

# EIR

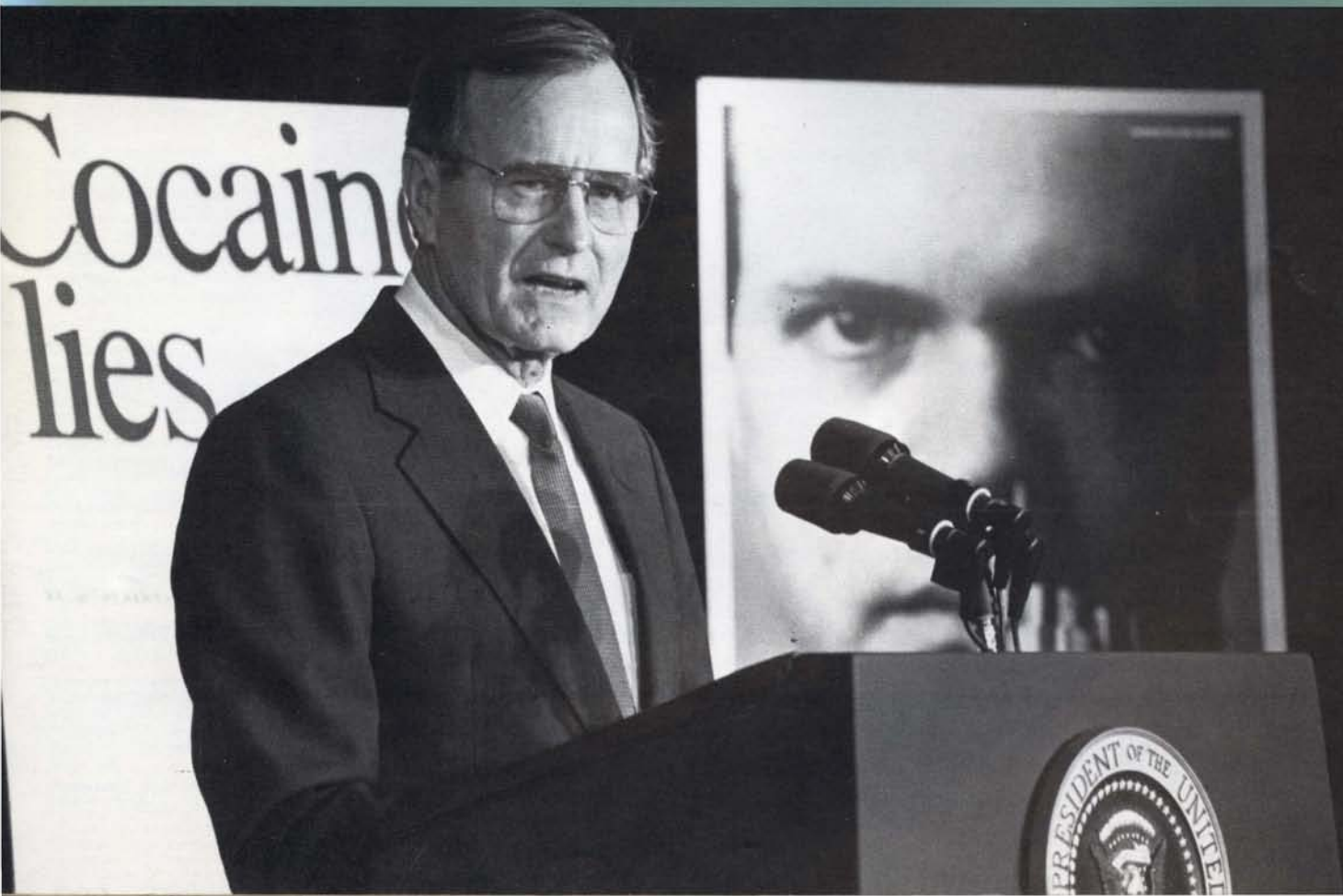
Executive Intelligence Review

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After Romania, bloodbath from Elbe to Urals?  
Civil rights heroine remembers Dr. King  
Moon-Mars projects: the technologies we need

**Genocide in Panama: beginning  
of the end for George Bush**



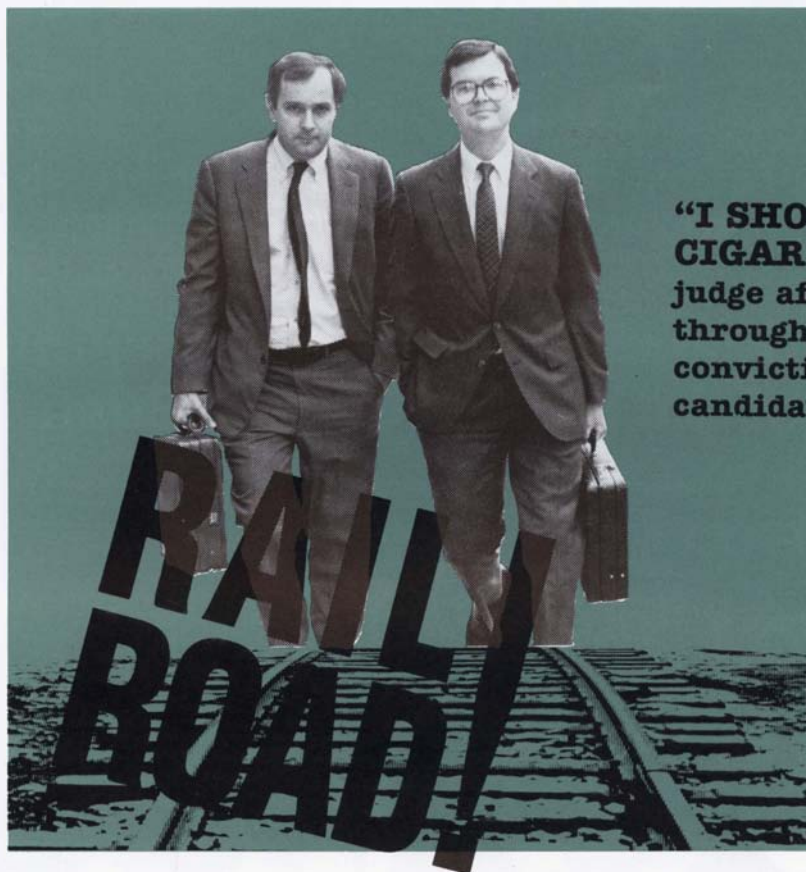
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Is America still the land of "liberty and justice for all"? Or, are we heading into a totalitarian police state, like Nazi Germany or Soviet Russia? Read this book, and learn the truth about what happened to justice in the United States.

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U.S.A. vs.  
Lyndon LaRouche, et al.

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**"I SHOULD GET A CIGAR. . ."** bragged the judge after railroading through the frameup and conviction of presidential candidate Lyndon LaRouche.

Judge Albert V. Bryan was the judge who finally accomplished what a federal government "Get LaRouche" Strike Force had been attempting to do since 1983. That task force swung into motion using the resources of the FBI, CIA, IRS, and private agencies, at the instigation of Henry Kissinger, who bragged in the summer of 1984 that "we'll take care of LaRouche after the elections."

The first federal case against LaRouche and his associates, held in Boston before Federal Judge Robert Keeton, backfired on the government. A mistrial was declared, and the jury said they would have acquitted everyone on *all* charges.

But in Alexandria federal court, the "rocket docket" did the job. Judge Bryan hand-picked the jury in less than two hours, excluded all evidence of government harassment, and rushed the defense so rapidly that convictions were brought in on all counts in less than two months from the indictment.

LaRouche was sent to jail for 15 years, on January 27, 1989, a political prisoner. The conviction and imprisonment have provoked protests of outrage from around the world. In this book, you'll see why.

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# EIR

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In a radio broadcast aired in the United States during the December holidays, the chaplain of the U.S. Senate declared that the wave of freedom which has swept through the communist states in 1989 must not be seen merely as a defeat for communism, but more fundamentally as a defeat for atheism, upon which the Marxist empire was built. He pointed out that the founding fathers of the United States premised their work to establish a republic here, upon a deep faith in God, and he cited the famous sentence from the Declaration of Independence: "We hold these truths to be self-evident; that all men are created equal; that they are endowed by their creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness" (emphasis added by the chaplain).

We wonder about the future of the United States in the light of those truths. Surely U.S. actions in Panama represent the most flagrant desecration of the ordering of human affairs under God imaginable, by a government founded on such principles—very possibly, in collusion with the communist regime founded in defiance of those principles. Whether it was worked out with Gorbachov at Malta or not, the invasion precisely fits into the doctrine enunciated by then-Soviet President Andropov in 1983, offering the U.S. a free hand in Central America in exchange for allowing the Soviets free rein in their sphere of influence. Be on the alert for signs of a drastic reduction in U.S. military presence in the Mediterranean and Europe, to show that this strategic deal is progressing along the lines of the Andropov Doctrine.

Acting as what the Vatican denounced on Dec. 29 as the "occupying power" of Panama, the U.S. invading army has slaughtered thousands of civilians and installed a drug-linked puppet government, which has directed the U.S. Army to seize no fewer than 5,000 political prisoners as of this writing. By blasting Satanic rock music at the Papal Nunciature in Panama City, the Bush regime was not only revealing the real content of the "popular music" inflicted by secret intelligence networks upon an entire generation of youth, but was also putting itself blatantly in the camp of the Devil. There is no justification for Bush's actions against Panama, except that "might makes right." How history will judge that, was defined (perhaps unintentionally) by the Senate chaplain.

*Nora Hamerman*

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## The banking crisis of 1990 has begun

by John Hoefle

"We feel a bit vindicated in Texas; it goes to show we're not the dumbest people in the world. Misery loves company," one Texas investor told the *Wall Street Journal* Dec. 21, prompting the *Journal* to reply that "misery is getting a lot of company."

Misery will indeed have a lot of company among banks and other financial institutions in 1990, the year in which the "Texas disease" spreads to the Northeast and other parts of the country. The "Texas disease"—the collapse of an entire state's financial system—never was, strictly speaking, a Texas problem. It is a systemic problem affecting the entire United States financial system, of which Texas is thus far merely the most serious outbreak. It is now erupting with a vengeance in New England, but it will not stop there.

While the Texas financial system was dying, the nearly uniform line emanating from such annointed experts as bankers, economists, and analysts, was that this was an isolated phenomenon caused by the collapse of the oil industry and the greedy speculation of Texas developers. There was no chance, they insisted, that the crisis could spread; it couldn't happen. But it has.

The analysts, again almost in unison, now insist that the banking blowout under way in New England cannot be compared to Texas. Why? Because the Texas crisis was triggered by an oil price collapse. New England doesn't have an oil industry, the chorus claims, and besides, New England has a diversified economy.

Such claims are nonsense. First of all, the dear departed Texas economy was quite diversified, with oil, agriculture, electronics, medicine, transportation, and manufacturing, to name a few. Second, the oil price drop was not the *cause* of the banking crisis, it was merely the *detonator*. The real explosion was caused by the collapse of the speculative real

estate bubble. Now the New England real estate bubble has popped, bringing with it similar consequences. The fact that the New England crisis was detonated by collapses in financial services, technology, and defense spending rather than oil is significant, but the end result is the same.

### Real estate crisis

Throughout the late 1980s, the nation's commercial banks and thrifts turned increasingly to real estate lending, in the vain attempt to stay profitable in the midst of a collapsing economy. With industry and agriculture on the skids, only real estate and other forms of quick-buck speculation offered banks the chance to make up for their losses in more traditional lending areas. One might compare their actions to that of a bankrupt person in a casino, betting all his remaining money in the desperate hope that he could hit the jackpot and get back on his feet. Since 1985, according to the Federal Deposit Insurance Corporation, nearly half the loans issued by commercial banks have been real estate-related, and today, two-thirds of all new commercial bank loans are real estate-related. This repeats the pattern in Texas in the early 1980s.

The crisis in New England is exemplary. According to figures issued on Dec. 19 by the Office of the Comptroller of the Currency, "The biggest increases in real estate lending since 1985 have occurred in banks located in the Northeast. Outstanding real estate loans in the OCC's Northeastern District increased \$133 billion between the fourth quarter of 1985 and the third quarter of 1989, approximately 45 percent of the rise in all commercial bank real estate loans during that period." The danger of such a rush to real estate was also clearly spelled out by the Comptroller: "The rise in nonperforming real estate in the Northeast was especially

pronounced in the first three quarters of 1989, rising \$4.5 billion. Further increases—including those announced in the past week—will push nonperforming real estate in the Northeast even higher by the end of the year.”

