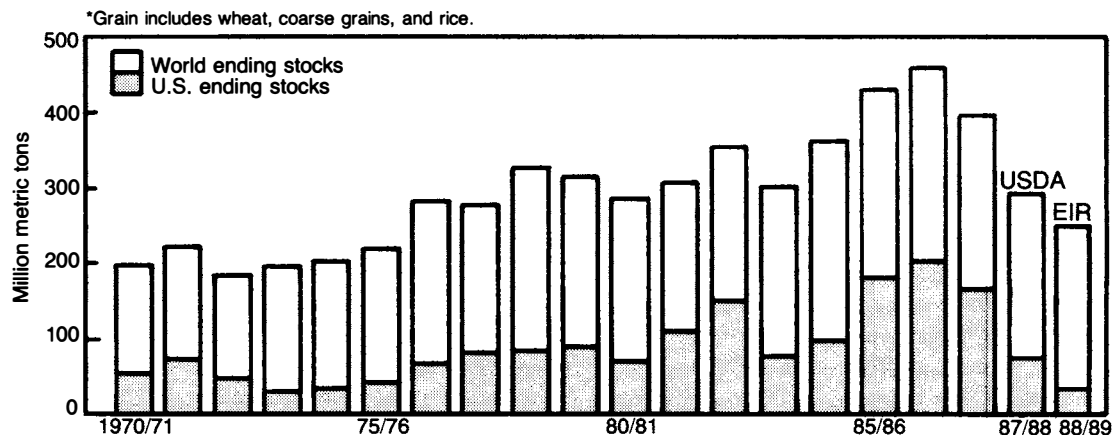
- Soybeans.** The United States accounts for almost 70% of the world's soybeans exports, and annual use (domestic consumption plus exports) has exceeded production since 1986. Production has fallen from over 2.1 billion bushels in 1986 to less than 1.5 billion expected this crop season. This will leave stocks so low that there will not even be enough to feed the "pipeline" of soybeans through the food chain. Carryover may be down to 100 million bushels.

The soybean situation shows how inaccurate the USDA crop projections are. The USDA Aug. 1 estimate said the

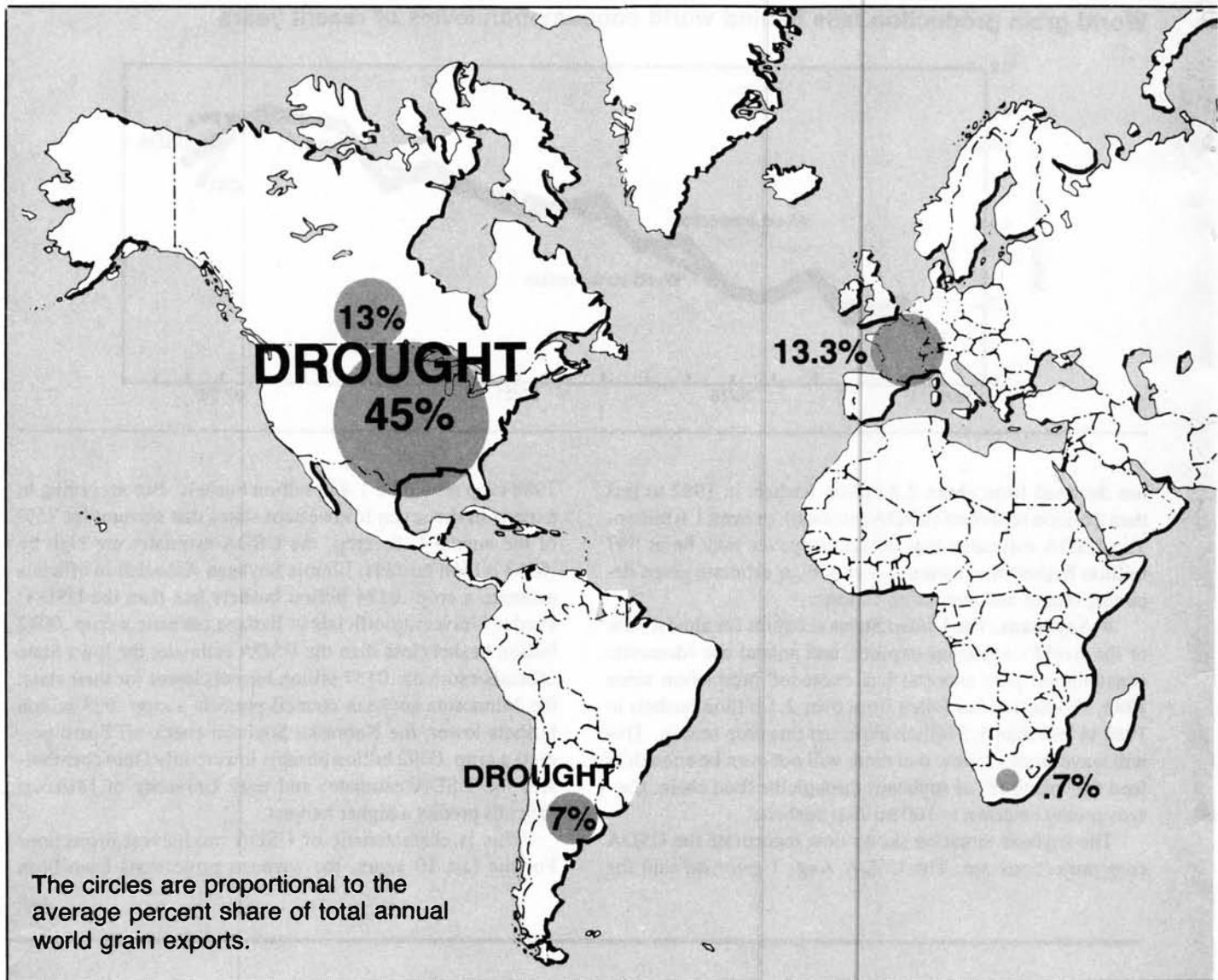
1988 crop would be 1.473 billion bushels. But according to experts in the seven Midwestern states that account for 75% of the annual U.S. crop, the USDA estimates are high by .0653 billion bushels. Illinois Soybean Association officials estimate a crop .0174 billion bushels less than the USDA; Purdue University officials in Indiana estimate a crop .0042 billion bushels less than the USDA estimate; the Iowa State officials estimate .0157 billion bushels lower for their state; the Minnesota soybean council predicts a crop .023 billion bushels lower; the Nebraska Soybean check-off board predicts a crop .0092 billion bushels lower; only Ohio corroborates the USDA estimate, and only University of Missouri officials predict a higher harvest.

This is characteristic of USDA pre-harvest projections. For the last 10 years, the soybean projections have been

World grain stocks are plunging*



Drought has hit major world food exporting regions



wrong 40% of the time—the same as the error rate for corn, rice, and oats. The USDA has been wrong 50% of the time for barley, and 80% of the time for sorghum.

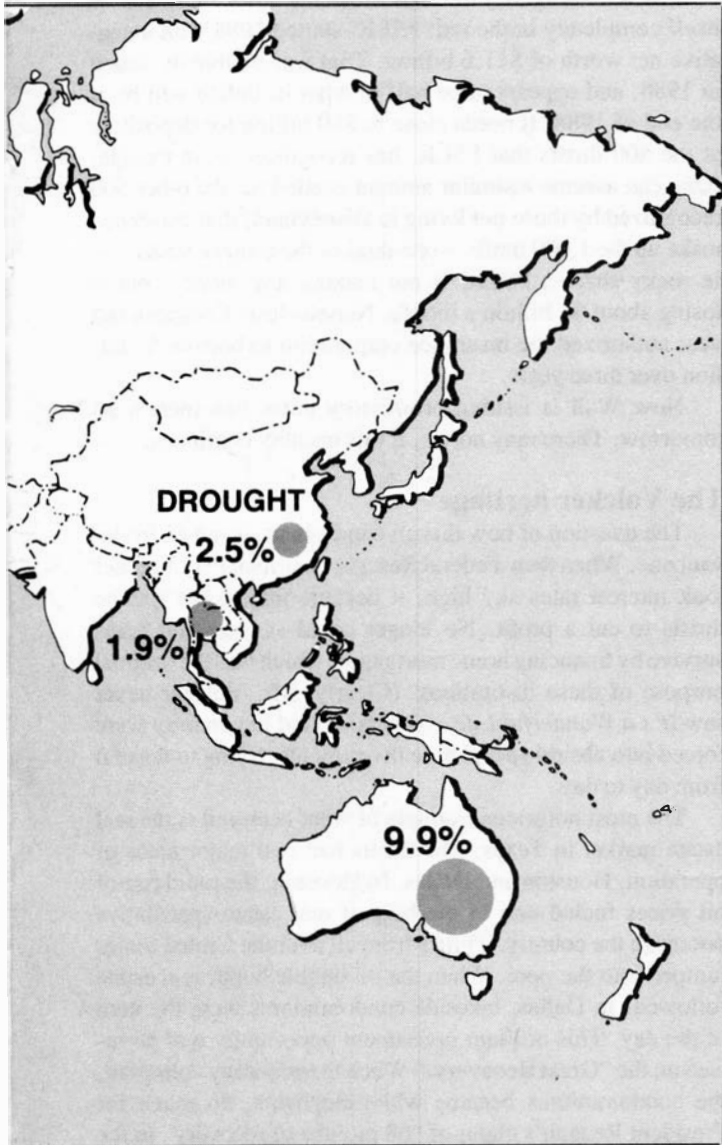
‘Plant for Peace’

What the graphs show is that an all out effort is required to resume adequate levels of food production, and in the meantime, to assay the amount and location of stocks, and to decide how to allocate scarce supplies.

One major factor in the decline in food output is the simple reduction in area planted, especially in the United States. Under U.S. federal land set-aside policies, 20% or more of U.S. cropland base has been idled for several years in the 1980s: 78 million acres in 1983, when the drought struck in mid-summer; 69 million acres in 1987; and over 80

million in 1988, the year of the killer drought. In other exporting regions, cultivated cropland has also declined, as for example, in Argentina.

The estimated wheat harvest acreage this year in the United States is about 52.9 million acres. However, the U.S. has had as much as 80.6 million acres under cultivation, which included certain fragile soil types in Colorado and elsewhere that were best left to grassland. If the wheat acreage harvested is not increased significantly next year, and wheat exports continue at the current rate, then there will be guaranteed absolute shortfalls—“negative stocks”—of wheat for carryover from 1989 to 1990. Planting 66 million acres—the average annual planting over the past 10 years—at an average per acre yield of 35.2 bushels per acre, will give an ending stocks figure of 430 million bushels (down from this winter’s



expected carryover by 167 million bushels).

Similarly for corn. This crop year, only 57.1 million acres were planted, in contrast to a recent high of 75.2 million. If only 57.1 million acres are planted next year, U.S. carryover corn stocks will continue to fall, even if yields go up from this year's disaster levels. However, if the yields do not, even if as many as 70 million acres are planted, there will be "negative carryover" of corn from 1989 to 1990; in other words, no stocks at all.

With the United States and Canada so marginalized in stocks, a "plant-for-peace" mobilization is required in all the crop zones worldwide, to increase the potential for food output in the short term, while longer range agriculture improvements can be made. As it is now, famine is guaranteed, along with social disintegration and war.

EIR

Special Report

AIDS: MANKIND'S HOUR OF TRUTH

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

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

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

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

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REPORT

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or total defeat**

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plan for victory

August 1988

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\$11 billion of 'Monopoly money'

by Joyce Fredman

On Sept. 1, 1988, M. Danny Wall, Chairman of the Federal Home Loan Bank Board, announced that the amount of promissory notes issued to rescue failing savings and loan institutions would exceed \$11 billion by the end of the month. This calculation came from Wall's latest bailout of 14 thrifts in Oklahoma, costing \$1.9 billion. According to the FHLBB, there are an estimated 200 insolvent thrifts that are currently in various stages of negotiation, bidding, and marketing. The Federal Savings and Loan Insurance Corporation (FSLIC) hopes to have half of the cases resolved by the end of 1988.

The announcements from Wall have come fast and furious. An Aug. 19 report stated, "Seventy-six cases nationwide have been concluded since Jan. 1, or 28 more than in all of 1987. The number of Texas institutions resolved under the Southwest Plan has now reached 32 since the plan began in May." "Resolved," "concluded"—the former chief of staff of the Senate Banking Committee has chosen his words carefully. One might almost get the idea that something is being accomplished.

Instead, there is a pathetic shell game occurring: Names are changing, titles are changing, but in fact, the S&Ls are still the disaster area they have been. The funds that Wall is so generously handing out do not exist. And the notes that are issued, are not even meant to address the overall problem. Rather, that is simply the amount the regulators are using to keep the institutions operating until a buyer is found.

The insanity of this operation would be uproariously funny, were it not so costly to American citizens. The price tag for this comedy team is upwards of \$100 billion, with at least \$65 billion scheduled to come directly out of taxpayers' pockets. Wall's strategy is to continue to issue promissory notes until he gets someone's attention. He wants to pressure Congress to put the full faith and credit of the U.S. government behind these notes. If there are any congressmen left

who are able to add, the prospect is grim.

FSLIC, the agency through which the notes are issued, is itself completely in the red. FSLIC started 1988 with a negative net worth of \$11.6 billion. That was double its deficit in 1986, and appears to be half of what its deficit will be at the end of 1988. It needs close to \$50 billion for depositors at the 500 thrifts that FSLIC has recognized as in trouble. (One can assume a similar amount needed for the other 500 recognized by those not living in Disneyland, that combined make up the 1,000 thrifts—one-third of the country's S&Ls—in rocky shape.) FSLIC is not making any money, but is losing about \$1 billion a month. Nonetheless, Congress last year authorized the insurance corporation to borrow \$7 billion over three years.

Now Wall is issuing promissory notes like there's no tomorrow. There may not be, if this insanity continues.

The Volcker heritage

The question of how this all came about, is not an irrelevant one. When then-Federal Reserve chairman Paul Volcker took interest rates sky high, it became impossible for the thrifts to cut a profit. No longer could savings and loans survive by financing home mortgages, which was the original purpose of these institutions. (Clearly, Mr. Volcker never saw *It's a Wonderful Life*.) Thrifts around the country were forced into absurd speculative investments, trying to make it from day to day.

The most notorious example of what occurred is the real estate market in Texas. The thrifts had two major areas of operation, Houston and Dallas. In Houston, the rapid rise of oil prices fueled one of the biggest real estate speculative booms in the country. Thrifts from all over the United States jumped into the pool. When the oil bubble burst, real estate followed. In Dallas, lakeside condominiums were the item of the day. This brilliant investment opportunity was premised on the "Great Recovery." When the economy collapsed, the condominiums became white elephants. So much for President Reagan's claim of "68 months of recovery" in the Lone Star State. Interest rates are presently on the rise again. The S&Ls are in a no-win situation.

Standing on the precipice, these thrifts, however, have no lack of regulatory agencies behind them. Such agencies are more than willing to spread more funny paper throughout the economy. The Federal Home Loan Mortgage Corp. ("Freddie Mac") operates a secondary market for home mortgage loans. They recently approved a plan to open up trading in its preferred shares on Jan. 1, as well as to increase the number of shares each stockholder may own. Ownership of the 15 million preferred shares is currently restricted to thrifts, but after Jan. 1, they will be open to the public.

Chairman Wall's comment was simply that he hoped the board's decision "will end speculation about the potential use of Freddie Mac to aid the Federal Savings and Loan Insurance Corp., which is clearly not going to be done."

A balanced budget

The U.S. budget deficit was \$144 billion as of Oct. 1, 1987. As of Oct. 1, 1988, all outstanding FSLIC notes will be counted as part of the federal government's budget deficit. With the loose cannons of the FHLBB, the previous year's deficit could be doubled. However, for Chairman Wall, this serves as an incentive to keep on writing notes. "This [the inclusion of FSLIC debt in the budget deficit—ed.] is one of the monkeys on our back that is moving us to do deals."

And the bailouts are just beginning. The figures being discussed for such actions, are also only the minimal amounts. Take the five actions in August. On Aug. 18, an investment group, Gibson Group/LSST Financial Services, acquired 12 insolvent thrifts in Texas. They contributed \$48 million, and the FSLIC is providing \$1.3 billion. On Aug. 19, eight insolvent Texas units were consolidated, including Sunbelt Savings. The cost used by the FSLIC to bring its total to date to \$11 billion, is \$2.5 billion. However, FSLIC itself has said that the cost could easily go to \$5-6 billion.

On Aug. 23, a holding company headed by former Treasury Secretary William Simon agreed to pay \$207.5 million for Bell Savings of San Mateo, California, plus the outstanding stock of Western Federal Savings, also from California. FSLIC is providing over half a billion dollars. On Aug. 26, FHLBB announced five separate transactions, in which it will inject \$1 billion into 10 savings units that will be merged into healthy institutions. That's the other part of this ingenious scheme—merging disaster thrifts with marginally healthy institutions. This has gone over so big with the thrifts that still can stand, that many are threatening to leave to join the Federal Deposit Insurance Corporation. (William Seidman, FDIC's Chairman, has looked disparagingly at any such mooted moves. He has enough problems of his own. *EIR* has counted 281 bank failures for 1988 alone, as of Sept. 2, 1988.)

The last transaction, announced on Aug. 31, was to consolidate 14 of Oklahoma's S&Ls into six larger ones. Although the announced figure was \$1.2 billion, it was then mentioned that in fact it will probably be closer to \$2 billion. Another bailout is being rumored for the troubled American Savings and Loan Association of Stockton, California. Wall is projecting that by the end of September, the bill could be as high as \$20 billion. In other words, the grand total for papering over this mess is approximately \$200 billion.

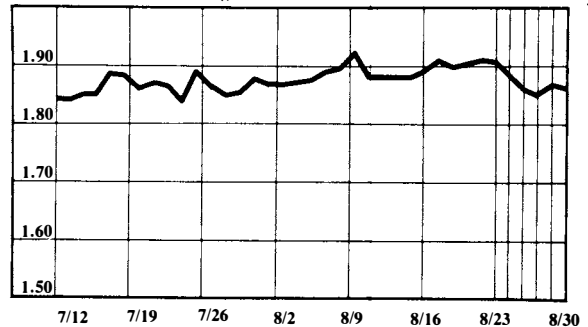
One year ago, this author wrote an article on the S&L industry, stating, "The situation in the financial community has reached the height of absurdity. In a scene reminiscent of 'The Emperor's New Clothes,' M. Danny Wall, the new chief regulator of the FHLBB, has been foisted on the American public to reassure us all that there is no problem with the S&Ls of the country."

The idea that 12 months and billions of dollars later, this madman is still in D.C. issuing promissory notes on a song, is more than the American population should tolerate.

Currency Rates

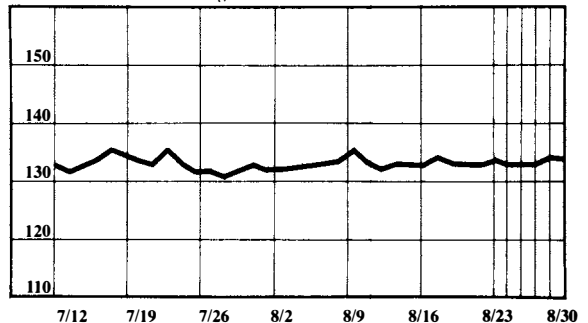
The dollar in deutschmarks

New York late afternoon fixing



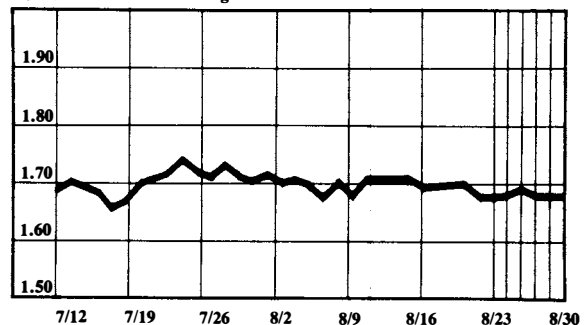
The dollar in yen

New York late afternoon fixing



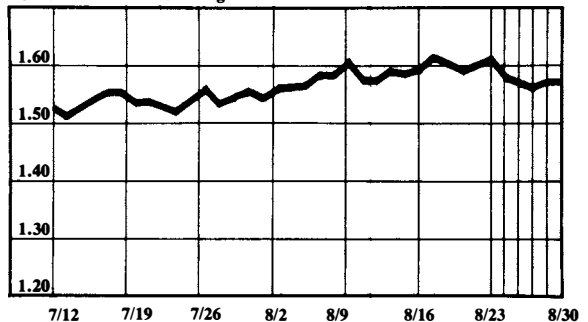
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



FDIC figures hide real bank failures

by Joyce Fredman and John Hoefle

On May 20, *EIR* unmasked the fraud of William Seidman and his cronies at the Federal Deposit Insurance Corporation (FDIC), showing that the statistics being put out by federal regulatory agencies on the banking crisis were so much buncome. The various categories of "transactions"—the agencies' euphemism for failures—were set up to confuse the public into believing that the financial crisis strangling the economy was not actually occurring. Various branches that had existed as separate banks, were merged into one entity two minutes before being bought out, in order to count one failure instead of 10, 20, or—in the case of the former First RepublicBank, now NCNB of Texas—42!

The crisis has not abated. In fact, as predicted, things have been spiraling downward at an accelerated pace. As of Aug. 31, no fewer than 273 banks have collapsed in the United States this year alone. When the most recent three went under, (Highland Park National Bank, Dallas, Texas; BancFirst-West Lake, Austin, Texas; and the Bank of Mid-South in Bossier City, Louisiana) the FDIC updated their records. Still clinging to their fantasies, the FDIC reported 148 official failures, plus 17 in other categories. Even with such underreporting, however, things didn't look great. By

their statistics, 90 banks in Texas have failed this year to date. In all of 1987, fifty banks went under in Texas. This year should be a knock-out.

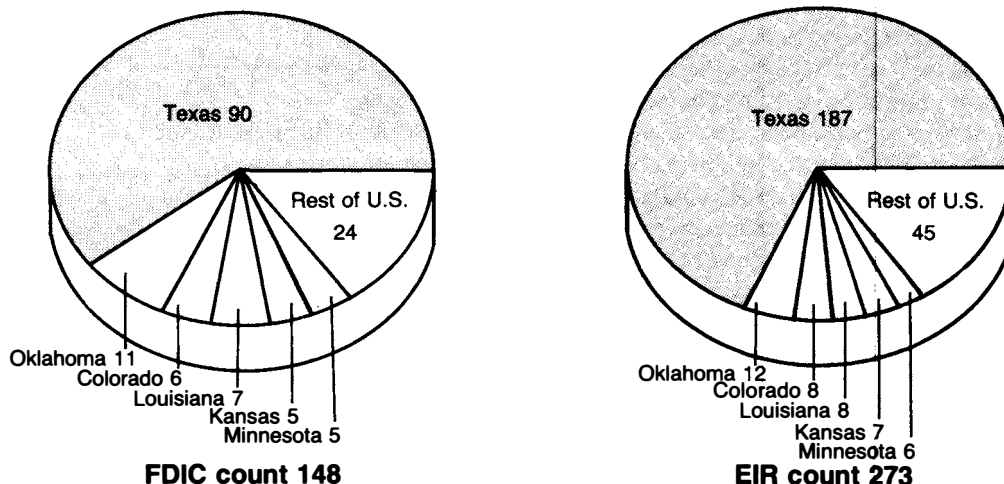
Seidman isn't the only one who's getting nervous. The Office of the Comptroller of the Currency announced that it will be revising its assessment schedule for national banks, as it is having difficulty collecting its dues. The OCC assesses banks based on their assets. In the first half of the 1980s, total bank assets grew at an annual rate of 6-8%; since 1986, assets have grown at 2% or less.

Robert Clarke, the Comptroller, has another difficulty. These assessments are regressive, i.e., the amount paid per dollar of assets declines as a bank's total assets increase. Hence, with all the mergers, many of the "new" banks pay substantially less than the sum of the "old" ones. One official lamented that they need at least a \$30 million increase. "We have done a great deal to keep expense increases to a minimum over the past years . . . but the fact remains, that it's more expensive to supervise an increasingly complex system that has experienced problems because of difficulties in some sectors of the economy."

EIR hasn't found those sectors that aren't in that category.

U.S. bank failures 1988*

*As of Aug. 25, 1988



Prices explode in Yugoslavia

by Rachel Douglas

"Almost two-thirds of our population are 'squashed' somewhere between starvation and poverty," reported the Yugoslav daily *Borba* on Aug. 4. That already deep depression gets magnified every single day in Yugoslavia, by a dizzying sequence of price increases.

As *EIR* projected earlier this year (May 27 and June 10 issues), austerity, imposed for the sake of servicing the foreign debt, has led by summer's end to new levels of misery and a heightened threat of unrest in the Eastern Mediterranean country, strategically located between the nations of the Warsaw Pact and NATO. On Aug. 25, ruling party (League of Communists) official Stefan Korosec warned of "a latent danger of a social explosion."

On Aug. 3, prices for bread went up and the price of another staple, cooking oil, increased by 66%. Train fares rose by 39% to 70%. These startling jumps are par for the course in Yugoslavia, where the government plan to limit the inflation rate to 95% this year is in shambles. On Aug. 22, *Borba* reported the inflation rates, shown in **Table 1**, released by the Federal Price Institute.

This "huge breach of the envisaged annual rate of inflation," observed *Borba*, portends "a drastic fall in personal income and the standard of living in general."

More price increases and food shortages are certain. By Aug. 12, according to the *Financial Times* of London, as much as one-third of this year's agricultural production in Macedonia, Yugoslavia's poorest republic, had been lost because of drought. On Aug. 5, the official news agency Tanjug reported that Macedonia had been hit by "one of the most severe droughts since the war," and that the republic had suffered water shortages because the Vardar and other rivers were so low.

On Aug. 20 and 21, Tanjug said, rain fell in the country

after two months of dry weather. Tanjug reported that the drought, "the hardest in 30 years, not only decimated this year's yield but also threatens to damage the next sowing in certain regions. The rain soaked only the northern and western parts of the country, still avoiding the south, which is threatened the most. . . . Scorched grass, lodged rice, burned vineyards: That is the picture . . . in most parts of Yugoslavia."

Much of the destroyed grain and other products, Tanjug noted, was intended for export. With a foreign debt of nearly \$20 billion, Yugoslavia sells food to earn foreign exchange—even as its citizens do without.

Quarrels over scarce resources

The "social explosion" danger mentioned by Korosec stems also from rekindled conflicts among the six republics of Yugoslavia, each inhabited by a different main ethnic group, which conflicts are further aggravated by the economic straits. When the Serbian party chief, Slobodan Milosevic, stated in a July 3 interview, that Serbia needed constitutional changes to give it more power over its two non-Serb provinces, Kosovo and Vojvodina, he gave an economic justification: "Serbia must pull itself out of its economic backwardness and must constitute itself as a state, which is to say as a republic. . . . Serbia did not take onto itself to have two provinces in order to be a second-class republic."

The response from Slovenia, one of the more industrialized republics, was a string of charges that the Serbian party organization was out to create a "Greater Serbia," to dominate Yugoslavia and bleed the better-off regions. "The present events in Serbia . . . mean not only a deepening of the Yugoslav economic and political crisis," said a Slovene *Delo* columnist on July 20, "but also by far the most serious destabilization of the situation in Yugoslavia since the war."

In Montenegro, the small republic on the Adriatic coast, Prime Minister Vuko Vukadinovic threatened to resign, if the federal government did not pay a fee compensating for "the differences between the rate of exchange of the [Yugoslav] dinar against the convertible currencies." Workers from the Niksic Iron and Steel Works had come to him, saying that their firm would not survive without the compensation, lack of which raised "the question of confidence in the federal government."

A Slovenian government commission is proposing a radical reform under which foreigners could buy shares in Yugoslav companies. This would surely mean even greater looting from abroad. Slovene economists anticipate a big fight, to get the other republics to accept this scheme.

Another nasty fix for the resource squeeze, put forward by national party presidium member Franc Setinc, another Slovene, is to enforce population growth reduction on the poorer, most deficit areas. He demanded that this start with Kosovo, the mainly Albanian-ethnic province of Serbia, where, "on the basis of the present birth rate," no help from Yugoslavia would be adequate to sustain development.

TABLE 1
Yugoslav inflation rate

	July 1988 above June 1988	July 1988 above July 1987
Retail prices	+ 11.2%	+ 188.9%
Services prices	+ 11.2%	+ 180.3%
Cost of living	+ 8.2%	+ 189.5%

A threat to strategic minerals

Harsh sanctions by the U.S. against South Africa would place the mineral-rich Russians in a position to blackmail the West.

Little wonder that Moscow is licking its chops in anticipation of a Dukakis presidency. A Dukakis-backed piece of legislation, the so-called Dellums bill, which passed the U.S. House of Representatives on Aug. 11, will, if passed by the Senate and signed by a President Dukakis, require complete U.S. disinvestment from South Africa, ban trade between the United States and South Africa, and end military and intelligence cooperation.

But one U.S. ally is more than alarmed at the wanton abandon with which the legislators of the U.S. Congress are proceeding. According to a report in the Aug. 28 London *Sunday Telegraph*, Britain has circulated an official protest note to the U.S. House of Representatives' Committee on Interior Affairs, and to the U.S. State Department. The protest warns that, if certain sections of the U.S. bill become law, Britain will bar all U.S. oil companies from exploration and development of the estimated 11 billion barrels of oil resources in the North Sea.

Section 304b of the Dellums bill would bar subsidiaries of foreign oil companies which themselves do business in South Africa from obtaining U.S. oil leases. British Petroleum and Shell hold leases on huge untapped U.S. oil reserves, and do a large business in South Africa.

An aide to the Congress, Bill Shafer, termed the British protest "the strongest letter I have ever seen from a foreign government."

Other sources report that Prime Minister Margaret Thatcher has been

engaged in secret talks with South African Prime Minister P.W. Botha regarding the dangerous escalation of U.S. sanctions. Britain's government knows only too well the implications of breaking South Africa's ties to the West. So, of course, does Moscow.

Here is a brief review of what is at stake.

South Africa happens to contain extraordinary concentrations of irreplaceable minerals. The presence of such minerals in economically recoverable form, combined with advanced mining and transport infrastructure, make South Africa far more significant in economic terms than any nation of its size in the world today. In the saucer-shaped Bushveld Complex in Transvaal is to be found a major portion of known world reserves of platinum, chromium, vanadium, nickel, and other vital minerals.

South Africa supplies some 84% of Western imports of manganese metal and has 93% of known Western reserves. There is no substitute for manganese in manufacture of steel: This metal alone is essential to the existence of the industrial world. There is one industrial nation in the world today outside South Africa which is not dependent on imported manganese: the Soviet Union.

Chromium is indispensable in the making of corrosion and heat-resistant stainless steel. No nuclear plant, jet engine, or any other product needing stainless steel could be built without it. South African chrome ores are considered the world's best quality. In 1982, South Africa was the world's

second-largest producer, responsible for 21% of world output, behind the Soviet Union, with 34%.

Another essential ingredient in producing high-quality specialty steel alloys is vanadium. South Africa has the largest free-world reserves, an estimated 61% of the total. Modern aerospace titanium alloys require vanadium. South Africa produces 70% of the total non-communist world's supply. The second-largest producer, the Soviet Union, produces 24% of the total. Fully 54% of U.S. vanadium supplies come from South Africa.

The same goes for such important metals as platinum, gold, and uranium.

Quite simply, a draconian embargo on South Africa by the West will conveniently place Western Europe, the United States, and Japan at the mercy of one alternative supplier: the Union of Soviet Socialist Republics.

At the very least, a total embargo of South African minerals exports to the West would create the most staggering world industrial price inflation in mankind's history. Metals and oil traders such as Zug, Switzerland fugitive Marc Rich are well aware of the potential trading profits they stand to gain.

All this should give any lawmaker pause. Not irrelevant is the recent creation of a special research institute in Moscow to study raw materials supplies globally and the impact of supply disruptions. U.S. State Department senior Soviet affairs specialist John R. Thomas, as recently as 1985, declared that the Russians are intending to exploit Western mineral-supply shortages, "in part by using their own vast mineral resource potential, and in part by capitalizing on or instigating such turmoil and instability in other mineral producing areas."

Schools get 'long distance' milk

The Department of Agriculture's effort to end "surpluses" has succeeded: We're about to have shortages.

The week of Aug. 17, a record number of 92 interstate semi-tank truckloads of milk left Wisconsin for destinations in the Southeastern states—part of an unprecedented flow of milk from northern milk producing regions—to help augment milk stocks for school openings in September. The trucks carried 4.5 million pounds of milk—an all-time high amount—which went to Florida (47 truckloads), Georgia (22 loads), South Carolina (21 loads), and Illinois (2 loads).

This long-haul flow of milk is just one indication of the fact that there are acute regional shortages of fluid milk in the nation, as well as a nationally reduced milk output. Even worse, the capacity to produce in the future is also being undermined.

Because of the drought, which has brought high feed costs, high temperatures, and water shortages, dairy cows are going to slaughter at higher rates. Some farms have gone out of operation altogether, and dairymen are financially squeezed under an average milk price level of \$11.60 per hundredweight, about half of their costs of production, or the parity price.

The national dairy herd now numbers fewer than 8.8 million animals, down from over 11 million before the federal milk reduction policies took effect.

The largest state dairy herd is in Wisconsin, the national center of U.S. dairy farming. At present, there are 1.752 million cows in the Wisconsin herd. Because of the drought, Wisconsin had 33,000 fewer cows in July

1988, than in July 1987. Numbers in the state dropped 8,000 from June to July this year. In almost every milking herd, one cow per hundred had expired from the heat.

However, the threat to the national milk supply predates the drought. Two successive federal policies aimed to drastically reduce U.S. milk output: first, the "Milk PIK," or paid milk reduction program that drew down dairy herd numbers in 1984; and second, the "Dairy Herd Termination Program," that followed the 1985 National Food Security Act, the current national farm law.

These programs offered incentives to farmers to get out of dairying, at a time when the price most farmers received for milk was below their costs, as it is at present. The recent Drought Relief Act, has made a gesture of support for dairy farming by authorizing an extra 50¢ per hundredweight price-support increase for milk for a three-month period in spring 1989; and by staying a prescheduled 50¢ decrease in the support price that would have gone into effect in January 1989.

Relative to the combined impact of the drought and the recent years of low milk prices, these gestures will not suffice to shore up the U.S. milk supply.

Nationally, the fabled "mountains" of government-held cheese, milk powder, and butter have melted. As of April this year, there were no more cheese stocks for distribution in the Temporary Emergency Food As-

sistance Program (TEFAP), through which some 15-18 million people get some form of food help. Now, the milk powder is all but run out.

There are no stocks to assist the school lunch and other institutional programs this fall. There are also few or no supplies for the PL 480 international food relief program.

The U.S. Department of Agriculture defends this situation of dwindling stocks and declining herds by saying that the existence of "surpluses" depresses the milk market, and that school and other programs can just switch over to other surplus stocks, such as peanut butter or lard. The USDA further implies that dairy farmers can inevitably "hold on" through drought and price squeezes, and "bounce back" when more milk is needed.

However, milk cannot be turned back on like a spigot, after the drought and depression conditions now causing the herd and milk decline.

In New Hampshire, for example, there has been such a depletion of dairy herds that, in August, state officials began considering local emergency measures to attempt to restore the regional milk flow.

Probably soon after schools open, the regional shortages will show up dramatically, and not merely in fluid milk.