At the same time that real estate lending has dominated banking, the real estate markets themselves have begun to soften. A recent study by the Rutgers University Center for Urban Policy Research shows that home prices nationally have peaked and are starting to decline. The study attributes the decline to the slowdown of the economy nationally, the bursting of the speculative bubble, and to the aging of the “Baby Boomers.” The study indicates that home prices in the Northeast will be some 10% lower in 1990 than they were in 1989.

“We’ve had a generation now that was imbued with the belief that housing ownership was the route to guaranteed wealth and that housing investment was the best possible investment that could be made. That was absolutely true for the last 20 years. But we are entering a new housing era,” Prof. James W. Hughes, one of the study’s authors, recently told the *Philadelphia Inquirer*. Homeowners will now have to face the fact that their homes might not be worth as much next year as they are this year. “It is traumatic for somebody who bought at the peak of the market in 1987 or 1988,” Hughes said.

The study revealed that the average price of a home in the New York City-northern New Jersey-Long Island area was 5.1% lower in the third quarter of 1989 than it was in the third quarter of 1988. That compares to a price increase of 200% between 1980 and 1988. Given the importance of the metropolitan New York area to the nation’s economy, such figures are indeed cause for concern. When the New York City real estate bubble pops, the remains of the nation’s economy will go with it.

Further accelerating the decline in real estate prices is the financial crisis itself. The savings and loan business is in a period of intense “downsizing,” dumping real estate holdings and mortgage-backed securities on the market in an attempt to shrink into compliance with the higher regulatory capital standards that took effect Dec. 7. According to *Investor’s Daily*, 816 thrifts failed to meet the capital standards, meaning that one-third of the nation’s 2,700 remaining S&Ls have inadequate capital. The only chance—slim though it is—for most of these thrifts to survive, is to dump even more of their real estate and real estate-related assets on the market. Such dumping will only further depress real estate prices.

The United States government is faced with a similar problem. The Resolution Trust Corp., the entity charged with selling all the assets obtained from failed thrifts, does not have enough money to close all the existing insolvent thrifts, much less close newly insolvent ones. The only way the RTC can raise the funds, short of another government bailout bill, is to sell the assets it already possesses. However,

if the RTC, already the nation’s largest real estate company, tries to unload its vast portfolio, it would have to sell the properties at substantial discounts to attract sufficient buyers. Doing so would, of course, further depress already collapsing real estate prices, and cause more companies and individuals to go broke. This would set off a downward spiral of defaults on real estate loans at banks and thrifts, with these escalating nonperforming loans putting an ever-greater number of banks over the edge of insolvency.

### The disease spreads

Banks in New England are currently feeling the brunt of the crisis. The Bank of New England, the region’s second-largest bank, has had a massive increase in its nonperforming real estate loans; it has suffered a pounding of its stock on the market and is frantically searching for a buyer or for someone to inject \$200 million in capital. Banks said to be interested in buying the Bank of New England include Fleet/Norstar, Citicorp, Chase Manhattan, Wells Fargo, Shawmut, and Security Pacific. Significantly, none of the banks which bought Texas banks is in the running—they now know better.

Many of the banks and thrifts in New England have what the *Boston Globe* referred to recently as an “unrealistically rosy” view of the coming year. Their loan loss reserves, the *Globe* said, are declining at a time when their nonperforming loans are increasing. Such actions may temporarily mask the extent of the financial problems, but they insure that when the problems are finally admitted, they are often insurmountable. Again you have the Texas pattern, in which banks put off revealing the true extent of their loan losses until it was too late—and when they finally did, they went under.

New England banks aren’t the only ones suffering, either. City Federal Savings Bank, the largest thrift in New Jersey, recently failed. The New Jersey real estate market began to soften in late 1987, when the stock market crash caused many layoffs on Wall Street. Building permits for new homes and apartments peaked at 57,074 in New Jersey in 1986, falling to 40,268 in 1988, according to the New Jersey Department of Labor. Banks in the greater Washington, D.C. area have also suffered. The area is “two or three quarters behind New England,” Johnston Lemon bank analyst Elisabeth Hayes recently told the *Washington Times*.

The real estate bubble is collapsing nationwide, and with it the nation’s banking system. Texas was not an isolated problem, and neither is New England; both are previews of the fate that awaits the national economy. The nation’s banking system, already suffering mightily from the collapse of the productive economy, is now feeling the effects of the collapse of the financial side of the economy. The speculative real estate boom, which formed the foundation for the vast speculative bubble known as the Reagan-Bush “recovery,” is quickly turning to sand. As it collapses, it will inevitably bring down the entire structure, banks and all.

# Global food shortage means African famine

by Marcia Merry

Edouard Saouma, head of the United Nations Food and Agriculture Organization (FAO) in Rome, said on Dec. 20 that the famine danger in Ethiopia and other parts of Africa is "increasing at an alarming rate." Millions are in danger, he said, unless there is a "relief effort of major proportions."

Saouma said there were serious food shortages not only in Ethiopia, but also in southern Sudan, Mozambique, and Angola. There was severe drought in northern Ethiopia, creating famine conditions in Eritrea and parts of Tigre. In western Africa and Sudan, 5.7 million hectares of cropland (14 million acres) were affected by grasshoppers in recent months.

Saouma made repeated calls for aid to Africa during 1989, and in October the FAO published a "Special Report on Africa," listing areas for priority action. "First priority," according to the report, "is the necessity for allocation of substantial additional pledges and the prompt arrangement of shipments of food to northern Ethiopia to meet the outstanding requirements in 1989 and the continuing deficit in 1990. Only early action will avert migrations and widespread suffering in 1990."

As of December 1989, this action had not been taken. Saouma reported on the further rundown in world food stocks in 1989, which was the third consecutive year in which cereals consumption exceeded production.

## World output inadequate

In its October forecast, the FAO office estimated that total world grain output for 1989 will be 1.86 billion tons, which is below average annual grain consumption.

There is no part of the world where the harvest picture is promising. In the Southern Hemisphere—now finishing its wheat harvest, and well into the summer season for other crops—there is no rescue in sight.

Australian wheat exports are expected to be the lowest in nine years due to harvest problems. Australia will produce about 12.63 million tons of wheat this season, which is about 1.39 million tons less than last year, according to the December estimates of the Australian Bureau of Agricultural and Resource Economics. The wheat harvest in Australia starts in November, and is almost completed by early January.

Although Australian farmers planted 500,000 more acres

of wheat in 1989 than in 1988, for a total of 22 million acres in 1989, nevertheless, a long dry spell cut yields from last year's 23.5 bushels an acre, to an estimated 20.9 bushels an acre this year. With wheat output down, Australia expects to export only about 9.27 million tons this year, down from 11.32 million tons last year, and a record 15.4 million tons in 1979-80.

In South Africa, a prolonged drought has reduced the wheat crop, and forced the government to make plans to draw on wheat reserves for domestic needs this year. South African wheat exports will be at most 300,000 tons.

The situation in rice underscores the inadequate harvests and falling stocks of all grains worldwide. Global rice output for 1989 was forecast at 331 million metric tons. This is a slight increase over the year before, but nevertheless, it is below the average annual world consumption of rice. Total world rice consumption is forecast for 1989 at 345 million tons. Thus rice stocks, already dangerously low, are being drawn down.

Rice accounts for 20% of global grain output, corn is about 25%, and wheat is 30%. The remainder of world annual grain production comes from millet, rye, oats, sorghum, and some other grains and mixed grains. Stocks are below the danger point for all grains.

For over a year, the FAO has been calling for special crop efforts to begin to rebuild all these grain stocks, but the world food cartel interests have blocked any effective national measures to create a farm production mobilization.

Grain for relief purposes has dropped from an annual level of 13 million metric tons in the World Food Program in 1987-88, down to less than 8.3 million metric tons forecast for 1989-90. This reflects the lack of pledges and deliveries by the grain-exporting nations, the United States and Canada, Western Europe, and Thailand.

Meeting the minimum emergency grain needs of Africa has been deliberately bypassed by Washington and the European Community, in favor of sending grain to Russia and Communist China for political reasons.

In November, U.S. trade officials met in Moscow for three days, and announced that the U.S.S.R. could have as much as 20 million metric tons of grain a year from the United States, without resorting to consultations with Washington. From 1983 to 1988, the annual limit was 9 million tons. Then in 1989, the limit was raised to 16 million tons.

It is expected that the actual grain shipments from the United States to the Soviet Union may reach a record 36 million tons of wheat, corn, and soybean products this 1989-90 trade year, up from a huge 24 million tons last trade year.

In 1989, the People's Republic of China was the world's biggest importer of wheat, purchasing over 16 million metric tons, half of which came from the United States. Chinese trade envoy Zheng Wanzhen has told U.S. agriculture officials that China expects to continue high rates of grain imports in 1990.



# Poland's alternative to IMF shock medicine

by William Engdahl

Over the Christmas weekend, Poland's Solidarnosc Minister of Finance Leszek Balcerowicz signed a controversial Letter of Intent with the International Monetary Fund (IMF). But rather than releasing the hoped-for flood of Western funds and investments, judging from initial reactions from West European bankers, the draconian IMF "shock treatment," a slightly rewarmed version of that demanded last autumn by Harvard Prof. Jeffrey Sachs, is actually increasing Western pessimism over Poland's future economic prospects. Nowhere is the contrast in view clearer than by comparing the IMF treatment afforded Poland with the non-IMF prospects developing for the East German (G.D.R.) economy.

On Dec. 18 the finance and economics ministers of the 12 member states of the European Community approved the outlines of a French proposal which will create a European Development Bank to finance economic reconstruction projects in Eastern Europe. The new European bank will have initial capitalization of 10 billion European Currency Units (roughly \$10 billion) and will be used to funnel West European economic investment into the economies of Poland, Hungary, and East Germany, which are now being reformed.

"This is the European Development Bank idea of [French President François] Mitterrand," stated a senior Bonn Finance Ministry official privately. "The French idea is for a majority voting control to be held by the governments of West Europe. Select Eastern European countries will be invited to join the board, as will Japan and the U.S.A. But it will not be another IMF. Voting will be controlled by Western European governments." In off-the-record remarks, a Bundesbank source added, "This bank will not be subject to the straitjacket of IMF conditionalities. That would be absurd. It will channel funds to infrastructure projects in Eastern Europe, things such as the Paris-Warsaw rail project, rebuilding of telecommunications and highways."

The rapid progress on the European bank underscores an extremely crucial element of economic stabilization for the volatile economic and political situation in Eastern Europe. As well, the attitude of the Bonn government toward East German reform suggests an extremely important new element of flexibility regarding customary IMF austerity demands. "The IMF issue is definitely not a precondition for

our cooperation with the G.D.R. on economic projects," emphasized the Bonn Finance Ministry official. "Our only precondition is that the process of economic reform go in a direction of freer market economy. We demand no specific preconditions."

Following the historic trip of West German Chancellor Helmut Kohl to Dresden, East Germany in late December, West German Research Minister Heinz Riesenhuber announced that he will give "serious consideration" to a proposal by Lower Saxony Minister President Ernst Albrecht to construct a high-speed rail line between Hanover and Berlin, using Thyssen's experimental Transrapid magnetically levitated train, which could carry passengers along the 300 km corridor at speeds above 400 km, or roughly 250 miles, per hour. At the same time, West German firms, including Volkswagen of Wolfsburg, have initiated talks with East German companies about joint industrial production.

## Sachs's Polish shock

But the laudable progress of economic talks between West European governments and the G.D.R. stands in stark contrast to the terms being demanded of Poland. On Dec. 17 Poland's Minister of Finance Leszek Balcerowicz announced to Parliament his government's emergency economic program. The drastic austerity scheme is in fact the lunacy of Harvard Prof. Jeffrey Sachs's "shock treatment," and includes cutting Polish real incomes by 25% on Jan. 1, throwing some 400,000 Poles into unemployment, and devaluing the zloty by 66% against the dollar. Balcerowicz's program, which he calls a "deep surgical operation," is a precondition demanded by the IMF in its Letter of Intent with Poland, before it will release urgently needed short-term funds intended to relieve Poland's external balance of payments problem. The IMF demands that Poland slash its government deficit and privatize large parts of state-owned industry in order to supposedly bring its current hyperinflation, presently estimated at 30-40% per month, under control.