On Aug. 19, the price of wholesale cheese went up a record one-day increase of 4.75¢ a pound for barrel cheese at the national cheese exchange in Green Bay, Wisconsin. Figuring about 10 pounds of milk goes to make a pound of cheese, this will translate into an increase for the dairy farmer of about 47¢ per hundredweight of his milk. But how many dairy farms will still be in operation to provide the products on the scale required for the food needs of the country?

Business Briefs

Foreign Debt

'Good boy' Argentina will get no new money

Argentina will get no new money from international creditors until the government dismantles the state-sector of the nation's economy, a report in the Aug. 29 *Washington Post* indicated.

"Bankers fear their third problem child among Latin America's debtor nations is in trouble," the *Post* said.

Bankers complain that Argentina is \$800 million to \$1 billion in arrears on interest payments, even though increases in world food prices have "given the country some cash." The bankers who planted the story also complain that the government is requesting \$2 billion in "fresh funds" from creditors—the same amount these bankers estimate state-run Argentine corporations are losing each year.

It is to be assumed that Argentina is to sell those unprofitable state-run corporations if it wants new money.

"There is little good will toward Argentina among overseas lenders, not only at the IMF, but commercial creditors as well," the *Post* quotes a banker.

This despite the fact that Argentina's Raúl Alfonsín government has been a "good boy" as far as the International Monetary Fund is concerned, looting the nation to meet debt-service payments. The government has destroyed much of the country's productive economy and slashed living standards deeply to please foreign creditors.

International Credit

Roundtable of Poland's creditors proposed

A roundtable of Poland's Western European creditors has been proposed by Horst Teltschik, West German Chancellor Helmut Kohl's national security adviser. He said that France, the United Kingdom, and the three Benelux states should join to work on

an overview of the many Polish financial liabilities to the West, to coordinate efforts to consolidate the debt and discuss guidelines for debt rescheduling and issuing of new credits.

Teltschik warned that East bloc demands for new credits from the West have gone "far beyond Western capabilities already now, and they are still increasing."

Meanwhile, 60,000 tons of beef from German and French reserve stocks are to be shipped to Poland, at a price of 0.5 ECU (approximately 1.10 deutschemarks) per kilogram. The deal was signed in Brussels Aug. 29 between the European Commission which is subsidizing the delivery, and the Polish government.

Crash of '88

Economic indicators take a turn down

Three of the U.S. government's economic barometers showed a sharp decline in July, much to the chagrin of the Republicans, who would count on such factors during an election year to help the party in power.

The government's Index of Leading Economic Indicators fell 0.8% for the month, according to the Commerce Department. This index combines nine separate measures of economic health, seven of which fell: jobless claims, manufacturers' orders for consumer goods, building permits, vendor performance, stock prices, money supply, and contracts and orders for plant and equipment).

Also, factory orders for the United States were down 3.5%, the largest drop since January 1987 (3.6%). This was due in large part to declines in orders for defense capital goods, especially shipbuilding and tanks. Defense goods orders fell a whopping 46.6% in July.

Sales of new houses took their largest drop in seven months during the month of July, the government also announced. Further drops are expected with the rise in interest rates. Not only did sales of new single-family houses fall 4.7%, but the government

also revised its statistics down for the months of May and June, admitting there was much less strength in the market than previously reported.

The month of July also saw mutual fund sales hit their lowest level in more than three years, dropping 15% to a level half that of July 1987. Sales of stock, bond, and income mutual funds totaled \$6.99 billion in July, compared with \$13.2 billion a year ago, according to the Investment Company Institute.

Markets

New layoffs feared on Wall Street

Declining stock volume and rising interest rates may cause more than 8,000 additional jobs to be lost in the securities industry, analysts are predicting.

Since the "Black Monday" stock market crash of Oct. 19, 1987, the industry has already lost roughly 16,000 jobs. At the end of March 1988, New York Stock Exchange member firms employed 246,300 people, a reduction of 15,900 jobs from the glory days before the Oct. 19 crash.

A stock trader at a major firm told Reuters that by the end of the year, bonuses would be smaller and those who received them at all would be glad they still had a job, as the industry comes under increasing pressure to cut costs.

Jeffrey Schaefer, who directs research at the Securities Industry Association, said that the cut of a further 8,000 jobs is possible by the end of September. Brenda Davis McCoy, a Paine Webber analyst concurred. "I could see another 8,000 or so jobs being eliminated. Normal commission-generating volume, retail or institutional, is off significantly" from one year ago, she said.

But a trader at a large firm differed. "I don't think a few days of volume below 100 million shares is going to set off another round of layoffs." The Securities Industry Association's Schaefer noted that commission revenue generally made up only 20% of a firm's revenue and it was an exaggera-

tion to blame sagging stock volume.

Interest rates, more than falling volume, are placing pressure on the industry. "Interest costs tend to be about the largest cost item for the whole industry," Schaefer said.

An analyst with Lipper Analytical Services, Perrin Long, reported that the securities industry's pre-tax income in the second quarter of 1988 was down 50% from first quarter levels and another 20% drop was likely in the third quarter.

He, however, estimated that only 4-6,000 additional jobs could be eliminated this year, with clerical and administrative jobs likely to be the hardest hit.

Water

Canada outlaws 'water exports'

The Canadian government has introduced legislation banning water exports over one cubic meter per second. Environment Minister Thomas McMillan said the Canada Water Preservation Act will protect Canadian waters under any terms, including those of the Canada-U.S. Free Trade Agreement. It will be binding on the private sector and all levels of government, with penalties of up to \$1 million a day and three years in jail for violators.

Opposition critics had argued that under the Free Trade agreement, Canada could be forced to sell its fresh water reserves to the United States. The Free Trade enabling bill has been amended by Trade Minister John Crosbie so as to not override any other existing Canadian law.

The new legislation reflects part of a federal water policy paper McMillan presented to Parliament last November. "The concept of large-scale water diversions for export purposes has never been taken seriously," McMillan said in a luncheon speech after he tabled the bill. While there have been nine project proposals over the past two decades, he told a conference of Ontario conservation societies, they were nothing more than "half-baked notions by private interests in Canada and the United States, and none of the pro-

posals . . . was seriously considered by either national government."

He also told his audience that, contrary to popular belief, Canada is a water-poor country; more than half its water flows northward, while a majority of its population lives along the U.S. border. The export of water from one Canadian province to another is not covered by the new legislation. Quebec Premier Bourassa's Grand Canal from James Bay to the Great Lakes, a \$100 billion project, will, however, become outlawed, as will, of course, the North American Water and Power Alliance, which would divert a small percentage of Canada's northward flowing waters southward.

Food

Poor mothers face federal program cuts

Hundreds of poor mothers on the Women, Infants and Children (WIC) program in New Jersey are facing cutoffs, cutbacks, and waiting lists because the federal program is stretched to its financial limit. The WIC program provides food vouchers which are honored in lieu of cash, specifically for baby formula, milk, eggs, cheese, juice, breads and cereals, dried beans, and peanut butter.

"There is not enough money for everybody," Kathryn Grant-Davis, director of the WIC program for the state Health Department told the press. "In the meantime, we will continue to serve the high-risk individuals, and those we do not have adequate funding for will be on the waiting list until the beginning of the new federal budget year," Davis said.

The Newark, New Jersey *Star Ledger* reports that since early summer, 16 of the 22 WIC offices in hospitals, health departments, and community action programs have had backlogs that are expected to continue through September. When the money starts running out, the U.S. Department of Agriculture is mandating that pregnant women, nursing mothers, and high-risk infants be given first priority.

Briefly

● **THE TREASURY** Department announced on Aug. 25 that it is revoking all exemptions granted to banks from reporting currency transactions by casinos under the Bank Secrecy Act, which requires all cash transactions in excess of \$10,000 to be reported.

● **THE GERMAN** Axel Springer Co. will sign a joint media venture with the Hungarian Communist Party. Springer chairman Peter Tamm met with Janos Berecz, the party Central Committee member in charge of media and publishing activities, in Budapest in late August. On the German newspaper market, the Axel Springer group is the largest.

● **ITALIAN** Health Minister Carlo Donat-Cattin told the Aug. 18 daily *Il Giorno* that he is against health budget cuts, and that what Italy spends for AIDS is "ridiculous." "Today we spend 100 billion liras per year to stop AIDS. We need for the next five years at least 5,000 billion liras. . . . We have 3,000 AIDS cases; this will grow to 27,000 by 1990, and 140,000 by 1992. . . . If hospital beds are lacking in the near future, I'll be lynched."

● **EASTERN** Airlines has been ordered by a federal judge not to layoff 4,000 employees as planned, when it scales back operations, principally by shutting down its flights into Kansas City. The judge did allow the scale-back, however. On Sept. 1 Eastern eliminated 140 flights, 12% of its daily operations.

● **DRUG SMUGGLERS** who made millions shipping marijuana into the United States lost everything by investing in oil, according to Minneapolis Assistant U.S. Attorney Elizabeth de la Vega. The group handled \$14 million worth of pot from Thailand and Panama between 1980 and 1986, invested in Oklahoma oil operations, and got caught in the 1985 oil price drop. "They made a million in dope, then threw it down an oil well," she said.

X-ray laser: the full documentary record

Part 2 of Charles B. Stevens's report on the revelations contained in recently declassified materials, confirming the importance EIR's reportage has attached to this technology.

In last week's *EIR*, (No. 35), we demonstrated from top secret material now being declassified with the release of the Government Accounting Office (GAO) report, *Strategic Defense Initiative Program: Accuracy of Statements Concerning DOE's X-Ray Laser Research Program*, that *EIR*, from 1982 to the present, was alone in correctly projecting the potential for a missile defense based on the H-bomb-powered x-ray laser. Essentially, *EIR* repeated publicly what Dr. Edward Teller and other leading defense scientists were telling the government secretly: It is possible to realize a device such that "a single x-ray laser module the size of an executive desk which applied this technology could potentially shoot down the entire Soviet land-based missile force," and that the Soviet Union is "several—perhaps even seven—years ahead of us in at least the unclassified aspects of x-ray laser work."

Beginning with this issue, *EIR* now presents the full documentary record. First, we present the declassified versions of Dr. Teller's secret Dec. 22, 1983 letter to Presidential Science Adviser George Keyworth, and his Dec. 28, 1984 letters to Ambassador Paul Nitze, Chief Arms Control Negotiator, and Robert McFarlane, National Security Adviser to the President.

We then present two draft letters and one transmitted letter, declassified versions with deletions, by Roy Woodruff, a leading critic of Dr. Teller. Ironically, these letters, supposedly criticizing Dr. Teller's letters, actually, for the most part, support and expand on the most crucial aspects of the projections made by Dr. Teller and *EIR*. This was also the conclusion arrived at by the GAO based on the more general, secret record. *EIR* will publish a full copy of the GAO report in a forthcoming issue.

In presenting the Teller and Woodruff letters, this author will attempt to fill in many of the deletions. This will be

accomplished in two ways. First, the essential content of the deletions can be determined from other parts of the letters and GAO report. For example, Woodruff's funding projections and milestone time estimates are sometimes deleted and sometimes not. Based on the full record, it is generally possible to reconstruct many of the deletions. Second, based on scientific analysis and reference to other published materials, it is sometimes possible to make an informed guess. Explanatory material, guesses, and interpolations will be given in footnotes marked with [#].

Brightness

Throughout the letters, reference is made to brightness. Some elementary discussion of this concept and its use in the laser context will be useful to the non-technical reader. In the most general terms, brightness is simply the measure of the rate of energy generation by some source. For example, a 100-watt light bulb is twice as bright as a 50-watt bulb. That is, the 100-watt bulb puts out 100 joules per second of light energy, while the 50-watt one puts out 50 joules per second. (Note, for the case of pulsed sources, that both the total energy and time duration are needed to determine the brightness. For example, a flash bulb which puts out 1,000 joules in one-tenth of a second would be a 10,000-watt source and be 100 times brighter than a 100-watt bulb.)

A source brightness can be significantly increased in a specific direction if the total output is somehow focused. That is, instead of just letting the light from the bulb propagate in every direction—an "isotropic radiator"—we could use mirrors to capture the light output and focus it onto a single spot. To compare the isotropic, spherical case—that is, in all directions—with the focused, directed one, it is useful to represent the focused case as a cone. That is, we place a cone

with its apex at the center of a sphere. The center of the sphere represents the center of the energy source. At any given radius, the comparison between the isotropic and the focused cases is made by comparing the total area of the sphere with the area that the cone intersects on the spherical surface.

Now, let us say that the cone, which represents our focusing of the source output, intersects one-tenth of the area of the sphere. This means that the focused output is 10 times greater at a given radius than the isotropic case. This is the same result that would occur if we were to increase the brightness of an isotropic source tenfold.

In the simplest terms, chemical explosive weapons have maximum yields of several billion joules (about a ton of TNT), which is the energy that is released within about one-thousandth of a second. The first nuclear weapons generated thousands of times more energy in a time duration on the order of one-millionth of a second. This means that nuclear weapons are roughly a million times brighter than chemical ones.

The divergence angle of a laser—that is, the cone in which it can be focused—is determined by the square of the ratio of the wavelength of the laser light and the size of the “mirror”—its diameter. That is, the shorter the wavelength or the bigger the focusing mirror, the smaller the divergence angle, and therefore, the smaller portion of the sphere which is covered.

The effective range of a weapon falls off with the inverse square of the distance. This means that if a weapon is 10,000 times brighter, it would have an effective range of 100 times greater.

The Teller letter to Keyworth

SECRET December 22, 1983

The Honorable George A. Keyworth
Science Advisor to the President
Old Executive Office Building
Washington, D.C. 20503

Dear Jay: Merry Christmas!

This may be the first classified Christmas greeting you have received. Our Christmas present is a quantitative proof of the

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measurements

DELETED [2]

There is no other theory except that of the laser which could explain these results.

I am dreaming of the time when the national need will

not be quite so pressing, and when we can try to get an x-ray hologram of a gene containing thousands of atoms in one of these experiments.

In the middle of January 1983 you made a promise, heard by hundreds of people, concerning money at the right time. I agree that science cannot be sped up by throwing money at it. But we are now entering the engineering phase of x-ray lasers where the situation is all. . . . We have also developed the diagnostics by which to judge every step of engineering progress. A supplemental appropriation of \$50 million for 1984 and a budget increase of \$100 million in 1985 would triple our program in this area

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What our results may mean is not that we are geniuses at Livermore, but that too many people may have overestimated the difficulty of the job. Since there is evidence that the Soviets have started sooner and in fact may have anticipated the President's speech of March 23 by a few years, it seems to me that we are facing a potentially dangerous situation.

Some of us feel that reliance on retaliation has been for some time politically bankrupt. It may turn out that it soon may be (and conceivably already is) technically bankrupt as well.

I do not believe that the x-ray laser is clearly the only means, the best means, or even the most urgent means for defense. It is clear, however, that it is in this field that the first clear-cut scientific breakthrough has occurred. It is necessary to draw all the possible consequences from this fact and, together with a few others, I am working on this point.

At the same time, I think this progress may serve as encouragement to other defensive projects, very particularly to those being pursued in Los Alamos.

I just am back from two days in Washington and was quite unhappy to have missed you there. I talked with quite a number of people about these questions, but I believe that your specific support would be truly crucial.

I started by saying Merry Christmas. I would like to continue and say Happy New Year also. Unfortunately, the next year will be 1984. With your help, by January 1, 1985 we may be in a better position to hope for a happy new year. The immediate future looks to me unusually critical.

Your wonderful talk to the JASONS is one of my strong reasons for hope, and I have heard many good and positive responses on that. In the specific case of the x-ray laser, we are now in the stage where money talks.

Looking forward to seeing you at the next WHSC meeting, if not sooner.

With best wishes and high hopes,

Edward Teller

The Teller letter to McFarlane

SECRET December 28, 1984

Mr. Robert C. McFarlane
National Security Advisor to the President
The White House
Washington, D.C. 20500

Dear Mr. McFarlane:

Please excuse me for disturbing you again. I am doing so at the urging of my good friend Richard Staar. Furthermore, the topic is of urgent importance. It relates to the forthcoming negotiations in Geneva concerning strategic defense. The Lawrence Livermore National Laboratory has worked for a few years with limited funds and disproportionate success on nuclear bomb pumped x-ray lasers. In fact, I had an opportunity to talk briefly with the President about the subject a little more than two years ago.

In the meantime, it has become highly probable that this instrument can destroy sharply defined objects at a distance of the order of 1,000 miles and possibly more. This was accomplished by sharply directed beams which locally enhance the brightness and effectiveness of the nuclear bomb effects a millionfold.

While this progress has by now some solid experimental foundation,

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Assuming even moderate support, together with considerable luck, this might be accomplished in principle in as little time as three years.

I have written in slightly greater detail about this issue to my good friend, Paul Nitze. My classified letters to you and to him will be carried to Washington and delivered on Wednesday, Jan. 2, by Dr. Lowell Wood from the Livermore Laboratory, who is primarily responsible for these developments.

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My purpose in taking these actions is to try to prevent the inadvertent appearance in any possible forthcoming agreement with the Soviets of limitations that might impede our work, though they could be secretly violated by the Soviets.

Lowell Wood, the carrier of this letter, will be available to you to answer any questions that you might have on the 2nd of January or if need be on the 3rd of January.

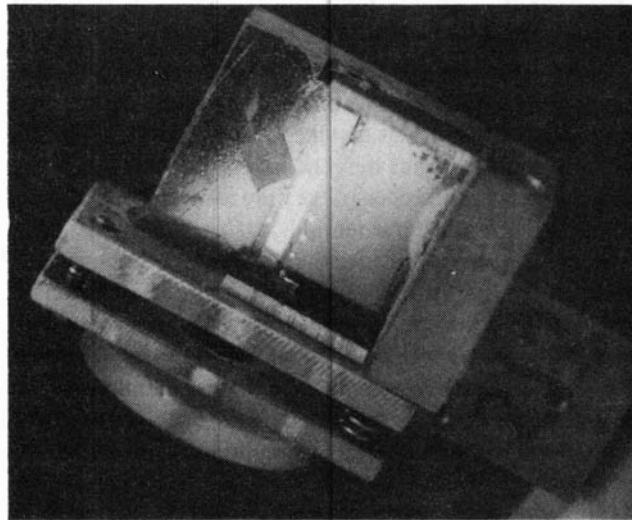
I am grateful for your indirect response which I received from you on the civil defense issue. I hope that I do not interfere too much by inviting your attention to this particularly important issue concerning the forthcoming meeting.

With many thanks,

Edward Teller

FIGURE 1

A laboratory x-ray laser



Given that nuclear explosive x-ray laser research is top secret, no photographs or diagrams of this process are available in the public literature. But Lawrence Livermore National Laboratory has simultaneously been carrying on an unclassified program for the perfection of laboratory scale x-ray lasers. This is one such laboratory x-ray laser. Most of the figure consists of an anvil to hold a thin sheet of metal, which will become an x-ray laser—the shiny streak between the two gold-colored pieces of the anvil. Overall, the anvil is about the size of a postage stamp. In the laboratory x-ray laser, the thin sheet of metal is irradiated with an intense pulse of optical laser light. This converts the metal into a plasma, which then produces a coherent x-ray pulse which travels down its length.

The Teller letter to Nitze

SECRET 28 December 1984

Ambassador Paul Nitze
U.S. Department of State
Washington, D.C. 20520

Dear Paul:

I certainly enjoyed talking to you today by phone. I'm sorry that the conversation had to be so elliptical. I really appreciate your receiving my friend Lowell Wood, who has carried this letter to you, and your considering the matters which I touch upon below.

For many years, people at this Laboratory have studied how the enormous energy of a thermonuclear explosion might be directed into beams, so that military targets, particularly targets in space, might be effectively attacked at much greater distances than the lethal radius of the explosion itself. A second advantage deriving from such a capability would usually be striking the target without warning, even in principle, with beams which would travel at the speed of light.

DELETED Topic 354.1 [5]

The technology employed in this demonstration appeared to be capable of generating a beam of x-rays which, at great distances, would be as much DELETED topic 421.1 [6]

bright as the bomb itself. One example of its utility would be the ability to kill a target at a distance of 10,000 km which would not be killed unless it were no more than 10 km from the bomb itself; another would be the ability to kill 100 such targets at distances of 1,000 km. This advance is thus comparable in magnitude to that involved in moving from chemical to nuclear explosives.

We expect to be able to realize this advance in this decade even though our pace is severely resource-limited and we have received meager additional funding to pursue it.

The Soviets led the x-ray laser field in essentially all respects until 1977, when their huge effort (comparable in magnitude to that of the rest of the world) quite abruptly ceased publishing. None of the lead personnel have apparently been assigned to other work, and none of them went to Siberia; they just haven't been publishing whatever work they have been doing. Curiously enough, their cessation of publication coincided with their experimental success in attaining laser action in the very far ultraviolet portion of the spectrum, an accomplishment which was not successfully duplicated in the West until our success this past summer at this laboratory. The inference is strong that they are several—perhaps even seven—years ahead of us in at least the unclassified aspects of x-ray laser work.

All this you may have heard of. All of it is significant in your present responsibilities, but I probably would not have invited your attention to it in so urgent a manner, had there not been a final consideration which is very little known in Washington.

As a result of work done by Lowell's team during the past two years, there appears to be a real prospect of increasing the brightness—and thus the potential military utility

DELETED Topic 4 (supp) [7] The overall military effectiveness of x-ray lasers relative to the hydrogen bombs which energize them may thus be as large as a trillion, when directed against sharply defined targets.

This is an exceedingly large gain, and even if it cannot be fully realized, this approach seems likely to make x-ray lasers a really telling strategic defense technology. For instance, a single x-ray laser module the size of an executive desk which applied this technology could potentially shoot down the entire Soviet land-based missile force, if it were to be launched into the module's field-of-view. Such a module might be pre-emplaced in space, popped-up in an attack-suppressing mode, or popped-up as the Soviet attack commenced. A handful of such modules could similarly suppress or shoot down the entire Soviet submarine-based missile force, if it were to be salvo-launched.

Employed differently in some details, this technology

might be devastatingly effective in the mid-course and terminal phases of strategic defense, as it might be possible to generate as many as 100,000 independently aimable beams from a single x-ray laser module, each of which could be quite lethal even to a distant hardened object in flight. The beams from such x-ray lasers would also be useful in striking targets deep in the atmosphere, down to altitudes of perhaps 30 kilometers.

I felt that you should be aware of the possibilities of such striking advances, both the ones already in hand and the even more impressive ones in reasonably near-term prospect, before you go to Geneva. You may wish to reflect on not only what they could mean to the United States, but of what significance they could have for the Soviet Union, particularly when the Soviet half-decade lead is taken into account.

Thanks very much for your consideration of these matters. Lowell will answer any question on them which you may have. I hope to see you soon.

With warmest regards,
Edward

The Woodruff letter to Keyworth

Draft Letter

Bldg. 111 Room 701 L-38 3-0800
December 28, 1983

George Keyworth

Dear Jay:

I have just become aware of a letter dated December 22, that Edward Teller wrote to you concerning DELETED [8] x-ray laser research at Livermore. As the leader of that research, I wish to "set the record straight" and mitigate some of what I perceive to be premature conclusions arrived at by Edward. I have not discussed the letter in any detail with Edward and thus, cannot claim to know exactly what he meant. . . . "essentially quantitative agreement" with. . . . [I am] hesitant to claim quantitative agreement at this time. The status can be most accurately stated as:

—DELETED [9]

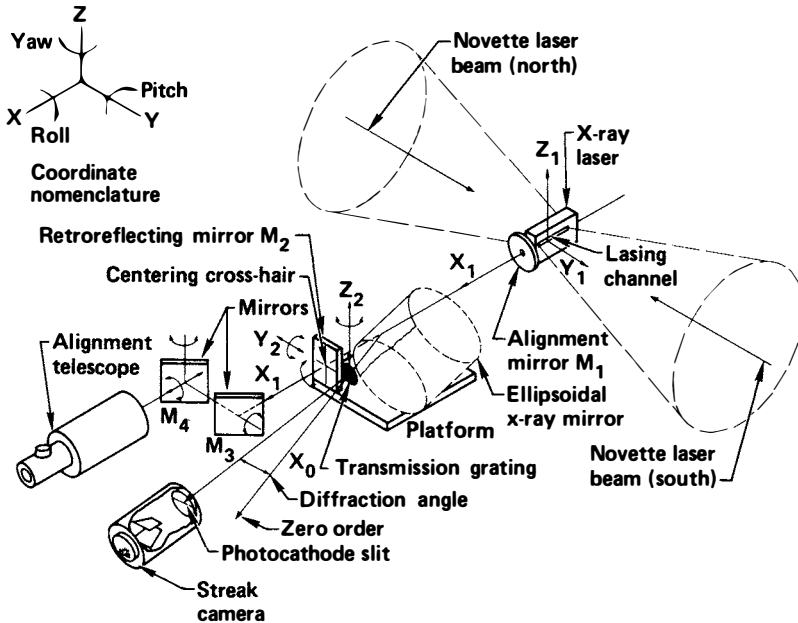
—Spectral, temporal, spatial, and intensity characteristics of the laser output were measured and are in solid qualitative agreement with predictions.

—Much data were collected but many physics questions remain. We still do not have a solid predictive ability based on current models and codes.

—The DELETED data, in spite of clearly demonstrating strong lasing, do not establish that these systems can be scaled to the range needed for military applications.

FIGURE 2

Schematic of x-ray laser diagnostics



Shown is the arrangement of the scientific diagnostics utilized to measure the output of the Livermore Laboratory x-ray laser. The two beams of the Novette optical laser are shown irradiating the thin sheet of metal, which is transformed into a plasma and generates the x-ray laser pulse along its length. On the front of the x-ray laser is an alignment mirror, M1, which is used to align the x-ray laser with the diagnostics. Various mirrors and the alignment telescope are shown for this system. One set of diagnostics shown consists of a transmission grating, which diffracts the x-ray laser pulse, an ellipsoidal x-ray mirror which permits the comparison of an undiffracted portion of the x-ray laser pulse with the diffracted portion when both arrive at the streak camera.

With respect to Edward's comments that the x-ray laser research is entering the engineering phase and that additional funding should be applied, I only partially concur. The x-ray laser is nowhere near the engineering phase at this time. As we have stated so often in presenting our work, critical physics characterization and scaling experiments must be carried out before we can attempt to assess the weapon feasibility of this concept. Only then will we possibly be at the beginning of the engineering phase.

However, I must agree that additional funding is not only prudent, but critical to the program at this stage. Under present funding estimates, we can only hope to reach the milestone of assessing weapon feasibility by DELETED [10]. However, with additional funding of \$ DELETED [11] in FY84, DELETED [12] in FY85, and continued supplements in the out years, we could move that milestone forward to DELETED [13].

Let me close by assuring you that we have unequivocally demonstrated an x-ray laser on DELETED [14] and our enthusiasm, as well as the need for accelerating this research, continues to grow. Let me also caution, however, that it is premature to extrapolate present successes to the conclusion that a viable weapons system is possible in the near term.

Roy D. Woodruff
Associate Director,
Nuclear Design

The Woodruff letter to Nitze

The Honorable Paul Nitze, Ambassador
U.S. Department of State
Washington, D.C. 20520

Dear Ambassador Nitze:

The letter from Edward Teller (dated December 28, 1984) concerning our progress on the x-ray laser which was delivered to you by Lowell Wood has just recently come to my attention. While I am sure you recall my enthusiasm for both the science and the potential military applications of x-ray lasers when we discussed the project here at Livermore last January, I am concerned that the balance set both in Edward's letter and in any additional discussions that may have taken place with Lowell is overly optimistic. While I would never object to either Edward or Lowell giving their personal opinion about the status and future possibilities for the x-ray laser, I believe I have a responsibility as leader of the program to convey to you my views of both the current status and future possibilities for the x-ray laser as a military weapon.

Let me begin by summarizing the experimental data relevant to the x-ray laser. As I am sure you recall, the laser is excited (or pumped) by the output of a specially designed hydrogen bomb. The x-rays emitted by this "source" irradiate the laser DELETED [15] and excite the lasant atoms. Lasing occurs in a similar fashion to more normal (visible light) lasers, only the output is in the DELETED [16] x-ray spec-

trum. We have successfully completed DELETED x-ray laser experiments at the Nevada Test Site,

DELETED

My summary of the results and experience gained DELETED includes:

- Intense output in the x-ray energy regime DELETED was observed DELETED
- This intensity was observed to increase nonlinearly with length and has divergence characteristics that are unmistakably from lasing action
- Analysis of one of the lasers DELETED indicates the gain is substantially lower than expected.

DELETED

These facts make clear a number of points about the present state of development and understanding of the x-ray laser. They are: 1) the production of strong x-ray energy beams that are unmistakably from lasing action is now within our capability; 2) the experimental measurement of these x-ray lasers are at the frontier of our capabilities and require great care and skill in both execution and evaluation; 3) the physics models, computer codes, and data base presently available are only capable of guiding our endeavors in a qualitative manner and large advances will be necessary before we can expect to be successful with quantitative predictions.

The above points represent a restatement of the view I presented to you during your previous visit to the Laboratory and can be summarized as follows: Important physics characterization and scaling experiments must be carried out before we can fully assess the weaponization potential of the x-ray laser concept. I fully expect these characterizations and scaling experiments will establish that the x-ray laser could be an effective weapon, but until the experiments do show this, the issue remains a matter of speculation.

DELETED

With the successful completion of the research program outlined above, the development of a full x-ray laser weapon system would require an additional 5-10 years and would cost several billion dollars, depending on the number of weapons required. Of course, this schedule could be accelerated if in parallel to the x-ray laser research one were to execute a weapon engineering development program.

Given the success of both the x-ray laser research and the engineering development programs, one would have a weapon with characteristics similar to those outlined in the third paragraph of Edward's letter—the brightness enhancement of a beam of x-rays from such a weapon would be

DELETED [17] over an isotropic radiator. The possibilities for using such a weapon would include the engagement of single satellites to distances greater than 10,000 km and the exoatmospheric intercept of tens of objects (such as boosters and reentry vehicles) at distances from 100 km to 1,000 km, depending on target hardness. While such a device might prove to be important in Ballistic Missile Defense, I believe it is more likely to be useful in a category of technology which is often referred to as space superiority weapons. Based on the Earth, (and thus potentially as survivable as any of our current strategic assets including SLBMs [submarine-launched ballistic missiles]) such a weapon could engage satellites at distances out to geosynchronous orbit within minutes after the decision to launch was made.

DELETED

All of the preceding material is consistent with the briefing you heard on January 12, 1984.

DELETED [18] Since the brightness of the beam depends inversely on the square of the beam width, decreasing the divergence of the beam really pays off rapidly.

DELETED While I share Edward's and Lowell's enthusiasm for the research and agree it may be possible DELETED [19] to even further enhance the output of a x-ray laser weapon beyond our DELETED [20] baseline goal, I am concerned that certain views expressed by Edward's letter may be interpreted with too much optimism. The statement, "For instance, a single x-ray laser module the size of an executive desk which applied this technology could potentially shoot down the entire Soviet land-based missile force, if it were to be launched into the module's field-of-view," while technically correct insofar as the realm of possibility is concerned, does not convey the difficulty of such a weapon achievement. As Edward points out, this particular weapon requires a DELETED enhancement in beam brightness. In struggling to express the probability of such a development, I can only say that it is my opinion we do not have sufficient understanding nor data to be quantitative about the possibility of achieving these results.

DELETED

Will we ever develop a weapon close to the characteristics described in the above quote? Not impossible, but very unlikely.

There are many good points in Edward's letter and I hope this note will help draw them out and place them in an appropriate perspective. In particular, I, too, am concerned about where the Soviets might be in the development of either an x-ray laser or some other nuclear directed-energy weapon. Their nuclear weapons programs seem to be supported at a level considerably above those of the U.S.,

DELETED

In addition, you may recall from your last visit to the Laboratory that we are working on several other methods for directing the energy of a nuclear explosion

DELETED [21] I believe it is only prudent to assume the Soviets also are actively pursuing other methods for directing the energy of a nuclear weapon and it could be very dangerous if they are successful first.

I very much appreciate this opportunity to express my views on these issues. Should you find more information would be useful I would be happy to discuss them further at your convenience.

Regards,

Roy D. Woodruff
Associate Director for
Lawrence Livermore National Laboratory Bldg. 111
Room 415 L-20 3-6806

The Woodruff letter to General Withers

Major General G. Kenneth Withers, Director
Office of Military Applications
U.S. Department of Energy
Germantown, MD 20585

Dear General Withers:

Having reflected on our telephone conversations of the past week, I would like to try to clarify some of the confusion regarding the baseline goal of the x-ray laser program, the milestone schedules for achieving that goal which are cur-

rently under discussion in the DOE and DOD, and how these schedules relate to today's budget reality at LLNL.

Let me begin by summarizing the technical goal of the program. We have described baseline performance for Excalibur,

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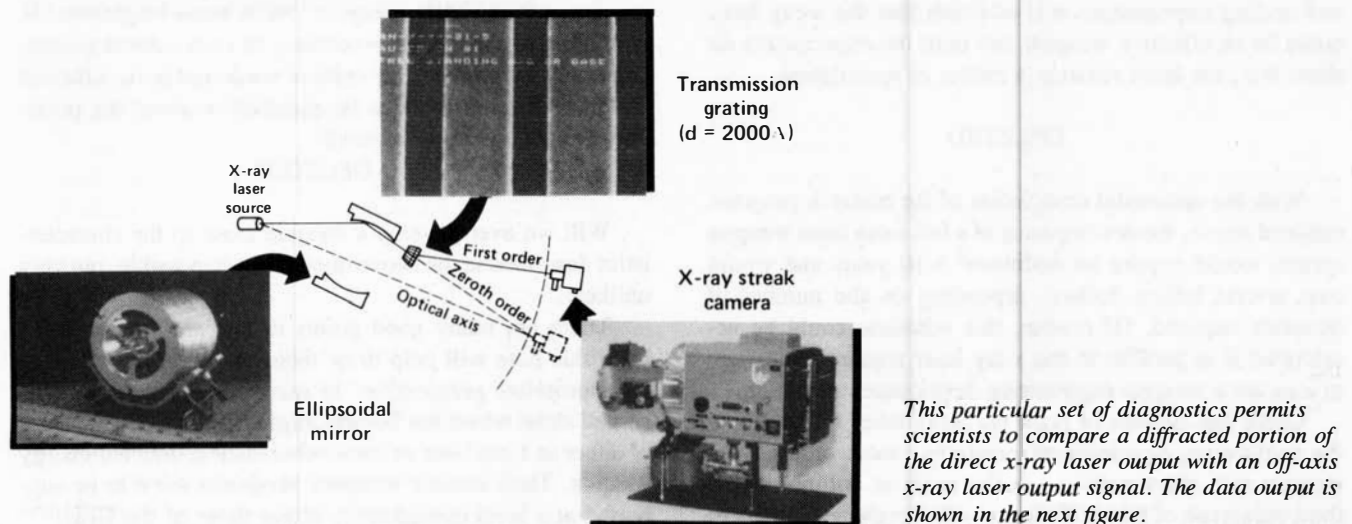
This can be thought of as enhancement in brightness over a "conventional" nuclear explosive such as the Spartan warhead of the early 1970s. It is our belief that it will take DELETED tests at the Nevada Site to demonstrate this performance. However, the demonstrated complexity and significant cost of these x-ray laser experiments make the date by which we can achieve the technical goal highly dependent on the level of funding available during the next decade.