Such savage "anti-inflation" austerity will do nothing but aggravate Poland's economic misery, just as it has for the past seven years in African and Ibero-American debtor countries. The IMF is an Anglo-American creation of the 1944 Bretton Woods era, whose explicit mandate is not to foster national economic growth or to raise living standards, but rather to impose "equilibrium" conditions to the accounts of nations. A victim country gets IMF "stabilization" loans to do that. But the cost is almost invariably savage, self-destructive austerity for developing country economies.

The IMF medicine is the demand made by all West European governments, Bonn included, as the precondition for further assistance. If Poland signs with the IMF and agrees to the severe austerity, it is promised a paltry \$700 million of IMF "standby credit," as well as another perhaps \$1 billion European Community "stability fund," and perhaps another \$500 million from member central banks of the Basel, Swit-

zerland-based Bank for International Settlements. That pool of cash is intended to be a foreign exchange reserve backing to stabilize the devalued zloty. Not a penny will go to investment in tractors, rails, roads, ports or industrial infrastructure which are so urgently needed.

Such economic policy demands are just the reverse of the nation-building economics of Friedrich List which formed the basis for the astonishing 19th-century German economic miracle, or that of the postwar economic miracle after 1949. The IMF policies can be likened to an executioner telling his victim, "First cut off one arm and one leg, then we can discuss whether you qualify to receive any bandages." The Bonn Finance Ministry official admitted as much when he stated, "We think that the IMF must be expedient with Poland, but not lenient, though we would never say so publicly. The shock treatment places a heavy burden on the Poles. Poland, however, has itself chosen to impose Sachs's shock medicine."

Bonn publicly rationalizes its stance on the IMF demand by pointing out that Poland, unlike the G.D.R., is a voting IMF member, therefore subject to the rules of that game, as is Hungary. Bonn officials further point to the promise of future assistance once the IMF medicine is swallowed by the Poles, including small debt forgiveness of a \$1 billion credit from the 1970s and postponement of Paris Club Western government debt burdens due in 1989-90 of some \$7-8 billion, 25% of which is owed to Bonn. But the reality is that this is still sadly insufficient. The popular backlash against Solidarnosc is likely to destroy the possibility for serious economic reconstruction of that nation's potentially enormous economy for decades to come.

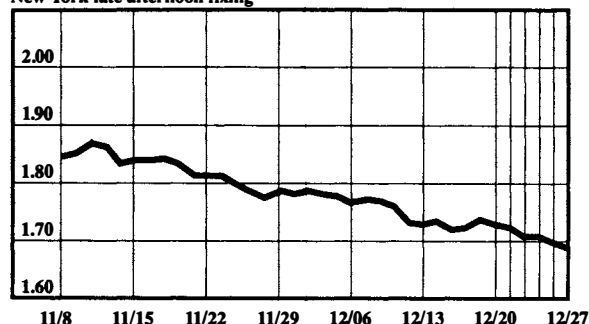
### A new 'London Accord' from Bonn and Paris?

Were Bonn committed, as many in the government clearly are, to serious improvement of Poland's economic living standard as well as to the healing of the old wounds of the Second World War, Chancellor Kohl could take a positive initiative to "change the terms of the game." One obvious act would be to cite the precedent of the 1953 London Accord on Germany's pre-war debt where the Allies forgave more than 50% of monies owed them since 1919, in order to allow Germany to fully reindustrialize and rebuild its war-torn economy. More than 75% of Poland's \$40 billion Western debt today is owed to the governments of the West, the vast majority to West Germany, France, Italy, and other West European states in the so-called Paris Club. France is chairman of the Paris Club creditors' committee. What better statement of Franco-German accord on real economic help for Poland than to tell the country it is simply forgiving the vast majority of that \$30 billion—debt incurred under conditions which no longer pertain to the present government of Poland, including illegitimate compounding of interest arrears onto future principal owed after 1981, via so-called "interest capitalization."

## Currency Rates

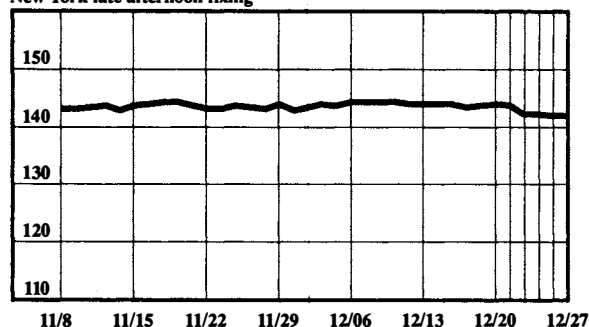
### The dollar in deutschemarks

New York late afternoon fixing



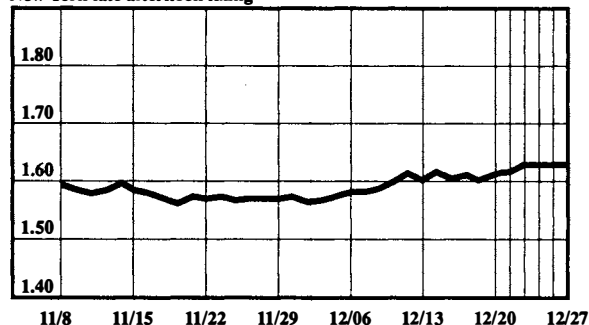
### The dollar in yen

New York late afternoon fixing



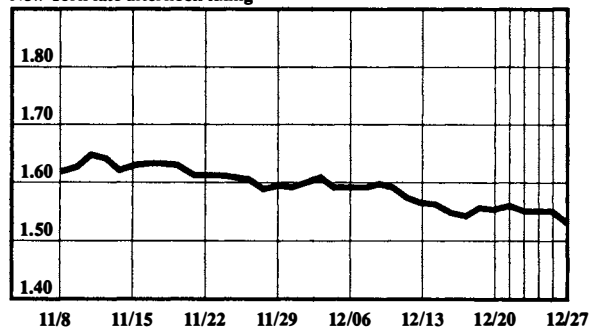
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# Market chaos follows Argentine liberalization

by Cynthia Rush

Just two weeks after Argentine President Carlos Menem reshuffled his cabinet, installed a new finance minister, and announced a total liberalization of the economy, the national currency collapsed, raising fears of renewed economic chaos and hyperinflation. On Dec. 27, the austral dropped 20.8% against the U.S. dollar, from 1,355 at the opening of trading to 1,710 at the close.

As the economy rapidly unravels, the government is said to be considering imposing a state of siege, anticipating intensifying popular unrest. With the collapse of the national currency and local markets, members of Menem's cabinet are frantically attempting to put together a pact with the political opposition to give legitimacy to the latest set of economic measures.

Former Finance Minister Nestor Rapanelli resigned on Dec. 15, following several unsuccessful attempts to stem the free-fall of the austral, through a series of control measures. Just a few days before, the minister, a former executive of the Bunge & Born holding company, had announced a series of harsh austerity measures, including a 50% devaluation of the austral and 40% increases in public utility and gasoline prices.

After the Dec. 11 devaluation, the austral dropped 28.3% against the dollar. Merchants began to quickly mark up prices in anticipation of higher inflation. From November's 6.5% inflation rate, December's rate is expected to climb to at least 50%, and perhaps higher.

The cabinet shakeup signaled a break with the Bunge & Borne grain cartel, the author of Menem's economic program, and whose backing was one of the factors in his coming to power last July. Several powerful local business groups opposed aspects of Rapanelli's program, particularly his refusal to establish a free-floating exchange rate, and his intention to impose new taxes on farm exports. Resigning along with Rapanelli was Finance Undersecretary Orlando Ferreres, also formerly of Bunge & Born.

## Opening up the economy

Following Rapanelli's resignation, sources close to Bunge & Born predicted that Menem would return to economic policies more closely associated with Peronism—heavy state involvement in the economy and dirigist controls. Instead, the new finance minister, public accountant Antonio Erman González, formerly the health and social welfare min-

ister, announced the very liberalization of the economy which business and banking sectors have long been demanding: a unified exchange rate determined by "market forces," lifting of all price controls, and nullifying the 11% tax on agricultural exports Rapanelli had set.

Suggesting that the new plan is a last-ditch attempt to stabilize the economy, Menem told reporters that "we will all get on this flight, but there are no parachutes aboard. Whoever wants to jump, jump!" To placate local bankers, Menem has suggested he will reverse the two-year moratorium which Rapanelli established for the \$7 billion internal debt. Local banks, which hold a large quantity of that debt in the form of dollarized bonds, opposed the measure and had reportedly forced the drop in the austral over recent weeks, by purchasing large amounts of dollars on the black market.

The Buenos Aires daily *La Nación* reported that Menem himself is the driving force behind the change in policy, having tired of "complex formulas to control the markets." However, the break with the Bunge & Born crowd reportedly occurred because other members of the Menem cabinet, specifically Interior Minister Bauzá, and Ermán González, both factionally allied to Foreign Minister Domingo Cavallo, opposed Rapanelli's measures, claiming they were too harsh. The irony is that Cavallo, who will undoubtedly influence economic policy through his affiliation with Ermán González, is a monetarist in his own right, who doesn't hide his ambition to become finance minister.

Ermán González explained the Dec. 27 austral collapse by saying that there would be "some confusion" in the markets at first, until everyone learns "the rules of the game." The more likely scenario is that the confusion will increase. Nor is the Peronist-run labor movement likely to wait patiently to see what happens. Strikes over wage demands are on the rise. Leaders of the General Confederation of Labor (CGT) criticized the 20,000 austral wage increase (roughly \$20) granted as part of the new package, noting that prices have already started to go through the roof. Just prior to the announced economic liberalization, items such as meat saw a 80% price markup; other foods rose between 100 and 150%; construction materials rose 90%, and some household cleaning items rose by 220%.

Menem is promising that he will continue to apply aspects of the Bunge & Born program relating to privatizing and "reforming" the state sector. Argentina's creditors, however, are already threatening to cut the country off from promised loans, if Menem doesn't follow through with harsh austerity and other "fiscal reforms" agreed upon with the International Monetary Fund. Argentina's recently signed standby agreement with the IMF called for the government to reduce inflation to 1% in December and a total of 15% for 1990. This \$1.4 billion agreement could be "endangered," warns the Dec. 16 *Washington Post*, if the country again proceeds toward hyperinflation.

TABLE 1

## Net income of major U.S. trucking firms

(billions \$)

	3rd quarter		Year to date	
	1989	1988	1989	1988
Yellow Freight	\$10.8	\$26.9	\$43.6	\$49.4
Consolidated Frtway	16.0	19.9	47.0	40.0
Roadway Express	12.5	20.5	43.7	49.2
Overnite Transport	15.1	17.2	42.1	42.7
ABF Freight	-2.3	5.2	-6.1	7.1
Carolina Freight	0.7	5.5	4.5	7.0
ANR Freight	-5.1	0.0	-8.6	-4.5
Preston Trucking	-0.1	1.6	1.7	8.7

## Trouble ahead for trucking industry

by Anthony K. Wickrent

Trucking companies are now caught in a deflationary spiral of cutthroat price wars, which threatens to sink some of the largest outfits. Ken Mayhew, president of the sixth largest trucker Carolina Freight Carriers Corp., says there "is a squeeze on our profits, just like there is generally in the trucking industry today. Our rates generally are about 1% higher than they were in 1984. That just won't nearly cover the effects of inflation" (see **Table 1**).

Transcon, Inc., and ANR Freight System, Inc., two of the most financially troubled trucking outfits, announced plans to merge, creating the fourth-largest trucking company in the United States. The two companies lost \$26 million in 1989.

P-I-E Nationwide, Inc. has been struggling ever since it was formed in 1983 by the merger of Ryder Truck Lines, Inc. and Pacific Intermountain Express, Inc., with a loss of \$90 million in 1985, and smaller losses since. The operating loss was \$6 million in 1988. In the first week of December 1989, however, P-I-E asked its employees to defer receiving their paychecks one additional day each week, thus losing one paycheck for the year, while company executives give up 10% of their salaries.

### Shambles left by deregulation

Before deregulation in 1979, there were 14,600 trucking companies. After deregulation, anybody who could afford to buy a truck and insurance could become a carrier. By 1987, there were 37,600 trucking companies. That number is now rapidly dropping, as a wave of bankruptcies sweeps through

the industry. According to Margaret Strickland, president of Byrd Motor Line in Lexington, North Carolina, "The price wars that have been a consequence of increased competition created by deregulation have forced many solid and dependable companies out of business. Many comparatively small, cutthroat operators have temporarily slashed rates in order to get a share of the market. These carriers cannot haul freight at the same unreasonably low rates for a long period of time and still operate in a safe manner."

This has rapidly increased the strain on the system and equipment, as manufacturers and retailers seek to cut costs by switching to "just in time" inventories—i.e., raw materials and semi-finished goods shipped just in time for production or sales requirements. **Table 2** shows an industry projection of this trend, based on a survey of a number of carriers.

TABLE 2

## Percent of volume shipped just-in-time by trucking industry

Industry	1987	1990*	1995*
Food	25.5%	31.3%	34.4%
Chemical	10.9	20.0	26.9
Pharmaceutical	7.2	15.0	22.2
Automotive	16.9	35.8	41.9
Paper	15.8	20.0	27.5
Electronic	23.2	27.2	31.3
Clothing/textile	29.5	41.8	49.0
Other manufacturing	23.5	28.7	34.8
Merchandise	6.3	10.4	12.1
Total response	19.2	26.8	31.1

\*Projected

Source: *Transportation Executive Update*.

In effect, by cutting out storage areas for inventories, the transportation system itself must now serve as a warehouse on wheels. And there is significantly less tolerance for a breakdown of the system. A delay in shipping can cause a very costly interruption and perhaps even cessation of the manufacturing process, or loss of sales.

The most recent survey of the in-service truck fleet completed by the Regular Common Carrier Conference shows that the smaller companies have significantly older equipment (see Figure 1). One of the most important factors in transportation safety is the age of the equipment currently in service.

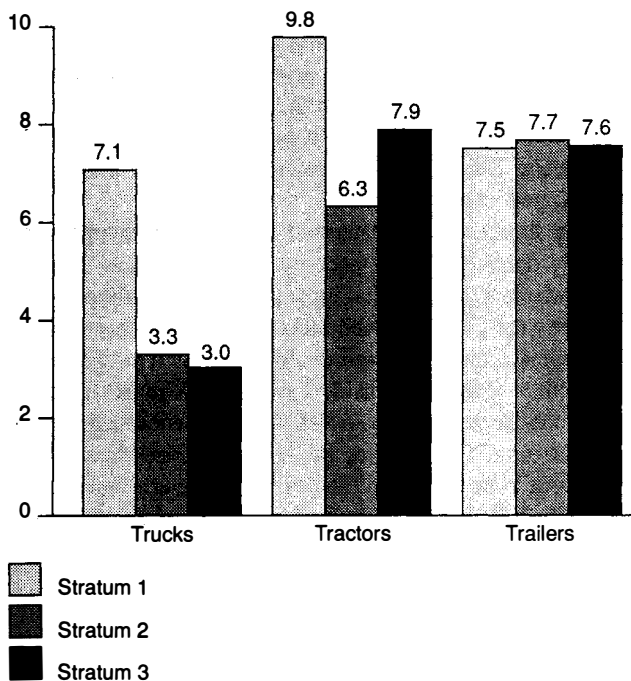
The collapse in new truck sales also means that vehicle age will increase rapidly in the next few years. For the past three months, sales of heavy Class 8 trucks have been around 20% below those of last year. Sales of medium-sized Class 6 trucks have collapsed by double-digit figures for the past four months (see Table 3).

Mack Truck has been unable to maintain a liability-to-net-worth ratio of less than 160%, and is desperately seeking a waiver from creditors so that its lines of credit will not dry

TABLE 3  
New truck sales in the United States

	1989	1988	% change
<b>Class 8 (over 33,000 lbs.)</b>			
Aug.	10,809	9,919	9.0
Sep.	11,284	13,191	-14.5
Oct.	11,709	14,423	-18.8
Nov.	9,672	12,540	-22.9
<b>Class 7 (26,001-33,000 lbs.)</b>			
Aug.	8,388	9,386	-10.6
Sep.	6,936	8,385	-17.3
Oct.	9,197	8,820	4.3
Nov.	6,164	7,275	-15.3
<b>Class 6 (19,501-26,000 lbs.)</b>			
Aug.	3,653	4,354	-16.1
Sep.	3,336	3,828	-12.9
Oct.	3,557	4,018	-11.5
Nov.	2,454	3,774	-35.0

FIGURE 1  
Median age of equipment by stratum\*  
(in years)



\*Stratum 1 carriers have an annual revenue of \$250 or over; Stratum 2 have revenues from \$25 to \$250 million; and Stratum 3 revenues from \$5 to \$25 million.

Source: Transportation Executive Update.

up. But as one analyst said, "The bankers are going to try to squeeze every drop out of this." With probable losses of \$155 million this year, Mack is also trying to obtain an additional injection of funds from its 45% owner Renault Vehicules of France. Renault already ousted Mack's chairman back in October, after a loss of \$87.5 million was posted for the third quarter. Production at Mack has been halved this year, and 21% of the workforce eliminated.

Navistar International Corp. announced its first quarterly loss in three years, \$13 million in its fiscal fourth quarter. Navistar expects demand for medium-sized trucks in 1990 to be 2-4% less than 1989, while demand for heavy trucks will be down 8-18%.

The collapse of sales was the final blow for K-H Corp., formerly known as Fruehauf Corp., the largest maker of truck trailers in the United States. Already crippled with over \$100 million a year in interest payment alone after 70 top managers rescued Fruehauf from the clutches of corporate raider Asher Edelman, K-H quietly died on Nov. 29, 1989, and became a subsidiary of Toronto-based Varsity Corp.

Meanwhile, in the latest move toward fascist-enforced "controlled disintegration," the Justice Department is targeting the organizational structure that establishes rates charged by truckers for carrying freight, by seeking to prosecute the Rocky Mountain Motor Tariff Bureau for "unregulated cartel conflict." The RMMTB is one of the largest and most important of the industry's pricing associations, which establishes the rates subject to approval by the Interstate Commerce Commission. The Justice Department is asking the ICC to revoke the RMMTB's immunity to discuss and set rates, so that RMMTB can be prosecuted under the anti-trust laws.

# Red China supplies most world heroin

by Our Special Correspondent

Reliable sources in Asia report that the People's Republic of China is the main source of world heroin production, *EIR* found out in December in Hong Kong. The sources say that 80% of the high-quality heroin selling on the international market comes from the P.R.C., which produces 800 tons of opium a year.

The reports echo *EIR's* June 24, 1989 article, which showed that Henry Kissinger's friends in the Beijing regime are not only murderers at home, but massive exporters of mind-destroying narcotics abroad.

Amplifying on this intelligence, which is blacked out in the U.S. major media, the Hong Kong-based *Liberation Monthly* wrote recently that China had grown opium poppies in the southwest provinces such as Yunnan and Guizhou for years to export for foreign exchange. *Liberation Monthly* reported that there are over 30 special processing factories for opium, morphine, and heroin in the P.R.C. Each factory makes its own "brand" of drugs.

To export the dope, beginning before 1951, the P.R.C. set up a "Narcotics Export Promotion Center" at Wan Tze village in the coastal province of Guangdong, close to the border of Macao. The operation is specialized to export dope through four major routes:

1) Southern route: centered at Guangzhou (Canton) and uses Sam Chun, Fuman, Chun Shan, Hainan, and Nantou as exporting points. Hong Kong and Macao are transfer points. In 1969, the P.R.C. built a pier and warehouse at LaSaiMei as a transshipment point.

2) Eastern route: centered at Shanghai, with SaiMan as a secondary export point. Hong Kong and Macao are also used as transshipment points. The final destination of this route is Southeast Asia, the Middle East, Western Europe, and the United States.

3) Southeast Asian route: based at Tsai Le, Lung Man, and Teng Chun of Yunnan province in the southwest, and draws from a region including Vietnam, Laos, Burma, Cambodia, and Thailand. The drug is then exported to Thailand, Burma, and Malaysia. The Singapore daily *Sing Chou Yat Pao* and the Malaysian commercial daily *Nan Yang Shan Pao* said dope dealers make the greatest profits by trafficking dope from Yunnan to Southeast Asia. This route is called the "Golden Throat," and is a worldwide drug trafficking center.

4) Northern route: centered in Tian Jin and Dalian in the north and Qingdao and Weihai on the Shandong peninsula as transfer points to Japan and Korea. Shandong was the

home province of Kang Sheng, the first head of the Chinese state security apparatus. The P.R.C. has set up its own transfer stations at Osaka, Kobe, Kyushu, and Hokkaido, where there is heavy activity by the Japanese Communists.

Youths from Yunnan and Xinjiang provinces who escaped to Hong Kong told the *Liberation Monthly* that the P.R.C. had succeeded in its plan to cultivate opium poppies in Yunnan, Kweichow, Szechuan, Kwangzhe, Kwangtung, and Sinkiang. There are more than 3 million acres planted in poppy "farms." This entire area is classified as restricted, controlled by the Forestry Department and the Security Bureau in a joint operation. The dope-processing plants are called "chemical" or "medical" factories.

Opium from Yunnan is processed in Kuming, Teng Chun, Da Le, and Pao Shan. The dope is transferred on horse- or donkey-back to the Golden Triangle in Southeast Asia, and thence shipped out to the rest of the world. Most of those working in these dope factories are long-term prisoners. The P.R.C. has set up a "Yunnan Trading Company" to handle all dope products, with branch offices near the Burma border. The P.R.C. also has its loyal agents to take care of dope shipments in most of Burma's cities.

## Communists run dope to Taiwan

In Taipei, the Republic of China Justice Department Investigation Bureau and Taiwan Police arrested three men with two kilos of pure heroin from mainland China Dec. 5. A reliable source told authorities that the P.R.C. is heavily involved in smuggling dope and weapons into Taiwan. The source gave information leading to the capture of the three dope smugglers, who told the police they are part of a drug-smuggling syndicate, and that the heroin was manufactured in Canton (Guangzhou) and shipped to Thailand. Taiwan drug dealer Lin Chengtzung bought the heroin in Bangkok and shipped it to Taiwan.

The source said that another four kilos of heroin were recently delivered to the accomplices of the three arrested heroin dealers. The packaging, and other evidence not revealed by the police, proved that the heroin was produced in Communist China. This was the first time such a big quantity of heroin was captured inside Taiwan. In August, the coast guard confiscated a Taiwan fishing boat which had just returned from China. Among the contraband goods on board were three kilos of heroin. On Dec. 4, police arrested another man with 700 grams of heroin which had also been smuggled in from the mainland, the *China Post* reported.

The mainland is also shipping arms to Taiwan. The National Policy Research Information Center reported in early December that 5,000 guns had been seized by the Taiwan authorities between January and October, but that another 20,000 had been smuggled into Taiwan. Since having an "illegal" gun is a capital offense in Red China, the report said, P.R.C. security forces must be allowing the gun smugglers to operate.

## First steps toward economic recovery

*Medium-sized industry is at the center of ongoing initiatives between the two Germanys.*

**T**he generally accepted view in the West German government and in industry circles is that a recovery of the East German economy can't work within the context of state-to-state cooperation so far practiced between the two Germanys. It wouldn't work if the Western side went on to pump money into joint projects, leaving their realization to the unsatisfactory cooperation of more efficient Western companies with the mostly inefficient state-run industrial combines of East Germany.

This approach would leave the East German economic system untouched, block the creation of a strong medium-sized sector (*Mittelstand*) of craft and repair shops, construction and maintenance firms, and industrial supply companies. "We need several hundred thousand small and middle-sized enterprises," declared West German Economics Minister Helmut Haussmann in Bonn Dec. 27, "but they'll never come into being if we leave the basic economic structures untouched."

Two things are most urgent to promote such enterprises: 1) the state-run combines, which absorb many smaller companies with specialized qualifications, have to be taken apart, and 2) a legal basis for the creation of private enterprises in the industry has to be created. The collective state farms have to be dismantled as well, to make room for private farming.

To date, the new East German government of Hans Modrow has not yet changed anything; the system has only licensed state-controlled production. Private property in industry and

agriculture is not desired; "socialist people's property" (controlled by the communists) has been endorsed. From 1945 on, hundreds of thousands of private and semi-private firms were expropriated in several waves, the last one carried out the early 1970s.