The schedule currently supported by the DOD Strategic Defense Initiative Office (SDIO) assumes achievement of the technical goal in the 1991-1992 timeframe. The ability to meet this milestone was predicated on LLNL, and LLNL Nevada, receiving a minimum of 5% real growth in [research, development, and testing] RD&T funding for the next seven fiscal years. (For your information, I have attached a background paper which provides a brief history of the program, and describes how the SDIO-supported milestone evolved.) The DOE Strategic Defense Research (SDR) plan establishes 1995 as the milestone for accomplishment of the same technical goal. In theory, the SDR schedule does not require increments in funding to begin until FY 1987.

As you know, we are currently spending DELETED on x-ray laser development. All of this funding has come from within our already tight resource envelope during the past

FIGURE 3

Pictures of ellipsoidal x-ray mirror, x-ray streak camera, and transmission grating



several years. The incremental funding we have indicated as necessary to meet the SDIO/SDR schedules through FY 1990 is as follows:

DELETED

The funding increments identified relate to LLNL only; additional support is also required for LLNL Nevada. Also, these estimates assume that all else "remains equal," namely, that the base budget continues to provide for all ongoing/planned activities and keeps pace with inflation.

This latter point is important in understanding the situation which the Laboratory finds itself in today. A cursory review of the funding increments shown above would indicate that the DOE's SDR schedule can be met with no additional funds in FY 1986. However, the base assumption has not held firm. Indeed, the reality we face in FY 1986 is that:

- LLNL will receive an increase in operating expenditures of 6.8%, an amount which is essentially equal to inflation and which provides no real growth.
- The potential decision to allocate the [inertial confinement fusion] ICF budget on the basis of "Lab balance" rather than "program merit" will require us to reallocate as much as \$12 million of WRD&T funds to the ICF Program to maintain operational capability of the just-completed NOVA facility.
- All signs indicate that the FY 1986 budget will not come back from Congress unscathed, and indeed, that the reductions sustained could be considerable.

The combined effect of these factors is to put pressure on the FY 1986 budget which was not anticipated when the SDIO/SDR milestones and related funding scenarios were established. Thus, even in the SDR case, incremental funding may be required in FY 1986 to maintain the pace necessary to meet the 1995 milestone.

In summary, there are two key questions which must be addressed as quickly as possible. The first of these is to reconcile the SDIO and SDR schedules. I believe this is a key issue which should be addressed by the SDI Steering Group in its meeting next week. Once the schedules are reconciled, the second issue is to identify the incremental funds required to meet the milestones agreed upon.

As I have discussed with you, I do not believe it prudent to identify these incremental funds from within the LLNL core weapons program. The redirection of funds to nuclear directed energy weapons efforts, which has taken place during the last several years, has already caused an imbalance within the program which is at the bound of tolerance. Further redirection of funds to the x-ray laser program, especially at the level of DELETED would have effects of major proportion:

- All nuclear directed-energy weapons concepts

other than the x-ray laser would be terminated, including the potentially high-leverage DELETED [21].

- At least two tests would be eliminated from the schedule, with significantly reduced diagnostic measurements on those which remain.
- Most advanced weapons design projects would be cancelled, including work on the earth penetrator, advanced primary and secondary design, and high explosives development.
- Several weapons assembly and diagnostics facilities here and at Site 300 would be shut down.

The long-term consequences of such actions are, in my view, life threatening to this institution. A significant number of our key scientists would no doubt move to other programs, or more likely out of the Laboratory entirely. Once this rare talent and experience is lost to the nation's weapons program, it cannot be restored for at least a decade. The concept of maintaining two strong design laboratories—a concept which has served us so well for 30 years—would be permanently altered.

I am sure that it is difficult to see the potential magnitude and seriousness of these efforts from your vantage point. But, I am also confident that your concern for the vitality of this institution is strong. Thus, I look forward to discussing this matter in depth with you during the coming weeks.

Sincerely,

R.D. Woodruff
Associate Director for Defense Systems

Appendix A brief history of nuclear pumped x-ray laser

Goals and Milestones: The general x-ray Laser Program goals have not changed since the beginning of the research effort five or six years ago:

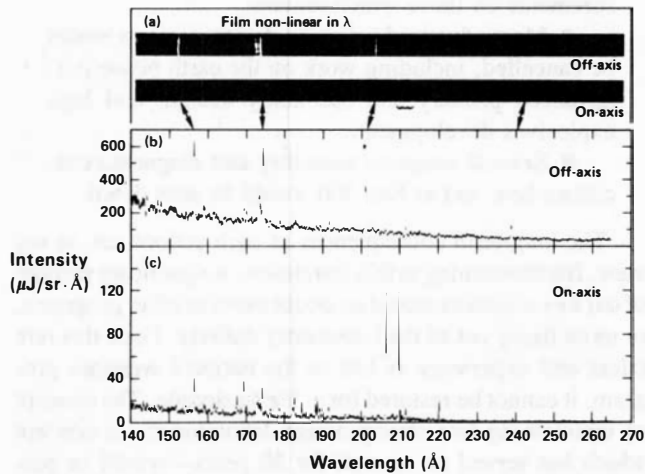
- To gain understanding of the physics of x-ray lasers for both military and scientific applications
- To use this understanding to guide the development of an engineering and material science base that will allow us to proceed as rapidly as possible toward a militarily useful weapon.

Enhancement in brightness DELETED over an isotropic source was not a program goal until mid to late 1983, but simply a step along the way toward developing the brightest and/or most efficient laser possible. We made estimates of the key physics parameters for the simplest of x-ray lasers (conceptually speaking) and DELETED enhancement became a near-term manifestation of these estimates.

The critical parameters which determine the brightness of a self-initialized, geometric divergence x-ray laser are:

FIGURE 4

Spectral data recorded from laboratory x-ray laser experiments



The actual streak camera film data is shown at the top of this diagram (a). (b) is a graphic representation of the data for the topmost streak film. (c) is the graphic representation of the data for the bottom film. (b) is data taken "off-axis," that is, along a line other than the line defined by the x-ray laser beam. (c) is the data taken when the camera is receiving the signal along the line defined by the x-ray laser beam. Note that there are two very large lines at 206 and 209 angstroms. This is indicative of a laser which has two output wavelengths. If laser action were not taking place, then there should not be such a large difference between on-axis and off-axis measurements. These x-ray laser diagnostics represent systems that are on the frontiers of scientific theory and technological capabilities. The diagnostics make measurements on a spatial scale of angstroms—less than atomic radii—and time spans measured in picoseconds (trillionths of a second). These measurement resolutions also define the required tolerances for the manufacture of these diagnostics.

- Pump Strength (yield, spectral composition, and length DELETED—all are important)
- DELETED
- Laser efficiency

Many individuals, organizations, and review committees have done back-of-the-envelope calculations to estimate these parameters—some of which have even appeared in the open literature. Most get the "right" answer and these results are summarized in the following table:

DELETED

Just how reasonable the DELETED intermediate step is has been the topic of at least three Jason reviews and several DOE/DARPA [Defense Advanced Research Projects Agency] workshops. So far no one has identified any show stoppers, and we are proceeding as rapidly as data and theory will permit to find the actual limits. A point on nomenclature:

the reasonable line in the table is often referred to as either Excalibur or baseline and the physics limits line is known as Excalibur(+) or baseline physics limit. Insofar as a conceptual design of a weapon is concerned, the Excalibur device (which might have a brightness enhancement of DELETED over an isotropic radiator) was designed on paper by Livermore scientists and further developed into a model for our vault by the Rocky Flats shop in 1980.

Many technical people who should know better seem to regard the above table as the end game. It is not! Even A. Carter seems to have missed that the simple self-initialized laser represented by this table is by no means the end of the line for x-ray laser potential.

DELETED least a lot more difficult DELETED

- Intense output in the x-ray energy regime of DELETED was observed DELETED
- The intensity was observed to increase non-linearly with length and had a measured divergence that was in close agreement with predictions. These data lead to the conclusion that the signals are unmistakably from lasing action.

DELETED

These facts make clear a number of points about the present state of development and understanding of bomb-pumped x-ray lasers and our capabilities to further develop them as potential weapons.

1. The production of strong x-ray energy beams that are unmistakably the result of lasing action is an accomplished fact.
2. The experimental measurements of these x-ray lasers are at the frontier of our capabilities and require great care and skill in both execution and evaluation.
3. The physics models, computer codes and data base presently available are only capable of guiding our endeavors in a qualitative manner, and large advances will be necessary before we can expect to be successful with quantitative predictions.

DELETED If all goes well, we will have for the first time some fundamental atomic physics including an estimate of the ionic species in the laser during its operation. Traditional nuclear weapons design practice might be summarized as lacking the absolute or first principle basis to predict device performance but having a fair-to-good predictive capability with regard to the derivative of the device operation as a function of some parameter change. This is what we are currently missing in the x-ray laser program. One very optimistic outcome from DELETED experiment might be a measure of the progress in this area. DELETED

While quite crude compared to what we believe is necessary for a weapon, they may provide useful results, and even if they do not, we will have learned a lot about how to do it better next time.

DELETED

Some of these notions were presented to the summer study chaired by J. Fletcher (known as the DTS). The major differences are that we did not have the DELETED so J. Fletcher was doubtful we actually had demonstrated lasing

DELETED

Two general conclusions about x-ray laser weapons came out of that study:

- An Excalibur(+) system DELETED was the only [directed-energy weapon] DEW that had a clear potential for engaging a massive salvo attack in the boost phase. This is because the x-ray laser (and most other nuclear directed energy weapons) are capable of multiple intercepts (parallel kill). The more traditional DEW concepts are only capable of engaging one target at a time (serial kill);

DELETED

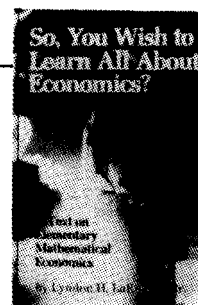
The milestone for demonstrating the feasibility of an Excalibur level of brightness naturally fell out of all this debate. The date of the early 90s was recommended because we (LLNL) said this was the earliest we could complete DELETED development tests in Nevada and it was compatible with DTS or now SDIO desires for some technology sorting around that time frame.

This milestone was also picked up by various policy people in the DOD and is still pushed by those people today. The reasons are many: They also believe DELETED increase in effects is revolutionary, there is no other nuclear option that was really pushed by the DTS, and perhaps because of this is one of the better possibilities for motivating the DOE budget. For whatever the reasons, the DOD has continued to support the demonstration of DELETED and has started what they call a "Phase B" with DOE and the Army.

Notes

1. Laser action with various types of diagnostics.
2. Reference to the actual measurements.
3. Apparently referring to Excalibur levels of operation with an x-ray laser—a source millions of times brighter than a hydrogen bomb.
4. Apparently referring to the new development of plasma optics for focusing x-ray lasers (the Super Excalibur), which were demonstrated in the spring 1985 Cottage tests in Nevada and which would make the x-ray laser trillions of times brighter than the hydrogen bomb.
5. The simple x-ray laser (Excalibur) would have a brightness millions of times greater than the hydrogen bomb and therefore increase the lethal range against soft targets such as satellites and boost-phase missiles a thousandfold, from 10 kilometers to 10,000 kilometers.
6. Millions of times.
7. See Note 4; To a level trillions of times greater than the hydrogen bomb.

8. See Notes 1 and 2; recent, unequivocal demonstration of x-ray lasing based on demonstration of advanced diagnostic techniques.
9. References advanced diagnostic measurements, probably having to do with coherence length.
10. 1991; See later Woodruff letter.
11. About \$50 million; see Teller letter.
12. About \$100 million; see Teller letter.
13. 1987 ("several years" in GAO report, three years in Teller letter). In general, Woodruff notes that it will take several billion dollars and five to ten years to actually develop a full-scale weapon once the full-scale scientific demonstration has been completed. But Woodruff also notes that this need not be sequential, but could be done much quicker with a parallel weapon engineering program.
14. Most recent Nevada test.
15. Rod.
16. Ultraviolet to soft.
17. Million times.
18. Background on plasma lens for focusing x-ray laser beams.
19. Plasma lens.
20. A millionfold increase over the baseline Excalibur, which is itself millions of times brighter than an H-bomb.
21. While this could refer to a host of alternative nuclear directed energy weapons (NDEW), it is most likely referring to the system in which the bomb energy is converted to a high-current, low-voltage electrical pulse which is then in turn used to accelerate plasmas to thousands of kilometers per second. Once in space, the plasma expands and cools, and thus forms a dust cloud moving at thousands of kilometers per second. And even though the dust cloud covers hundreds of square kilometers, each dust particle has sufficient energy to destroy a missile. This plasma accelerator NDEW is therefore like a shotgun and has a high "leverage."



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'Perestroika' rips Ruhr industrial zone of Germany

There is a "restructuring" under way in the Ruhr industrial region of West Germany. The word for "restructuring" in Russian is *perestroika*. There, it is a euphemism for a war-economy mobilization. What is it all about in West Germany, and where will it lead? It would seem to mean the very opposite.

Is it the dismantling of this, the largest and still most productive industrial region in Europe, by way of mass layoffs of highly qualified operatives and shutdowns of entire steel plants, as many trade union officials fear?

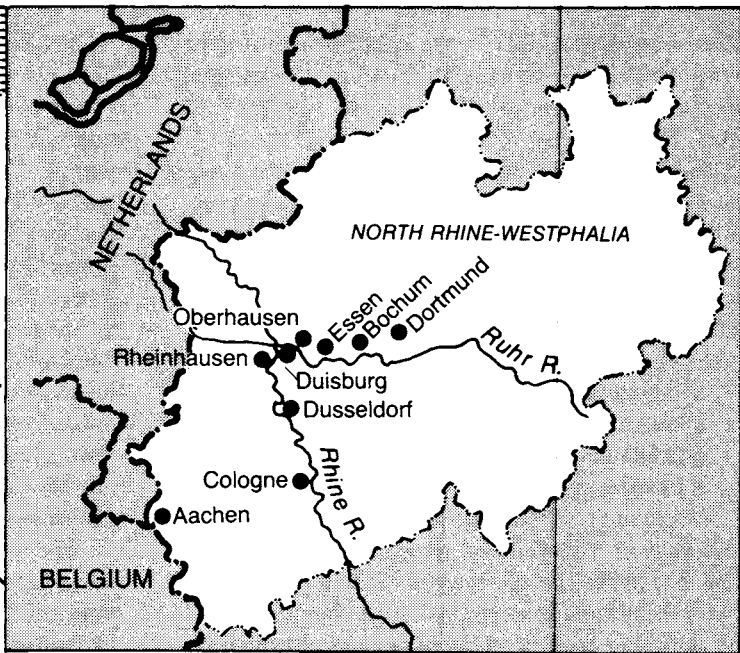
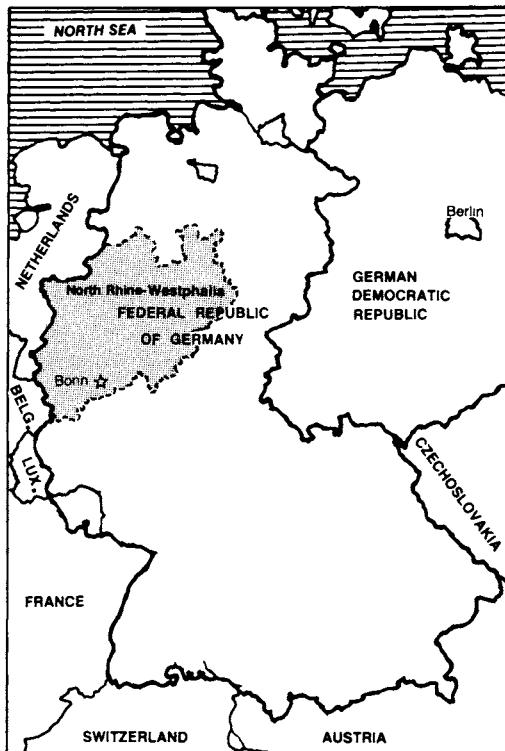
Is it the transformation of steel and coal sites on the Rhine and Ruhr rivers—decried as "outmoded," but in fact, producing with the most modern technology—into "futuristic high-tech areas," as the industrialists demand?

Is it the cleaning out of the "contaminated" Ruhr's smokestack industries, which produce "industrial garbage," as demanded by the Green Party?

Or is it a relapse into colonialistic "free-trade zones," which the hardline proponents of the alleged "free market" desire so much—i.e., "production" zones in which reckless managers, loan sharks, and drug pushers have a free hand and can dictate wage levels as in "cheap labor countries," free of troublesome tax and social laws?

Currently, it is a mixture of all those things. As can be seen from the propaganda of the West German Communist Party (DKP), i.e., what is desired by Moscow, the bottom line is that, if the future development in the Ruhr region continues in the same direction as now prescribed by leading political, corporate, and labor representatives, industrial West Germany will march into a "service society," and collapse into the status of a Soviet protectorate.

The ratio of industrial operatives in the Ruhr has fallen from over 50% in the 1950s to only 35% today. This has been accompanied by a collapse of coal mining to one-third and of steel production to only one-half of what it was only 25 years ago. In that period of time, almost half a million industrial jobs have been lost in the Ruhr. Deeply disappointed, residents have fled the region that once was living proof that the progress of mankind can be realized through qualified labor and technological progress.



The Ruhr region lies between the Ruhr and Rhine rivers in the state of North Rhine-Westphalia of the Federal Republic of Germany, and is the densest industrial concentration in the world. No sharper threat to the security of the Western alliance can be imagined than the dismantling of this capability.

Industrial zone of the future

After the spectacular German postwar reconstruction, the Ruhr region, the industrial heartland of West Europe, was considered a model worldwide and the industrial zone of the future. This persisted through the 1950s and most of the 1960s.

The Ruhr was not only a leading force in revitalizing the destroyed German economy, but thus provided the impulse for economic growth to the whole of Western Europe's economy. The Ruhr boasted vast scientific and technological resources, as well as basic industry. The legendary Technical High School in Aachen, various private and state-run research laboratories, modern technical equipment, a dense transportation network, and an army of highly skilled workers and engineers were the foundation of its growth.

The extreme export dependency of the West German economy resulting from a scarcity of raw materials was understood as a continuous challenge—and successfully met. The Ruhr was compelled to maintain a margin of technological advantage on the world market. "We are condemned here to continuously march at the top of technological progress." This was the corporate philosophy on the Rhine and the Ruhr; it had been assimilated by everybody involved, managers, engineers, skilled labor, and their families.

On the drawing boards of the planning staffs, new plant and machinery were developed for the industrial expansion of the region. Resourceful scientists and engineers developed

totally new concepts and technologies, like the High Temperature Gas-Cooled Nuclear Reactor (HTGR). Leading architects were busy mapping out and preparing the construction of new cities in the vicinity of the Ruhr that would absorb the expected large population growth.

This dynamic was not only desirable, but necessary, since a continuously growing world economy and rapidly expanding export markets demanded increasingly high-quality goods "Made in Germany." There was not only a demand for specific goods, but a chance to develop whole continents through German technology.

The construction of the steel city of Rourkela in India, where today almost half a million people live and work, was wholly planned in the Ruhr. It created the potential for opening up the vast Indian subcontinent to German industrial exports. Machine tool firms from the Ruhr succeeded in taking one leading position after another in Africa and Asia. The predominantly Ruhr-based German nuclear construction industry successfully established the basis for a future collaboration with the Ibero-American continent by delivering nuclear power plants to Argentina and Brazil.

The 'dying of the mines'

The general perception that every crisis always includes a chance for new beginnings, and can be overcome through resolute political action and new scientific-technological

achievements, suffered its first cracks at the beginning of the 1960s, when suddenly, petroleum prices went into a tailspin, and Ruhr coal ceased to be competitive. The "dying of the mines" started in the Ruhr.

More than 160,000 miners who lost their jobs were able to find new jobs in other industries for the time being, especially in the expanding machine tool and heavy equipment sectors, and also in newly created branches like the large Opel auto plant in Bochum. This resulted even in a slight net gain in employment in the state of North Rhine-Westphalia (NRW) through 1970, despite the huge losses of mining jobs. However, in the following years, politicians, industrialists, and labor representatives, apparently united in their commitment to saving German coal mining, were not able or willing to practically realize the only prudent solution available—the development of HTGR nuclear technology.

Everybody had known for a long time that the high-quality, but expensive, coal of the Ruhr would not be competitive with cheap surface-mined coal from abroad, if it was only used as coking coal for steel production, or as fuel for energy production. To solve this problem over the long run, scientists from the Ruhr had developed a brilliant conception: the thorium-fueled High Temperature Gas-Cooled Reactor.

Since Ruhr coal was "too precious to be burned," it should be given a new future as raw material for the chemical industry. Its energy value would be replaced by the "safest, hottest, and cleanest nuclear reactor in the world." This quite elegant solution was not only cost-effective, but meant the beginning of nuclear energy production, desired by everybody at the time, which was and still is key to the very existence of the resource-scarce industrial nation of West Germany.

While the process heat produced by the Thorium High Temperature Reactor (THTR) was to solve problems with coal and steel, the electricity from light water fission reactors was to cover fast-growing energy demand from industry and households. In the 1990s at the latest, the "fast breeder," distinguished by its unique capability to produce both electricity and nuclear fuel in abundance, was to finally render the energy-hungry Ruhr economy independent of expensive (and politically disadvantageous) imports.

Moscow wins for the first time

But things turned out otherwise. It was not engineers, scientists, and technicians who determined developments, but "pragmatic" politicians and managers. All of them, and not only the Social Democratic variety, suddenly developed a strong Eastward preference.

Two of the main actors should be mentioned: Krupp's "strongman," Berthold Beitz, and the former president of the German Association for Industry and Trade (DIHT), Otto Wolff von Amerongen. In 1986, Beitz, who likes to go hunting in the Carpathian Mountains with Soviet leaders, received an honorary doctoral degree from the East German university of Greifswald for his many efforts to improve

relations with the East; Otto Wolff von Amerongen, who ran the East Committee of German Industry even during the "Cold War," has various channels into the East that can be traced back to the 1920s, when his father shaped the Rapallo policy of economic relations with the fledgling Soviet regime. With this background, it becomes clear why leading political and corporate representatives in the Ruhr did not pursue a policy of achieving economic independence, and more and more gave up their commitment to using German technology as a positive contribution to the development of the world. Short-sighted cost-benefit calculations served as justification for an economic policy that was designed to produce dependence on the export markets to be had in the East. This same economic policy increasingly risked the future of whole branches of industry, and created a politically dangerous economic situation.

The energy policy is exemplary. As a reaction to the "coal crisis" provoked by the calculated reduction of oil prices, the vital development of nuclear energy was not taken up. "Inexpensive" imports of oil and natural gas were given priority over the use of German-made nuclear power plants, technologically among the best in the world. The development of the HTGR for mass production was delayed until this completely safe reactor type was practically killed by the environmentalist movement that was started in the early 1970s with a helping hand from Moscow. The fast breeder program is even worse off, and may be totally eliminated.

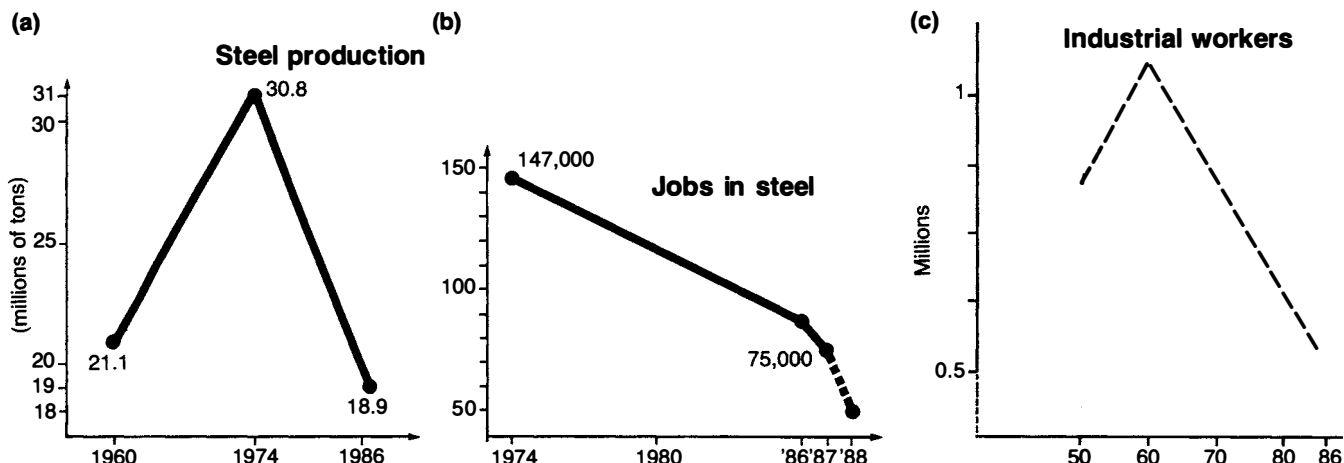
The "alternative policy" favored in the last 20 years includes storage of Ruhr coal not needed domestically, expansion of coal-powered energy plants, and rising imports of "inexpensive" energies, like oil and natural gas. The most spectacular coup in this regard was the "natural-gas-for-steel-pipes" barter deal signed in Bonn in 1978 between Chancellor Helmut Schmidt and Leonid Brezhnev. That deal increased Moscow's share of the West German natural gas supply to a massive 30%. In exchange, Moscow not only received steel pipe from the Mannesmann Corp., but also a 1 billion deutschemark line of credit from a German bank consortium led by Deutsche Bank.

Another Soviet coup will be completed shortly: the sell-out of HTGR technology. Until the early 1980s, the HTGR was considered the leading German "export hit." Even compared with Japan, Germany had a technological lead of several years concerning the HTGR. It was no accident that traditional "coal nations," like Australia, South Africa, and especially, thorium-rich India, were very interested in the German HTGR. But, now, the technological lead is almost lost, and nobody speaks of nuclear shipments to the Third World any more. On the other hand, the East bloc has won the bidding: In the spring of 1987, the first treaty was struck for construction of HTGR nuclear power plants in the Soviet Union. HTGR technology will also be shipped to Poland and East Germany.

The consequences of this striking blunder in energy and

FIGURE 1

Collapse of Ruhr region



Source: State Statistical Office, North Rhine-Westphalia

economic policy are enormous: The Federal Republic of Germany has not only lost much of its economic independence, and is now suffering a growing dependence on the East bloc, but has also paid incredible amounts of money for this folly. At the moment, for lack of nuclear power, the state of North Rhine-Westphalia (NRW) alone subsidizes coal mining to a tune of more than DM 1 billion a year; and concerning power generation, the German economy, because of the use of domestic coal reserves and massively overblown security and environmental protection criteria, has to carry energy costs of DM 9 billion a year above those of France, which produces 70% of its power in nuclear plants.

The collapse of steel production

While the "coal crisis" caused by the reduction of oil prices in the early 1960s destroyed the Ruhr's mines, the rigged "oil crisis" of the early 1970s, producing a rise in oil prices of 400%, slammed the Ruhr's steel industry. Whereas rising energy costs could be absorbed to a certain degree by technological innovations, the demand for steel did not recover, because, in addition, exports of machine tools, heavy equipment, and other industrial goods was increasingly strangled by rising worldwide indebtedness.

Since the resumption of German steel production after the war, production figures in the Ruhr region, which traditionally produced 60% of German steel, had continuously increased. In 1960, the Ruhr produced 21.1 million tons; in the record year 1974, it produced 30.8 million tons, an increase of roughly 50%. But from that point on, things went downhill (Figure 1a). By 1987, steel production was down 11.9 million tons, a fall of almost 40%, to 18.9 million

tons—the level of the early postwar years!

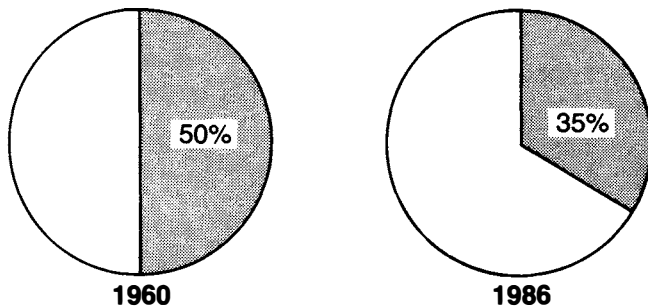
Even more dramatic has been the collapse in employment in the steel sector over the last 15 years. In the early 1970s, at the high point of steel production, the Ruhr region employed 147,000 steelworkers; at the end of 1987, this was down to 75,000, and it is a foregone conclusion that in 1988, another 25,000 steel jobs will be lost in the Ruhr. This means that, in the Ruhr alone, almost 100,000 steelworkers had to give up their jobs within less than 20 years (Figure 1b).

These figures for the steel sector are comparable to the dramatic decline in the mining sector. Coal production in the Ruhr decreased from approximately 150 million tons in the 1950s to a meager 50 million tons today. Since 1961, about 240,000 miners have lost their jobs, 160,000 of them during the period of the "dying mines," when other productive, well-paying jobs were still being rapidly created in other industries, principally in the machine tool and equipment sector. But that is the difference between today's "steel crisis" and yesterday's "coal crisis": Today, qualified steelworkers are being thrown onto the streets, and asked to survive in a "service economy."

The "outmoded" steelworkers and miners of the Ruhr are by no means the only victims of the "post-industrial" collapse; the entire West German economy has been hit. While in 1961, there were almost 950,000 industrial operatives in the Ruhr, this figure fell to 512,000 by 1986—a collapse of almost 50% (Figure 1c)! This deterioration also led to employment shifts in North Rhine-Westphalia. In 1985, out of 5.5 million employed persons in North Rhine-Westphalia, only 1.9 million were employed in the industrial sector. Thus, the ratio of industrial to other employment is approximately

FIGURE 2

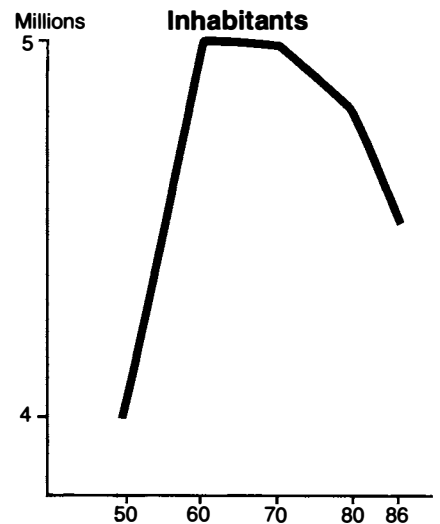
Percent of industrial workers fell drastically in Ruhr region since 1960



Source: State Statistical Office, North Rhine-Westphalia

FIGURE 3

Ruhr region population plunged in last decade



1 in 3, or 35%. In the 1960s, this ratio was more than 50% (Figure 2).

This decay in productive employment has also produced an unparalleled movement away from the big cities, which in some areas has taken on the dimension of depopulation. While the population in the Ruhr at its high point in 1960 was 5 million, it is now 4.6 million, a reduction of 8% (Figure 3). The decrease in the (former) industrial city of Duisburg has amounted to a downright exodus. Of 660,000 residents living in this city in 1961, only 450,000 will be left in the year 2000, according to an official estimate (Figure 4). One-third of Duisburg's inhabitants will have left the city in only 40 years.

The strategy of the think tanks

For a long time, the leading think tanks of the Western oligarchical families have called for the destruction and depopulation of the Ruhr region. The primary institution in this regard is the German Marshall Fund (GMF) of the United States, which, at many international conferences, has explicitly praised the "decline in employment and population" in Western industrialized nations, and proposed forms of production which the GMF terms "post-industrial," but which are in reality "pre-industrial."

The GMF is the paradigm of those Western think tanks Moscow delightedly thinks of as "useful fools." Its declared goal is the sabotage of the economic and scientific strength of the West, emphatically including West Germany's economic potential.

Former Chancellor Willy Brandt, the leading German

public figure of this institution, as early as the 1960s (unsuccessfully) used the slogan, "Blue Skies Over the Ruhr," both to win voters and to launch the "restructuring" of the region. As chancellor, Brandt, a decade later, caused astonishment when he introduced an "investment tax."

Brandt, at the instigation of the Rockefellers and former Occupation High Commissioner John J. McCloy of the Rockefellers' Chase Manhattan Bank, helped found the GMF in 1972, with the aid of Social Democrats Horst Ehmke and Egon Bahr, the latter the architect of *Ostpolitik*. The GMF was furnished with some DM 150 million by the German taxpayers, to pursue its policy of "strengthening the service economy," "deurbanization," "decentralization," and "promotion of environmental protection, citizens' initiatives, and alternative forms of production."

The "personalities" on the American side enjoy just as close contacts to the East as their German partners. Honorary members of the GMF include banker David Rockefeller, oil magnate Armand Hammer, and former High Commissioner McCloy. These are among the wealthiest and most influential representatives of the United States' Eastern Establishment.

In order to push through West Germany's "deindustrialization" the GMF helped to found the Green movement's Öko-Institut in Freiburg, issued research grants to the Christian Democratic-run Konrad Adenauer Foundation and the Social Democratic-run Friedrich Ebert Foundation, and in 1980 sponsored a conference of Willy Brandt's Second International in Washington, where Horst Ehmke declared bluntly, "The Ruhr region does not need nuclear power, because its eastern part will lose its heavy industry anyway."

A 1978 GMF study may have been lacking in scientific acuity, but not in political clarity. The study proposed “to change heavy industry-based production in the city of Dortmund in a way that small industries consuming less energy are promoted. . . . Dortmund must shrink—not only in terms of its dimensions, but also concerning its conceptions about the future.”

The policy of Western “deindustrialization” is not only pushed by the German Social Democracy and American billionaires. For, besides the above-mentioned “elite” of Ruhr managers and German bankers, part of this exotic mixture are influential “conservative” German Christian Democrats.

While “right-wing” Christian Social Union (CSU) leader Franz-Josef Strauss may refer to “economic and humanitarian” aid to justify a DM 1 billion credit line to East Germany, arranged by himself, or may explain his recent visit to Moscow by procuring orders for the troubled Airbus Corporation, former Christian Democratic Union (CDU) chairman in North Rhine-Westphalia, Kurt Biedenkopf, is only more outspoken. His Institute for Economic and Social Sciences (IWG), founded ten years ago in Bonn, advocates the same “future perspective” for the Ruhr region as the GMF: a far-reaching deindustrialization and depopulation of the region.

Biedenkopf was the founding dean of the “reform university” of Bochum in the 1960s, and together, with Environmental Secretary Toepfer, has recently become one of the more prominent spokesmen of the “green peace movement” inside the CDU. He also belongs to the “Moscow faction” of his party, and for him, the rate of growth in East-West trade cannot be high enough. This became evident in the fall of 1986, when high-ranking Soviet economic expert Igor Guriev delivered a speech in Bonn on *perestroika* and Gorbachov’s economic reform plans, at the invitation of Biedenkopf’s IWG. Guriev’s presentation was rated “sensational” by the audience, since he presented totally new perspectives for East-West trade.