A change of property laws is most urgent, but nothing can be expected before the May 6 elections.

Still, "many small enterprises in the G.D.R. [East Germany] will begin to work soon, even without a fully licensed status," an official of the West German Kreditanstalt für Wiederaufbau (KfW) told *EIR*. A new KfW program allocates DM2 billion at no interest, which is mixed with other bank loans at less than the usual 14% interest. This program will add up to a DM6 billion credit line for the East.

The East German government already passed a "preliminary regulation for the establishment of private firms and small and middle-sized enterprises on a half-state and cooperative basis," just before Christmas. But all those who want to set up private or semi-private firms are still operating in a legal "gray zone," until a sound investment protection law has been passed.

Many West German companies will invest, however, even at this risk, in order "to be there when the new economic legislation is put into practice. . . . People here and there are, I can say, rather optimistic that it will work out," the KfW spokesman said. As he put it, the risk is not that high, because in many cases, investments in one or two machines will suf-

fice to get a medium-sized venture in crafts or repairs going. An East German initiative to set up a roofing business may need no more than an initial credit of DM10-20,000 for a wood-cutting machine and tools.

Since most credit requirements are relatively low, the newly created credit pool of the West German government of up to DM6 billion for the East German middle-sized enterprises, at preferential interest rates of 7.25%, is expected to yield good results rather soon. Many direct contacts are being made between new entrepreneurs in East Germany and potential investors from West Germany, the regional chambers of commerce and trade are reporting.

In addition, a privatization of the state-run savings banks in East Germany is urgently recommended. An estimated 150 billion G.D.R. marks is said to be held on private accounts at the regional savings banks, but they are administered by the State Bank of the G.D.R. If the savings banks were released from the State Bank, they could issue long-term credits to new small and middle-sized enterprises, through construction or railway bonds.

Assuming that a Deutschmark mark exchange rate of 1:3 can be realized in inner-German trade, the mobilization of maybe half of these 150 billion G.D.R. marks could yield another DM75 billion for investment programs in 1990.

Put together with the DM6 billion already granted through the KfW program, and other private credits from West German investors, these 75 billion G.D.R. marks could yield an investment volume of DM40-50 billion in the East German economy. To assume that most of that would be realized during the coming year, with emphasis on the middle-sized sector, is not at all unrealistic.

## Yeutter touts USDA 'accomplishments'

*The U.S. Secretary of Agriculture's policies are causing farm poverty, drops in production, and cartel takeovers.*

Secretary of Agriculture Clayton Yeutter reviewed the accomplishments of the U.S. Department of Agriculture for 1989 at a Dec. 21 press conference in Washington, D.C. He characterized his first year in office as "a good one for the American farmer, one of the best," and one in which "building blocks were successfully laid" for events which will be critical in 1990 and beyond.

Yeutter didn't explain that the "building blocks" that were laid will help implement his Trilateral Commission agenda for monopoly control of food by international food cartels and the continued destruction of the family farmer.

Yeutter proudly said that "burdensome surpluses of agricultural commodities dramatically declined," but he didn't explain the consequences. With worldwide grain production below consumption for the third year in a row, and with low farm prices, the United States is starting to feel the effects of "food reduction" policies.

U.S. ending wheat inventories are projected to fall 77% since 1986 to only 443 million bushels this year. This has forced the United States to import 15% of the durum wheat consumed. Ending corn inventories are projected to fall 60% from 1986 levels. The U.S. is the world's largest net importer of oats, beef, and pork. Also, the U.S. has absolutely no stocks of dry-milk powder and can no longer supply dry milk powder to either Mexico or domestic school lunch programs, and has even recalled dry milk powder shipped to West Germany. The dry milk inventories are not there and large milk-manufacturing companies are lobbying the USDA to

allow increased milk product imports.

Yeutter said that "farm income reached a near record high" in 1989. With the 1989 inflated dollar this may be true, but it is a cruel joke when the real purchasing power of farm income is compared to previous years.

For instance, the December 1989 edition of *Agriculture Outlook*, a USDA publication, projected farm net cash income (NCI) for 1989 to be about \$52 billion. This is lower than the net cash income U.S. farmers received in the two previous "high" years of 1987 and 1988, of \$57.7 billion and \$59.9 billion, respectively. However, what Yeutter doesn't explain is that, due to the erosion of purchasing power by inflation, today's "near record high" net farm income will purchase only about half the capital goods and services when compared to the purchasing power of the 1950s and 1960s.

Yeutter's political double-talk smoothed over other crucial factors. According to USDA statistics presented at the Agricultural Outlook conference in December 1989, about 105,000 (5%) of the 2.1 million U.S. farmers receive 50% of all yearly agricultural income. If the remaining 2 million (95%) receive the other half of 1989 projected net cash income (\$26 billion), the average net cash income of 95% of all U.S. family farm units will be about \$13,000 for 1989, before taxes. This poverty is what Yeutter calls this a "near record high."

This explains why most farm families must have a second "off-farm" income to subsidize the farm business. In 1989, off-farm income is projected to be a record \$53 billion. Things haven't improved since 1987,

when about 40% of U.S. farmers had a negative cash income.

In 1989 the United States exported \$39 billion in farm products. Yeutter said, "the value of agricultural exports has increased remarkably since the low levels of the mid-1980s." What he didn't say was that imports of live animals, meat, dairy products, vegetables, seeds, and flowers also increased.

In 1989, 54% of the revenue that came in from agricultural exports was re-spent nationally to import \$21 billion of farm products. In 1981, this figure was only 38%. The August agricultural trade surplus fell sharply to \$949 million—the fifth consecutive monthly decline, \$209 million below the previous month. In other words, the United States is becoming more and more dependent on foreign food imports, as U.S. farm production is reduced.

Yeutter said that 1990 will be "pivotal" to the future of U.S. and world agriculture, with the passage of new farm legislation and the final negotiations in the Uruguay Round of the General Agreements on Tariffs and Trade (GATT). "We have worked hard this year to lay the groundwork for enactment of the 1990 Farm Bill for successful conclusion of the Uruguay Round," he said. "We need a strong, vigorous push if we are to open up market opportunities for the future."

The "we" Yeutter refers to are the corporate networks of international grain companies and financial institutions that will benefit from Yeutter's "Free Trade" proposals to the GATT. The proposals will reduce farm subsidies and protective tariffs, making family farmers around the world vulnerable to looting by international grain and food cartels, and being controlled by international law through the GATT.



## Three shocks

*The Jaguar stockholders revolt, the Delors vision of a European "circle," and the Herrhausen murder shook official London.*

The last week of November saw the suffocating complacency of "official" London punctured in three ways. First, the last-minute revolt by small shareholders in Jaguar against their company's absorption into the Ford Motor empire was a straw of something in the wind. The government owned Jaguar until 1984 as part of the British Leyland Motor Corporation, and after its privatization, it retained a "golden" share, blocking foreign takeovers.

Once Ford appeared offering £1.6 billion for this Thatcher "success story," Trade President Nicholas Ridley could hardly dump his golden share quickly enough. On Dec. 1, Jaguar's small shareholders were corralled in the International Press Center in Shoe Lane and asked to vote through the takeover. Jaguar chairman Sir John Egan had expected to get the needed 75% majority on a simple show of hands. But too many of the shareholders—which included Jaguar pensioners and workers—had swallowed the Egan-Thatcher line of the past six years about Jaguar being a "great British company doing great."

They were also uneasy about yet another U.K. specialist car maker following Lotus and Aston Martin into foreign hands. Egan had to hold a paper ballot after the floor denied him a simple majority, to push the takeover through.

The second event was the response of European Community chief Jacques Delors to events in Eastern Europe. Until recently, it had been confidently assumed that the greater

the popular unrest in the East, the stronger Mrs. Thatcher's case in refusing to go along with further "integration" in Western Europe. That little idea bit the dust in the last week of November, when Delors unveiled his new plan for a "circle" of tightly linked European states. This would include some parts of Soviet Russia and would be an imperial design of extraordinary scope.

Needless to say, the Thatcher wing of the party hasn't a clue how to handle the latest turn of events. Robbed of the "wider Europe" excuse to resist the centralizing drive of the French EC presidency, the Thatcherites can only console themselves with the thought that the Tories' "New Cliveden" group of pro-Brussels appeasers (Baker, Howe, Hurd, etc.) are equally bewildered by the brand-new concept of a "circle" of European vassal states.

The Cliveden people, by and large, have supported a "four-power" European state, whose pillars would be England, France, Italy, and West Germany. They never signed on for Mr. Delors's "circular" empire and are now furiously back-tracking. Foreign Secretary Douglas Hurd was first off the mark with an in-depth press interview in which he claimed: "I have never been a federalist."

The third event that shook English complacency was the Nov. 29 murder of Deutsche Bank chairman Alfred Herrhausen. There are several reasons for this:

1) The U.K. is always sensitive to terrorist news, being the only nation in Western Europe currently fighting a

full-time war against terrorism within its own boundaries.

2) The "success" (as it was presented) of West Germany's own, smaller terrorist war at the end of the 1970s was presented in the U.K. as "proof" that—with enough expertise on the part of the security forces and enough endurance and good will on the part of the public—the terrorists could be beaten relatively painlessly. The Herrhausen killing has shattered the British illusion that the Red Army Faction were a bunch of "men with beards" who killed a few people many years ago and are now either dead or safely behind bars.

3) The idea that the terrorists are on the retreat is intimately associated in the British public mind with a return to "normality" in general. The Northern Ireland emergency began in 1969, coinciding with the beginnings of real problems in the British economy. Thus signs of an "end to the violence" are sought for as a sign that the economy might be returning to "normality"—i.e. full employment and rising living standards. The assassination of the Deutsche Bank chairman seems an ominous sign that the terrorists—at home and abroad—are far from beaten.

Along with these straws in the wind was an item that could have been—but wasn't—big news in Britain. The Dutch Euro-commissioner kicked off the week with an off-the-cuff statement to the effect that Britain would be quite free to leave the Community and rejoin the free-trade area EFTA. What was not mentioned was that, as of December, EFTA, as a separate entity, has ceased to exist. It now forms part of a Brussels-dominated "European Space," whose members have to accept all Brussels legislation. The "space" will form part of Mr. Delors's "circle," a tight imperial system dominating the West.

# Business Briefs

## Space

### Consortium formed for Sanger space plane

A consortium has been formed in West Germany for the development of the Sanger space plane, according to *Space News* of Oct. 9, 1989. The plane could cost almost \$20 billion.

The initial consortium is entirely German, but plans exist to convert to an international effort commencing in 1993 to develop and test a small flight demonstrator the size of a typical fighter plane, *Space News* reports.

The consortium includes the Ministry for Research and Technology, Deutsche Aerospace (a merger of Dornier and MTU), several universities, and the government-subsidized German Aerospace Research Establishment in Cologne.

Messerschmitt-Bolkow-Blohm (MBB), soon to be part of Deutsche Aerospace, will have the largest industrial role in the project and is responsible for the concept study and aerothermodynamics. MTU is responsible for propulsion, and Dornier is at work on material and structures.

France, at work on the Hermes space shuttle, and Britain, which has just canceled its Hotol aerospace plane, will be excluded from the international effort, but other European, and American, Japanese, or even Soviet cooperation is possible, according to Heribert Kuczera, MBB's manager of system studies.

Development of the flight vehicle would begin about 2005, with the first operational flights in 2010. But Kuczera said the schedule could be speeded up, "if the need and the political vision is there."

## Lasers

### French demonstrate military capabilities

A test of the LATEX carbon dioxide laser was conducted in November in the Aerospatiale company testing facilities in Marcoussis, near Paris. The laser destroyed a missile warhead and an aircraft cockpit.

The laser, mounted on a turret and

equipped with a sophisticated targeting device, was fired at a distance of 700 meters and delivered 40 kilowatts of power. The device will soon be tested on targets moving at speeds of 250 meters per second, or roughly 500 mph.

The next step, the construction of a 400 kilowatt laser weapon system, has been postponed pending possible cooperation with the Federal Republic of Germany, which is active in similar areas of research.

## Pensions

### Unfunded liability tops \$1 billion

The unfunded federal pension liability now tops \$1 trillion, claims the fall issue of *Government Waste Watch*, the publication of Citizens Against Government Waste (CAGW), which was set up by J. Peter Grace.