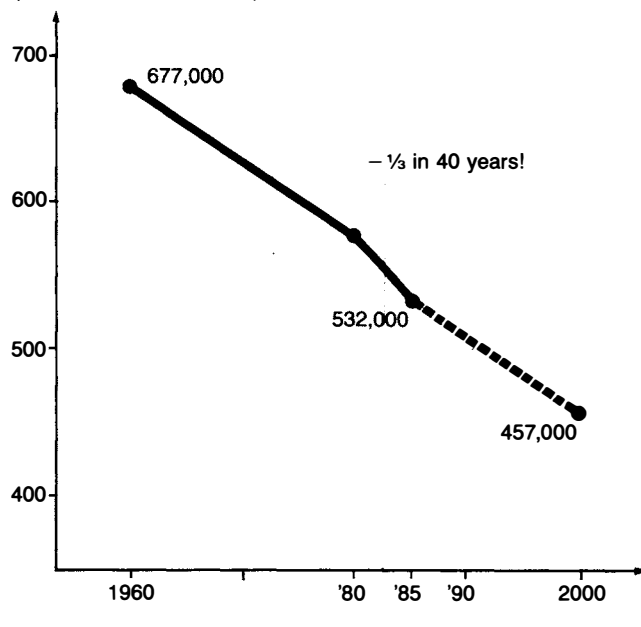
Duisburg: a European Hong Kong?

The economic strategy of almost all city governments in the Ruhr for years has conformed to the GMF strategy of elimination of the industrial sector. While city officials, chambers of industry and trade, and political parties issue frequent assurances that the “hard core” of the steel sector must not be given up, official development plans expose these eloquent declarations as lies.

Almost every city has issued a development plan “2000,” which are mostly copied from the Carter administration’s *Global 2000* report of 1979. Its authors committed themselves to reduce the world population by more than 2 billion people within only 20 years. The report *Duisburg 2000*, issued at end of 1987 by the City of Duisburg and the Lower Rhineland Chamber of Industry and Commerce, is exemplary of these “development” plans.

Maintaining steel production by modernizing the steel

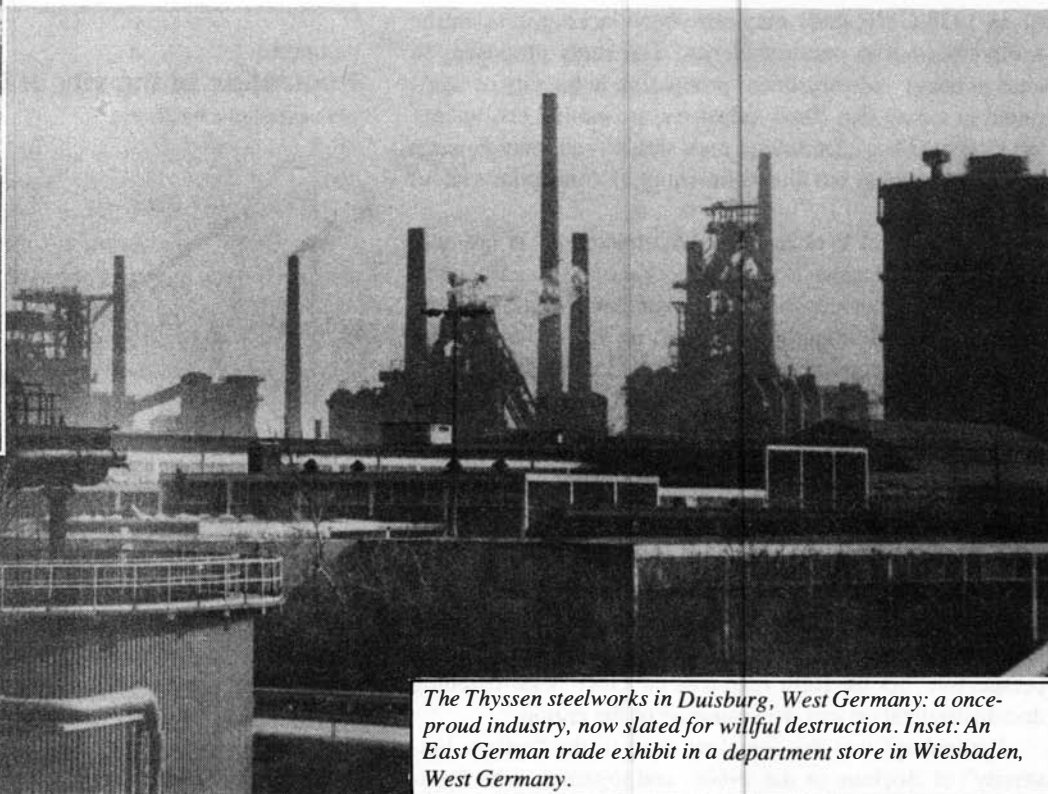
FIGURE 4
Population of the city of Duisburg: 1960-2000
(thousands of inhabitants)



industry is nowhere in evidence. At the center of the report is provision of “alternative work places” by promotion of industries for “environmental technologies” and “microelectronics.” The report proposes not only “technology parks,” but, as long demanded by the state government in Dusseldorf, the creation of a “free trade zone” on the site of the Krupp steelworks, whose survival is at stake.

Reviewing this “conception of the future,” what immediately comes to mind is the British Crown Colony of Hong Kong. Commentaries in the German press were quite to the point: “If the government and the labor and industry associations want to renounce cost-intensive regulations and agreements in a selected region, then this is certainly a competitive advantage, which investors will use.” This was the view of the *Frankfurter Allgemeine Zeitung* on Feb. 12, 1988 concerning the “Duisburg Free Zone.” In plainer language, “There will only be investments if wages are cut and work regulations are discontinued.”

Or again, representatives of the “post-industrial” GMF bluntly stated what the future of the Ruhr in this regard is to be. “In my view, ‘free trade zones’ are a stopping point along the advancing ladder, as far as input and qualification are concerned. . . . If you pay people less than the minimum wage, but you give them a job, you will start an upward movement,” said Stuart Butler of the “right-wing,” Washington-based Heritage Foundation at a GMF conference in Washington in 1981. Sir Peter Hall, former president of the “left-wing” Fabian Society, elaborated on the same theme:



Günter Schiele

The Thyssen steelworks in Duisburg, West Germany: a once-proud industry, now slated for willful destruction. Inset: An East German trade exhibit in a department store in Wiesbaden, West Germany.

“The question is, if ‘free trade zones’ will do it the same way as, I believe, ‘sweat shops’ are doing it that currently exist illegally and employ illegal aliens.”

At this same conference, Sir Peter did not hide the fact that the GMF views the establishment of “free trade zones” and “sweat shops” as only the beginning of the complete destruction of industrial centers like the Ruhr.

“Once you have established ‘sweat shops’ and people who work there, they will spread relentlessly as in Hong Kong and Singapore,” said Sir Peter, adding that the propaganda barrage about “zero growth,” “decline of industry,” and “restriction of living standards” over the years will at last “lead to the demoralization of the population, because that is necessary for having them accept major encroachments without too many social upheavals. . . . Now, the German economic miracle will have to be dismantled. Germany will experience a planned collapse.”

The demoralization of the German population as demanded by the GMF in 1981 has almost been accomplished today, only seven years later. Smiles and astonishment have disappeared, horror is spreading. The “planned collapse” of the German economy is on the agenda; nothing else is intended by the “restructuring” of the Ruhr. The “carrot” offered to the cities of the Ruhr for eliminating their industrial base is the prospect of becoming an “environmental and technology center” where the “protection of the environment” not accidentally, has highest priority. Several examples can be given.

- **Dortmund**, one of the most famous former steel and industrial cities of Germany, has already become one of Germany’s largest “service” centers. The decision taken in the early 1980s by all political parties, against the longstanding plan to build a modern oxygen-blast steel plant at Hoesch, but instead to assuage enraged steelworkers and their families by constructing a gambling casino, was the moral death blow for this city. Dortmund is now the “city of banking and insurance,” and a “distribution and services center.”

- **Duisburg**, formerly one of the most productive steel-based industrial cities in the world, will be transformed into a “center for microelectronics and environmental technologies,” despite its ideal logistical position as an industrial site along the Rhine and Ruhr rivers. If a “free trade zone” is to be established inside the already planned “Duisburg Free Port,” where the unemployed will be hired at cut-throat wages bypassing existing labor, social, and tax laws, then the total destruction of this, the largest inland harbor in the world, will be unstoppable.

- **Oberhausen**, the city where the industrial giant Thyssen and the world-renowned machine tool company GHH are based, is supposed to use its enormous productive capacities to become the “largest center for environmental technologies in the world.”

This “evolution” of productive industrial centers into unproductive “environmental and technology centers” absorbing large quantities of potentially productive labor, has been

systematically planned and is centrally coordinated. This becomes clear from North Rhine-Westphalia's 1988 budget plan which state Treasury Secretary Reimut Jochimsen issued in October 1987. Jochimsen knows what he is doing. In the 1970s, during the height of the *Ostpolitik* and the "gas-for-pipes" deal, he worked for three years on the planning staff of then-Chancellor Willy Brandt, and later served as an undersecretary in the Helmut Schmidt government, moving to Dusseldorf in 1980.

Jochimsen's budget proposal which, in his own words, clearly affirms "the priority of securing the future of the mining industry," is exemplary of what today is generally understood as "economic policy of the future." The allocation of funds is fascinating: Of the available DM 2.2 billion, 50% will be spent for "promotion of the energy sector," including nuclear energy, 25% for "promotion of new technologies," 10% for promotion of medium-sized industry and job training, while the state itself, as expressly stated, is satisfied with only 5%.

What a monstrous fraud!

A look at the priorities established in the budget, in which "ecological innovation" ranks before "economic innovation," reveals the real character of this budget proposal, which reads like a prayer book of the Green Party. It is full of "future initiatives," "innovative thrusts," "model projects," and "technology programs," which all sound wonderful, but they have one thing in common: They are uneconomical and unproductive.

The most obvious fraud is the chapter on "promotion of the energy sector." Out of the sizable DM 1.25 billion planned for "support of the mining and energy sectors" in 1988, only 3% (DM 38.3 million) is scheduled for direct aid in the form of "investment grants" for the mining industry. The rest are subsidies of different kinds.

What about nuclear power? While a whole section of the proposal is devoted to it, a closer look provides a surprise: The economic budget of Western Europe's largest industrial region provides less than DM 25 million, not even 1%, for nuclear energy!

The cynicism becomes worse when you look at the way these funds are split up: DM 15 million for "license procedures," and DM 5 million for "safety inspections required after Chernobyl." This is all the more absurd, given that one of the Ruhr region's reactors, the THTR-300 in Hamm, in flawless operation for years, is considered one of the safest reactor types in the world. Another reactor, the fast breeder in Kalkar, which has been completed for a year, is not operating at all because the state government denied it an operating license.

In addition, it is discovered that almost DM 100 million is planned for non-nuclear coal gasification, and a whopping DM 18.2 million for "alternative energy sources" under the rubric "NRW technology program and rational use of energy." Almost a quarter of the budget will go for "ecological

and economic structural change," at DM 579 million.

Of the approximately DM 300 million provided for "support of industry and trade, especially medium-sized industry," almost DM 30 million will be spent for purposes that have nothing at all to do with a productive economy. DM 9.4 million will go for "consumer information," DM 9 million for "support of film industry," DM 6 million for the conduct of fairs, and DM 3 million for "model projects" like "novel business-oriented creation of companies." Behind this pompous title you find "companies" like "ecologically oriented carpentry shops," "stores of natural and quality goods trading in ecological products of daily need" (as if Germany did not have enough "health-food stores" and "Third World shops"), "firms providing jobs for the mentally ill," and "production cooperatives for construction and maintenance."

Given the "priority for securing the future of mining," what prospects will the steel industry have? None, of course, because first, the corresponding title, "Future Initiatives for Mining Regions," while listed first for publicity reasons, provides for only a meager DM 187 million, and second, none of this money is scheduled for restoring the steel industry. These funds will serve only to "make the effects of future mass layoffs more socially bearable." By the end of 1988, an additional 25,000 jobs in the steel sector will be lost.

Conservatively estimated, approximately 75% of the budget will go into unproductive "support" programs—in face of the fact that the reduction of productive jobs continues steadily and is even accelerating. Since the high point of industrial employment in the Ruhr region was reached in 1961, loss of productive jobs averaged 20% in each of the two following decades. In the 1980s, however, this shocking decline was reached after only seven years. In 1986, only about 500,000 persons were industrially employed in the Ruhr, slightly more than half of those employed 25 years ago.

Faced with this ugly truth, the state government's sole commitment is to sweeten it for the rightly enraged citizens. The projects supported by the government, in fact, are "services," although "production-oriented," a formulation that says nothing, but sounds better. In the view of the economics minister, such "production-oriented" services primarily include "financial matters, fairs, market organization, and information," followed finally by "research, development, and qualification," as he stated in a speech to the Social Democratic Party's state parliamentary caucus on Feb. 2, 1988.

The drive to the East

If you believe the statistics published by the state government of North Rhine-Westphalia, this trend toward "service economy" reveals itself to be a "drive to the East." In his government declaration of 1985, Gov. Johannes Rau had declared "strengthening of export policy" to be one of the priorities of "ecological and economic change." We have already dealt with the meaning of "ecological and economic

change.” What then does “strengthening of export policy” mean?

The “NRW export policy concept” issued by Secretary Jochimsen in 1987 is probably more telling than the secretary would like. The preference for Moscow cannot be overlooked. At first you notice that, in 1981, the East bloc ranks fourth as a “priority region” for North Rhine-Westphalia’s economy, and in the following years only fifth, i.e., the lowest rank; in 1980, it had not yet been mentioned at all. In 1985, it moved up to fourth rank again, and suddenly made a giant leap in 1986. Now, the East bloc ranks second, only behind the European Community, while the United States has dropped to fourth place. Obviously, the Dusseldorf government thinks little of winning back traditional export markets in Ibero-America and Africa by way of a new world economic order. Ibero-America is ranked last, while Africa is not even mentioned.

This also fits the economic policy pattern that emerges from several official state visits and North Rhine-Westphalia’s participation in fairs abroad. In 1987, NRW participated in 15 fairs abroad, mostly large industrial fairs, among them, seven—almost half—were in the East bloc. The only fair in the United States that the state government was interested in 1987 was a “kitchen and bathroom fair” in Atlanta, Georgia.

The situation is even clearer if you consider the official tours of state delegations. In 1986, four such visits took place: one to Moscow led by Governor Rau, two to China, and one to the United States, the last a mere obligatory visit in North Rhine-Westphalia’s “partner state,” North Carolina. For 1987-

88, five tours are planned, three to China, including one led by Rau, who will also go to Hungary and India.

Classification and preferences are by no means arbitrary, but correspond to export flows, in which the EC naturally ranks first by a large margin. But immediately following it is the East bloc. In 1986, North Rhine-Westphalia exported to the East bloc (excluding East Germany) goods worth more than DM 12 billion, significantly more than to the United States (DM 9.5 billion). (See **Figure 5**.) This “drive to the East” becomes even more obvious if you consider North Rhine-Westphalia’s share of Germany’s total exports. Currently, NRW contributes a record share of 45% of German exports to China, 40% to the Soviet Union, 34% to Poland, 31.5% to Czechoslovakia, and 28% to Hungary. If you compare corresponding figures to Japan (16.6%) and to the United States (17.2%), which rank among the lowest overall, it becomes clear that North Rhine-Westphalia’s economy has already been decoupled from the two most important Western allies and trading partners outside of Europe.

Engine of a new world economic order

However, there is a real alternative to this type of *perestroika*, which is transforming the Ruhr region into a Soviet protectorate: That is its integration into a new, just world economic order. During recent labor unrest at the Thyssen steel plant in Rheinhausen, NRW, organizers of the “Patriots for Germany” distributed stickers featuring a drawing of the African continent and the slogan, “Steel for the World, Jobs for Us.” What it would mean for the German steel industry were Africa to be developed is clear in one figure: Constructing a railway grid in Africa would require 60 million tons of steel, double Germany’s current yearly output.

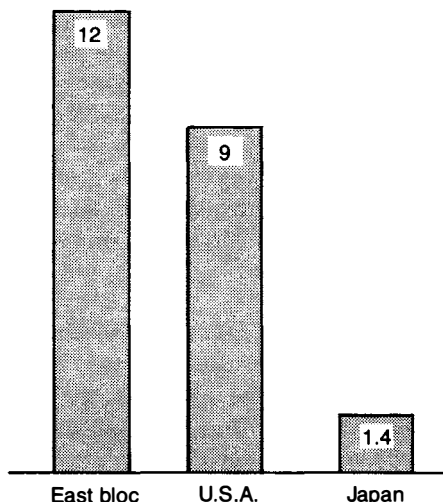
Of course, the Ruhr must be “restructured.” But this means a renaissance for coal, using it as a precious raw material for the chemical industry, by way of high-temperature reactors. This means modernizing the steel industry to satisfy the huge demand for quality and specialty steels around the world. This means expansion of plant construction along dimensions which allow assembly line construction of nuclear power plants and complete factory units. This means revolutionizing the machine tool sector through laser technology. And finally, the development of new materials and technologies for the aerospace industry.

Technically, accomplishing all this would be trivial, once exports were cranked up to meet the development needs of the Third World, development prompted by a reform of the world monetary system and the establishment of a new, just economic order.

The Ruhr, with all its highly-skilled workers and engineers, its huge scientific and economic potential, and its extraordinary transportation infrastructure, which connects it with every country in Europe and those abroad, can and must play a leading role in world development. Otherwise, the people of the Ruhr will soon have to be retrained once again—to speak Russian.

FIGURE 5
North Rhine-Westphalia exports outside the European Community (1986): Most go to East bloc

(in billions of deutschemarks)



SPETSNAZ



SPETSNAZ

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

ELECTROMAGNETIC PULSE WEAPONS

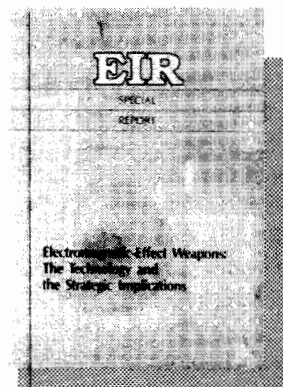
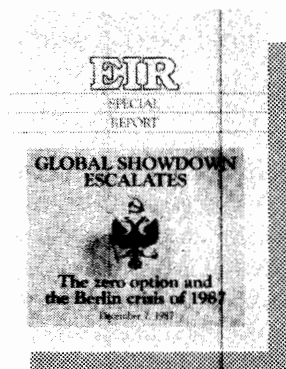
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Sabotage not ruled out in Ramstein air disaster

by Michael Liebig and Jeffrey Steinberg

At the close of the Ramstein Air Show on Sunday, Aug. 27 at 4:00 p.m., Lt. Col. Ivo Nutarelli of the Italian "Frece Tricolori" aerobatic team crashed his Aermacchi MB 339 into the side of the plane of his team-mate, Giorgio Alessio, who then himself crashed his plane into that of the team captain. All three planes then crashed and the pilots were killed. Nutarelli's plane smashed down to the ground approximately 30 meters from the crowd of spectators, and exploded in a fire ball, killing 50 and injuring hundreds of others.

For the media and most German politicians—and those outside Germany also—everything seemed simple and clear: a "pilot error," in an irresponsibly dangerous aerobatic performance, led to an "essentially foreseeable" catastrophe. Air shows are spectacles for military-technological manipulation, representing an extreme danger to the population. The Ramstein catastrophe finally furnished a proof of this.

Lt. Col. Nutarelli, 38, has approximately 4,250 hours of flight experience. The "Cardioid" flight maneuver had been flown thousands of times by the Frece Tricolori, over 27 years, without there ever having been an accident. The grade of difficulty of the Cardioid maneuver is estimated by experts to be orders of magnitude smaller than, for example, a standard landing on an aircraft carrier. At Ramstein, however, Nutarelli's plane flew *too low*, and reached the point of intersection with the two other flight formations *too early*. This "toolow/tooearly" at the end of Nutarelli's power dive seems to be definitely established; this was also stated by Col. Diego Rainieri, commander of the Frece Tricolori. Also confirmed is a last, futile attempt to bring the plane up. Unconfirmed at

this point, are reports of eyewitnesses that the nose wheel of Nutarelli's plane was down at the end of the power dive.

Gen. Franco Pisano, the head of the Italian Air Force, stated categorically that there is, at this time, no explanation of the "too low/too early" phenomenon. And, at this point, there is no reason whatsoever to speak of a "pilot error." A large number of international experts questioned by this magazine, expressed themselves no less unequivocally. They consider it to be quite out of the question that there was a careless or, indeed, a "macho" flight error made in a relatively simple flight maneuver by an experienced pilot who is a member of the international elite of his profession.

For these experts, the dominant question is, what external influences on the plane or its pilot could have caused the too low/too early phenomenon? Further, these experts from virtually every NATO country consider *sabotage* to be the most probable explanation for the Ramstein Air Show catastrophe.

In addition to a multitude of "conventional" sabotage possibilities against Nutarelli's plane, the possibility of the effect of electromagnetic signals on the plane's electronics or the pilot, is being increasingly considered. An electronic disturbance of the equipment of Nutarelli's single-seat Aermacchi MB 339 in the dive could explain the fatal flight profile. At least unofficially, members of the German-Italian-American investigatory commission conceded that sabotage as the cause of the collision has not been ruled out.

Whether an actual result of the investigation along those lines would ever be published, however, is more than questionable.

The strategic and political context

Let us turn from the technical dimension of possible sabotage to the strategic and psycho-political dimension of the Ramstein catastrophe. It is clear that, politically speaking, this catastrophe did not take place in a vacuum, but in a context that has been carefully built up over the long term by pro-Soviet forces in the West, especially in West Germany: the campaigns over the years against air shows, low-level military flights, aircraft noise, and "aggressive" NATO air strike forces in general. This campaign required exactly this sort of catastrophe. It fell politically and psychologically on well-prepared soil. We are not talking here about the "rank and file" of this campaign against the NATO air forces, which is recruited from the more or less pro-Soviet milieu of parties, churches, unions, and the diffuse "peace movement." We refer instead to the power interests in world politics, to the cold-blooded, ruthless calculation of the highest levels of the Soviet leadership, which aims at gaining power by means of "covert operations."

We are moving here in an area of covert operations, for which the Soviet-instigated murder of the Pakistani President Zia ul-Haq in an "airplane crash" on Aug. 17 is typical. And we can categorically state here that the potential strategic advantage from the catastrophe at Ramstein for the Soviet leadership is outstanding. The question of *cui bono* from the Ramstein catastrophe has a clear answer.

Soviet objectives

The following operative objectives of the Soviet leadership must be seen in connection with the Ramstein catastrophe:

1) Following the successful elimination of NATO's land-based nuclear intermediate-range missile systems by means of the INF treaty, NATO's tactical air forces are the most important counterweight to the superior Soviet military power in Europe. Most fighter-bombers of NATO's tactical air forces are so-called dual-capable weapon systems; that is, they can be armed with conventional as well as, should the occasion arise, nuclear weapons. These fighter-bombers have a quite large depth of penetration into the hostile territory. In case of Soviet aggression against the West, they could seriously impair the follow-up forces of the second and third Russian echelons, as well as supply lines and air bases of the Warsaw Pact. The deterrent effect of NATO's tactical air forces is large, and so likewise is the Soviet leadership's interest in their elimination.

2) The U.S. air forces are especially a *sine qua non* of the defense of Western Europe. The share of the U.S. air forces in Central Europe of NATO's total air forces in this area is far greater than, for example, the share of American ground forces in the same area. In the Federal Republic of Germany and Holland, the U.S. Air Force Europe (USAFE) has more than 43,000 soldiers and 352 combat aircraft, as well as 27,500 soldiers and 290 combat aircraft in Great Britain. A

reduction or a withdrawal of the American air forces would be the decisive step toward military dominance of Soviet Russia over Western Europe.

3) The deployability of NATO air forces rests basically on the capability for low and lowest-altitude flight by means of modern avionics. The Soviet Union has built up a massive air-defense system in Eastern Europe and in the western Russian military districts. Soviet Air Defense (PVO) is structured as an autonomous service independent of the Air Force. Only in lowest-level flight and at night and in bad weather using terrain-following radar, can the NATO fighter-bomber squads penetrate into hostile territory. This low-level flight must be practiced under the concrete geographical and climatic conditions of Central Europe, and entails considerable burden on the German citizenry. Consequently, the Soviet Union is directing all its available channels of "citizen protest" against low-level flight and aircraft noise.

4) Soviet disarmament diplomacy has cunningly introduced into the area of Europe the principle of Eastern "quantity" against Western "quality," where the NATO tactical air forces are to be balanced against Soviet tank forces. Only recently, at a specialist conference at the University of Sussex in England, Soviet military experts presented detailed proposals for the elimination of "offensive," tactical air forces in Europe. NATO's fighter-bombers were to be eliminated, rearmed as purely "defensive" interceptors, or transferred back three times their range. The latter means that Soviet fighter-bombers would be stationed in the Urals, while those of NATO would end up in the mid-Atlantic!

More important, however, is the Soviet "linkage" between the reduction of NATO's tactical air forces and Soviet land forces. In the Federal Republic during the summer of this year, Social Democratic parliamentarian Hermann Scheer proposed a large-scale "disarmament initiative," the core of which is the drastic reduction of NATO air forces, as a precondition of "successful" conventional disarmament in Europe. The prospective European conference on conventional disarmament emphatically pursued by Foreign Minister Hans-Dietrich Genscher also makes the build-down of NATO tactical air forces into a central topic. For months, the German Social Democrats have postulated the need to eliminate dual-capable weapon systems in Europe, that is, most importantly, NATO's tactical air forces.

5) Through the exploitation of the Ramstein disaster, the treaty basis of German membership in NATO is to be undermined, by raising the question of the sovereignty of West German air space and its use by all allied air forces, as well as the use of allied air bases. After the catastrophe, leading Social Democratic politicians are explicitly demanding renegotiation of the NATO troop-status treaties of 1955-56. These treaties allow NATO members that station troops in the Federal Republic to militarily organize these troops and their weapons strictly according to their own discretion. Military structure and armament of the stationed forces is the

exclusive responsibility of the allies.

Parallel to the troop-status issue, the example of the U.S. Army's air base at Wiesbaden-Erbenheim demonstrates how the structure and armament of American forces can be attacked "from below" by "citizen protest." The "social acceptability" of military installations as defined by the pro-Soviet minority and their opportunistic fellow travelers is to be forced through at the expense of military necessities as defined by the objective Soviet threat. Conversely, neo-isolationist tendencies in the United States will in this way be furnished with the propagandistic ammunition desired.

6) Air shows are events with an effect on the broad population, in which the "silent majority" of the German population can spontaneously express its interest in defense and its friendship with the United States. On the day of the Ramstein catastrophe, more than three-quarters of a million people participated in the air shows at Ramstein and Noerwenich. They appeared without any sort of advertising in the media; rather, the attendance resulted mostly from "word of mouth." The millions of citizens who participate yearly in air shows, strictly on their own initiative, exposes, of course, the pro-Soviet "peace movement" as a small minority that can be kept alive only by means of gigantic support from the media. Since the campaign against air shows, which "glorify war," that has been emphatically pursued since the beginning of the 1980s, has so miserably failed, a prohibition against air shows is now to be pushed through in the wake of the Ramstein catastrophe. In the meantime, this has become an official demand of the German Social Democracy.

In short, the Ramstein catastrophe could, as the result of a covert sabotage operation, bring the Soviet leadership a concrete, palpable strategic and psycho-political gain that makes such an operation appear to be more than "sensible" from the standpoint of Soviet power interest.

It should further be noted that the crash of the three Frece Tricolori planes and the ensuing catastrophe is only the temporary climax of a series of unparalleled air crashes in Western Europe in 1988. Investigations by American agencies have revealed that, even statistical correlation of the crashes, for example, of F-16 aircraft in the first half of 1988, show such abnormalities that an "endogenous" explanation cannot be maintained, and "exogenous" factors must be introduced. A similar result was reached in connection with the investigation of the series of accidents in the American space program. The shock of the Ramstein disaster should be a real reason for changing our way of thinking; it is high time that Soviet covert sabotage operations, as a part of irregular warfare, be given the proper attention.

Possible modes of sabotage

In the wake of the Ramstein air show tragedy, a tri-national investigative unit was constituted, drawing in technical experts from Italy, the Federal Republic, and the United States. It is estimated that more than 200 technicians will

participate in the investigation. Already, however, experienced scientific and military professionals have identified to *EIR* several likely modes of sabotage, based on preliminary information and initial studies of photographs and films of the crash.

In general terms, the possibilities fall into two broad categories: 1) highly sophisticated sabotage, employing Electro-Magnetic Pulse (EMP) or radio frequency (RF) weapons that could disrupt the electronics and hence the fuel, or hydraulic systems on the aircraft. Through the use of electromagnetic devices, the pilot could have been blinded, disoriented, or even been killed. Fair weather and many possibilities for line of sight against the single flying aircraft would point in the direction of electromagnetic devices; 2) "cheap and easy" sabotage, probably involving a remotely detonated "mini" bomb placed in the fuel tank of the plane. A rigorous investigation of the plane would turn up an unmistakable "signature" of any one of these alternative modes of sabotage, and would reflect different irregular warfare approaches.

Electronic warfare specialists interviewed by *EIR* confirmed that EMP and RF systems exist that could have delivered a killer blow to the plane. Such systems could have been brought onto the air show grounds in recreational vehicles, like campers. Hundreds of such vehicles were driven onto the Ramstein compound by air show attendees. A careful study of the wiring and black box on the plane would provide near total confirmation of such an EMP or RF attack—whether directed against the equipment or against the pilot—provided that the investigative team had taken up the possibility of such a mode of sabotage.

According to aerospace industry experts, a "cheap and easy" sabotage operation would most likely involve a simplified form of radio frequency attack, utilizing a radio signal-triggered plastique explosive device attached to the fuel tank area of the plane. With thousands of enthusiasts swarming around the aircraft, such a planting would not have even required an inside operator. A device as simple as a battery-operated radio transmitter planted in the ground below the area where the stunt flight was to occur would create a transmitting field triggering the receiver/bomb as the plane flew overhead. According to one expert, such a "cheap and easy" mode would also make sense of the fireball in the front fuel area that was revealed in photographs taken of the crash.

This latter approach provides maximum "plausible deniability" for the Soviets, given that any Western European terrorist group put through the most basic training available in Libya, Syria, or other locations would have access to such methods.

Experts agreed that if sophisticated RF or EMP technologies were employed, then Moscow was sending a most serious warning to NATO that the American presence in Europe still represents a *casus belli*, and that Moscow is on a short countdown.

What next for Pakistan?

As the Afghan crisis becomes critical, the unsolved murder of a President and fragmented political parties cast uncertain shadows. By Susan Maitra and Ramtanu Maitra.

According to first-hand reports from Pakistan, a kind of anxious calm prevails in the aftermath of the Aug. 17 airplane explosion in Bahawalpur, Punjab, that took the life of President Zia ul-Haq as well as a number of his top army officers and the American ambassador. Whether this eerie calm is the prelude to a renewed national resolve, or the eye of new and terrible storms, will become clearer in the weeks and months ahead.

Senate chairman Ghulam Ishaq Khan, a respected senior bureaucrat, former minister and long-time political associate of General Zia, assumed the presidency as per the 1973 Constitution, and a meeting of the federal cabinet declared a National Emergency following the disaster. An "Emergency Council" was established under the new Chief of Army Staff Aslam Baig, and included the three service chiefs and the acting chief ministers of Baluchistan, the Northwest Frontier Province (NWFP) and Punjab, two former generals and a businessman who were among General Zia's closest collaborators, to advise the government.

Although several top generals were also killed on Aug. 17, from all indications, the informal "military council" with which Zia ul-Haq took the decisions that guided Pakistan over the last 11 years—including such figures as Inter-Services Intelligence Chief Gen. Gul Hamid, Sind Governor Gen. Rahimuddin Khan (ret.), Gen. K. M. Arif (ret.), and Gen. Faiz Ali Chisti (ret.)—continues to oversee developments from behind the scenes.

Overshadowing everything, however, is the enormous vacuum left by Gen. Zia ul-Haq, the man who personally controlled the power combinations of the past decade and made them work to govern the country and steer it through a series of severe foreign policy challenges that are only now reaching a critical point.

At the moment, two issues are clanging about in that vacuum. First, who was responsible for the Aug. 17 disaster? Second, what will be the outcome of the Nov. 16 elections President Ishaq Khan has indicated will be held on a party

basis? Rattling around in the background, not as yet widely addressed, is the crucial issue of Afghanistan, the issue at the heart of the Aug. 17 tragedy. Soviet determination to hold onto Kabul, as an essential staging ground for future operations against Pakistan, the subcontinent and the Gulf—was directly challenged by Zia's commitment to create the conditions for a return of the 3 million refugees now in Pakistan.

A sensitive investigation

According to some reports, the investigation into the Aug. 17 explosion has narrowed down to the Afghan secret service organization, Khad, and its mentor, the Soviet KGB. Whether even conclusive proof of the KGB-Khad authorship of the crime will ever be made public is anyone's guess. The U.S. government's "new détente" euphoria may well rule out any such unpleasant intrusions. The fact that a key, embattled ally was assassinated under the nose of his solicitous friends in Washington already bespeaks the current government's ability to protect its allies.

Earlier, Pakistan government sources had leaked a "short list" of suspects that also included Shia fundamentalists and Al Zulfiqar, the terrorist outfit founded by Murtaza Ali Bhutto, the brother of Pakistani People's Party founder Benazir Bhutto. An internal military conspiracy was notably absent from the official list, but it is evident that General Zia was compromised from within—the enemy penetrated Pakistan's innermost defenses, as President Ishaq Khan put it, underscoring the gravity for the nation.

In reality, any of several combinations of the various suspects is likely, and in almost every case the trail still leads back to Khad-KGB. Al Zulfiqar, for instance, is nothing but the name of a KGB-Khad capability. Set up by Zulfiqar Ali Bhutto's son in 1979 to avenge the death that year of his father at the hands of General Zia's martial law regime, Al Zulfiqar was for several years following the Soviet invasion of Afghanistan safehoused in Kabul, with shuttles back and forth to Libya. Manipulating the rage of a young man whose

politician father was executed is “duck soup” for an intelligence agency. But in case Murtaza ever entertained any doubts about his place, his younger brother was “suicided” in 1986. Murtaza issued a disclaimer to the charge of involvement in the Zia murder from his present “base” in Syria last week, after one of his cronies had claimed credit by phone.

On Aug. 27, the London *Sunday Times* reported from Karachi that the Pakistan government was seeking extradition of five Pakistanis living in England, several of whom have been associated with Al Zulfiqar. One, a Maj. Mohamed Afzaal, was involved in a coup attempt against the Zia regime in 1984 and subsequently fled to the United Kingdom.

Further, on Aug. 18, the day after the plane explosion, coordinated rocket attacks were launched on three petroleum refineries in the port city of Karachi. Pakistani intelligence officials pointed to the hand of Al Zulfiqar, and a Crime Investigation Agency official disclosed that the prime suspect was one Mohammad Rafiq Memon, who had earlier been tried and convicted of terrorist activity. Memon, who is still at large, was said to have organized the attack with the help of certain local members of the PPP and its student wing, the Pakistan Student Federation (PSF).

Al Zulfiqar figures in several other attempts on General Zia’s life, apart from the spectacular 1981 airline hijacking to force the release of a group of PPP members from jail. In 1982, according to Pakistani officials, a missile was fired at General Zia’s plane over Rawalpindi, adjacent to the capital of Islamabad. The missile missed its target, but Al Zulfiqar was blamed and two men jailed for 25 years by a military court in 1985. In 1983, two rockets were found at the home of a popular sportsman in Lahore whom authorities linked to Al Zulfiqar.