The unfunded liability of the Civil Service Retirement System alone—taking into account employees already retired and those likely to be—is more than \$481 billion, *Waste Watch* reports. Estimates on the unfunded pension liabilities of state and local governments range from \$160 to \$450 billion.

Pension funds are also increasingly playing the futures markets, even though "most investors won't touch commodities futures, which they regard as risky investments," the *Wall Street Journal* reported Dec. 22. Eastman Kodak, a "leading edge institutional investor," has put \$150 million of its \$7 billion pension fund into commodities futures, and two Detroit municipal pension funds have invested \$32.5 million.

## Political Economy

### British columnist pans 'Anglo-Saxon chaos'

*Financial Times* Lombard columnist John Plender favorably contrasted the economic results obtained by the approach of the Japanese and West Germans to what he calls "Anglo-Saxon chaos," in a Dec. 18 piece entitled, "The

Magic of Unfree Markets."

Now that everybody is talking about the failures of the communist economic system, we should begin to look seriously at the failures of the capitalist system, many of which result from the "ill-considered attempts by the Anglo-Saxons to impose deregulation on their trading partners," he wrote.

"After all," Plender warned, "the larger Anglo-Saxon economies are scarcely attractive models." They suffer from massive trade deficits, "thoroughly unstable financial markets," corporate sectors subject to "shocks and takeovers," and individualistic drives that undermine "social cohesion."

By contrast, the approaches of Japan and Germany have been "beneficial" to their economies. Japan creates a "stable climate for ever more investment in productivity in plant and machinery." Japan "works," he stressed, and it is only the Japanese intervention into the world economy which has "stabilized" the U.S. and prevented calamities.

Should the Japanese follow demands to end credit controls and to undermine the close cooperation of government and industry, this would only cause "unmitigated Anglo-Saxon policy chaos." Chastising "free-market Western politicians," Plender notes that Eastern Europeans are "treading the corridors of the Japanese ministries in droves," recognizing that Japanese policy is saner than that of the "Anglo-Saxons."

## Austerity

### World Bank threatens Bangladesh

The World Bank added its voice to the stepped-up campaign against the government of Bangladesh President Lt. General Ershad, according to reports from the capital city of Dhaka. The bank's representative in Dhaka warned in an interview with Reuters Dec. 17 that foreign loans to Bangladesh (85% of whose budget depends on foreign aid) would suffer if the aid money is not used appropriately. This means that Bangladesh has to stop feeding its population.

The country receives some \$2 billion a year from the Paris Club of creditor nations,

# Briefly

but at the moment, nearly \$5 billion of this aid money is still stuck in the pipeline, unused, because Dhaka is unable to come up with domestic matching funds.

Francis Van Gigch, the World Bank representative, attributes Bangladesh's inability to mobilize internal resources to wage increases—where per capita income is \$170 per year—and to “unwise procurement of food grains.” Van Gigch complains that Bangladesh is trying to buy rice when the country is expecting a bumper harvest. But government spokesmen insist that a “buffer stock” is essential to fight a possible food deficit next year, since—quite apart from the cyclones and other disasters which regularly ravage Bangladesh—good and bad crops have alternated historically.

## AIDS

### India's infection rates higher than suspected

One in every 10 prostitutes in Bombay has been found to harbor the human immunodeficiency virus (HIV), according to a study conducted by the Indian Council of Medical Research (ICMR), the main medical research group in India. According to its estimate, about 70,000 men could become infected every day by these prostitutes.

Even more alarming was the assessment of Dr. Mahendra Trivedi, whose long years of medical practice in squalid areas of Bombay helped the ICMR get the prostitutes to cooperate in its study. According to Dr. Trivedi, 412 prostitutes tested HIV positive in a sample of 2,000.

One-third of the reported AIDS cases in India until last October were from the State of Maharashtra, 80% of them from Bombay. So far, 20 deaths from AIDS have been reported.

The AIDS infection rates come as the International Labor Organization estimated that India has between 3 and 5 million drug addicts, the majority being teenagers and adults under age 30, part of an alarming rise in the number of drug addicts in Asia. The ILO has urged Asian countries to adopt new measures to check the spread of drug abuse and rehabilitation of addicts.

## Infrastructure

### Japanese support Colombian land bridge

Colombian President Virgilio Barco received strong support for the idea of constructing an “Interoceanic Land Bridge” across Colombia from the Japanese parliament and top business leaders, when he presented his plan on a visit to Japan during early December.

Barco laid out his plan of constructing two superports, one on the Pacific and one on the Atlantic, connected by a high-speed rail link and a superhighway, to the parliament and Keidanren, the major businessmen's organization of the country. Former State Minister Muto Kaban, head of the Colombia-Japan Friendship League, called the idea “a great project for the good of the world economy.” Keidanren President Eishiro Saito, who is also head of Nippon Steel, also spoke favorably of the project.

## Energy

### Electricity shortfall will double predictions

The shortfall of electricity by the year 2000 will be twice as big as previously predicted, P. James Adams, a designer of nuclear power plants with the Kansas City engineering firm Black and Veatch, told 3,000 delegates at the Second International Exhibition and Conference for the Power Generation Industries in New Orleans on Dec. 9.

Adams estimated that the United States will need at least 200,000 megawatts of new generating capacity by 2000, instead of the 101,000 estimated by the North American Electric Reliability Council (NERC), and the 137,000 estimated by the Department of Energy. The Council on Energy Awareness, the lobby of the nuclear power industry, estimated that the United States will need 120,000 to 200,000 megawatts of new capacity.

According to NERC, there are now only 395 new generating plants planned, totaling 54,000 megawatts, of which only ten are nuclear.

● **THE RATE OF INCREASE** in expenditures on new U.S. plant and equipment will decline in 1990 to 4.9% compared to an 8.5% increase in 1989, according to a Commerce Department survey. Durable goods manufacturers are planning to cut capital expenditures 1.5%.

● **AIDS VICTIM** estimates by the World Health Organization and French official figures are an underestimation, *Le Figaro's* Max Clos wrote Dec. 6. “Much time was wasted, before the struggle against AIDS began to be organized,” he charges. “We are veering towards catastrophe by the end of this decade.”

● **FRANCE'S HIGH SPEED** Train à grande vitesse, or TGV, set a speed record Dec. 6 using a commercial train of 482.4 km/h, or just above 300 mph. Such a speed could make for travel time between Paris and Warsaw of 3.5 hours.

● **FOOD COSTS** will become significantly higher in 1990, the *Frankfurter Rundschau* reported Dec. 7. Meat prices are expected to rise by 10% or more, dairy and tobacco products by 5%, and prices for many other commodities will be 3-4% higher than in 1989.

● **INDIA'S FOREIGN DEBT** has grown to more than \$51 billion, trebling the debt-service ratio from 8% of foreign exchange earnings in 1980 to 27% in 1989, according to a World Bank document released Dec. 17. Medium- and long-term debt increased from \$25.6 billion in March 1985 to an estimated \$44 billion in March 1989.

● **RESEARCH** and development spending in the United States will barely keep up with inflation in 1990, according to *Research & Development* magazine Dec. 14. Total R&D spending is expected to rise only 5.6%, with large companies spending only 8.0% more, compared to an increase of 12.0% by European and Japanese companies.

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## NASA plans return to Moon, manned colony on Mars

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*21st Century Science and Technology Associate Editor Marsha Freeman details the new technologies we need for a U.S. planetary colonization program.*

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Flanked by Apollo 11 astronauts Neil Armstrong, Buzz Aldrin, and Michael Collins, President George Bush announced on July 20 that his administration would commit the United States to go back to the Moon to stay, and then on to Mars. NASA Administrator Richard Truly announced soon after that, that the space agency would do a 90-day "tiger team" study to make its first-cut recommendations to the National Space Council. Johnson Space Center director Dr. Aaron Cohen was brought in to Washington to head the NASA team. In November, NASA's report on Human Exploration of the Moon and Mars was submitted to the National Space Council, headed by Vice President Dan Quayle. It is now being reviewed there and, according to participants in the NASA study, the space council may have other groups, such as the National Research Council, review the space agency's report.

President Bush should be advised that time is of the essence. Every week there are press announcements of industry layoffs in the tens of thousands, now not only in automobile manufacturing and so-called "smokestack" industries, but also in high-technology sectors, such as computers and telecommunications.

The last great space initiative of the United States was the 1960s Apollo program to land a man on the Moon and return him safely to Earth. When that program ended, the engine pumping new technologies into the economy began to slow down. It has been at a near-standstill for the past eight years, as government research and development was drastically reduced or completely dismantled in important fields such as nuclear fission and fusion energy, next-genera-

tion transportation, and even the emerging fields, such as industrial applications of high-temperature superconductivity. High-technology industry has jumped on the leveraged buy-out bandwagon and become more interested in selling off assets than investing in new technology to increase productivity. Numerous recent studies have demonstrated that by the turn of the century, there will not even be enough scientists and engineers to initiate large-scale science and engineering projects, if the nation should then decide to undertake them.

Though one could debate the merits of some of the details of the NASA report, the most important thing this administration must do, is to get the nation started on the Moon-Mars mission. Studies of the advanced technologies needed for the missions should continue. Technical specifications for the various new and highly sophisticated space systems required will be refined. But if we do not get started soon, this nation will find that it has *neither* the political will *nor* the physical economic means to carry out this effort, which is itself the means by which we will push ourselves into the 21st century.

As the NASA report states, "The initiative described in this report encompasses robotic as well as human missions. It is, nonetheless, a distinctly human adventure in the broadest sense, involving not only human space travelers, but also extending into the Solar System the skills, imagination, and support of many thousands of people who will never leave Earth." Hundreds of *millions* of people will benefit.

### **Sending robots first**

"To enrich the human spirit, to contribute to national pride and international prestige, to inspire America's youth,

to unlock the secrets of the universe, and to strengthen our nation's technological foundation: human exploration of the Moon and Mars will fulfill all these aspirations and more," states the NASA report. The initiative envisioned by NASA is a program following "an evolutionary pathway over a 30-year horizon." Both the Moon and the Mars segments of the program entail four phases, the way NASA describes it.

The first is the preparatory phase of robotic exploration. Before we can pack up our belongings and go off to live on other heavenly bodies, we must send sophisticated representatives of our human intelligence to reconnoiter. Though men have landed on the Moon in six of the Apollo missions, they explored only a very limited area. The unmanned reconnaissance missions preceding Apollo used technology that is now 20 years old. Both the previous manned and unmanned missions provided information essentially limited to a band around the equator of the Moon. Sensing instruments, using today's technology, can provide maps of the Moon as detailed as the Landsat photos of the Earth from a global standpoint. When the Galileo spacecraft, which has Jupiter for its ultimate destination, swings by the Earth for a gravity assist, for example, it will image the poles of the Moon for the first time.

The mid-1970s Viking orbiters and landers opened up a view of Mars that was unimagined, which included violent dust storms, huge volcanoes and canyons, ice frost, and dynamic polar caps. The 1992 Mars Observer will orbit the planet for a full Mars year, revealing more detail about the atmosphere, climate, geology, and weather of the planet. Later, rovers and sample return missions will also be required.

The NASA report recommends that the general practice of building and launching identical or nearly identical *pairs* of spacecraft be reinstated in future mission plans. The sole reason for the design of singular unmanned spacecraft missions in the past decade was entirely because of budgetary constraints. Since neither unmanned launch vehicles nor unmanned spacecraft are "man-rated" and have a somewhat greater risk of failure, the probability of success is increased by having two of each ready to launch.

The report proposes that a two-spacecraft Lunar Observer mission be carried out to "verify the requirements for surface equipment and excursion vehicles, select the outpost site, and plan lunar surface operations."

The flight plan calls for placing each spacecraft into an elliptical orbit in which a sub-satellite will be released to conduct gravitational mapping of the Moon, because previous data indicated mysterious gravity variations on the Moon. About a month later, the spacecraft's orbit will be circularized into a 100 kilometer-high polar mapping orbit, from which it will send back data for one year. This is similar to Landsat, which orbits from pole to pole, instead of around the equator, while the Earth rotates on its axis beneath the satellite. After the Lunar Observer mission's detailed and

extensive survey of the Moon is completed, planners will be able to locate the best site for an initial lunar outpost, in terms of resources, science opportunities, and ease of landing and takeoff.

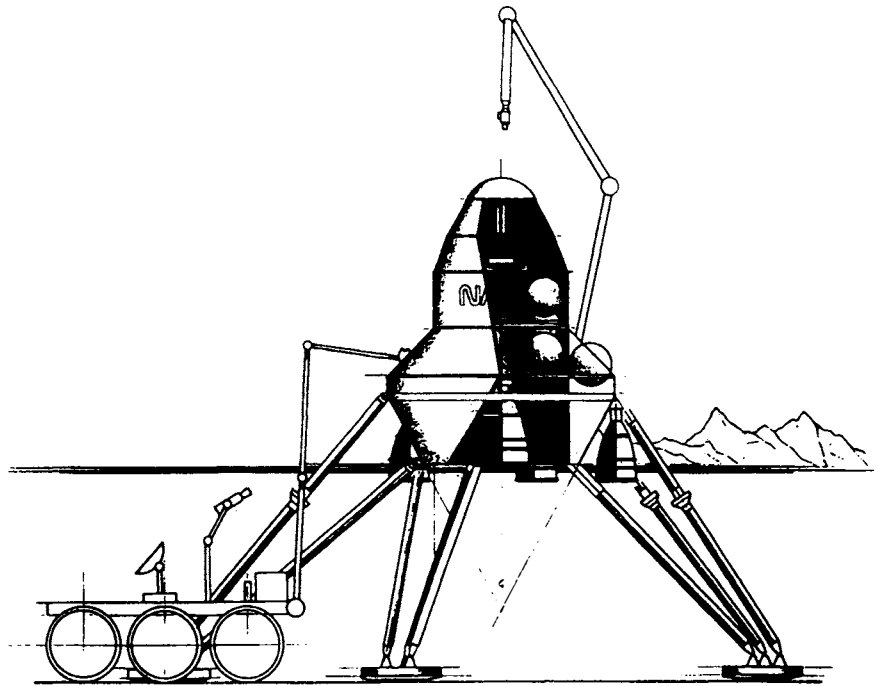
No human has ever set foot on Mars, and thus far, no robot has brought us samples back. So far, our exploration of the Red Planet has been vicarious, through the eyes and instruments of spacecraft. In 1992, NASA plans to launch the Mars Observer—a single spacecraft which will provide detailed data to address scientific issues, such as the origin, history, and current conditions on the planet; to provide engineering data, to help site selection; to provide atmospheric and climatic data to aid in designing manned vehicles and surface systems; to search for Martian resources; "and to generally demonstrate readiness to proceed with a human Mars mission." We would need an enhanced Mars Observer to allow for additional high-resolution mosaic pictures of the planet, higher data transmittal rates to Earth, and an extended period of operation, if this previously planned mission were now seen as a precursor to manned exploration. NASA states that if the 1992 mission were to fail to meet its objectives, "a modified 1996 mission will back it up."

It is proposed that a Mars Global Network Mission be conducted preceding a manned mission. Two spacecraft would each carry an orbiter and multiple landers, launched within 20 days of each other on two expendable launch vehicles. The landers would provide high-resolution data on the surface at multiple locations and obtain extended-duration seismic and meteorological measurements. They would also implant scientific instruments beneath the surface, as well as leave instruments on the surface, as Viking did before them. In one design, the small landers would be deployed to the surface at different times to different locations. The orbiter would relay the data collected from the landers to Earth.

NASA describes as the "centerpiece of the robotic Mars missions," a Mars Sample Return with Local Rover mission (**Figure 1**). Most scientists agree that examining soil and rocks from Mars, using the most advanced techniques available in today's Earth laboratories, is a prerequisite to sending people millions of miles to go there. In addition to providing important scientific information, this mission would demonstrate the landing and launch technologies that would be needed for piloted missions to Mars. New technologies, such as using the atmosphere of the planet for aerobraking and aeromaneuvering, would be tested out before being tried with people. Techniques needed for hazard avoidance during landing, for automatic rendezvous and docking, and for coping with long communication delay times, all needed for operations on Mars, would be put to the test. The plan would be to bring five kilograms of Martian rocks, soil, and atmosphere back to Earth. The rover provides an important series of first tests of surface mobility—there has been much speculation but little practical development of vehicles to roam the Martian surface.

FIGURE 1

**Mars sample return vehicle with local rover**



*After the sample return vehicle lands on Mars, its rover, which is shown on the left here, will separate and collect 5 kilograms of Martian soil, rocks, and atmosphere, and deliver these back to the sample return vehicle.*

*The top half of the vehicle is the ascent stage, which will blast off from the surface after one year. Carrying the precious sample inside it, it will automatically dock with a sample return orbiter which will be orbiting Mars. When docking has been completed, the cannister with the samples will be transferred to the sample return capsule part of the orbiter, which will head back to Earth a month later.*

Source: NASA, "Report of the 90-Day Study on Human Exploration of the Moon and Mars," November 1989.

Two identical flight systems would be launched and aerocaptured into a circular orbit around Mars. The Mars ascent vehicle with its rover would land near one of the global network lander sites, while the sample return orbiter remains in orbit. The rover, able to traverse about 100 meters from the lander, would be deployed to collect samples in an area outside the region contaminated by the lander's propulsion system.

Ascent for the return to Earth would take place a year later, with the ascent vehicle docking with the sample return orbiter. "Once docking is completed, the sample canister assembly will be transferred to the sample return capsule of the Earth return portion of the sample return orbiter." Departure from Mars orbit is to take place about a month after ascent from the Martian surface.

At the same time, the Mars Site Reconnaissance Orbiter mission, consisting of two orbiters and two communication satellites, would be in progress. The orbiters would be Sun-synchronous and have a near-polar orbit at an altitude of 299 kilometers, so as to complete an orbit each Earth day. The orbiters would have the task of imaging between 30 and 50% of Mars, generally making moderate resolution visual maps. For selected regions of the planet, high-resolution images would be obtained. The two communications satellites would relay the data back to Earth. This preliminary communications infrastructure will be crucial to coordinate the multitude of landers, rovers, and orbiters even before people arrive.

NASA estimates that up to five Mars rover missions to certify three sites may be needed in combination with the Mars Observer mission and Mars Global Network. Each will survey a different 10×10 kilometer area for "trafficability, subsurface structure, and mineral composition." Within each 100 square kilometer area, nine 100-meter sites will be selected for location of a power plant, a habitat, and a landing site for the manned missions which will follow.

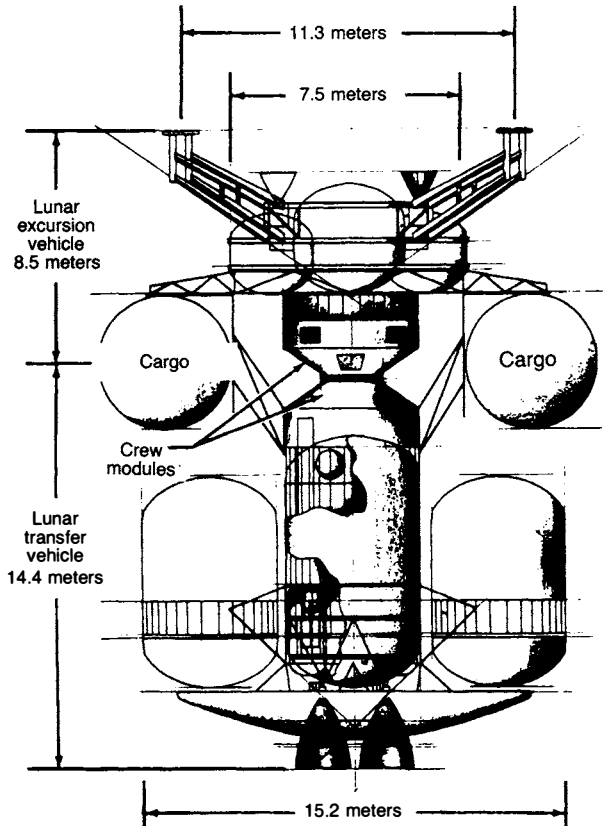
**Return to the Moon**

The second phase of the human exploration initiative for both the Moon and Mars is the emplacement phase, where basic habitation infrastructure and the foundation for more complex future operations are laid. "During this phase, human operations take place within tens of kilometers of the outpost, and unmanned rovers are used to explore more distant areas." From the first flight, the commitment is made that the lunar outpost will be a permanent facility.

The crew, payload, and vehicle propellants for the manned return to the Moon are brought from Earth to Space Station Freedom. There they are loaded into the lunar transfer vehicles which will take them to low lunar orbit (Figure 2). In lunar orbit, the transfer vehicle will rendezvous with an excursion vehicle, which will carry the crew and equipment to the surface of the Moon. The transfer vehicles return to Freedom to prepare for their next trip, and are serviced there. The excursion vehicles, in this plan, are serviced and main-

FIGURE 2

**The lunar transportation system**



**Lunar excursion vehicle**  
**Inert mass:** 5.8 metric tons  
**Propellant load:** 22.4 metric tons  
**Crew module, including crew:** 4.4 metric tons

**Lunar transfer vehicle**  
**Propulsion/avionics module core**  
**Inert mass:** 8.1 metric tons  
**Propellant load:** 7.0 metric tons  
**Crew module, including crew:** 8.4 metric tons

**Drop tanks**  
**Inert mass total:** 5.8 metric tons  
**Propellant load total:** 129.8 metric tons

Source: NASA, "Report of the 90-Day Study on Human Exploration of the Moon and Mars," November 1989.

The lunar transfer vehicle which makes up the bottom half of the lunar transportation system is used to transport crews and cargo between Space Station Freedom and lunar orbit. In this design the vehicle consists of a reusable core, similar to the Space Shuttle main engines, and expendable propellant tanks, similar to the Shuttle's expendable External Tank. Using expendable drop-tanks, according to the NASA report, reduces the vehicle's propellant load by about 10%, compared to a single-stage, fully reusable lunar transfer vehicle. The transfer vehicle will provide shielding from solar flare radiation, probably using water.

When the first people are being ferried to the Moon, a lunar excursion vehicle with a crew module will sit on top of the lunar transfer vehicle. At other times, it will carry only cargo. When the crew module is attached to the transfer vehicle, the crew can override the automated rendezvous and docking system.

The lunar excursion vehicle is designed to deliver approximately 33 metric tons to the lunar surface in a cargo-only mode, or between 13-15 metric tons plus a crew module in a piloted mode. It includes a propulsion system, landing legs, crew cab, and other sub-systems.

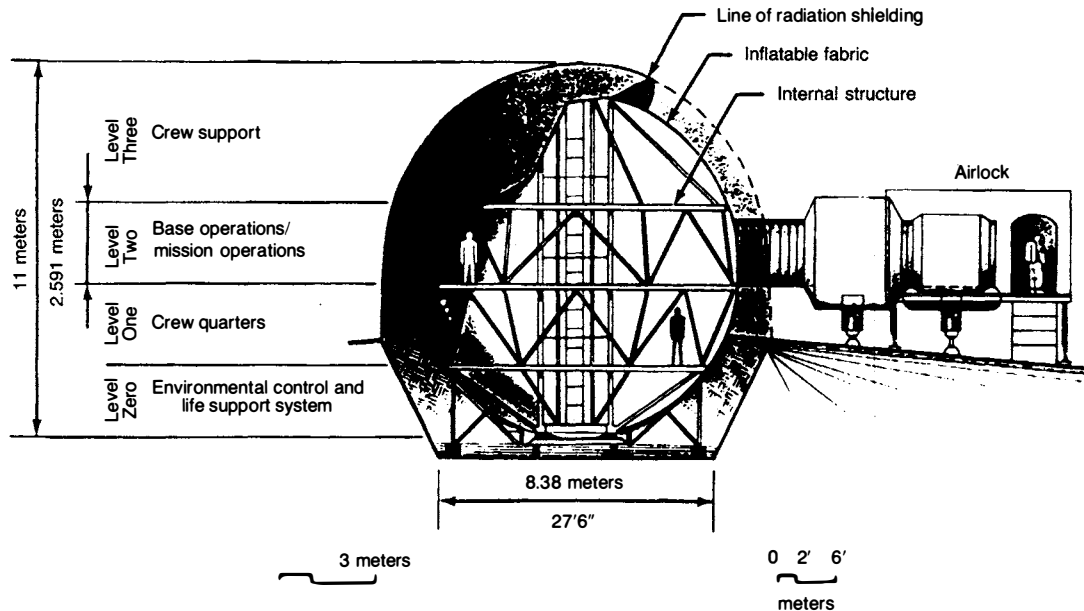
tained at the outpost on the lunar surface. There have been other proposals to maintain the transport vehicles in low lunar orbit at a space station, rather than on the surface.