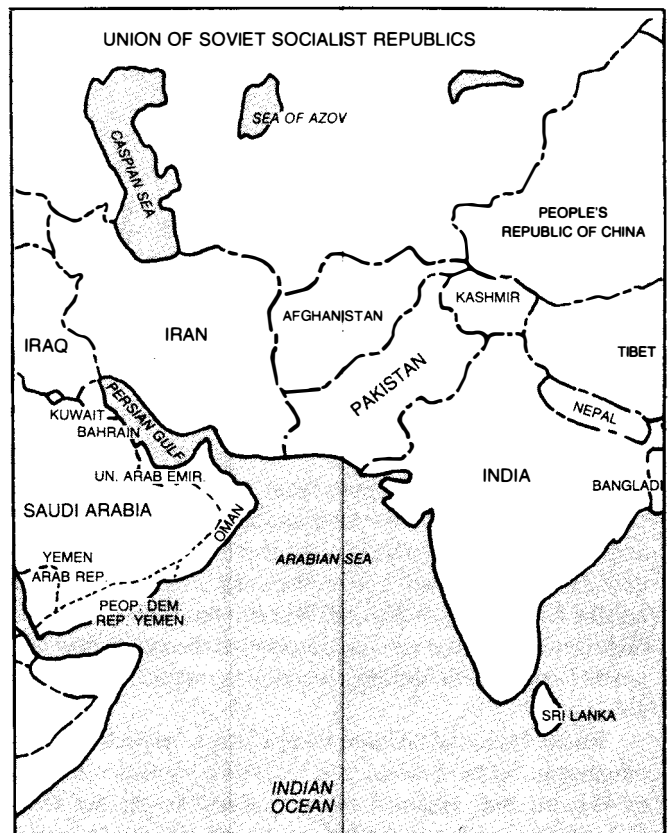
The Shia factor

Revenge is the motive of another group whose authors could certainly have been willing vehicles for the assassination plot against Zia—the Shias of Pakistan. The Aug. 5 assassination of the young Shia leader Allama Syed Arif Hussain al-Hussaini in Peshawar, a stronghold of, among other things, the Khad, gave a powerful boost to Shia passions, and to hostilities between the majority Sunnis and increasingly vocal minority of Shias in Pakistan. Just three months earlier, in May, several hundred Shias were killed in an organized attack by Sunnis in Gilgit, in Pakistan-occupied Kashmir. This incident, according to some, figured significantly in President Zia’s May 29 decision to sack then-Premier Mohammad Khan Junejo and his cabinet.

It is the Shias who have organized the largest and most menacing demonstrations ever held against the Zia regime. In 1980, they marched 1 million strong on Islamabad to protest Zia’s imposition of *zakat* (religious tax) and his interpretation of the Shariat, early steps in the Islamicization campaign from which Zia promptly backed away at the time.

Al-Hussaini was a well-known scholar who had studied in Qom, the center of Iran’s theocratic power, under Ayatol-

Southwest Asia



lah Khomeini. He had recently upgraded the Shia religious-social organization in Pakistan into a full-fledged party, the Tehrik-i-Nifaz-e-Fiqah Jafriya (TNFJ). His murder touched off large demonstrations marked by tirades against Zia and the United States. Although at the funeral—to which the Ayatollah himself sent a personal delegation—banners accusing Zia, the U.S. and the U.S.S.R. of the murder were unfurled, Iranian Majlis speaker Rafsanjani’s terse message on the occasion expressed “complete faith” that President Zia would bring the assassin to justice.

There is also a Shia factor within the Pakistani military that is significant enough to have caused problems with Saudi Arabia. When Iranian pilgrims went on a rampage during last year’s Hajj in Mecca, Pakistani soldiers stationed there refused to confront them, either because they were Shias or because as Pakistanis, the soldiers did not want to offend their neighbor Iran. The incident prompted the Saudis to re-evaluate their employment of Pakistani guards.

Other vulnerabilities

Within the armed forces, the Shia factor is not the only point of vulnerability, as a string of plots against Zia’s life

since 1980 indicates. In 1980, a military court convicted Army Maj. Gen. Tajammul Hussain and his son of plotting to overthrow General Zia, and in 1985, a military court sentenced seven officers for conspiring to kidnap him and seize power. An attempt on General Zia, in which an aide died, was also recorded in 1980 in Baluchistan. According to the Pakistani daily *Nawa-e-Waqt*, two other attempts on Zia's life were not reported at the time because of martial law restrictions on the media.

Zia was promoted to the position of Chief of Army Staff by then-Premier Z.A. Bhutto, superseding 10 generals of higher rank. Zia continued the tradition of handpicking and promoting favorites in defiance of seniority.

The corrosive effects of this practice have been compounded under the circumstances by the fact that military support for the Mujahideen has meant "big business" for many of officers whom the flow of arms has brought into contact with the international arms and drug-smuggling mafias. It would not be difficult for the KGB to find one or two high-level generals to bribe or blackmail.

When Zia took power in the early morning of July 5, 1977, deposing Z.A. Bhutto and imposing an eight-year long martial law, he did so in the midst of escalating political and social chaos, the direct result of Bhutto's attempt to impose the outcome of what was widely seen to have been a thoroughly rigged national election. When the great populist, Bhutto, asked for military assistance against his opponents some brigadiers applied for leave. This is a political problem, he was told, and must be resolved politically. Bhutto had run out of tricks.

The present predicament

In 1977, Zia took charge of a nation which was in complete chaos. Within two short years, Pakistan was confronted with the menacing specter of violent upheavals in two of its neighbors. The Soviet invasion of Afghanistan not only brought the Red Army to Pakistan's doorstep, it also pushed 3 million Afghan refugees into the poverty-ridden country. The overthrow of the Shah and the rise of the messianic Shia theocracy in Iran posed an immediate danger to the Sunni-majority Pakistan.

It is a tribute to Zia that Pakistan neither submitted to external pressures, nor got involved in a war with any nation, nor crumbled under the strain. On the contrary, Pakistan has been the key to pushing the Red Army back, and has also succeeded in developing friendly relations with Iran without causing any problem with either the United States or Saudi Arabia. Pakistan's independent and substantial relationship with China is also to Zia's credit.

Zia's internal policies met with less success. The Pakistan Zia has left behind is almost as divided as when he took over. The failure to begin a viable political process in the country, has accentuated ethnic, religious, and tribal forces with demonstrated explosive potential. Zia's vision of using his own brand of Islam as the glue that would hold the warring fac-

tions together has proved illusory.

Today, three provinces—Sind, Baluchistan, and the Northwest Frontier Province—remain fundamentally unstable. Secessionist movements in each of these provinces are alive and well. Fanned for years by discrimination and worse at the hands of the Punjabi-dominated central government, they are now fueled by the presence of large contingents of Afghan refugees.

Unlike Iran, which strictly confined the refugees and sent them to fight the Jihad against Iraq, Zia permitted the Afghans free movement around the country and allowed them to acquire land and other properties by legal as well as illegal means. Those who have not become rich compete with other poor Pakistanis for scarce unemployment opportunities. The Afghans have also created a hospitable environment for Khad agents.

The election prospect

In his address to the nation Aug. 17, President Ishaq Khan vowed that free and fair elections for the national assembly and state legislatures would be held as scheduled on Nov. 16. Zia's plan to conduct the poll on a non-party basis, which would have required a special presidential order countermanding certain provisions of the constitution, has apparently been abandoned.

In any event, the parties and politicians are already maneuvering for position, and the demand to replace the interim cabinet, which was handpicked by Zia and consists mostly of Pakistan Muslim League (PML) members, with a strictly nonpartisan caretaker group, will soon test the resilience of the present leadership.

The international press is projecting Mrs. Benazir Bhutto Zardari as the next prime minister of a "truly democratic" Pakistan. The PPP is the largest party in Pakistan. In Bhutto's days, hooligans, leftists, and even secessionist elements found their home in the PPP, and it's no surprise that the terrorist Al Zulfikar continues to draw its support from the PPP base.

Since the mid-1970s, a number of PPP leaders have left the party, including Mumtaz Bhutto, Ghulam Mustafa Khar, Ghulam Mustafa Jatoi, and Abdul Hafez Pirzada. The last, a leading light in Bhutto's inner circle, went on to form the secessionist-leaning Sind-Baluch-Pakhtoon Front! The influx of \$80 billion in black and white revenue from the Gulf countries over the past decade has considerably transformed the party's traditional "Roti, Kapra aur Makan" ("Bread, Clothing, and a Home") base.

Moreover, Benazir Bhutto's nearly decade-long one-point program—Down with Zia—has suddenly become meaningless. This was underscored in a recent incident in Lahore, when PPP activists who rose to protest that "Zia was a tyrant" at a memorial meeting were physically slapped down. No longer the avenging angel, Benazir is now one among equals in an electoral fight.

Though in an interview Benazir insisted the party could make it alone in the election, she has told interviewers that

in the interest of unity and reconciliation in the country, the PPP will fight the elections as part of the Movement for the Restoration of Democracy (MRD), and will seek allies beyond the front. The MRD, for its part, is a grab-bag of clan leaders, sects, and sectlets of all shades and stripes.

One of the most significant of the MRD parties is Wali Khan's tribal-based Awami National Party. Wali Khan personally led the charge that brought down Bhutto in 1977, and ultimately led to Bhutto's death. His second (or perhaps first) home is in Kabul, where he hobnobs with PDPA officials, including PKPA chief Najibullah himself, who during a sojourn in Peshawar some years ago was an active member of Wali Khan's party.

Then there is the grandly named Pakistan National Alliance (PNA) of Baluch tribal chieftain Ghaus Bakhsh Bizenjo, who, as also cited by foreign media, cannot claim a political base beyond his own family clan.

Also in the MRD is the Pakistan Democratic Party, a centrist grouping led by Nawabzada Nasrullah Khan, another veteran of the get-Bhutto 1977 drive.

Then there is the Jamiat ul Ulama-e-Islami (JUI), an Islamic party led by Maulana Fazlur Rehman; the Pakistan Muslim League (Malik Qasim faction); the Quami Mahaz Azadi, a centrist grouping led by a former PPP leader Mairaj Mohammad Khan; the Mazdoor Kisan Party, a leftist peasant grouping led by Fatehyab Ali Khan; and the Pakistan Khaksar Tehrik, another leftist party led by Mulavi Ashraf Khan.

Aside from the disparateness of the grouping, here is what it could deliver: The PPP has virtually nothing in Baluchistan and the NWFP, though there have been recent reports that it is gaining ground there. (In 1971, the PPP won 0 out of 7 and 1 out of 25 in the two provinces respectively; and in the 1977 poll, heavily rigged by Bhutto, the party got all 7 and 8 of 26). The ANP and PNA can aid in these areas, although at the price of heavy concessions to tribal autonomy. The burden for delivering votes in Punjab and Sind will fall on the PPP alone.

The stakes are high

The MRD will be challenged by the establishment party, the Pakistan Muslim League, which bears the mantle of the independence fight, its leader Mohammad Ali Jinnah and his first Prime Minister Liaquat Ali Khan. The PML is now deeply divided.

Following the sacking of Mohammad Khan Junejo, Zia had entrusted his three most trusted colleagues—Mian Nawaz Sharif, Gen. Fazle Haq (ret.) and Mir Zafarullah Khan Jamali—into political service as acting chief ministers of Punjab, NWFP, and Baluchistan. The plan was to appoint one of the three as Junejo's replacement—although none of the three has a political base.

In the ensuing crisis, Pir Pagaro, the Sufi mystic with reputed army connections who is the real leader of the PML, intervened with Zia to negotiate a compromise candidate for

the party—former NWFP governor Fida Mohammad Khan. But the convention held in early August ended in stalemate.

After Aug. 17, Junejo attempted to steal the thunder with a "unity bid," but this ploy was rejected. Now both Junejo and the three chief ministers have held their own PML conventions and elected their own leaders.

Should Junejo decide to irrevocably split the PML, he could do serious damage. As a grass roots political leader, he commands a much larger following than the three chief ministers. Hamid Nasir Chattha, speaker of the dissolved national assembly who has pledged support to Junejo, reported that only 50 of the 170 PML assembly members had attended the chief ministers' convention.

Outside of the two major party groupings, there are several other parties that can command a few seats, and whose leaders cut a high profile on the national scene. Both the Tehrik-i-Istaqlal, led by retired Air Marshal Ashgar Khan, and the National Peoples Party, led by former PPP leader Ghulam Mustafa Jatoi, are expected to win a few seats in Punjab and Sind. Ashgar Khan and Jatoi have met with both the three chief ministers and some of the MRD parties, but it remains to be seen what sort of electoral arrangements might emerge. Two other Islamic parties—the Jamaat-e-Islam and the Jamiat ul Ulama-e-Pakistan—are expected to secure some seats in the two majority provinces.

The stakes in these elections are very high. The Afghanistan situation has entered a critical stage, and it is imperative for Pakistan's survival that it reassert a firm policy that ensures the conditions for a safe return of the refugees. So far, Benazir Bhutto has refused to say anything substantive on the matter. Beyond the promise to honor the Geneva accords, she sought refuge in a lack of knowledge of secret clauses, in a recent interview. Other members of her MRD coalition are outspoken advocates of recognizing the Kabul regime—a move which would not only prevent the refugees absolutely from returning but would most likely trigger a revolt among the Pakistan-based Mujahideen.

Mr. Junejo, who appears intent on staking his own claim to power, also advertises his wish to "honor the Geneva accords." Only the small but vocal Jamaat-e-Islami has stated unequivocally that Pakistan's support for the Mujahideen must remain unwavering. Jamaat head Qazi Hussain Ahmed announced that his party will not accept any attempt to change Zia's Afghan policy.

Besides a concretized Afghan policy, the politicians will have to address what measures can be taken to stop the growing ethnic division and separatist demands raised in Sind and Baluchistan, areas where the Soviets have known separatist assets. There are also pressing economic issues such as land reform, growing foreign debt, and investment mobilization for the Seventh Five Year Plan. In the absence of a responsible political leadership emerging to address these issues positively, the military will have no choice but to intervene once again.

Government ultimatum ends Polish strikes

by Konstantin George

On Aug. 30, the Polish government issued an ultimatum ordering strikers to resume work on Aug. 31, or else face the full gamut of legal punishment, including fines, jail sentences, and loss of employment. This announcement defined the reality of the current situation in Poland, and not the much heralded "negotiations" that occurred on Aug. 31 between Solidarnosc leader Lech Walesa and the government, headed by Gen. Czeslaw Kiszczak, the tough interior minister.

The "negotiations," which also included the participation of Bishop Dabrowski, as the representative of the Polish Catholic Church, were nothing more than the government's providing a face-saving way for the opposition to end the strikes quickly, before violence was employed. The regime's move may succeed in fooling the credulous that a "more liberal" course is being adopted, in that strike leader Walesa had declared the talks "historic," in that for the first time the Jaruzelski regime had "negotiated" with Solidarnosc. By going through the show of talks, the government got what it wanted. Walesa on Aug. 31, after the three-hour meeting with General Kiszczak, ordered the strikes to end.

Now a "further dialogue" between regime and opposition will continue. Behind all such talk—widely heralded, of course, by the Western media—lies the brutal reality that the government's threat to use force was what brought the August strike wave to an end.

Under heavy pressure from Moscow, the Warsaw regime could not have acted otherwise. First of all, the strikes had for over two weeks crippled Poland's two major ports, Gdansk and Szczecin, and, by the strike at the Stalowa Wola plant (one of the country's largest arms plants), were harming Poland's military production. Such a state of affairs ruled out a prolonged strike, and formed the backdrop to the regime's ultimatum.

Military production affected

The Aug. 30 ultimatum, barely covered in the Western media, was broadcast on Polish radio by Interior Minister General Kiszczak, and repeated by Labor Minister Sekula. It denounced the "illegal strikes" which have "closed the ports"

as "threatening the economy," and said that now that the strikes have spread "to military production," they are "threatening the security of the country." Earlier, the Polish news agency PAP had reported that the talks with the strikers in the ports of Szczecin and Gdansk had been "broken off," and similarly with the striking bus drivers of Szczecin.

As Walesa was meeting with Kiszczak on Aug. 31, the regime not only reiterated its ultimatum, but for the first time issued an unmistakable warning that Moscow's patience was also wearing thin. This took the form of a statement in the name of the Polish General Staff, read by the Chief of the Polish General Staff on radio and TV. The statement declared that the strikes were "affecting the nation's security and defense capability," and otherwise are "endangering Poland's obligations to its [Warsaw Pact] alliance partners." Such language has not been used concerning troubles in an East European satellite since the summer of 1968, prior to the Soviet invasion of Czechoslovakia.

Moscow will not invade Poland now, with the strike wave ended. However, beginning in November, when the next strike and protest wave is expected (on top of the worsening food and consumer goods shortages and the rising inflation, already over 50%, severe fuel shortages will be felt), the danger of a Soviet military intervention will grow.

The General Staff threat was backed up within hours by a Polish Politburo communiqué which declared that "the illegal strikes are causing severe economic damage," and then made the cosmetic "dialogue" with the Opposition conditional on ending the strikes: "The possibilities for a furthering of the dialogue and enriching the platform of national understanding could suffer because of them."

The rest of the communiqué was fluff, but nonetheless worth quoting from, to prove the fraud of the "national understanding" tactic. Referring to the fact that the Walesa-Kiszczak talks occurred on Aug. 31, the eighth anniversary of the pre-Jaruzelski regime's short-lived recognition of Solidarnosc, the Politburo declared, "The justified protest of the working class [1980-81 strikes] and the extraordinary Ninth Party Congress [the first congress of the ruling party under Jaruzelski] . . . opened a new phase in the history of People's Poland. . . . The party is seeking to fulfill the just demands of the working people." Then the Politburo admits that what you have just read is mere rhetoric: "Many of the goals [of the just demands], however, cannot be reached"

Here, in one sentence, lies the reality of the Polish situation: That even if the government wanted to meet the "just demands" of the people, the worsening economic crisis, caused by the joint Soviet and Western looting of the Polish economy over many years, precludes any improvement. In fact, the exact opposite is pre-programmed: an ever worsening economic situation and galloping collapse of living standards. It guarantees the next Polish explosion, probably by November, and the most serious crisis in Eastern Europe since the Czechoslovakia crisis of 1968.

Soviets brag: Moscow is the Third Rome, seat of world empire

by Konstantin George and Luba George

“Rome fell and we are standing. We are Rome.” These words, proclaiming the theme of Moscow as “the Third and Final Rome,” and the destiny of “Holy Russia” to rule over “all Christians,” were published in the July 1988 edition of the Soviet monthly *Novy Mir*, which is read by the entire Russian intelligentsia. The article, titled “Byzantium and Russia: Two Types of Spirituality,” appeared just weeks after the June Moscow celebrations of the Russian millennium, the anniversary of the Christianization of Kievan Rus.

This extraordinary article documents what *EIR* has long maintained, contrary to the delusions of most Western sovietologists: that the Soviet Union is governed, not by the Marxists per se, but by a tripartite regime of the Communist Party, the military, and the Russian Orthodox Church—united under the banner of Russian chauvinist “blood and soil” ideology, with its aggressive dream of world empire.

The article, written by S.S. Averintsev, is the first in a series. Its themes are that Moscow is the only legitimate successor to Imperial Rome and Constantinople (Byzantium), and that the concepts of Moscow as Rome and “Holy Russia” are unified—so that being a Russian nationalist believer in the mission of “Holy Russia” means being a Muscovite “Roman,” and vice versa.

This article was commissioned at the Politburo level, indeed from the Gorbachov household itself. *Novy Mir*'s chief editor is Sergei Zalygin, a Russian nationalist writer of the genre called the “Village Prose” school, and a member of the Board of Raisa Gorbachova's Soviet Culture Fund.

Byzantium's child

Novy Mir began by praising two millennia, the Russian one being celebrated this year, and the millennium of Byzantium's existence as the new, “Eurasian” Roman Empire.

“Byzantium,” Averintsev writes, “this is an entire millennium: from the period of its establishment in the 4th-6th centuries to the fall of Constantinople to the Ottoman Turks, May 29, 1453. The Russian Christian tradition is also millennial, whose calendar significance we are now celebrating. One millennium—next to another millennium. . . . The thousand-year anniversary event is consequentially of partic-

ular importance for Russian culture, and especially for the livelihood of all Russia—it is a national celebration. For me, as a Russian, it is *my* celebration; at the same time I can't help feeling an intellectual and emotional reaction as well as being elated that because of the strengthening of the position of healthy thinking, our society is allowed to celebrate the event not only in the confines of church walls, but outside these limits. At the celebration [the June celebration of the Russian millennium—ed.] there was not only an absence of empty conventionality, but there was a more internal conformity to the spiritual pulse which allows us to speak of a true celebration.”

Novy Mir introduces this millennial theme of the link between Byzantium and Russia, to make the point that the *Eastern Empires*, in comparison to relatively short-lived Western Empires, are of the “Thousand Year Reich” class. Or, long after Western Empires collapse, Eastern Empires survive and thrive.

Averintsev writes: “The Roman Empire was divided (in 395 A.D.) into a Western Empire with the seat in Rome (at times in Ravenna or other cities) and the Eastern Empire with the capital in Constantinople (New Rome). The Western Empire ended its existence in the year 476 A.D., but the Eastern Empire continued to exist for another thousand years. Roughly over a hundred years after its fall, Western scholars, not liking it, nicknamed it Byzantine . . . the Byzantines themselves never called themselves either Byzantine or Greeks, they called themselves Romans. From the standpoint of uninterrupted continuity of rule, they had every right on this score, which even their enemies could not disclaim. . . . In general, the barbarians, the young nations of Europe, warring with Rome, and subsequently with the New Rome, did not think of disclaiming its exclusivity on the question of legitimacy [as did the Roman Empire]. They related to it with deep respect as well as with deep envy.”

The Russian reader is then informed that periodically attempts are launched from the West to challenge the legitimacy of the Eastern Empire as Rome's only successor:

“From time to time operations were launched to usurp this legitimacy. Karl the Great [Charlemagne], the King of

the Franks, was crowned on Christmas Day 800 in the city of Rome as Roman Emperor by the hands of the Bishop of Rome [Orthodox terminology for the Pope]; it didn't even enter his head to declare himself, let's say, a Frankish or German Emperor. Of course, in Constantinople, the imperial title of Karl and all his heirs was taken as a scandalous act of usurpation."

The article then takes up the question of the other challenge mounted against Byzantium, that of the Southern Slavic empires (the First Bulgarian Empire of the 9th and 10th centuries; the Second Bulgarian Empire of the 12th and 13th centuries; the Serbian Empire of the late 13th and early 14th Centuries). Here *Novy Mir* gives a factual account, stressing that the issue was ensuring "proper rule through *one and only one Orthodox power . . . there can be no other.*"

This section is most revealing, as it states, using the Bulgarian Empire as a precursor of Muscovy, that Bulgaria was justified, as a *Slavic* empire, in claiming a Slavic succession to Rome. (It was in the 9th century, during the First Bulgarian Empire, that the term "Czar" or "Caesar" was introduced for a Slavic emperor, and not in Muscovy.)

"The well-known saying, the idea of the Third, Slavic Rome as an alternative to Constantinople, was clear to all—the epistles of Pskov *Staretz* [holy man] Filofei [the Pskov monk, who in the early 1500s proclaimed the doctrine of the Third Rome—ed.]—that ' . . . two Romes fell, but the Third stands, and the Fourth there shall not be. . . ' was nothing new. It was developing earlier, as seen in the South Slavic writings in which a Byzantine chronicler recounted the demise of the Western Empire in 476. In sum: 'And so, all that has happened to the old Rome—but our Rome is flourishing, growing, reigning and uniting'; also in the Bulgarian translation, which was completed in the 13th century, these words were illustriously replaced with ' . . . the old Rome [Constantinople] is undergoing decay, however, our New Empire is growing and becoming stronger.' The new Empire was evident to all: Trnovo became the capital of the new Bulgarian Empire."

This section concludes by stressing that since both Bulgaria and Serbia fell to the Ottomans even before Constantinople did, that fact ended their historical claims to a Roman succession. This now brings us to Moscow and "Holy Russia."

The 'chosen people' and world conquest

The reader is now told that with the fall of Constantinople, the Russians become "the chosen people" and Moscow becomes not only Rome reincarnated, but "the new Jerusalem," the only legitimate seat of both secular and ecclesiastical authority. With the emergence of Moscow, the "inevitable" transfer of the Roman Empire to a Slavic realm has occurred: "Rome fell, but we are standing and we are Rome. On this point everyone agreed—the Byzantine Chronicler, his Bulgarian translator, and our *Staretz* Filofei."

Filofei is then quoted: "All of Christianity will in the end be united into one realm under our rule."

This is presented as the mission of "Holy Russia." It is emphasized that "Holy Russia is not an ethnic concept," confined to the domains of the Russians, but "a geographical concept," embracing "the geographical unity of all of Orthodoxy." "Orthodoxy," to Moscow, is defined not only in terms of populations who are Orthodox, but encompasses the ecclesiastical boundaries of the various Eastern Orthodox Patriarchates.

This alone is an expansionist declaration of monumental proportions. *Novy Mir* is calling for nothing less than for Holy Russia to add to its colonies most of Yugoslavia, all of Greece and Albania, parts of Turkey, including the strategic Turkish Straits, Syria, the Levant and Israel, and other regions of the Near East.

But the expansionist aspirations of Muscovy—church and state—don't stop at the gates of Constantinople (Istanbul), the shores of the Adriatic, or the Near East. *Novy Mir* issues a death sentence against the Catholic Church and Pope John Paul II, stating Holy Russia's mission as ensuring that "all the Christians shall be under one rule." In another swipe at the Polish Pontiff, Catholic Poland and Lithuania are singled out as having historically exemplified the Western "enemies" of "Holy Russia" along its western frontier.

Last, but not least, the article minces no words in saying that the intended territorial expansion to subject all of Christian Europe to Russian rule will mean the end of Western culture, as Europe disappears as a cultural identity. Europe will dissolve into a western extension of a Muscovy-ruled "Eurasia."

"Constantinople lies on the frontiers of Europe . . . it is not a European city, nor can you call it an Asian city. . . . This capital could not be called other than Eurasian."

Like Byzantium, the Russian Empire is Eurasian: "After Ivan IV [the Terrible] defeated the Tatar Khanates of Kazan and Astrakhan [in the mid-1500s], Russia became more and more a Eurasian realm, in a new way, but not less than Byzantium."

And with this, comes the final declaration of war on Western civilization, stressing Russia's centuries' long fight against the West, "how Russia differentiated itself from the Catholic West," Alexander Nevsky's victory over the Teutonic Knights in 1238-40, Moscow's leadership in rejecting and overturning the short-lived unity achieved by the Catholic and Orthodox Churches at the Council of Florence in 1439 A.D., and finally, denouncing the "decision of compromise between the Greeks and the Latins."

Russia's goal is nothing less than "the creation of a unified, one Eurasian landmass, not for the Russian people, but for the Orthodox faith." In this, the official state operatives of the Soviet Culture Fund and the Gorbachov family have joined hands with the Russian Orthodox advocates of the Third Rome.

Soviets promote Pugwash to further self-destruction of the West

by Scott Thompson

Beginning on Aug. 29, participants in the international Pugwash Conference traveled to Dagomys, U.S.S.R., for their latest round of discussions on East-West "peace" and disarmament. The Pugwash Conference was founded by Lord Bertrand Russell in 1955-57, as a back channel to the Soviet leadership, and its leading lights over the years have included the likes of Henry Kissinger, Robert S. McNamara, and other architects of the self-destruction of the West.

In recent years, Pugwash has taken a low profile, and some said it was on the way out. After a meeting of the group in Geneva in 1983, well-informed sources reported to *EIR* that the Soviets had bluntly informed the Western Pugwashites that their usefulness had come to an end. Pugwash's "useful idiots" had helped to win the West to such insane military doctrines as Mutually Assured Destruction (MAD), flexible response, theater-limited nuclear war, and the treasonous 1972 ABM Treaty, by which Pugwash's Kissinger blocked early U.S. development of a Strategic Defense Initiative, while permitting the Soviets to continue their own secret SDI build-up.

However, immediately prior to the latest Pugwash gathering, the Soviet Foreign Ministry's mouthpiece put out a major signal, through a supplement to the magazine *New Times*, published in English and other languages, which proposed a resurrection of the Russellite "peace" movement. The supplement, entitled "The Pugwash Movement—Yesterday, Today, Tomorrow: Secret Society, or Generator of New Ideas," had an introductory editorial that assessed Pugwash as follows, in the context of Mikhail Gorbachov's "new thinking," or *glasnost*:

"The Pugwash movement has emerged as an international, though informal, institution for the study of disarmament and security. It has inaugurated a new trend in science—the study of problems of peace, which is now being pursued by many specialized research centers, both national and international. The science of peace is the biggest contribution to the defense of peace. It is the foundation of the new political thinking which is increasingly being adopted as the basis of political practice, helping among other things to develop approaches to international security problems. . . .

"Some skeptics say that the efforts of scientists are wasted. That is not true. . . . Since the Moscow summit [May-June 1988—ed.] and the ratification of the INF treaty, there has been a perceptible shift in favor of nuclear disarmament. The Pugwash movement has undoubtedly contributed to that. Many of the ideas born in the Pugwash science of peace have found their way into international treaties and peace initiatives."

As for Pugwash's future role, *New Times* concludes:

"The Pugwash movement is not alone . . . but the Pugwash movement is unique, although it must be said that a certain exclusiveness prevents its ideas from being popularized. Perhaps a little publicity could help bring these ideas to the general public. While preserving its character, the movement would acquire a new quality and become not only a research institute, but an international school, a university of peace. There is a great need for such a school. On the eve of the 42nd U.N. General Assembly session, Mikhail Gorbachov suggested that a world think tank of scientists be founded. Pugwash provides a model for such a council."

The origins of Pugwash

The historical role of the Pugwash Conference far exceeds that of a group of scientists pursuing "peace science." Since its founding, Pugwash has not only been responsible for winning the West to insane strategic doctrines like MAD, but it has been the back channel through which major confrontations like the Cuban Missile Crisis were managed so as to test "the rules of nuclear engagement." The Pugwash movement was the launching pad for plans for a global condominium between the U.S. and U.S.S.R.—known today as a global "New Yalta" or "regional matters" settlement—that sought to destroy the sovereignty of every nation-state.

Perhaps the clearest view of Pugwash's real goals has been provided by Lord Russell, who ranks among the most evil men of the 20th century, through his lifelong effort to destroy Western science and culture. The malthusian Russell once called for a "plague" to be unleashed every generation, to reduce "surplus population"—not, naturally, among the Anglo-Saxons, however.

After graduating from Cambridge University, Russell used his family ties to top Bolshevik leaders to travel to Russia, where he proclaimed himself dedicated to the creation of a global communist empire, which would sweep away the last vestiges of republicanism in the world—which meant especially in the United States. When World War II propelled the United States to a position of world leadership, Russell changed tactics and sought to destroy it from within, by changing its mission to that of a world empire. On Aug. 6, 1945, Russell wrote to his mistress, Gamel Brennan, about his plan: “There is one thing and only one which could save the world. . . . It is, that America should make war on Russia during the next two years, and establish a world empire by means of the atomic bomb.”

Elaborating upon his idea of one-world government in the October 1946 *Bulletin of the Atomic Scientists*, Russell wrote: “When I speak of an international government, I mean one that really governs. . . . An international government, if it is to be able to preserve the peace, must have the only atomic bombs, the only plant for producing them, the only air force, the only battleships, and, generally, whatever is necessary to make it irresistible.”

When Russell failed in his first option to create a world empire, he searched for a way to create a condominium between the U.S. and U.S.S.R. This opportunity seemed to arise with the death of Josef Stalin, when, as Soviet defector Anatoliy Golitsyn writes in *New Lies for Old*, the Soviets under Nikita Khrushchov sought to revive the sophisticated deception techniques of “The Trust,” run in the 1920s by Cheka chief Felix Dzerzhinsky, who worked his deceptive practices through the Anglo-American Establishment. Dzerzhinsky’s strategic and economic deceptions had helped the fledgling Bolshevik regime survive, and now, with Stalin’s death, the Soviets would again simulate a partnership with the “useful idiots” of the West.

The Trust revives

Russell chose the World Association of Parliamentarians for World Government (WAPWG), whose co-founder, Lord Boyd Orr, had been a friend of Khrushchov, to launch the Pugwash Conference. To an Aug. 3-5, 1955 WAPWG gathering of international scientists, the Soviets sent the first delegation to a private Western conference, since Stalin’s death. Its head, Permanent Secretary of the U.S.S.R. Academy of Sciences A.V. Topchiev, had been advised to drop Soviet vilification of Bertrand Russell, referring to him instead as “the distinguished scientist” and “friend” of the Soviet Union. Pugwash was officially launched with such high-level Soviet participation on July 6, 1957 at the Nova Scotia retreat of American industrialist Cyrus Eaton.

During this same period, the New York Council on Foreign Relations brought Henry Kissinger in to be the rapporteur for a panel entitled “Nuclear Weapons and Foreign Policy.” The CFR panel’s final report presaged the forced adop-

tion by the Pentagon, after President Eisenhower left office, of the doctrines of MAD and flexible response, within a political context of Kissinger’s dream of a revival of the Holy Alliance of Metternich, which made Russia the policeman of Europe. While the CFR panel fought for such insane doctrines among the Anglo-American Establishment, the Pugwash attendees believed that they were working out “rules of nuclear engagement” with the Soviet Union. They believed that the Russians would adopt the same principles—but the Russians, then as now, were playing their own game.

At the Second Pugwash Conference, held in Quebec in 1958, Dr. Leo Szilard gave a keynote speech entitled, “How to Live With the Bomb and Survive—.” In a world of “metastable atomic stalemate,” Szilard suggested that a safety valve could be found in “limited wars” (both nuclear and conventional) in such areas as Western Europe and the Middle East, which had become more “expendable” allies in the nuclear age. Once such “rules of engagement” were adopted by the U.S. and U.S.S.R., Szilard suggested, “It is conceivable that America and Russia may be able to go one step further, that they may be able to agree on a revision of the map, and that they may subsequently act in concert with each other, should other nations attempt to change the map by force or threat of force.”

Thus, Russell’s 1946 plan for a world empire with Soviet and American divisions had been introduced into the Pugwash back channel, presaging today’s moves toward a “New Yalta” or “regional matters” deal.

Pugwash moles

Kissinger is not the only Pugwash “mole” who held a post to shape U.S. nuclear strategy. Other participants included the most prominent strategists who shaped U.S. and allied military policies during the postwar period.

Other Pugwashers have included: Prof. J. Ruina, who was director of the Advanced Research Projects Agency, Department of Defense, 1961-63, and member of the Advisory Board, National Security Council, 1963—; Robert S. McNamara, who as President Kennedy’s secretary of defense reconfigured U.S. forces based upon the MAD doctrine and systems analysis; Richard Garwin, who was a member of the President’s Science Advisory Committee, 1962-65, and of the Defense Science Board, 1966-69; Herbert York, who was director of Lawrence Radiation Laboratory, 1952-58, director, Defense Research and Engineering, OSD, 1958-61, and member of the President’s Science Advisory Committee, 1964-65; George Rathjens, who was deputy assistant director of the U.S. Arms Control and Disarmament Agency (ACDA), 1962-64, and director of the Weapons Systems Evaluations Division of the Institute for Defense Analyses, 1965-68; and Jerome Wiesner, who was research director of the Gaither Committee, a CFR-connected study group which concluded that the United States could not meet a Soviet nuclear buildup at a time of overwhelming American superiority.

A Palestinian state by the new year?

by Jeffrey Steinberg

A high-ranking U.S. State Department official told *EIR* on Aug. 25 that the United States is firmly opposed to any Israeli policy of mass expulsion of Palestinians from the occupied territories, and that any further Israeli deportations could result in severe damage to U.S.-Israeli bilateral ties. Speaking on condition that his name not be printed, the senior diplomat also confirmed that the United States was working "through channels" to "encourage" Palestine Liberation Organization chief Yasser Arafat to formally recognize Israel's right to exist as a step toward resolving the Israel-Palestine crisis.

These remarks came within hours of Undersecretary of State John Whitehead's strong note of protest to the Israeli government over the expulsion of 25 Palestinian activists from the West Bank and Gaza Strip. Israeli sources confirmed to *EIR* that the Whitehead note, delivered by U.S. Ambassador Thomas Pickering, had been read by Israeli government officials, including Prime Minister Yitzhak Shamir, as a dramatic shift in American policy toward Israel. In the past, the United States had never filed a formal note of protest on any issue outside the immediate scope of U.S.-Israeli bilateral matters, such as the 1985 Pollard affair in which an Israeli spy ring was discovered stealing American military secrets and passing some of them on to the Soviet intelligence services.

According to United Nations sources in New York, the Whitehead note was followed immediately by another demonstration of Washington's pique at Israel. On Aug. 26, the president of the U.N. Security Council, Chinese Ambassador Li Luye, issued a "consensus" statement criticizing Israel's expulsion policy. The statement reportedly came as the result of behind-the-scenes negotiations involving Arab states and American U.N. Ambassador Vernon Walters, who all gave their approval to the final wording of the rebuke. The statement was described as a preferred option to a full-scale Security Council debate and a formal resolution. Citing "grave concern" over the "continued deteriorating conditions" in the Israeli occupied territories, including "closing off [of vil-

lages], curfews, increased injuries and deaths," the consensus statement called upon the Israelis to immediately stop all deportations and to allow all Palestinians already expelled to return safely.

While the "by consent" statement on behalf of the 15 members of the Security Council averted a formal resolution that would have had more teeth (and may have been therefore vetoed by the United States), the fact of the U.S. participation was considered to be yet another signal that a policy shift is afoot in Washington.

In a further move aimed at distancing itself from Israel's Palestinian policy, the U.S. Commerce Department in mid-August added Israel to a list of nations engaging in unfair labor practices, thus placing America's traditionally strongest Middle Eastern ally in the same camp as Chile, Syria, and several Soviet bloc nations. AFL-CIO president Lane Kirkland, a prominent backer of Michael Dukakis and one of labor's most strident Zionists, rushed to Israel's defense, denouncing the Commerce Department action and demanding that Israel be removed from the list of nations that have repressed the growth of independent labor unions.

Moment of opportunity for Arafat

The recent American willingness to publicly chastise Israel in an apparent effort to shut off the option of mass deportations, provides a short-lived potential moment of opportunity for PLO chairman Arafat to achieve a Palestinian state.

In the aftermath of Jordanian King Hussein's July 16 withdrawal of all claims of sovereignty over the West Bank and his de facto recognition of the PLO as the legitimate representative of the 1.5 million Palestinian people living in the territories taken from Jordan by the Israelis during the 1967 war, the PLO has been reportedly moving toward declaring itself either a government-in-exile or a provisional government that would be based somewhere inside the territories, probably in East Jerusalem.

Toward this end, PLO chairman Arafat initiated a series of personal diplomatic efforts that could lead to statehood:

- On Aug. 27, Arafat met for several hours in Geneva with United Nations Secretary General Javier Pérez de Cuellar—ostensibly to discuss the possibility of the PLO chief addressing the opening session of the General Assembly later this month. PLO sources told the *Washington Post* the next day that Arafat was additionally probing the possibility of a U.N. resolution creating a "provisional government" in keeping with the Nov. 29, 1947 U.N.-administered partitioning of Palestine that provided for "independent Arab and Jewish states" to be created in the territory formerly comprising the British mandate. Following the Geneva meeting, Arafat made public reference to that 1947 U.N. Resolution 181.

- On Sept. 3, Arafat will address the foreign ministers meeting of the Non-Aligned Movement. Ten days later he will address the European Parliament.

Pending approval by the Palestinian National Council, the 450-member governing body of the PLO, Arafat could use any one of these high-profile speaking engagements to make a dramatic announcement of the formation of a "provisional government."

Such a move would be almost certainly coupled with a formal declaration by the PNC, recognizing the state of Israel and dropping some traditional Palestinian demands, including, some sources say, the demand of the immediate return to the pre-1967 borders and the withdrawal by Israel of any claims over Jerusalem.

According to one well-placed Palestinian source, Arafat would like to announce the PNC recognition of Israel before the Israeli elections occur later this autumn.

While Likud candidate and current Prime Minister Shamir has been stirring up the already deeply polarized climate inside Israel with bellicose campaign rhetoric denouncing the Palestinian demonstrators and the PLO, reports have also come out of Israel indicating that the Likud bloc has been involved in back-channel discussions with PLO representatives for six months. And Shamir, as distinct from outright crazies like Ariel Sharon and Rabbi Meir Kahane, has reportedly been shaken up by the recent American warnings against mass deportations and an annexation of the West Bank and Gaza.

One key factor that must be taken into account by Arafat as he charts the PLO through the most opportune, albeit dangerous period of its existence, is the continuing danger that the Palestinian cause may be sold out in some superpower New Yalta condominium. Were Arafat to take some significant initiative prior to Soviet Foreign Minister Eduard Shevardnadze's scheduled early-autumn trip to Cairo, that would clearly go a long way toward undercutting any Washington-Moscow deals.

Moscow's recent decision to drastically expand its naval facility at Tartus, Syria in the eastern Mediterranean, certainly underscores the Russians' intention to move in a major way into the region, and may be suggestive of a Russian-American *quid pro quo* to jointly box in an Israeli state that is armed to the teeth with nuclear weapons. If the recent American moves against Israel are part of a superpower deal, then Arafat is in a position to judo those arrangements.

If the Arafat initiative gains steam, the PLO chief will be confronted with another grave obstacle: the prospect of a Syrian-Israeli joint effort to sabotage the independence process through either a serious assassination try against Arafat or an orchestrated "limited war"—during which the Israelis might "justify" the mass deportation of the Palestinians.

With Gov. Michael Dukakis already committed to an "Israel can do no wrong" foreign policy if he is elected in November, it is becoming more and more likely that the fate of the Palestinian people and the entire eastern Mediterranean will be determined by events compressed into a very short period of time—between now and November.

Soviets back IRA in war on Britain

by Mark Burdman

Days before the Irish Republican Army launched its August offensive against Great Britain, the Soviet magazine *New Times* published an unusually blunt statement of support for the IRA, in its July 1988 edition. Britain is being especially targeted for Soviet-backed irregular warfare because of its traditional close ties to the United States within the NATO alliance, and because of the Thatcher government's opposition to "New Yalta" superpower condominium arrangements for Europe, southern Africa, and other regions in the world.

Vladimir Zhitomirsky, described as Moscow's Belfast special correspondent of *New Times*, wrote the article entitled, "People and Bullets," which went way beyond a critique of British policy toward Ireland, into a diatribe against British "terror" against Northern Ireland. Zhitomirsky dated the crisis to "eight centuries ago," when "the Anglo-Norman regular devastating raids on Ireland began," and when "Ireland was turned into the first English colony," with an "apartheid policy" used against the Irish.

Zhitomirsky traced the "present crisis" to the end of the 1960s: precisely the moment that the moribund IRA was revived as an organization by the Soviet intelligence services.

"In 1969, the British government sent its troops across the Irish Sea," he went on, claiming that the British used "as a pretext," the extremist actions of both the "so-called Provisional IRA, which had broken away from the main IRA in 1970," and the ultra-Protestants. The *New Times* author charged that, from 1972 on, "London, in effect, raised the terror against [the people of Northern Ireland] to a new level." He concluded by attacking the Tory government of the U.K., for having refused to implement social projects to help the Irish: "London has no funds for such things. Clearly, maintaining a British military contingent in Ulster costs too much."

'The IRA war'

Since the morning of Aug. 1, with its bombing of an army barracks near British Prime Minister Thatcher's home election district of Finchley, the IRA has been waging an offensive bloodier than any since the 1970s. On the night of Aug. 27-28 alone, British security forces in Northern Ireland reported almost 200 violent events in Belfast and Londonderry, including 27 incidents of shooting at police, 17 bombings, and over 50 hijackings of vehicles whose owners were then forced to drive their vehicles loaded with explosives to se-

lected targets. On Aug. 30, a highly placed IRA source was quoted by France's *Le Monde* daily: "The struggle is entering its final phase. The next 18 months to two years will be crucial, because the IRA possesses the necessary resources to win the war."

Aug. 20. An IRA team using Czech-manufactured and Libyan-supplied Semtex plastic explosives blew up a bus carrying British soldiers returning from leave, on a main highway in Northern Ireland: 8 killed, over 20 wounded.

Aug. 23. The IRA placed a 400-pound car-bomb in the commercial heart of Belfast, which was blown up in a controlled explosion by the police: over \$6 million in damage. The next day, the IRA issued a communiqué announcing a strategy of car bombings aimed at blowing up offices and commercial premises in Northern Ireland, a strategy last used in the 1970s. The communiqué stated that, in the future, such car bombings would be signaled by a small smoke grenade going off, so civilians could leave the area. However, it went on, when the smoke grenade would go off, a microswitch would "sensitize" the vehicle, to prevent bomb-disposal efforts.

Aug. 24. During the night, the British government went on the counterattack. Mrs. Thatcher held an emergency session with Northern Ireland Secretary Tom King to work out a secret package of special measures against the IRA. Experts speculated that the following options were being considered: increasing security cooperation with Dublin; tightening security along the border with the Irish Republic; stepping up covert action and intelligence-gathering activities by the elite SAS (Special Air Services); tightening security for off-duty service personnel; interning terrorist suspects without trial; cracking down on sources of IRA funding, which may be seized and confiscated like the cash of drug traffickers; and banning Sinn Fein, the IRA's political wing.

Aug. 30: Three IRA men evidently in the middle of a planned terrorist action were ambushed and killed in Drumakilly near Omagh in Northern Ireland. According to the Sept. 1 *Daily Telegraph* of London, the ambush was carried out by an Army undercover unit, the Intelligence and Security Group, who had been trained by the SAS. An IRA statement said the three men were "on active service," and were "committed Republicans." The men were carrying two AK-47 rifles and a .38 Webley pistol. One of the men, Michael Harte, has been known to the police since 1983 "as an active terrorist organizing attacks against the security forces," according to the *Telegraph*.

Sept. 1. In an exclusive interview with the *Daily Express*, Mrs. Thatcher commented on such operations: "You obviously set certain criteria and let the people operate within them. Things happen quickly on the ground, but that is what responsibility means." She said, "I think there are people in the IRA and maybe in Sinn Fein, maybe elsewhere as well, who think that if they step up terrorism it will weaken our resolve to stay in the province. Quite the reverse is true.

Terrorism will not win."

She stressed: "When you are faced with terrorists you obviously do not let the terrorists know precisely what steps you are taking to counter their terrorism. Nor shall we. But my message to them is this: *Do not doubt our resolve to defeat terrorism.*"

Target: NATO

On Aug. 31, West German customs police arrest two IRA men who had come into the Federal Republic from Holland. The two are believed to have been involved in bombings, during May-July 1988, of pubs frequented by British soldiers in Holland near the West German border, and of the British military facility near Duisburg, West Germany. German officials had been tipped off by British intelligence officials about the duo's entrance into the Federal Republic. The British wanted the interception to take place in the F.R.G., because of the notoriously soft policy of the Dutch toward the IRA.

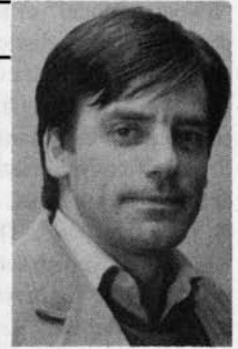
These arrests underscore that the IRA is an arm against NATO as a whole, deployed against the British military component of NATO.

On Aug. 31, the Danish paper *BT* reported, citing Danish military sources, that there would be increased security at all the Danish military compounds during the "Bold Grouse" maneuvers in Denmark Sept. 12-16, because IRA terror actions against the British troops participating in the exercises are anticipated. British secret service agents, the paper reported, had already arrived in Denmark, and the terror threat was described by high-level sources as "serious and substantiated."

On Aug. 30, a member of the British Parliament from the Ulster Unionist Party, Gregory Campbell, charged that official maps of the British army bases in West Germany had been abandoned on a garbage ship in Northern Ireland. The maps were officially categorized as "restricted."

On the same day, British Army officials discovered 25 pounds of the Czech-made explosive Semtex, and four mortar tubes, of the type used in numerous serious incidents in Northern Ireland in recent weeks, during a routine check of a bus near the border near Londonderry. Up to now, the British response to the Semtex provocations has been to appeal to the Czech government to crack down on distribution of the explosives, and to focus international attention on Libya as the source of Semtex supply. Given the increasingly angry mood in London, that approach could be transformed into a more overt focus on the Russian origins of IRA terrorism.

U. S. intelligence reports that 27 IRA terrorists have been trained in Syria, should also draw attention in London, especially in light of reports of the Soviets' building a naval base in the Syrian port of Tartus, and given past years' diplomatic brawls between Britain and Syria over Syrian support for international terrorism.



Sweden risks becoming Soviet-style dictatorship

Michael Ericson, chairman of the European Labor Party (EAP) in Sweden, was interviewed by Nora Hamerman on Aug. 29.

EIR: Can you say something about the nature of the parliamentary elections on Sept. 18? What is at stake for Sweden and Europe?

Ericson: Sweden in the coming years must be able to cope with the threat of a surprise Russian military attack, an industrial collapse, and a fast-spreading cultural pessimism. The fate of the nation is at stake in these elections.

Nothing of the sort is reflected in the media's coverage of the election fight so far. Actually, we don't have an election *fight*, we have what the media call an election *activity*. The political party structure of Sweden has collapsed, and the parties, in the most disgusting way, are now only fighting, like the Titanic passengers, to secure the best deck chairs from which to watch the devastation of the nation.

The only things that have been discussed so far are, first, "who did what at what time" in different political scandals surfacing like mushrooms as part of the election *activity*, and second, how to save the "sick and dying seals" in the Atlantic Ocean, which everyone outside the European Labor Party seems to agree is the hottest question in this election.

Most of the "Dallas"-like scandals are aimed against the Social Democratic Party leadership, but they are not actually designed to kick the ruling Social Democrats out of power. The aim is to make Finance Minister Kjell Olof Feldt the new czar of the Social Democratic Party. The other joint aim is, for the first time in Sweden, to get the Greenies into the parliament. There, of course, they will help to ram through Finance Minister Feldt's vicious austerity policies—including, for example, the destruction of what little is left of the country's defense forces.

EIR: And how do you intervene in this election?

Ericson: The task for us is to free Sweden from this degrading "dirty game" that the other political parties are trying to impose. We opened the attack on Feldt during May Day demonstrations, with a leaflet headlined, "Kjell Olof Feldt Acts Like the Financial Oligarchy: He Will Wet His Pants As Long As His Suspenders Can Take It." We pinpointed

how he, after having stolen one month's wages per year in preparation for "dealing" with the October 1987 crash, is only preparing more of the same kind of brutal austerity now, as a second crash approaches.

We have just upgraded our fight to get Sweden to join NATO by releasing a new pamphlet, "The Russian War Machine on a Global Offensive," which uncovers the real intent of Gorbachov's *perestroika* and *glasnost* campaigns. The pamphlet documents the Russian effort to combine radio frequency weapons and a *spetsnaz* [special forces] strategy to give them the capability to occupy Sweden after a surprise attack. We are the only party demanding Swedish membership in NATO, but with Russian submarine intrusions discovered every year since the late 1970s, and the enormous Russian military bases on the Kola Peninsula only 150 kilometers from the Swedish border, this is a real political issue. Swedes take a lot of interest in it.

Can we turn the election around? I don't think so, not the elections this time, but perhaps the people. When you are out campaigning, you are immediately reminded of the situation before the last national elections in 1985. There was total contempt for Prime Minister Olof Palme and his policies. Despite that, Palme succeeded, mostly through his control over the non-socialist press, in winning the election by the smallest margin, which provoked an uproar. When their hopes for a change didn't materialize, people started to act, and in a couple of months, Sweden had an officers' revolt, a workers' revolt, and a farmers' revolt gaining momentum day by day. In the middle of these revolts, Palme was killed [Feb. 28, 1986], which in a sense put the lid back on. The trauma of having the prime minister killed in the open streets of Stockholm took over. But the thing to keep in mind is that Palme never became a martyr in the eyes of the Swedes. Too much of his dirty politics was disclosed during the police investigations of the murder, and the reasons for these revolts haven't been dealt with during the two years since the shooting.

EIR: In South America, a businessman told me that the success of the Reagan-Gorbachov peace process would mean that the two superpowers would stop the arms race, and East and West would shift in the direction of both adopting the

“Swedish model” of society. As a Swede, do you think this perspective is realistic, and what do you think such a world would look like if it ever came about?

Ericson: The Reagan-Gorbachov peace process should be compared to the Chamberlain-Hitler “peace process” in 1938: It will, if not reversed, lead to world war. But, of course, I am fully aware of the efforts to export the “Swedish model” all over the world. The reality is that all the talk about the “peaceful Swedish labor market,” the “low unemployment rate,” and the “understanding trade unions” is as untrue as all the talk about the “Reagan-Gorbachov peace process.” The “Swedish model” is not anything new. It is not that the Soviet Union is developing toward a “Swedish model” under Gorbachov. It is the other way around. It has been Sweden which is on its way to being transformed into a Soviet-style dictatorship under Palme. This was done with what sometimes has been called a “democratic face,” but many Swedes fought it, and are still fighting it, under the slogan of stopping “Sovietization” of their country.

This characterization applies to the dismantling of the law and replacing that with the arbitrary rule of the new Soviet-style “nomenklatura” Palme built up around him. It applies to the anti-industrial and anti-growth policies that led to the decision to dismantle the pride of industrial Sweden: its own developed nuclear industry. It applies to the cultural policy of Olof Palme to decouple Sweden from its Western ties and replace them with a “new affinity to Sofia, Prague, and Budapest,” to use his own words. It applies to the very deep social and economic repression of the country. In short, it would be a horror show for any country to import the “Swedish model,” and it would be a tragic thing to do at the time when the Swedes are beginning to revolt against that “model.”

EIR: Please describe the policy of the Social Democratic regime toward children and the family.

Ericson: That’s one of the real horrors of what has happened in Sweden under Palme’s dictatorial rule, and also one of the things people have revolted against. The desperation among parents has been so great that they have gone to the European court in Strasbourg to try to get their children back from what the West German weekly *Der Spiegel* called “The Children’s Gulag of Sweden.”

There is a very simple principle behind it, even if it may be hard to think that this could happen in a civilized country. Schiller, in his writings on ancient Sparta, says that one of the major features of a dictatorship is to take the right to bring up children away from the parents. The children are owned by the state, not by the parents. That’s the principle. That is the principle behind the Soviet “collective upbringing.” That was the principle behind the Nazi policy, including their awful policy of using children as informers against their own parents. That is the principle behind Swedish family policy during Palme’s rule.

There are many “advantages” to be gained for a dictatorship by such a policy: for example, a terrorized citizenry, with a deep mutual mistrust, a powerful tool to punish “dissidents” and political opponents (several cases are documented in Sweden), and a new generation that has lost its identity. It is something that is thought to be a precondition for “creating a new human being,” the trademark of all totalitarian ideologies.

In Sweden, that policy wasn’t introduced overnight or by a stroke of the pen. Rather, the policy was introduced piece by piece over a couple of years. First you introduced not only laws, but a whole social apparatus to “fight child abuse in the homes,” as the main vehicle by which the force of the police and court system could be used to take children away from their parents on the flimsiest grounds. This was done on such a scale that at its worst we had, in a population of 8 million with a very low fertility rate, over 25,000 children in forced custody, either in foster homes or in institutions. You could see a situation a few years down the road where every Swede would know somebody close to them, who had had their children stolen by the state on a totally unjust basis.

EIR: What is the opposition to the present regime?

Ericson: In the Sweden of today, “the present regime” does not exist. After Palme, there came a political vacuum that hasn’t been filled yet. The Social Democratic government under Prime Minister Ingvar Carlsson consists of Palme’s old gang, but they have become a leaderless gang, because none of them has wanted to jump fully into his shoes. There is an effort of the inner circles to try to force Finance Minister Kjell Olof Feldt to do just that, but not until after the elections.

The opposition to the policies of Palme came from the people of Sweden, not the powerbrokers. Therefore, it never existed as an organized political force, but only as groups and individuals in all political parties, including the Social Democratic Party. Not until these forces have come together as a joint programmatic political force will there be a real alternative for Sweden. We in the EAP have set ourselves the task of giving that opposition the programmatic platform it needs. We are also to a great extent recognized as the only political force able to do so. The question for many in the old opposition to Palme is that it always used to think in terms of action groups focused on stopping different particular points of horror in the policies of Palme, not in terms of creating a political force able to govern.

You can already see promising signs of how the Swedes ideologically are starting to recover. Despite all the parliamentary parties discussing when and how Sweden’s nuclear reactors should be dismantled, the last opinion poll showed that almost a full 50% of the Swedish population now wants the reactors to be kept in operation even after the year 2010, the deadline for their shutdown in the infamous 1980 referendum.

IMF 'shock' plan set to rip up Peru

by Gretchen Small

The Peruvian government's return to neo-liberal economics, begun this year in the hopes of returning to the good graces of the International Monetary Fund, has brought the country to the point of hyperinflationary breakdown. Inflation rose 23% in August alone, bringing inflation for the past 12 months to an unprecedented 440%. There are few optimists left who forecast that inflation will not reach the 1,000% annual rate by the end of 1988.

Peru's elites now appear committed to implementing that neo-liberal cure-all, economic "shock." Only the triple-digit currency devaluation and huge hikes in prices, taxes, and interest rates of a standard shock package can generate the revenues to let Peru meet debt payments, the argument goes.

Every country which has ever adopted "shock" therapy, suffered political upheaval of some degree as a result of the sudden, brutal drop in living standards which "shock" effects. In Peru 1988, however, the neo-liberals' shock may well prove the decisive factor in turning the country over to Soviet-run narco-terrorists.

Drug advocates' coup

In Peru today, those forces most vociferous in demanding a murderous shock package, are the economic and political interests most adamant that Peru unshackle the "wealth" of the narcotics trade, and legalize the narco-economy: the allied forces of the Inter-American Dialogue and Lima's Institute for Liberty and Democracy (ILD).

They know what results to expect, too. Industry Minister Guillermo Arteaga, a shock advocate who demands that Peru adopt the Hong Kong model and establish "free trade zones," stated bluntly on Aug. 25 that "if we adopt urgent, rapid and concrete economic measures"—as he himself insists—Peru will "head directly into the pit. . . . We already practically live in a tinderbox—but [this] brings the possibility again that democracy ends."

This crowd has been insisting that García not only name one of their own as economics minister, but give up all say over economic policy. Their first choice was Javier Silva Ruete, a member of the Aspen Institute's Inter-American Dialogue, close to the IMF, and a top advocate of legalizing narcotics and narcotics profits. When Silva Ruete met for four hours with García at the Palace on Aug. 19, the liberal press crowed that they had won the fight. *Expreso* asserted

that García had agreed to Silva Ruete's conditions: a free hand in dealing with international creditors, and a freeze on García's attempted bank nationalization until the next government.

They were soon disappointed, as Silva Ruete told his press friends that he could not accept the post, because "García has. . . continued to insist on his mistaken economic policy."

In an Aug. 23 press conference, President García denied he had even offered Silva the post, but pleaded that his economic advisers must understand that the government either adopts a "measured" program, or faces disaster. "We must be prudent, in order to not resolve one problem, by complicating everything else in a worse manner," he pleaded. If we eliminate the cheaper Basic Exchange Rate, it is the price of bread and pasta that will rise, and we will end up by "killing the sick man."

ILD cofounder (and pornography writer), Mario Vargas Llosa responded immediately. "Unless a very radical, dramatic, readjustment in economic policy" is adopted by García, he will be overthrown in the wake of terrorism, hyperinflation, and "breakdown of constitutional order," Vargas Llosa told the press.

Next came the reports that socialist Prime Minister Armando Villanueva, a long-standing ally of *Expreso's* owner, Wall Street banker Manuel Ulloa, was offering the economics post to one of the ILD's top ideologues, Felipe Ortiz de Zevallos. Famous for his 1987 call for Peru's businessmen to go to the black market to take their money out of Peru, Ortiz had just brought Harvard economist Jeffrey Sachs, the designer of the economic shock program implemented by Bolivia's President Víctor Paz Estenssoro to Peru, to campaign for a similar program here.

As *EIR* has documented, Sachs's Bolivia program succeeded in only one way: channeling narcotics revenues into debt payments, while destroying what little industrial and agricultural production remained.

Expreso was ecstatic: Ortiz will "apply a Bolivia-styled shock program, beginning with a brusque increase in the price of fuel," they wrote on Aug. 25.

With the liberal press running headlines screaming "Apocalypse!" and Prime Minister Villanueva issuing warnings that "harsh and unpopular" economic measures are imminent, panic swept Peru. On Aug. 28, Silva Ruete's paper, *La República*, ran a banner headline screaming "280% Devaluation Confirmed" on Aug. 28, and asserted that a consensus has been reached to raise the price of gasoline by more than 200%, within hours, stores and commercial centers in Lima were closed, as owners raised prices. Price-controlled items disappeared entirely from the shelves of those stores that remained open, as panicked citizens stocked up on necessities.

By the end of the month, however, García had capitulated. We must fight inflation, "at all costs," he stated Sept. 1.

Panama warns of U.S. military intervention

by Carlos Wesley

Panama's President Manuel Solís Palma has warned that the Reagan administration may be preparing a military intervention against his country. In an interview with Reuters wire service Aug. 29, Solís referred to a visit to the United States by his ousted predecessor, Eric Delvalle: "We think it could be related to plans for new agitation in Panama, with the campaign that Col. Eduardo Herrera is running for military intervention in Panama with the open help of the United States."

Colonel Herrera, Panama's former ambassador to Israel, was cashiered from the Panamanian Defense Forces when it was discovered that he was working with "Project Democracy" forces in the United States to oust PDF Commander Gen. Manuel Noriega. He is currently engaged in efforts to create a paramilitary force, modeled on the Nicaraguan "Contra" operation, to invade Panama, reportedly from neighboring Costa Rica.

There are mounting signs that the Project Democracy gang that runs U.S. foreign policy is attempting to "create a fictitious theater of war" in Panama, charged the PDF's Lt. Col. Aquilino Sieiro at a press conference Aug. 26. Sieiro said that the previous night two U.S. Black Hawk helicopters had circled near Omar Torrijos International Airport, endangering civilian air traffic for several hours.

U.S. media are beating the drums for an "October surprise" military action against Panama. On Aug. 29, the *Washington Times* carried a commentary by B.J. Cutler, director of the Scripps-Howard newspaper chain, which proposed that the United States evacuate all dependents of American military, embassy, and Panama Canal employees, "as a message to Noriega that if he continues his outrageous behavior, President Reagan may consider military action, which is more thinkable if wives and children are not at risk."

The justification for such an evacuation, said Cutler, was a pattern of increased harassment of U.S. personnel in Panama, including rapes and muggings carried out under Noriega's orders. The charges had all the earmarks of a dirty operation by Assistant Secretary of State for Inter-American Affairs Elliott Abrams, to fuel U.S.-Panama hostility. The same unsupported accusations had been bandied about earlier by the media, citing the proverbial unnamed "senior administration official."

This, despite strong denials from both the PDF and the

U.S. military forces in Panama. "We do not feel that this is an orchestrated campaign. . . . This isn't the wild, wild West," said a spokesman for the Panama-based U.S. Southern Command. The American military officials said that Washington had overstated the severity of the alleged harassment, and challenged the State Department's report that it was part of a Panamanian drive to impede normal operations or to undermine U.S. military morale.

The charges, noted a statement issued by the PDF on Aug. 21, "are reckless, irresponsible, and dangerous." As for the "senior administration official," the statement said that he or she "must have the I.Q. of a three-year-old Neanderthal" to claim that the alleged harassment was intended to pressure Washington to lift economic sanctions. "It is obvious that this would not be an intelligent attitude on the part of Panama to convince the U.S. to lift the sanctions," said the statement.

Psywar campaign crumbles

The State Department has launched a new spate of psychological warfare operations to prepare for the "October surprise" military action against Panama. On Aug. 28, the turncoats whom Abrams calls "Panama's embassy in Washington" claimed that Noriega was building up Panamanian military strength with Soviet, Cuban, and Nicaraguan help. This, they said, "represents a direct threat not only to Panamanians fighting for democracy, but to all the region and to relations between Panama and the United States."

After more than two years of this type of disinformation, it is unlikely that the latest charges will prove any more successful in removing Noriega from power, than the six-month freeze of Panamanian funds in the United States. Panamanian Foreign Minister Jorge Ritter has charged that more than \$50 million of Panama's money frozen in U.S. banks is being used to finance the "Contra" operation, and to pay the bills of those associated with former President Delvalle.

There are signs that the centerpiece of Abrams's psywar campaign against Noriega—that he is a drug trafficker—is crumbling. Panama's Defense Forces participated in a 30-nation campaign against drugs, sponsored by the International Drug Enforcement Conference (IDEC), which was praised by U.S. Attorney General Richard Thornburgh as a "milestone" in the war on drugs. The State Department's own semi-annual report to Congress on Foreign Narcotics Corruption, issued at the end of August, omitted Panama as a nation whose leaders are involved in drug trafficking.

At a press conference held in Bogotá, Colombia after an IDEC meeting, Panamanian representative Col. Nivaldo Madriñán said that the charges against Noriega "were part of a slander campaign by the U.S." and added that the U.S. Drug Enforcement Administration had no evidence linking Noriega to drug trafficking. Sitting next to Madriñán was IDEC chairman John Lawn, who is also the head of the DEA. Lawn made no objection to Madriñán's comments.

PRI, government splitting apart

One defection after another, from prominent individuals to mass organizations, is bleeding the ruling party.

The political crisis wracking Mexico, the result of President Miguel de la Madrid's stubborn insistence on imposing former Budget and Planning Secretary Carlos Salinas de Gortari as his successor, despite Salinas's defeat in the July 6 elections by National Democratic Front (FDN) candidate Cuauhtémoc Cárdenas, is turning into genuine tragedy for the ruling PRI party.

In a desperate effort to avoid the virtual crumbling of the 50-year-old government party, Manuel Camacho Solís—one of the leading ideologues behind PRI presidential candidate Salinas—was named as PRI secretary general, to try to smash the spreading dissidence in the ranks. Camacho, a technocrat like Salinas, has no links either to the party constituencies or to the old-line revolutionary tradition, and is thus considered ideal for the job.

His debut was nonetheless a disaster. His first action as secretary general was to respond to two major PRI defections to the FDN in the state of Tabasco: the first, of former PRI state president Andrés Manuel Obrador López, who is currently running as FDN gubernatorial candidate in Tabasco; the second, that of the state leader of the National Peasant Confederation (CNC), Darwin González Ballina, who was elected federal deputy for the PRI July 6, and then announced his resignation from the ruling party to join the Cardenista front.

Camacho's "fire-fighting" trip to Tabasco had the effect of throwing more fuel on the fire. Instead of trying

to woo back the defectors, he proceeded to provoke a confrontation with the PRI's own disaffected labor federation in the state, run by oil workers' leader Raúl Charles Trevino. Camacho encouraged the creation of an "independent" labor movement, as a rival to Trevino's CTM.

This demonstration of the PRI's new "modernization" techniques did not go unanswered. On Aug. 26 and 27, the powerful national oil workers' union, the SRTPRM, published a full-page statement in the national press, expressing their outrage with the PRI national leadership. "We have nothing against the PRI. . . . We oil workers love our PRI T-shirts, but not those who have failed the PRI. . . . We love the party of the Mexican Revolution. And if we have differences at times, it is with men, not with the party. Actions are decided by men—not institutions—sometimes for the good and sometimes for the bad."

And in a final severe critique of the government's economic policy, the SRTPRM warns that "the best policy is to give the people cheap food, create jobs, and effectively help the farmers on their collective plots. No country can have complete sovereignty if it allows its trade, its capital, its production, its land, to be appropriated or exploited by other countries."

PRI problems are not limited to Tabasco, by any means. On Aug. 29, the organizational secretary of the PRI executive in the state of Veracruz, 25-year party veteran Edmundo Butrón Peralta, resigned from the PRI and announced his membership in the FDN.

"I refuse to be a co-participant in electoral fraud," he said, adding that he was "a witness in the presidential campaign . . . to the people's rejection of official candidate Carlos Salinas de Gortari." Butrón Peralta appealed to Salinas "not to take one more step along the road that will lead him unflinchingly through the back door of history, where [Mexican traitors] Miramón and Huerta await you with open arms."

One day later, in Monterrey, Nuevo León, Lucas de la Garza, the former secretary of Nuevo León Gov. Jorge Trevino Martínez and a son of former Nuevo León Gov. Arturo de la Garza, announced his resignation from the PRI and joining of the FDN "in search of a more promising democratic option."

To these personal decisions can be added those of entire contingents, such as the 3,000 PRI members who make up a Tlaxcala political organization. Similarly, in Coatzacoalcos, Veracruz, a prominent former PRI women's leader, Isabel Cantillo de Herrera, joined the FDN, along with the leader of 4,000 landowners from the region, Rubén Cabrera Pérez.

Also on Aug. 30, a group of 23 "long-standing" PRI members headed by former Sen. Norberto Mora Planarte, issued a strong public attack on the "modernists" in the PRI, and criticized the current economic policy, warning, "We are not among those who urge patience and gradualism in the face of the poverty of the masses."

Journalist Ernesto Julio Teissier summed up in the daily *Ovaciones* of Aug. 31, "It is known . . . that there are mass defections in La Laguna, in Michoacán, in Guerrero, and in other states. The ruling party is bleeding, sometimes in drops and other times in gobs, but constantly, something which is not being publicly recognized."

Drug routes being reorganized

Pakistan and Syria are major transshipment points for drugs, now including cocaine, which is not grown in Asia.

In the weeks before the Aug. 17 assassination of Pakistani President Zia ul-Haq, Capitol Hill in Washington was abuzz with rumors that he was the "Noriega of Asia." This meant that he had become a cumbersome ally. Congressional aides were given the green light to work overtime on a dossier to expose Pakistan's role in international drug smuggling, or as one source put it, "Pakistan's contribution to the corruption of the American youth."

For years, and despite the local efforts of the Pakistani Criminal Investigative Agency and of the U.S. Drug Enforcement Administration, large-scale drug smuggling was condoned by Washington to help finance arms deals on the same scale. But when Zia got restive about the Geneva Afghanistan accords, Washington found it useful to pillory him with exposés tying him to drugs.

Drug-linked corruption has been a problem for decades. While many of Zia's associates, including family members, got richer in the process, that was apparently not the case for him personally. Zia was killed before the "moral crusaders" of Washington had time to complete their exposés, which have been shelved as quickly they were prepared. Ironically, their publication now could become useful to shed light on how Zia was actually killed. Doubtless, drug-smuggling networks did play a role in a killing sponsored by the Soviet Union, and perpetrated by some of its agents.

Days before Zia's death, the Pakistani Parliament had released the names of 20 leading businessmen whom Parliament denounced as drug

smugglers. But a follow-up inquiry by the pro-government newspaper *The Muslim* on Aug. 20, showed that none were in jail. As the newspaper stressed, most are wanted in Europe or the United States for hashish or heroin smuggling; many in the list were indicted or briefly arrested between 1983 and 1986; all have gone free.

The newspaper described as the "most active drug trafficker" in the country, Abdul Razzah Awan, who was arrested in 1986 for dealing one ton of hashish. He spent two days in jail. Mohammed Ashraf Rana was arrested by Pakistan's Coast Guard in 1986, while transporting some 8.6 tons of hashish. He was released and lives in a Defense Society Bungalow of the Ministry of Defense. Each of the 20 smugglers has a similar history, whether caught with hashish or heroin.

Pakistani police officials were quoted telling *The Muslim* that the "Pakistan National Shipping Corporation" is a major vehicle. Last month, the corporation was fined \$300,000 by U.S. Customs as its registered carrier *M.V. Multan* was caught in Baltimore with 7 kilos of heroin. On its way to the United States, some 8 kilos of heroin had been seized on the same carrier in the Suez Canal! Yet none of the employees charged with carrying the drugs has ever been fired from the corporation.

As a result, Pakistan remains one of the main transshipment points for hashish, heroin, and cocaine as well. Besides shipping directly to Europe or to the United States, which is more and more difficult, Pakistani smugglers often send their goods to either

East Africa, (e.g., Tanzania), or West Africa (especially Nigeria). From there, expendable couriers are sent to Europe: London is the favored destination from Nigeria or Tanzania, while Paris is the target for nationals of Senegal, Mali, or Burkina Faso.

There is no cocaine grown in Pakistan. Yet, drug enforcement agencies have noticed a growing trade between Pakistan and Latin America, and generally speaking between Latin America and the Middle East. From Pakistan, the cocaine, which has a market now in the Gulf states, can be smuggled through the African routes.

Damascus has also become a transshipment hub. This was underlined last May, when a several-kilogram consignment of cocaine arrived aboard an Air France flight. Ultimately the consignment was seized in Lebanon. Why?

Syrian officials were perfectly aware of the goods, and to whom they were destined, when they landed in Damascus. They could have scored a publicity coup by seizing it there. Instead they followed the couriers, and it was only after the Lebanese border was crossed, and the drugs had changed hands, that the Syrian troops moved in discreetly, with no publicity.

Investigations showed that the Syrian army was not out to win publicity as a major anti-drug force, but after money. Clearly the deal was organized by someone within Syria's security services, who ensured that the drugs landed safely and got his payment for the job. They then simply ensured that the drugs never reached the final client.

Whatever happened next was "God's will." The Lebanese client had probably not paid enough protection money to receive his consignment of cocaine.

A 'partisan' solution for Colombia?

Moscow's dialogue proposals for narco-terrorized Colombia give a foretaste of the Soviets' global "peace" plans.

An Aug. 8 feature in the Soviet Communist Party newspaper *Pravda* welcomed the incipient dialogue between Colombia's narco-terrorists, which the Soviets call "partisan-insurgents," and the government of Virgilio Barco as a step along the path toward seizing power. *Pravda's* analyst endorses "the strategic task of the insurgents," which it says is a war of national liberation," but claims that the different components of that "liberation movement" have different styles.

Writes *Pravda* of the mafia-employed M-19 guerrillas, "The partisans motivated their kidnaping [of former Conservative Party presidential candidate Alvaro Gómez Hurtado] by their aspiration to start a dialogue of the insurgents with the government."

The mediation effort to secure Gómez's release by a combination of politicians, desperate but well-intentioned business and labor leaders, and elements of the Church, has taken the form of the National Coexistence Commission, a form of institutionalized blackmail against the government by Moscow's narcoterrorist "partisans."

Pravda also praises the Colombian Communist Party's guerrilla army, known as the FARC, which is successfully carving out entire portions of Colombian territory for military, economic, and political domination by its 40,000-strong army.

An interview with FARC chieftain Jacobo Arenas in the Colombian press Aug. 7 revealed that in substantial portions of rural Colombia, the FARC

has in fact replaced the official administrative infrastructure of the government. "We finance a great peasant mass, which previously was financed by the Agrarian Bank, the Cattle-men's Bank, or the Coffee Bank. . . . The guerrilla movement gives [the peasantry] money to work with . . . and we create partnerships with them for crops and cattle. After 10, 12, or 15 months, the cattle are sold, the basic funds recovered, and the peasant gives us half the profit."

Challenged on the FARC's reputed reliance on drug cultivation for much of its financing, Arenas would not deny it, except to protest that corrupt army generals also profit from a relationship with the narcotics.

While the FARC, the only mass-based guerrilla force in the country, has a self-confessed strategy of seizing power through sheer force of arms and terror, it is clearly not averse to playing politics as well. In addition to maintaining a direct 24-hour hotline to the presidential palace, which President Barco reportedly uses daily, it also has an "electoral front" known as the Patriotic Union (UP). In his interview, Arenas admitted that the UP was "cooked up here [at FARC headquarters] as a broad-based political movement, but those who didn't think it up pulled out and sank its future. The Communist Party presented itself as its head, as its architect."

Arenas said that a "great historic opportunity" was thereby lost, leaving the UP with only a limited usefulness because of its explicit Communist orientation. "We have launched another

project, that of the Bolivarian Meeting of the People. . . . The idea is the same as that of the UP, but we continue to insist on its broadness." Perhaps in an attempt to shed its Communist image, the "limited-use" UP has just requested admission to the Socialist International.

Notwithstanding the FARC's willingness to dabble in dialogue, on Aug. 23, a 300-man FARC commando unit first ambushed a military patrol in Saiza municipality, department of Córdoba, and then assaulted a police station in Saiza itself. More than a score of civilians, soldiers, and police agents were gunned down indiscriminately, and one mother and her two infants were burned alive when their home was torched by the terrorists.

Eleven soldiers, and an equal number of policemen, were taken hostage by the FARC, which then proceeded to contact the "National Coexistence Commission" to mediate their release. With the military's proverbial gun to its head, the Barco government disauthorized the Commission's involvement. Army troops flooded the region where the FARC kidnapers and their victims were holed up, and the Defense Ministry issued a communiqué (directed at the would-be mediators) warning that any unauthorized civilians in the area would be shot.

At last report, the military has the FARC terrorists completely surrounded. An attempt by the presidency to "clarify" the situation by talking to the FARC leadership through the "red telephone" brought an explicit threat that unless the government demobilized the troops at once, the FARC would slaughter its hostages. To emphasize the point, a second FARC commando unit assaulted a police station in the department of Huila, taking an unknown number of policemen hostage.

International Intelligence

Thatcher, Lee feared on 'Zia' hit list

Following the assassination of Pakistan's General Zia-ul Haq, British Prime Minister Margaret Thatcher and Singapore Premier Lee Kuan Yew are considered to be very high on the list of potential assassination targets of the Soviet or Soviet-linked intelligence services, a British military source told *EIR*.

Mrs. Thatcher has been outspoken in her opposition to the "Europe 1992" scheme. Under a "law" passed by the European Commission of the European Community, in that year, the continent is to be virtually united and the sovereignty of the 12 member-nations eliminated. The "Single Europe 1992" act, more than one observer has noted, would be but a prelude to the economic integration of Western Europe with the Soviet bloc, and the transformation of the continent into a "Soviet protectorate."

Lee Kuan Yew, unlike Philippines President Ferdinand Marcos before him, reacted swiftly and decisively to U.S. State Department meddling in his city-state's internal affairs, expelling a U.S. diplomat and deriding the United States for willfully fostering opposition to his government.

EIR's British source, accordingly, said that Thatcher and Lee are considered obstacles to both the Russians and those in the West who support a global-condominium power-sharing arrangement between the superpowers.

Ask world support against Russian anti-Semites

Soviet Jewish leaders have called upon the world to support their effort to force the Kremlin to ban the anti-Semitic, Russian chauvinist group called *Pamyat* (Fatherland).

According to a front-page *Jerusalem Post* article datelined London Aug. 24, the appeal follows the arrest in mid-August of a Leningrad Jew, Aleksander Bogdanov, who carried out a protest at a public meeting of

Pamyat in that city. Jewish activist Vladimir Kislik told the *Post*, "Jews everywhere must confront this pernicious and dangerous development head on."

In London Aug. 23, the *Post* reports, historian Dr. Schneier Levenberg called on both Israeli and diaspora Jewish leaders to bombard Soviet diplomatic missions and the press with anti-*Pamyat* protests. "The Soviets are highly sensitive to this sort of pressure, and if they are embarrassed sufficiently, they will have to act," he stated.

German figure worries about Gorbachov's future

The leader of West Germany's Christian Social Union party, the publicity-loving Franz-Josef Strauss, dropped a note of worry concerning Mikhail Gorbachov's future in an Aug. 29 interview with *Die Welt*. Strauss emphasized that the economic catastrophe in Eastern Europe and the Soviet Union is creating "immeasurable problems" for the Soviet party general secretary.

"Poland is economically bankrupt. In Czechoslovakia, the scope of the economic disaster cries out to the heavens. Romania is bankrupt. In the Soviet Union and in these countries, the people are waiting for the shelves to fill. They hear words, but see no positive results. We wish Gorbachov success, but we must not overlook his immeasurable problems."

Strauss was asked whether the Brezhnev Doctrine has been dropped under Gorbachov. Under that so-called doctrine, where "socialism" is threatened, Russia will intervene militarily to save it.

Strauss replied, "If in Poland today, it came to the scope of a revolutionary overthrow, then the great power would again be faced with the considerations of 1968 [the Russian invasion of Czechoslovakia]: the dissolution of the imperium and the downfall of communism, or military intervention—with the automatic collapse of détente and the loss of personal respect for Gorbachov as the consequences."

Strauss disclosed that Chancellor Helmut Kohl is considering offering Romania a

package deal, whereby West Germany would pay DM 1 billion for the emigration of the entire remaining German minority inside the country. During the 1980s, Bonn has been paying an average of DM 11,000 per head for Romanian Germans, some 12-15,000 of whom arrive in West Germany each year.

Savimbi 'sold out by his friends'

In the view of sources in the South African military, Jonas Savimbi and his UNITA guerrilla opposition force in Angola have been "sold out by his friends" as a result of the U.S./Soviet-administered accord on the region between Angola, Cuba, and South Africa.

Savimbi's forces had been more than holding their own against 50,000 Cuban troops and the regular Angolan army, complete with Soviet advisers, but that depended on South African forces' presence in southern Angola. According to several military sources in Windhoek, Savimbi and UNITA are now in a very dangerous position, brought on by the withdrawal of all South African troops from southern Angola, ahead of schedule. This has enabled pro-Soviet SWAPO guerrillas to once again move into positions along the Angola-Namibia border. Cuban troops and military equipment continue to be moved into an area just north of the main base of UNITA operations. Within weeks, Savimbi and UNITA will be sandwiched between the Cuban and SWAPO forces.

In response to this threat, UNITA is reportedly about to abandon its stronghold in the southeast of Angola near Jamba, and is preparing to regroup in the north of the country near the border with Zaire. In the period of redeployment, UNITA will be most vulnerable to beefed-up Cuban forces.

Even if UNITA survives this forced march, the regional accords cut off Savimbi from his South African support, placing him in a position of much greater dependence on Washington.

Regional sources believe that this is one key objective of State Department negotia-

tors, who would formally sell out Savimbi and UNITA in the course of a second phase of regional arrangements.

Singapore throws out two journalists

Singapore formally expelled one reporter for the *Asian Wall Street Journal* and refused to allow another journalist to enter the country on Aug. 25. The second reporter works for the *Far Eastern Economic Review*, which is being sued by Prime Minister Lee Kuan Yew for libel.

According to Thailand's English-language daily, *The Nation*, the *Journal* and the *Review* "are among four foreign publications whose circulation has been curtailed in Singapore in response to their refusal to allow the government full right of reply to articles they carry."

The Nation also notes that the expulsion of the journalists—the government gave only technical reasons—comes shortly before general elections in Singapore, scheduled for Sept. 3. In June, Singapore expelled a U.S. diplomat for promoting opposition to the government.

Pope expresses support for Polish struggle

Pope John Paul II, the Polish-born Karol Wojtyla, has issued a strong expression of support for the struggle of the Polish people against their Russian puppet-government and its imperial looting policies, in the form of a prayer to the Lady of Jasna Gora.

To Russian ears, the prayer must sound like a declaration of war.

The Pope's words: "We thank You, for You, earnest Mother . . . always helped us toward the path of Truth and Good, making the souls of the daughters and sons of our people ready for generous acts and sacrifices, that often required great heroism. We thank You for all the moral victories, for the liberation, 70 years ago, from the secular

foreign domination and for the Miracle of the Vistola, for independence, for all that demonstrates the fact that as a society, we want to live alone and alone manage our lives, evolve and not degenerate, in the ways of social progress. We know that a State can be truly sovereign only when it is based on the sovereignty of the society, of the nation, creating for this the adequate conditions. In the State cannot be sovereign only one group or only one party at the expense of all the people and of their rights. In this moment in history, when the experience of the entire postwar period has made us more aware of this fact, help us, Lady of Jasna Gora, to confront the responsibilities that this awareness confronts us with. Lead us on the path of faith, of love for the Fatherland, of solidarity and strength. On the thousandth anniversary of Baptism, we entrust to you 'all that constitutes Poland.' Today, we renew that act of entrustment, our Votes of Jasna Gora."

Police are against 'Europe 1992'

The International Union of Police Federations, which represents 500,000 officers in 17 European countries, voted on Aug. 24 at its annual executive meeting in London to oppose the planned dismantling of European Community boundaries in 1992, out of fear that this would lead to an increase in crime, terrorism, and drug trafficking.

Peter Tanner, president of the union and secretary of the Police Federation of England and Wales, charged, "Governments seem more interested in financial matters such as trade than in professional security matters. . . . As professional police officers, we fear there will be considerable police problems in 1992. We believe that it is important now to have international cooperation for the control of matters such as drugs and terrorism and the movement of criminals across borders. We are making a protest that the necessary controls and cooperation have not been instigated."

The resolution against the relaxation of EC frontiers passed by one vote.

Briefly

● **TARTUS, SYRIA** will be the site of a new home for the Soviet naval fleet operating in the Mediterranean. The Soviets are expanding their only base in the area, at Tartus, to acquire dramatic new military capabilities in the Middle East and Southern Europe, according to the White House. National Security Agency director Rear Adm. William Studeman told the U.S. Congress, "This will obviate the necessity of frequent naval transits to home ports in the Black Sea."

● **SOUTH AFRICA'S** parliament has been plunged into crisis by the P.W. Botha government's determination to press ahead with plans to crack down on blacks living illegally in white areas. Almost half of the 308 members of parliament are boycotting some debates in protest over the crackdown.

● **THE INDIAN ARMY** has been deployed to the states of Bihar and Assam, where flooding in the wake of heavy monsoon rains has cut almost all communications. Recent reports say 31 more people have perished in the floods, bringing the toll to over 800 in northwest India. In Uttar Pradesh, 18 fresh casualties were reported Aug. 29. A population of over 7.7 million has been affected.

● **PRAVDA**, in a full-page propaganda blast against Western foes of appeasement on Aug. 29, blamed the U.S. for the Cold War and charged that "some are fighting for a second edition" of it. The article used excerpts from declassified postwar U.S. documents to make its case.

● **THREE TO FIVE** million Ibero-American children have AIDS, the new director of the Inter-American Institute for Children, Costa Rican Eugenia María Zamora Chavarría, reported in Washington Aug. 26. These figures are "really horrifying," she stated, when considered in light of the continent-wide problem of abandoned children who live in the street.

U.S. stiffens resistance to Russian SDI blackmail

by Nicholas F. Benton and William Jones

The breakneck pace of moves toward a U.S.-Soviet "New Yalta" concord slowed down in August. New resolve expressed by the Reagan administration to complete the Strategic Defense Initiative (SDI), to confront the Soviets for violations of the Anti-Ballistic Missile (ABM) treaty, and to protest military aid to Moscow's failing puppet regime in Afghanistan while Soviet troops withdraw, are signs that the deal between the superpowers has become too much to swallow, for some layers in the U.S. elite.

The first significant occasion for this was the periodic review of the ABM treaty, which got under way Aug. 24 in Geneva. The United States denounced the Soviet refusal to dismantle the Krasnoyarsk radar system as a "significant violation" of the ABM treaty, and said that until this was done, there could be no possibility of a START agreement, or other future accords on space or strategic defense.

The Soviet response was quick and ferocious. Arms negotiator Viktor Karpov placed the question of the SDI squarely on the negotiating table, saying that the U.S.S.R. would dismantle the massive Krasnoyarsk system *provided* the United States agrees to extend the ABM treaty for 9-10 years, and to abide by the "narrow interpretation" of the treaty—which would outlaw deployment of the SDI. The Soviet Foreign Ministry's official spokesman, Gennadi Gerasimov, accused the United States of violating the ABM treaty with its SDI research. "The United States is trying to accuse us of what they themselves are doing," he said.

A U.S. shift in the making

The stiffening of the U.S. resolve has been under way for several weeks, and coincides with developments in the presidential election campaign, where the SDI is emerging as a central issue of debate.

The U.S.-Soviet review of the ABM treaty, mandated to

occur every five years under the terms of the treaty, had been postponed while the Soviets were aggressively trying to get Reagan to accept a "narrow interpretation" of the treaty, in order to block progress on the SDI.

However, when that failed at the Moscow summit in May-June, the date for the review was finally set, and Reagan sent his team into the meeting with guns blazing. His target was the egregious Soviet violation of the ABM treaty represented by the huge phased-array radar facility at Krasnoyarsk.

He prepared the ground by sending a sharp letter to Soviet General Secretary Mikhail Gorbachov in mid-August, asserting that the radar is a violation of the treaty, and demanding that it be dismantled, without conditions.

Krasnoyarsk is only one component, albeit the largest, of a network of Soviet phased-array radars that give the Soviets full coverage of their land mass against attack. Since construction of such radar facilities requires the longest time of any component of a national ABM system, the presence of this ominous network of now-completed Soviet radars has compelled President Reagan, in his letter to Gorbachov, to assert that Krasnoyarsk may be evidence that the Soviets are preparing a nationwide ABM defense—in other words, a full abrogation of the ABM treaty.

Reagan instructed the U.S. team at the Geneva treaty review talks, led by William F. Burns, director of the Arms Control and Disarmament Agency, to take this tough stand on Krasnoyarsk as a non-negotiable demand.

When the talks ended after a week, the U.S. side put out a statement denouncing the Soviets for their refusal to dismantle Krasnoyarsk. "A large phased-array radar near Krasnoyarsk constitutes a significant violation of a central element of the ABM treaty. Such radars take years to build and are a key to providing a nationwide defense, which is prohibited

by the treaty,” the statement said. “Since the Soviet Union was not prepared to satisfy U.S. concerns with respect to the Krasnoyarsk radar violation at the review conference, the U.S. will have to consider declaring this continuing violation a material breach of the treaty.”

“Material breach” is official treaty language whose assertion gives the United States the right to declare the treaty null and void. This would fulfil the Soviets’ worst fears, since constraint of the ABM treaty is their only hope for containing U.S. progress on the SDI.

However, in addition to holding out the threat of declaring Krasnoyarsk a “material breach,” the United States also said in its statement that “the continuing existence of the Krasnoyarsk radar makes it impossible to conclude any future arms agreements in the START or defense and space areas.”

This is the harshest language the present administration has ever used with the Soviets on arms control negotiations, turning the tables from earlier “unconditional” Soviet demands that progress on START be tied to U.S. constraints on SDI, by now saying the United States considers progress on START “impossible” unless Krasnoyarsk is dismantled.

The statement quoted President Reagan’s December 1987 remark, “No violations of a treaty can be considered to be a minor matter, nor can there be confidence in agreements if a country can pick and choose which provisions of an agreement it will comply with.” It closed by stating, “The U.S. will not accept Soviet violations or a double standard of treaty compliance, and reserves the right to take appropriate and proportionate responses in the future.”

Weinberger, Teller lobby for SDI

The evidence of an administration shift on the SDI was compounded, when the “big guns” of the pro-SDI policy faction intervened into the public debate.

On Aug. 30, the *Washington Times* carried a commentary by Caspar Weinberger, excerpted from a book by the former defense secretary on defense in the next decade. “The Strategic Defense Initiative must play a central role in our defenses in the 1990s,” wrote Weinberger. Outlining how the Soviet Union has spent \$150 billion on all forms of strategic defense in the last 10 years alone, Weinberger attacked the guru of the “preordained era of decline,” Paul Kennedy, author of the book *The Rise and Fall of the Great Powers*. “Such predictions [of decline],” said Weinberger, “evoke memories of the Club of Rome’s dour and quite wrong forecasts in the 1970s about overpopulation, environmental Armageddon and exhaustion of the world’s resources. . . . The fundamental problem with these flawed analyses, is that if enough people accept them at face value, they could well become self-fulfilling prophecies.”

Later in the day, in a debate on the SDI in Washington sponsored by the Heritage Foundation, nuclear scientist Dr. Edward Teller, the foremost scientific proponent of the SDI, also emphasized the need for a partial deployment of an anti-

missile defense system. “We must deploy something now,” said Teller. “Even a modest defense—even if it is against the most primitive attack—will be better to bring home to the American people that it can be done. . . . Thus we have pulled the esoteric discourse about SDI away from the stratosphere.”

That Teller was not adopting a position of “point defense” rather than that of a defense shield, was underlined when Teller commented that he initially thought Reagan was wrong when he announced that a missile defense would mean that one could eliminate the nuclear deterrent entirely. “I thought he was promising too much by trying to eliminate nuclear defense. During the last two years, I realized that President Reagan was right and I was wrong.”

The interventions by Teller and Weinberger were evidently intended to steer the presidential campaign of Republican nominee George Bush into a more forceful position of support for the SDI. Teller stressed that “one of the candidates has said that he will try to get some defense for the U.S. before his term is over.”

Where does Bush stand?

During his first blitz through California at the end of August, Bush defined the SDI as a major issue at stake in the coming elections: “My opponent has called SDI a fantasy,” said Bush at a Los Angeles rally on Aug. 24. “Let me tell you something: the appalling danger of nuclear missiles is no fantasy, it is a nightmare. He would leave America totally defenseless against missiles and I will not. I will go forward with the Strategic Defense Initiative and make a safer world.”

It seemed, however, that Bush was not entirely comfortable in his new role as heir to the Reagan SDI legacy. Statements by Bush to the *New York Times*, where he said that a “full deployment” of the SDI would be “very expensive,” sent warning signals to the conservative Republicans that Bush was perhaps faltering in his commitment to the program.

On Aug. 31, columnist William Buckley sounded the alarm in a *Washington Post* commentary entitled “Bush and SDI: What’s Going On?” Commenting that Bush had used the word “research” without using “testing,” and that he feared that the SDI would be very expensive, Buckley admonished Bush for giving “the enemies of the system the two arguments they most frequently use. Those, combined with Bush’s implied suggestion that the workability of SDI is problematic, have the effect of sinking official approval of the program.”

In an effort to counter this impression, Bush became more aggressive on the issue. In an address to workers at Engineered Air Systems Inc. in St. Louis, Bush said that he would pursue a program of “full funding for research along lines we’ve requested and when ready to deploy—deploy. If the question is, Will it cost money?” said Bush, “The answer is yes.”

Dukakis's secret government

*The real, rotten story behind the governor's Massachusetts administration.
Part I of a series by an EIR Investigative Team.*

The Democratic Party candidate for President, Massachusetts Gov. Michael Dukakis, attempted to take his campaign on the offensive at the end of August, by criticizing the role of Vice President George Bush in the Iran-Contra affair. In particular, Dukakis has been accusing Bush of covering up his role in the decision-making process that led to the arms-for-hostages deals.

In so doing, Dukakis is attempting to raise the specter that the Reagan-Bush administration ran a "secret government" out of the executive offices, that the administration used its executive powers to circumvent the Congress and the public, in carrying out their policies in Nicaragua and the Gulf. And, when they got caught, they used those same powers in a vain attempt to cover up what they had done.

Ironically, if Governor Dukakis persists in this line of attack, he may find it backfiring, and doing immeasurable damage to his own campaign. An *EIR* investigation of Dukakis's own use of executive powers has concluded that the governor's reputation for running an open government, permitting the public to have access to the policymaking process, is a complete sham.

Just the opposite is the case. Dukakis has consistently utilized the powers of his office to block the public's access to the policymaking process of his government, particularly when the open airing of that process would prove to be damaging to the political ambitions of the governor.

Dukakis has shamelessly utilized the powers of his office, including asserting claims of executive privilege and using his access to friends in high places, to attempt to bury the truth. His problem may turn out to be not only what he knows and is not telling us, but, more importantly, how he is preventing us from finding out.

Anatomy of several cover-ups

On June 8, 1987, Massachusetts Commissioner of Corrections Michael Fair wrote a memo to Philip Johnston, Secretary of the Executive Office of Human Services and a top aide and adviser to Michael Dukakis, outlining a series of "critical issues facing the Department." When examining this memorandum in context, coming just two months after Dukakis's declaration of his candidacy for the presidency, one

is struck by the obvious fact that each of the "critical issues" listed might prove to be a major political embarrassment for the governor.

That such political embarrassment is the unstated main concern of the memo, is further buttressed by concerns about "the allegations and the emotions" which certain incidents have raised, and that certain policies "continue to be misunderstood and misrepresented, especially in the media." Thus, following each issue listed in the memo, Commissioner Fair provides a report on the current status of how the issues are being handled.

While the issues cited, some of which will be listed below, have in fact proven to be politically damaging to Dukakis, they are only half the story. The other side, which may prove to be more damaging than the issues themselves, is how the governor and his staff attempted to use heavy-handed methods to prevent these stories from emerging in the first place.

Critical issues

The first issue listed by Commissioner Fair was that of the "Horton Furlough Incident," in which William Horton, a convicted murderer who escaped while on furlough, was found to have terrorized a Maryland couple for three days, raping the woman and stabbing the man. At issue was not just the one incident, but the Dukakis program for providing furloughs for prisoners sentenced to life in prison for committing first-degree felonies, including murder, the second issue listed in Fair's memorandum.

When the Horton case became public, it evoked strong protests in Massachusetts, with demands that the program be ended. Dukakis refused to back down, obviously hoping the issue would fade away in time.

Two reporters for a suburban newspaper, the *Lawrence Eagle Tribune*, were determined to go beyond just the Horton issue, and to examine the entire prison furlough system. While ultimately succeeding, writing a series of articles exposing the system and forcing Dukakis to reverse his stance, what they found out about the state government was equally important.

According to an article in *Boston* magazine, the reporters'

efforts to find out how Horton got out in the first place, were consistently "stymied by the Department of Corrections." Moreover, one of the reporters, Susan Forrest, was "victimized by tire slashings and death threats," according to the magazine.

To quote Forrest in the *Boston* magazine article: "The Department of Corrections opened my eyes a lot about how the public is lied to. Public servants believe they have the right to withhold information to protect themselves. They didn't give a shit about Horton, they just wanted to protect their asses."

That this was not the exception, but the norm in the Dukakis administration, becomes even clearer in an examination of two other issues mentioned in Fair's memo, the "Bridgewater and Health Services Issues," and the "New Braintree Suit."

Claims of executive privilege

Both Bridgewater State Hospital and the issue of building a new prison in the small town of New Braintree, were issues with the potential to cause serious political problems for candidate Dukakis. Bridgewater is a state mental health facility at which patients began dying, as a result of years of neglect of serious problems in hospital conditions, due to low pay and overcrowding. To Michael Dukakis, who built a reputation as a leader concerned with health and social welfare issues, revelations about Bridgewater could prove to be problematic.

The New Braintree issue, which concerned serious opposition to the state's selection of that site to build a medium-security prison, contained the seeds of an even worse scandal. At the heart of the matter, were allegations that the selection of New Braintree was a "kickback" to the two owners, who stood to make a several million dollar profit, in return for their political support to the governor.

The allegations were that the two owners, Dr. Gary Jacobsen and real estate magnate Dan Striar, had purchased the land after being provided inside information from the state on the intention to choose that site. Any hint of such "collusion" could be immensely damaging to Dukakis, who built his career around his alleged clean-up of corruption in state government, and his claim to be personally above reproach.

Both issues threatened to explode, as both were the subjects of ongoing legal action, suits which, along with other related suits, could surface further damaging information, since all parties were requesting official policy memoranda from the state. The reaction of the Dukakis administration was immediate: to claim executive privilege, and prevent the public from having access to the policymaking processes of the Dukakis government.

Attorneys for the state went into immediate action, filing legal papers in a related suit against the state, opposing the release of the documents under the claim of executive privilege. When on May 31, 1988 U.S. District Court Judge William C. Young ruled that "no state governmental privi-

lege is recognized in Massachusetts" and Dukakis was ordered to release the documents, the governor refused to comply.

Attorney General James Shannon refused to enforce the order, on the grounds that it could have a "chilling effect" on policy discussions. The administration kept on making that claim, all the way to the state Supreme Court, which in a unanimous decision this August, struck down that claim, and ordered Dukakis to release the documents.

Dukakis's problem may turn out to be not only what he knows and is not telling us, but, more importantly, how he is preventing us from finding out.

Although complying with the order, state officials denounced the decision. According to Ken Schwartz, chief of staff with the Executive Office of Human Services, "The disclosure of documents can have a real chilling effect on the openness of discussions among high-level officials. Individuals who work in government are likely to be more hesitant about what they put in writing and a little less willing to express a creative or dissenting viewpoint when they know it might end up in the evening news."

Although these particular issues have become public as a result of well-publicized legal actions, a source at the Massachusetts State House told *EIR*, that in the Dukakis administration, hiding the workings of government is par for the course. According to this source, Dukakis will go to just about any lengths to hide his lack of what he calls "competence."

One example cited by the source emerged as a result of charges that the Dukakis administration was providing patronage jobs and pay raises to selected state employees, while at the same time cutting back monies to necessary state services. When a reporter attempted to get a list of who is on the state payroll from the State Comptroller, he discovered that this information, which according to state law is to be readily available to the public, was being withheld.

In fact, a decree was issued ordering all department heads to refer all such inquiries to Dukakis's press office for further action. There was not even a complete list of state employees available for anyone to scrutinize.

Sometimes the effort to hide information that might prove to be embarrassing to the governor reaches absurd proportions. According to one account, the State House newspaper morgue has been purged of any articles on Dukakis that might prove damaging. All that is there, is good news.

Iran's 'Class of '79' boosts Mike Dukakis

by Scott Thompson

Some of the same academics who helped the Carter administration topple the Shah of Iran in 1979, returned to Teheran in early August to boost the election campaign of Gov. Michael Dukakis. One of the main proposals that they made to influence the election, was that the Iranians keep the American hostages held in Lebanon by pro-Iranian terrorists, to deny Bush his "October Surprise." After a major Iranian role in shaping the last three U.S. presidential elections, the same Iran lobby that installed Khomeini's Islamic regime is seeking to do it once again.

In the 1980 presidential campaign, the fate of the U.S. hostages being held in Teheran was one of the more significant causes for the defeat of President Jimmy Carter. Carter had brought this defeat upon himself, by being the vehicle for the Anglo-American Establishment's covert campaign to topple the Shah and play the "Islamic fundamentalist card." So far in the 1988 campaign, the bungling attempts of the Reagan-Bush administration to free American hostages in Lebanon has been the main albatross around Bush's neck.

Now, *EIR* has discovered that the Iranian Foreign Ministry favors engineering a tilt toward Dukakis, according to sources who recently met with Iranian officials. One source who took part in these discussions with the Iranians reported that there would be no "October Surprise" release of hostages: "There will be no reward to the Reagan administration for its activities. The Iranians would find a Democratic administration more palatable. After the U.S. role in the Persian Gulf, they will not reward the Republicans for their hostile activity."

While this question remains the subject of intense debate within the Iranian leadership, sources report that plans may be afoot by some members of the pro-Iranian lobby in the United States to assure that Iran will come out favoring Dukakis over Bush. These sources report that one well-connected, recent traveler to Teheran, Prof. Richard Bullit of Columbia University, has already written to Dukakis adviser Graham Allison, advising him on the steps that should be taken by the governor to assure the Iranians that they could get a better deal if the Democrats were elected. Allison, the dean of the Kennedy School of Government at Harvard University and a former member of the Trilateral Commission, has been a leading adviser on national security matters to the

Dukakis campaign, along with Harvard's Joseph Nye.

The discussions with Iranian Foreign Ministry officials about Dukakis occurred during an Aug. 8-10 conference in Iran, titled "International Conference on Aggression and Defense." Planned before the abrupt Iranian decision to pursue a United Nations-supervised ceasefire in the Gulf War, participants in the conference noted that it was somewhat unfocused, apart from private lobbying around such issues as which presidential candidate would provide the greatest concessions to Iran, under what conditions.

The conference was sponsored by the Institute for Political and International Studies (the Iranian Foreign Ministry intelligence section), whose head, Shams Ardekani, is rumored to be in the running to become foreign minister, should Ali Akbar Velayati be elevated from that post to become prime minister. Shams, who received a Ph.D. from the University of Illinois before the Iranian Revolution, has been suggested as an ideal contact point for the Dukakis campaign, as has Speaker of the Parliament Ali Akbar Hashemi Rafsanjani, who previously dealt covertly with the Reagan-Bush administration, according to well-informed sources.

The Iran lobby

The U.S. participants in the conference included:

- **Prof. Richard Bullit** of Columbia University, who has been an emissary in hostage negotiations and speaker with the U.S. Information Agency.

- **Prof. James Bill** of William and Mary College, whom Iranian officials reportedly believe is in the running to become the first U.S. ambassador to the Islamic regime, whether under a Bush or Dukakis presidency. On his return from Teheran, Bill wrote a commentary for the *Washington Post* in which he recommended restoration of relations between Washington and Teheran, working through Hashemi-Rafsanjani (the "ultimate pragmatist"), and based upon such issues as condemnation of the Iraqi role in starting the Gulf War, support for the 1975 Algiers Treaty on the boundary between Iran and Iraq, and so forth. Bill has been a consultant to the U.S. State Department.

- **Sheikh Oleslami**, who recently left Harvard University to take a post at St. Antony's College, Oxford.

- **Dale Bishop**, a former professor at Columbia University, who is today the Middle East secretary of the United Church Board for World Ministries, which is the missionary arm of the United Church of Christ.

- **Hamid Algar**, a British citizen who converted to Sufism and teaches at the University of California at Berkeley. Algar has been closely involved with the Muslim Brotherhood networks that toppled the Shah with Anglo-American support, and he has traveled frequently to Teheran. Currently, Algar favors the emergence of an Islamic fundamentalist zone of cultural and economic relations uniting Iran, Pakistan, and Afghanistan, which would spill over into the Muslim republics of the U.S.S.R.

Have U.S. media gone 'pro-nuclear'?

by Marsha Freeman

After 15 years of an unrelenting campaign to turn the American people against the development of nuclear energy by scaring people to death, the U.S. media are slowly changing their tune. We all remember the headlines after the Three Mile Island accident in March of 1979: "Radiation Cloud Heads Toward New York," "Radiation Leak Out of Control," *ad nauseam*.

Just weeks before the accident, the public was treated to Jane Fonda and Jack Lemmon, in *The China Syndrome*, about a nuclear power plant meltdown, covered up by a greedy utility. The American people have been continually bombarded with propaganda about how dangerous, expensive, and unnecessary nuclear power plants are.

But when the summer of 1988 began to look like record-breaking heat and drought, and an undercapitalized electricity industry might not be able to handle the load, some of the press started sending up danger signals.

The two most irrational situations in the nation are in New York and New England, where nuclear plants that are ready to run have been held back by local politicians' refusal to produce "population evacuation" plans. These two regions suffered the worst in this summer's heat wave.

On May 31, the *Wall Street Journal*, in an editorial titled, "Lights Out," scored Mario Cuomo and Michael Dukakis, who "managed to beach two big East-Coast nuclear-power projects, Shoreham and Seabrook."

The *Journal* continues, "Because the electrical-utility industry developed a substantial surplus of capacity at the beginning of this decade, politicians have played the no-nukes game with blissful unconcern over the threat of shortages. But such follies usually bring a day of reckoning. This one is no exception."

The *Journal* states, "The political blockage of new generating capacity would have been more excusable had there been legitimate reasons for doing so. But the so-called 'safety' issue has been a red herring from the beginning. There hasn't been a nuclear-radiation fatality in the United States in 30 years."

Ten days earlier, the *New York Times*—which for more than a century has led campaigns not only against nuclear power, but against the airplane, the space program, and even electricity itself—stated that before any new capacity could be brought on line if Shoreham were scrapped, Long Island

"must live with razor-thin capacity margins. At best, that will mean summer 'brownouts,' voltage reductions that dim lights and slow appliances. More likely, it will mean brief outages, or even planned rolling blackouts that deny power to individual communities for a few hours each week."

The *Times*, however, is never far from some "scientific" hoax. If scare stories about "death-dealing radiation" from nuclear plants won't sell in a heat wave, maybe people will buy the "greenhouse effect." This unproven, supposed rise in the Earth's global temperature due to the burning of fossil fuels, has made it very difficult for anyone proposing to build coal-fired rather than nuclear plants.

As the summer wore on, and new records were set for consecutive days over 90°, the stupidity of not allowing at least the New York Shoreham and New Hampshire-Massachusetts Seabrook plants to produce power, became more and more obvious.

On July 18, the *New York Post*, which had the most bizarre screaming headlines during the Three Mile Island episode, stated, "There is . . . something almost flaky about junking a newly built \$5.3 billion facility. There is . . . a simple way for both the governor and the legislature to escape blame [for stopping Shoreham]: They could admit that scrapping the brand-new, never-used facility is a bad one, and go forward with Shoreham."

What about all the years of screaming about how much nuclear power costs? "Many of those who opposed Shoreham," the *Post* editorial continued, "seem not to have realized how much scrapping it would cost. . . . Lilco [the utility company] has a very slim electricity reserve. Without Shoreham, it will have to buy power from other utilities—power that might well be unavailable during peak periods."

Finally, during the 100°-plus August heat wave, the dam even broke in the other bastion of anti-nuclear propaganda in the nation, Boston. On Aug. 15, the *Boston Globe* called for the rejection of the November anti-nuclear ballot referendum, which would shut the state's two operating nuclear plants. One, the Pilgrim plant, has been down for refueling and maintenance, but kept closed for more than two years, because of obstructionism on the part of federal regulators.

The *Globe* described referendum backers as "anti-Seabrook zealots," praised the 28-year record of safe power production at the Yankee nuclear plant, and called for the immediate reopening of the Pilgrim plant.

The *Baltimore Sun* on Aug. 16 stated, "Make no mistake nuclear power plants require well-trained workers, expert management, and flawless equipment. They cannot be allowed to operate where this is lacking. But neither can this nation afford to turn its back on the vast potential of nuclear energy."

What now remains to be seen is if the mass media will not only say that closed-down plants should be opened, but that without an aggressive nuclear power plant construction effort, every year from now on will be worse than the last.

New Iklé-Wohlstetter reports urge U.S. strategic suicide

by Kathleen Klenetsky

Last January, the U.S. government threw its allies into a panic, when it released the first report of a commission established last year to draw up a new American strategic doctrine.

Issued by the Commission on Integrated Long-Term Strategy, informally known as the Iklé-Wohlstetter group after its two co-chairman, former Pentagon muckety-muck Fred Iklé and Albert Wohlstetter, a “former” Trotskyite and a key figure at the RAND Institute, the *Discriminate Deterrence* report stated in no uncertain terms that the United States was preparing to lift its nuclear umbrella from its allies.

Coming on the heels of the signing of the Intermediate-range Nuclear Forces (INF) accord—which was correctly seen in saner European and U.S. circles as a significant blow to the unity of the NATO alliance—the Iklé-Wohlstetter report sent a clear message that Washington was reorienting its strategy in a direction clearly consistent with Soviet aims: Despite the fact that Moscow’s immediate strategic objective is the “Finlandization” of West Germany, as a first crucial step toward the rapidly ensuing “Finlandization” of the entirety of Western Europe, the report called for the United States to deemphasize both its nuclear deterrent and its commitment to European defense, and to divert military resources into developing techniques for waging “brushfire wars” in Third World countries.

The strategic shift advocated by the Iklé-Wohlstetter group plays right into Moscow’s gameplan. Back in 1983, then-Soviet President Yuri Andropov gave an interview to a West German magazine in which he offered the United States a deal: You can have the Western Hemisphere, and we’ll take everything else. The Iklé-Wohlstetter report showed that Washington had fallen for this Soviet deception, hook, line and sinker.

Main delusion: Soviet power waning

Despite widespread criticism of its initial study, the Iklé-Wohlstetter group has refused to abandon its delusions. Over the past few months, the Long-Range Strategy Commission has issued three new reports, which only reinforce its fundamental strategic stupidity.

Produced by two subcommittees, the Regional Conflict

Working Group, chaired by Gen. Paul Gorman, former head of the U.S. Southern Command, and the Working Group on Future Security Environment, the studies attempt to provide further justification for the original report’s suicidal recommendations.

Of the three, the most conceptually important is *Sources of Change in the Future Security Environment*, which was published in April of this year. This is intended as a guidebook for policymakers on what contingencies or discontinuities affecting strategic planning might arise over the next 25 years or so.

For credibility’s sake, the report’s authors take care to concede the possibility that the Soviet Union might produce a military-technological “surprise” in the future, most likely the deployment of a high-energy weapons system, or that its internal political and economic difficulties might cause it to become more aggressive.

But they are clearly determined to convince their audience that exactly the opposite will take place: They paint a picture of a Russian empire so torn by domestic turmoil that it could not possibly make any significant thrust beyond its borders.

Moreover, the report predicts that the Soviet Union’s relative power and influence will inevitably and inexorably decline, as “three, or four, or possibly even five major powers”—including a possible China-Japan alliance—emerge.

“Over the longer term,” the authors state in section V, “Implications for Planning and Long-Term Strategy,” “the position of the Soviet Union is highly uncertain. For the next decade and probably more, it remains our most formidable military-technological competitor. But in the longer run, unless the Soviets can significantly relieve their economic difficulties and move toward a new period of substantial economic growth, they will gradually become less salient in U.S. policy and strategy. . . . In the face of these uncertainties, the U.S. needs to develop a strategy for management of its relations with the Soviet Union in the transition from a bipolar to a predominantly multipolar world. Widely different developments are possible for the Soviet Union—ranging from major reductions in Soviet active forces to free resources for

economic revival, to persistent economic stagnation that constrains military modernization, to successful economic reform that positions the Soviets to compete effectively with the United States in the military-technical revolution they anticipate.”

Elsewhere, the report says, “A significant change in this future world is likely to be caused by the slow absolute growth (and the relative decline) of the Soviet Union’s economy. The Soviet Union will remain the major military competitor of the U.S. because of the size of its past investments and the likelihood that only the U.S. and the Soviet Union will be at the leading edge of military technology. Soviet economic difficulties will, however, raise questions about whether the Soviet Union will be able to maintain its current military position 20 or more years from now. Soviet economic difficulties open up a broad range of possible developments that would be important to U.S. strategy.

“It is conceivable that the Soviets could make major reductions in military spending in order to devote more resources to capital investment and work incentives, or to compensate for economic disruptions associated with major changes in the economic system. Reductions in Soviet military spending could be associated with arms control proposals and could diminish the military threats we face in the near future.”

Abandoning Europe

This outrageous miscalculation of the Soviet threat provides the key pretext for the report’s insistence that the greater danger to U.S. national security will come from the Third World, especially in the Western Hemisphere. Section IV, “Shocks and Discontinuities,” predicts that freedom from “significant security threats close to home” which the U.S. has enjoyed so far, “may be seriously disrupted over the next 20 years.” Retailing a key component of the Andropov deal cited above, namely, the withdrawal of U.S. forces from Western Europe to the Western Hemisphere, the study predicts that if this comes to pass, “leadership attention and military resources could be diverted from overseas to defense within the Western Hemisphere.” The corollary, that such a shift would leave Western Europe vulnerable to the Soviets, is not even mentioned.

Instead, the authors prefer to spin out one scare scenario after another. “For example,” they write, “major political instability could occur in Mexico over the next 20 years. Such instability could create several new security problems for the United States. Prolonged political unrest could conceivably result in partial anarchy.” In these circumstances, “U.S. resources, and even U.S. troops to guard the border, might have to be diverted to handle this problem.”

“Against the backdrop of such events in the Western Hemisphere,” the report continues, “political pressures on the American government to reduce or withdraw overseas deployments would be strong. Even if those pressures were

resisted, the time and attention required for managing domestic opposition to overseas deployments would probably increase and the willingness of the U.S. government to take on any new responsibilities would diminish” (emphasis added).

The same theme, that Third World disturbances, and not a frontal Soviet assault against Europe, are the main strategic danger, is echoed in the two other new Iklé-Wohlstetter reports, *Supporting U.S. Strategy for Third World Conflict*, and *Commitment to Freedom: Security Assistance as a U.S. Policy Instrument in the Third World*. They maintain that “integrated long-term strategy requires a much greater consensus, within Congress and among the electorate, on what to do about U.S. interests in Third World conflicts.”

“More political violence is portended, for it is likely not only that underlying tensions will remain unresolved, but also that available weapons will be more numerous and more destructive,” *Supporting U.S. Strategy* states.

The report does not identify the source of the “underlying tensions,” other than to say that “aided and abetted by the U.S.S.R. they “had origins in, and derived from, indigenous political or social tensions.”

The authors fail to note that those “indigenous political or social tensions” were not inevitable, but were the product of looting by global financial interests, whose austerity policies have systematically stunted the growth of Third World economies and brought them to ruin.

No mention of IMF

The International Monetary Fund, which has probably done more to destabilize the Third World than any other single institution, is not mentioned at all—even though the IMF’s conditionalities have helped create the conditions for the proliferation of AIDS and narcoterrorism in the Third World, which the new Iklé-Wohlstetter reports correctly identify as major threats.

Instead, the report blames “destabilizing overpopulation and overurbanization,” “radical nationalism,” and the inability of these nations to adapt to rapid technological progress, for the “voracious forces of societal change tearing at the fabric of developing economies.”

The prospect of abandoning Europe to put down brushfire wars south of the U.S. border does not seem to faze the Iklé-Wohlstetter commissioners at all. And that is what proves them to be either terribly naive, terribly stupid, or terribly treasonous.

The fact is that the Soviets are out to conquer Western Europe. Since its productive base is larger than that of the United States, once Western Europe becomes a large-scale supplier of advanced technology and agro-industrial goods to Moscow, the Soviets achieve absolute economic and military strategic superiority over an isolated United States. In that case, Moscow’s world domination by about the year 2000 is assured.

Dukakis held hostage in Massachusetts

"Where's Mike?" has become an oft-heard query these days. Since the beginning of August, the Democratic presidential candidate has rarely ventured outside of his home state of Massachusetts, causing many Democratic leaders to wonder if he's throwing away the campaign.

Dukakis's decision to hole up in Massachusetts has been thrust upon him by the state's burgeoning budget crisis. His state legislature is in a state of open revolt against him; a majority has called for him to step down on the grounds that he can't run for President and run the state at the same time.

Key Democratic legislative leaders have been trying to organize a special session of the legislature to force the governor into backing off from several of his recent, highly questionable, budget-balancing tactics.

Although Dukakis has mounted a personal arm-twisting campaign that has so far forestalled the special session, home-state political pressures on him are so intense, and the threat of a political coup so real, that he's had to spend precious campaign time in Massachusetts trying to placate his legion of critics. The depth of sentiment against the government is evidenced by a private poll conducted by his campaign. According to the Aug. 31 *Boston Globe*, the poll shows Dukakis losing Massachusetts—the most liberal state in the Union—to George Bush!

Just two months before the elections, Dukakis finds himself caught in a very real dilemma: If he doesn't start mounting a vigorous, cross-country

campaign, he can kiss the presidency good bye; if he does, he could be faced with a political situation in Massachusetts of such embarrassing proportions, it will mean instantaneous political death.

The pressure is clearly showing: in late August, Dukakis made an open appeal to legislators to stay home until after the November elections, so that he could get back on the hustings. Whether the appeal has any effect remains to be seen.

Duke damaged by EIR exposé

Mike Dukakis's campaign has taken a nosedive, thanks in part to *EIR*'s exposé of his personal and familial history of mental disturbance.

A front-page article in the Aug. 29 *Washington Post*, headlined "Dukakis in a Dwindle: Defensive Stance Concerns Democrats," reported that Dukakis's aides admit that the "campaign's momentum was stopped earlier this month by the rumors Dukakis had once seen a psychiatrist because of depression.

"The health records flap hurt," the *Post* quoted Dukakis campaign manager Susan Estrich: "I mean, 'Dukakis Not Crazy—Film at Eleven.'" The *Post* reported that Dukakis's standing in the polls dipped immediately after the story ran on television for two nights, "even though the thrust of the coverage accused the Bush campaign and Reagan White House of dirty tricks."

Rabbis: Kitty Dukakis is not a good role model

A number of American rabbis have expressed concern that Kitty Dukakis, wife of the Democratic presidential candidate, may prove to be a poor

model for fellow Jews, if she becomes first lady, according to a report in the July 15 *Atlanta Jewish Times*.

The *Jewish Times* reported that there was "wide agreement" among rabbis it had contacted that the fact that Mrs. Dukakis married outside her faith, "would magnify the problem of Jewish survival."

"Her background poses no problem to the secular population," Rabbi Lewis says, "but to the Jewish community, yes, it does," Rabbi Shalom Lewis of Etz Chaim synagogue told the *Jewish Times*. "One cannot ignore the fact, that here is a wife married to a [man who may become] president. . . . Being a role model only compounds the problem. She married out of faith, and has children believed not raised Jewish."

Despite Mrs. Dukakis's involvement in the ADL and the Holocaust Commission, Lewis termed her relationship to the Jewish community "a loose one. A role model for Jewish children, and adults, she's not."

Another rabbi, Alvin Sugarman of The Temple, told the newspaper that "Every time there's a mixed marriage and Jewish values are not taught, it only adds to Hitler's vision of a world without Jews."

In an interview with the same issue of the *Jewish Times*, Mrs. Dukakis, asked what religion her three children have, replies that "They consider themselves half Jewish and half Greek." She also says, when asked if, given a second chance, she would raise her three children more as Jews, that, "I'm not sure that would have been possible."

The rabbis' concerns echo those expressed by a number of Greek Orthodox priests, who believe that Mike Dukakis has de facto excommunicated himself from his church, through his support of abortion and failure to be married within his faith.

James Brady's universal triumph

In an otherwise uneventful vacation to Santa Barbara this month, one of President Ronald Reagan's most significant acts was to honor his press secretary, James Brady, on the occasion of Brady's 48th birthday at a special reception for the press corps Aug. 29.

When the definitive history is written of the last eight years in Washington, one of the great stories will be that of James Brady.

When President Reagan leaves office in January, Brady's tenure as the official White House Press Secretary will have come to an end. He will have completed one of the longest terms in that office of anyone in American history.

But, of course, that is not the real story of James Brady. Since he was struck down by a bullet from a would-be assassin of President Reagan on March 31, 1981, Brady has retained his office mostly ceremonially.

In reality, he has been engaged in a task far more important to humanity than anything he, or his deputies Larry Speakes and Marlin Fitzwater who have acted in his place since that day, have ever done.

Hit in the head by a stray bullet from the gun of John Hinckley Jr. on that fateful March 31, Brady suffered massive brain damage, and was even pronounced dead on national network TV for a few moments, while, in fact, he fought for his life near the wounded President in the emergency room of the George Washington University Hospital.

Brady's pilgrimage since that day

is one of the truly great stories of courage and the indomitable human spirit—as expressed not only by Brady himself, but also his wife, Sarah, and his physician, neurosurgeon Dr. Arthur I. Korbine.

The details of the first years' account of the struggle to rehabilitate Brady in the face of overwhelming odds are presented in a book by Mollie Dickenson, entitled *Thumbs Up!* (New York, William Murrow and Co., 1987, \$19.95).

It was split-second decisions made by White House aide Rick Ahearn, to send Brady to George Washington Hospital, and by the 37-year-old Dr. Korbine in the emergency room which saved Brady's life. He had been hit directly above the eyebrow by a "devastator" bullet, which broke into 20 or 30 fragments as it shattered Brady's skull and penetrated the tip of the left frontal brain lobe, crossed the midline and continued on into the right lobe. The largest fragment ended up an area of the brain just above the right ear.

But the real story has been Brady's fight against the odds to regain the capacity to function as a creative human being. It is a story that will embolden the spirit of anyone facing a fight against long odds to function despite handicaps and defend the sanctity of human life.

In Brady's case, it is clear that his own fight has taken on a universal character, one that will ensure a special place for him in the history books.

Affirming the sanctity of life

The continued, visible support for Brady by the Reagan administration is one of the lasting contributions it has made to the moral fiber of the nation. By example, in his repeated expres-

sions of good will toward Brady, Reagan affirmed for the nation his dedication to the sanctity of life far more profoundly than he could have done by any mere speech or pronouncement.

It has set an example for the entire nation, just at the time when forces that would snuff out any human life it judges "useless" have been making their strongest push toward legalizing euthanasia, including heinous forms of gradual murder by starvation committed against the comatose or mentally infirm.

The Brady case stands as a powerful symbol of the best that America should be for all its people.

Once again this message was conveyed when Brady's 48th birthday celebration in Santa Barbara.

Anyone approaching the wheelchair-bound Brady with a condescending or maudlin attitude is in for a big shock. Brady's irrepressible sense of humor throws most people who greet him off guard.

This reporter, together with his wife, have had the privilege to meet and talk with Brady on numerous occasions in recent years, and find his wit and insight sharp as a tack. Meanwhile, speech therapy continues to produce remarkable progress for him.

While, as the book describes, Brady has his good days and his not-so-good days, he continues to symbolize the best qualities of the human spirit, both in himself and in those around him.

He is one who makes us think twice about the real values of life, and the hidden potentials of many people that society has all too much inclination to give up on—including the elderly, handicapped, and uneducated.

I was happy to be there to celebrate Jim Brady's 48th birthday, and to wish him many more. He is one of our real heroes in a time when there are all too few.

National News

Dukakis wants Jackson to limit campaigning

A big rift seems to be developing between Michael Dukakis and the Rev. Jesse Jackson, over what Jackson says was a request by aides to Dukakis that he limit his campaigning for the Democratic ticket, specifically by staying out of certain states.

In those states, Dukakis pollsters reportedly found that Jackson would repel more votes than he would attract.

Aides to Jackson said that at a tactical meeting with Dukakis aides, Jackson was asked to stay out of Mississippi, Alabama, Michigan, and Texas. Georgia and New York were also mentioned, but then dropped from the proscribed list.

Dukakis aides deny that they asked Jackson to stay out of any states, but that at the meeting, they only indicated the states where the black politician would be "most effective."

"It was not a session in which he was told he couldn't go places, but a session in which he was told where we would like him to go this fall," said Donna Brazile, who oversees Dukakis's state and local field operations.

Jackson himself, visiting New York for hugs and kisses with Mayor Edward Koch, his sometimes bitter critic during the primaries, dodged reporters' questions on the incident, saying only, "I do not know the areas of target emphasis and priorities at this point."

New legal attack on LaRouche associates

In yet another politically motivated "securities" case against close associates of Lyndon H. LaRouche, Jr. a St. Louis, Missouri county grand jury has handed down an indictment against long-time LaRouche associate Paul Greenberg and Caucus Distributors, Inc.

The alleged "victim" named in the indictment is the 26-year-old star center for the Indiana Pacers basketball team, Stephen

Stipanovich. Stipanovich's uncle was the Special Agent-in-Charge of the St. Louis FBI office for over 10 years.

The indictment charges four counts each against Greenberg and Caucus, of violations of Missouri's security act. Unlike most states, violations of Missouri's securities laws involving failure to register are felonies.

Indictments in other cases involving political loans to LaRouche-related causes, have charged the associates of presidential candidate LaRouche with fraud. There are no allegations of fraud or misrepresentation in the St. Louis County indictment. The charges are simply that the political loans are "securities" and the failure to register them is a felony.

Greenberg's attorney made arrangements for his surrender Aug. 29 to the St. Louis authorities. Per a prior agreement to post bond, he was released immediately after compliance with all the legal formalities had been accomplished.

Dukakis has more troubles in home state

A Massachusetts anti-drug activist has attacked Gov. Michael Dukakis because of his softness on the drug issue. The governor has been "a Johnny-come-lately to the war on drugs," according to Lucy Forti, director of the Concerned Citizens for Drug Prevention.

The Democratic presidential nominee, she said, has repeatedly shelved tough anti-drug legislation sought by her group.

During his three terms as Massachusetts governor, Dukakis has vetoed mandatory sentences for drug dealers, ordered furloughs for prisoners that allowed some convicted drug dealers to leave jail early and renew their trade, and did not attempt to stop the state legislature from killing scores of anti-drug measures.

Meanwhile, another part of the Dukakis political machine, personified by "poverty pimp" Lloyd King, director of the Roxbury (Boston) Action Program (RAP), has come under attack. King is being sought by city inspectors for 23 health and safety violations found in a crumbling Roxbury tenement.

King and his RAP operation were placed under attack by the LaRouche wing of the Democratic Party, in "A Call for the Investigation of the Defrauding of the City of Boston," for being an integral part of the multimillion-dollar real estate looting scheme in Boston perpetrated by the Dukakis administration and the Boston financial elite.

The building inspectors found that King's tenement had no heat last winter, is overrun by rats, and is filthy. The tenants were being forced out so that King could renovate the building to house high-priced luxury units.

Court orders ban on Los Angeles building

The Environmental Protection Agency (EPA) announced Aug. 29 that it has been compelled by a federal court to ban all new major construction of industrial facilities in the Los Angeles Basin, due to failure to meet the deadlines imposed by the 1970 federal "Clean Air Act" for achieving acceptable air quality standards. The act requires such construction bans as one of a series of measures which may be invoked if standards are not met.

The EPA had balked at imposing the ban, until forced to do so by the Ninth Circuit Court of Appeals in response to court action instigated by the Coalition for Clear Air, an environmentalist group.

The ban took effect at midnight Aug. 31 in the "South Coast Air Basin," which includes Los Angeles, Orange, San Bernardino, and Riverside counties, and prohibits all new construction of facilities which would release 100 tons or more per day of hydrocarbons into the atmosphere, and all expansion of existing facilities which would add 40 tons or more per day of hydrocarbons. "A 100 tons of hydrocarbons in a year is a major plant, like an oil refinery or an aerospace plant," said Tom Eichhorn, spokesman for the South Coast Air Quality Management District (AQMD).

The EPA was forced to impose the ban because Los Angeles failed to meet the Dec. 31, 1987, deadline imposed by the 1970 Clean Air Act for achieving air quality standards for ozone. Carbon monoxide levels

Briefly

● **ROBERT FARMER**, a Dukakis-linked Democratic Party fundraiser, announced that Massachusetts Democrats have raised \$25 million to be used in "party-building" activities. Federal regulations that limit fund raising for an election campaign contain a "loophole" that allows unlimited funds to be raised for certain "party" activities. Farmer expects to raise another \$25 million for the same "party" purposes.

● **PENNSYLVANIA** State Auditor Don Bailey went to court on Aug. 30 to obtain a subpoena of U.S. Attorney General Richard Thornburgh to testify regarding a scandal over state contracts that were allegedly fixed during Thornburgh's term as governor. Thornburgh had agreed to testify last December, but since then, has refused to cooperate. His lawyer, Henry Barr, called the subpoena "ridiculous" and indicated that Thornburgh would fight it.

● **LYNDON LAROUCHE** is now on the ballot as an independent candidate for President in 12 states: Alaska, Washington, Utah, the District of Columbia, Hawaii, Tennessee, Iowa, Wisconsin, Ohio, Minnesota, Louisiana, and North Dakota.

● **PRESIDENT REAGAN** will probably decide soon to deploy 100 ballistic-missile interceptors at Grand Forks, North Dakota, as the first phase of a nationwide strategic defense under his Strategic Defense Initiative program. The deployment will occur under the program label Limited Protection Systems or LPS.

● **JIM BAKKER** the scandalized "televangelist" of PTL (Praise the Lord) Club fame, could be back on the air by early September if his \$165 million bid to buy back PTL goes through. No one else has offered the bankrupt organization more than \$120 million. Bakker has secured the backing of unidentified "Greek financiers."

apparently also played a role. Los Angeles has the worst smog problems in the country, due principally, however, to automobile traffic, not industry.

U.S. reports 'secret' coordination of drug war

Attorney General Richard Thornburgh has announced that the United States has secretly been coordinating anti-drug operations with 30 nations of Europe and Ibero-America, at a Washington press conference Aug. 30.

According to a *Washington Post* report, Thornburgh stated that the United States and nations in Latin America and Europe had been secretly coordinating military and police operations against Colombia's cocaine-trafficking Medellín Cartel for the previous month.

The operation is aimed at uncovering and destroying as much of the cocaine cartel's global operations as possible. Without claiming "success" in the war against drugs, Thornburgh characterized the operations of the 30-nation International Drug Enforcement Conference (IDEC) as showing the way for future "cooperative law enforcement."

Among the Latin American nations involved in IDEC are Mexico, Panama, Peru, and Bolivia. Despite State Department grumblings, Drug Enforcement Administration head John Lawn declared that it was proper for Panama to be present at an IDEC meeting in Bogota, Colombia. At a press conference after the meeting, the Panamanian representative said that "time, little by little," will prove that charges of drug-trafficking against Panama Defense Forces chief Gen. Manuel Noriega are false.

FBI launches raid on Calif. legislature

In an operation copied straight from its "Abscam" caper, the FBI and U.S. Attorney's Office in Sacramento have run a "sting" operation against alleged "massive corruption" in the California state legislature.

The operation only hit the press Aug.

26, 24 hours after 20-30 FBI agents swept through the State Capitol in Sacramento, searching legislators' offices and interrogating staffers and legislators.

According to press reports, the operation, which began two years ago, involved use of a well-connected Sacramento "insider" John Shahabian, a former aide to well-known conservative Democrat Paul Carpenter, who helped set up two dummy corporations and allowed himself to be "wired" for numerous encounters with legislators and staffers.

A "source familiar with the investigation" is quoted in the *Los Angeles Times* as saying that the investigation has led to the collection of "huge amounts of audio and visual tape" implicating at least the four targeted legislators. "When you hear the tapes, it will be disgraceful," said the source.

Robb's friends hit by drug probe

Does former Virginia Gov. Chuck Robb have a cocaine connection? He may, according to the *Virginia Pilot* of Norfolk, Va. Eight associates of Robb, some of whom have been given immunity in a federal probe, are quoted by the newspaper saying that Robb attended numerous parties in Virginia Beach where "cocaine was used."

Among the eight, three have been granted immunity in exchange for cooperating with the investigation, three are serving jail terms, one committed suicide while in jail, and one had all charges dropped.

Bruce L. Thompson, a Robb appointee to Virginia's Tourism Board, sponsored a number of the alleged parties. It is alleged that Robb served as judge for a "bare as you dare" costume contest.

Robb has accused the *Pilot* reporter of journalistic voyeurism, and is quoted as defending his right to do in private as he saw fit, disavowing any use of drugs among his friends. Robb claimed his friends were as concerned as he was that he not be "placed in a situation where questions could arise."

The probe is being conducted by U.S. Attorney Henry Hudson of Alexandria, Virginia, who said Robb has been notified that he is not a target.

Editorial

The new worldwide debt crisis

It's September, the eve of the annual IMF meeting, traditionally the time that the international bankers take stock of their situation. They are nervous, and they have every right to be.

Once again, they must be forced to admit that the bulk of world debt has not only increased, but that it looks even more unpayable than usual. The *Financial Times* of Aug. 31, under the title of "Debt Fatigue in Latin America," actually reports that, since the current system will not allow for a net flow of funds to the heavily indebted countries, debt relief is now being discussed at the highest levels in international banks and Western governments as the only way out.

Don't expect that this will be implemented, however. In the next breath, the *Financial Times* says that debt relief would "mark a sharp break with the principle of conditionality, the foundation-stone of the current approach," and that "wholesale debt forgiveness will weaken creditors' hold over debtors." This, they note, is problematic, to say the least.

So, meanwhile, we can expect to see the fallout from the unpayable debt crisis. This will come in the form of the uncontrollable spread of disease and starvation in Africa, of strike unrest in the East bloc, and mass political upheaval throughout the major debtor nations of Ibero-America.

The crisis overwhelming the Sahel states is an indictment of the entire IMF conditionality system. The "natural disasters" hitting the belt that goes from Nigeria to Sudan, are not only created by man's low-technology looting of the world's rain forests, but also by the failure of infrastructural investment in those countries, due to the IMF's conditions. There is hardly a country in the continent of Africa which is not under the thumb of the IMF's "managers," and which, under that regime, is not paying out more in debt service of all kinds, than it is getting from exports, loans, and other foreign aid.

The much-publicized upheavals in Poland are equally traceable to the international debt crisis. Poland owes tens of billions of dollars to the Western banks, with which it has tried to sustain its economy, while giving the Soviet Union the economic tribute it de-

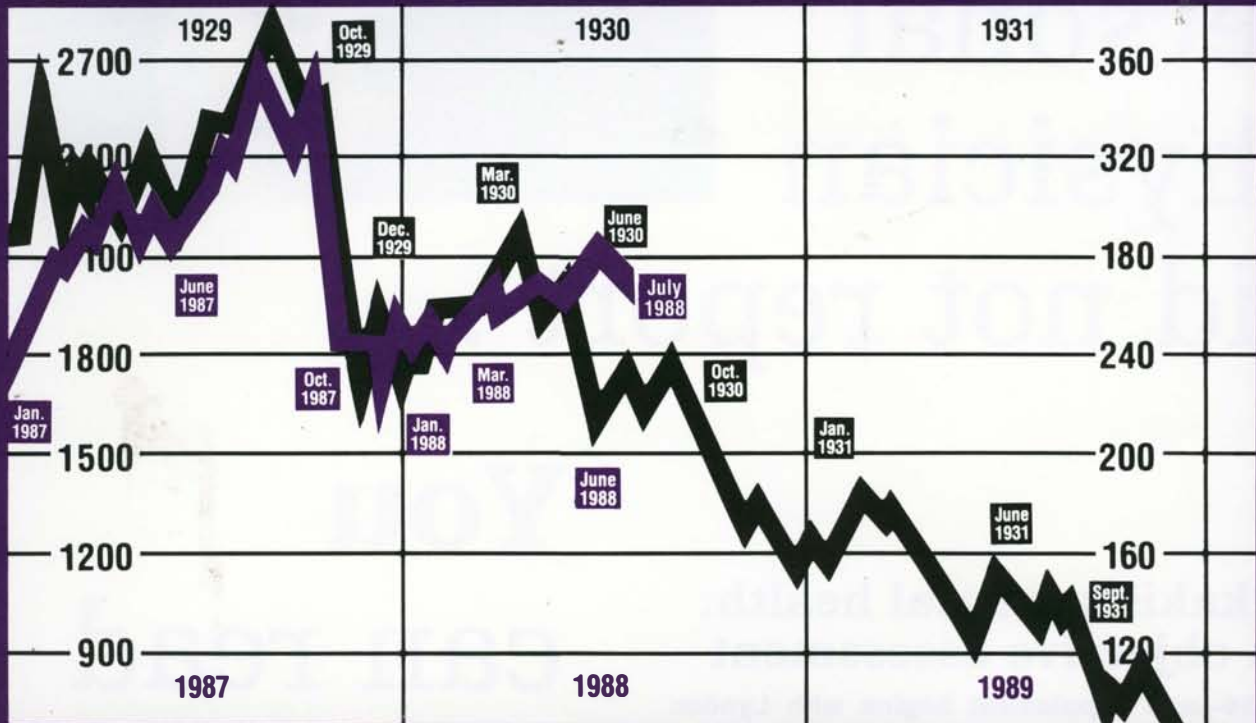
mands. Ironically, those who support Poland's resistance to the Russian iron fist, have taken the lead in demanding even more stringent adherence by the Poles to the economic "reforms," tantamount to even more devastating austerity. Thus, the "solution" being offered promises to bring even more dramatic privation and political upheaval over the months ahead.

Lastly, we have the situation around Ibero-America, where many of the world's largest Third World debtors are. Here the IMF has been winning all the political fights to impose its own people in the finance ministries and governments—only to create more explosive conditions of political unrest. The most dramatic case, of course, is Mexico. Although the technocratic austerity-mongers in the PRI lost the election, they have insisted on declaring themselves the victors, and in continuing to impose their looting programs. The process is leading to daily defections from the PRI, and the threat of defection from the powerful labor section of that party. The breakdown of regular political processes was dramatized in the unprecedented incidents during President Miguel de la Madrid's state of the union speech, including demonstrations, interruptions, and finally a walkout by more than 100 members of the opposition.

Despite these omens, the international financiers have so far decided to bull ahead with their draconian austerity. In fact, *EIR* was told that numbers of these bankers met in Jackson Hole, Wyoming a couple of weeks ago, to discuss a new round of economic tightening, that would make the situation for Third World debtors, not to mention the U.S. and Europeans, even more unmanageable.

There is extraordinary pressure, of course, to ensure that the world financial system makes it through November. George Bush has even put his best friend in the Treasury to try to ensure that it does. But there's no way to ensure any stability in places like Poland and Mexico, as the IMF programs take hold. Given the insanity of the bankers, it is to be hoped that there are some leaders of Third World nations who are prepared to take sane action on the debt crisis, which they have postponed now much too long.

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What Michael Dukakis's personal physician did not report . . .



Dukakis's mental health: an objective assessment

EIR's 16-page supplement begins with Lyndon LaRouche's article, "I never claimed Dukakis had been cured." It includes: a profile of the historical parallel between Dukakis and Mussolini; the leaflet that started the controversy, and the full documentation to substantiate it; the case of Stelian Dukakis; and the story of Dukakis's official witch, Laurie Cabot.

You can read for \$2!

Pablo Escobar, the kingpin of the "Medellín Cartel," world's biggest cocaine trafficking ring, sent Dukakis a letter last spring praising his "very realistic" stand on drug control, according to the Colombian weekly *Semana*.

Daniel Ortega, the Sandinista President of Nicaragua, thinks "the victory of the Democratic candidate for the White House, Michael Dukakis, would improve the situation in Central America," according to the Italian Communist Party newspaper, Aug. 16, 1988.

Dukakis is "a very efficient governor, very active, with a healthy economic management, and big popularity in the state of Massachusetts," says **Radomir Georgevich Bogdanov**, vice-director of the U.S.A.-Canada Institute in Moscow, in an interview with Italy's *La Repubblica* newspaper on Aug. 15, which predicts that Dukakis will beat Bush in November.

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