The current fleet of Space Shuttle orbiters carry both crew and cargo into Earth orbit. Because it is estimated that the freight needed to support men on the Moon will require at least doubling the tonnage of cargo the U.S. is able to launch now, specialized transport systems will have to be developed—some for crews, and others for cargo. During the early stages of lunar living, the cargo vehicles will either return empty from the Moon, or if they are not reusable, they will be expended. Eventually, some of the materials mined and manufactured on the Moon, such as lunar oxygen, will be

used in space. Others will be exported to Earth. Studies being done at the University of Wisconsin and under consideration at NASA, indicate that the rare isotope helium-3, which is not available on Earth, can be mined from the upper layers of the lunar soil. Helium-3 will be needed to fuel the fusion energy power plants on Earth, and also on the Moon itself.

In the NASA report, the first manned lunar mission in the year 2001 is preceded by an unmanned cargo trip which delivers an unpressurized manned/robotic rover (the astronauts have to wear spacesuits in the rover), and the equipment needed to prepare the outpost site and unload payloads from the coming excursion vehicles. The second flight to the Moon will also be a cargo mission, delivering the initial permanent

FIGURE 3  
Constructible habitat concept design



Source: NASA, "Report of the 90-Day Study on Human Exploration of the Moon and Mars," November 1989.

*The first crews on the Moon and Mars will live in Freedom-derived habitat modules 4.45 meters in diameter and 8.2 meters long, which will be covered with lunar soil or regolith to protect them from radiation. As the NASA report described, "To accommodate larger crews and longer stays, and to provide larger pressurized volume for outpost and science operations, an expanded habitat is required."*

*An 11-meter diameter inflatable structure, partially buried in a crater or a prepared hole, could be constructed. When fully assembled, the constructible habitat pictured here provides three levels. The equipment required to outfit the new living and working quarters will be delivered in logistics modules, which are pressurized containers capable of docking with a specially designed cargo port on the habitat. The infrastructure needed to maintain the crew's artificial biosphere is on Level Zero of the habitat. The entire structure is covered with lunar soil for radiation shielding.*

habitation facilities. These consist of a habitation module where the crew will live, an airlock to transfer from the module to the lunar surface, a power system which might initially be solar-powered but will later be nuclear, and other support equipment.

The first piloted mission with a crew of four in this reference design, would stay on the lunar surface for up to 30 days. The crew will check out all of the equipment, and use the rover to conduct geological studies. They will put scientific instruments in place, including the first elements of an astronomical telescope array.

After additional cargo missions deliver more material, longer visits to the lunar base will begin, and the crews will quickly conduct a variety of experiments to demonstrate on-site resource utilization. "When the pressurized laboratory module is emplaced, geochemistry, life sciences, and biomedical research will begin." Man will truly be living and working on another celestial body, for the first time.

A major goal of the lunar development work will be to demonstrate, test, and further develop the systems which will be needed for the longer and more hazardous first journeys

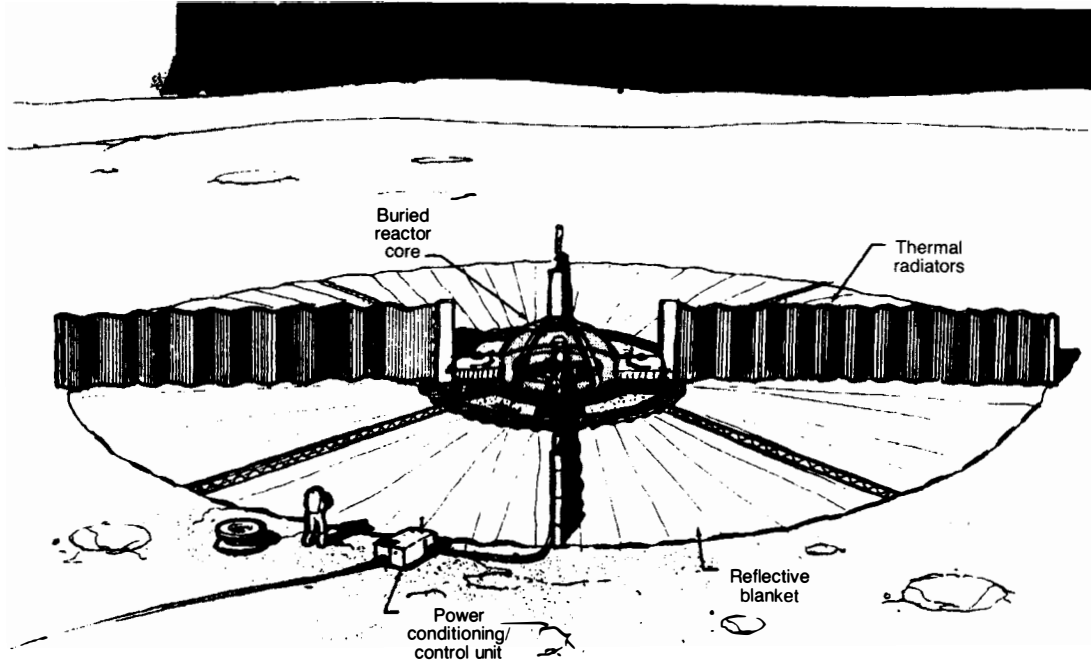
to Mars. The Moon is less than a quarter-million miles from Earth; at its nearest point, Mars is 35 million miles away.

### Bridge to Mars

To expand the capabilities of the lunar outpost, a constructible habitat will be built (Figure 3). The crews will get larger, and the stay-times longer. Crucial will be the biomedical and life sciences research, to discover how living systems adjust or react to the reduced gravity of the Moon. The lunar gravity is only one-seventh that of Earth, whereas the gravity on Mars is about 40% that of Earth. U.S. variable gravity studies so far have only been of relatively short duration, and only of near-zero gravity in orbiting Space Shuttles. The Soviets have not made the results of their extensive biomedical tests conducted on their space stations available to U.S. researchers. Initial studies indicate a serious disruption in the growth and reproduction of plants and insects in microgravity. The consolidation phase (Figure 4) "further extends human presence, both in complexity of operations and in distances traveled from the outpost, and continues to develop experience in living and working in a planetary



FIGURE 4  
Nuclear dynamic power system



Source: NASA, "Report of the 90-Day Study on Human Exploration of the Moon and Mars," November 1989.

*The two-week lunar night makes the use of solar-dependent energy systems uneconomical. On Mars, moreover, where there is an Earth-like day-night cycle, the atmospheric effects and weather disturbances make solar power as unattractive and uneconomical on Mars as it is on Earth.*

*Baseload (100-kilowatts), utility-style nuclear power generation will be needed on both the Moon and Mars soon after people arrive there. Before then, small systems using available radioisotope thermoelectric generators, similar to those on the Galileo spacecraft, can power unmanned robotic explorers. The SP-100 reactor, now under development by NASA, the Department of Defense, and the Department of Energy, is the prototype for the simplest operating nuclear system that will be available by the time crews could leave for the Moon in the year 2001. The SP-100 will use thermoelectric technology to convert the heat from the fission process into electricity. Dynamic conversion systems, with higher efficiencies, should be available by the turn of the century, which would improve the performance of the nuclear power systems.*

*More advanced still, and considerably more efficient, would be a direct-conversion magnetohydrodynamic (MHD) system with the nuclear power plant. Here, a working fluid which is energized by the fission reaction, produces electrical power using no moving parts. MHD direct conversion technology would also later be used with the fusion power plants in space.*

environment." Humans extend their work hundreds of kilometers from the outpost.

Having come this far, the final stage is the operation phase, where people now depend upon on-site resources, and live and work with minimal dependence upon Earth. Mankind is finally becoming a multi-planet species.

Fifteen years after the first human footsteps since Apollo are taken on the Moon, the first crew will take off for Mars. Because of the much greater distance to Mars, systems there must be that much more autonomous and much less dependent upon help from Earth. This means that unmanned systems must be long-lived and durable, be able to survive a long journey, and operate on their own. This is even more the case, because of the almost 20-minute lag time in communications

due to the distance between the Earth and Mars, which makes prohibitive having an engineer or geologist sit in front of a screen on Earth or at Freedom and "teleoperate" a rover on the surface of Mars, as he or she could a rover on the Moon, where the round-trip communication time is only three seconds. In the time it takes a communications signal to travel 70 million miles or more, a rover could rove off a cliff by the time the operator sent a message to the rover to stop.

For manned systems, little margin for error is acceptable, and technologies will have to be developed to be "self-healing," as repair shops will be millions of miles away. There must be a very high level of confidence and low risk in the vital life support systems for the crews, as the Martian atmosphere is not breathable, and we do not know yet if the

soil will support the growth of plants.

Mars has certain similarities to Earth that the Moon does not. Because the two planets have atmospheres, aerobraking and aerocapture techniques can be developed on Earth, tested at Freedom, and used for landing both near Earth and near Mars. An aerobrake is a rigid structure like a shell, made of composite materials with advanced thermal protection. The aerobrake makes use of the friction of the approaching planetary atmosphere to slow down a spacecraft, rather than using heavy propellants to retrofire rockets to slow down. It is estimated in the NASA study that the use of aerobraking with conventional chemical propulsion reduces the required initial mass to launch into low-Earth orbit by more than 50%, in addition to reducing operating costs.

The chemical-aerobraking propulsion combination was used in this study as the baseline for the lunar transfer vehicle propulsion. As the study states, however, "for transportation from Earth orbit to Mars, nuclear propulsion shows a great deal of promise as an option for significantly enhancing mission performance." The major potential advantage of nuclear propulsion is the reduced time required for the trip. If interplanetary space radiation, in addition to the deleterious effects of microgravity, prove to be constraints on the manned exploration of Mars, which is likely, reducing travel time will be the major factor in choosing which propulsion technologies to develop. Chemical (liquid hydrogen-liquid oxygen) rockets would require about nine months for one-way travel to Mars. From 1955 to 1973, solid-core nuclear fission thermal rockets such as NERVA were designed, built, and tested in orbit by the space agency. Their major advantage was a savings of about 40% in the amount of mass needed to be hauled to low-Earth orbit. The NASA report states, "However, gas-core nuclear rockets, for which concepts were also formulated during the same time, offer the significant advantage of reducing round-trip travel time to Mars to less than 1 year."

Initial studies in the use of advanced nuclear fusion systems for transport to Mars indicate that a first-generation deuterium-helium-3 system, available by the beginning of the manned Mars initiative, could deliver a crew to Mars in about eight weeks. The NASA study has been criticized for not looking broadly enough at the technologies just now emerging, which should be pushed forward through the Moon-Mars program. Fusion propulsion is one such technology.

The colonization of Mars will push to the limit today's scientific and technological development. Every field of economic activity, from new materials, energy sources such as fusion, and biomedical devices to new ways to grow food, will be enhanced by the Mars initiative. Like the Apollo program of the 1960s, the 30-year Moon-Mars program will rejuvenate the physical economy and the cultural optimism of the people of this planet. One of the areas where this is most important is education. It has been predicted that there

will be a shortage of 675,000 scientists and engineers by the year 2000. Recognizing that the demands for scientific and engineering manpower for the manned space initiative will outstrip the number of graduates projected from American colleges and universities, the report proposes to enhance its education programs, by adopting an initiative entitled, "Scientific Literacy for the 21st Century." This educational outreach program will "help to increase science literacy among four high-leverage groups: teachers, students, universities, and the adult general public. An exciting series of specialized educational programs will be designed for each of the four groups, and all will incorporate the space science and technology concepts and activities associated with the Human Exploration Initiative."

### Getting started

The approach that the NASA study puts forward as the preferred schedule places the lunar return in 2001, and the first manned mission to Mars in 2016. Such a timetable allows enough time to develop new technologies, and test and deploy them, rather than rushing to get there and having to rely only on yesterday's already-proven technologies. The missions could be done more quickly, but nothing except public relations would be "gained."

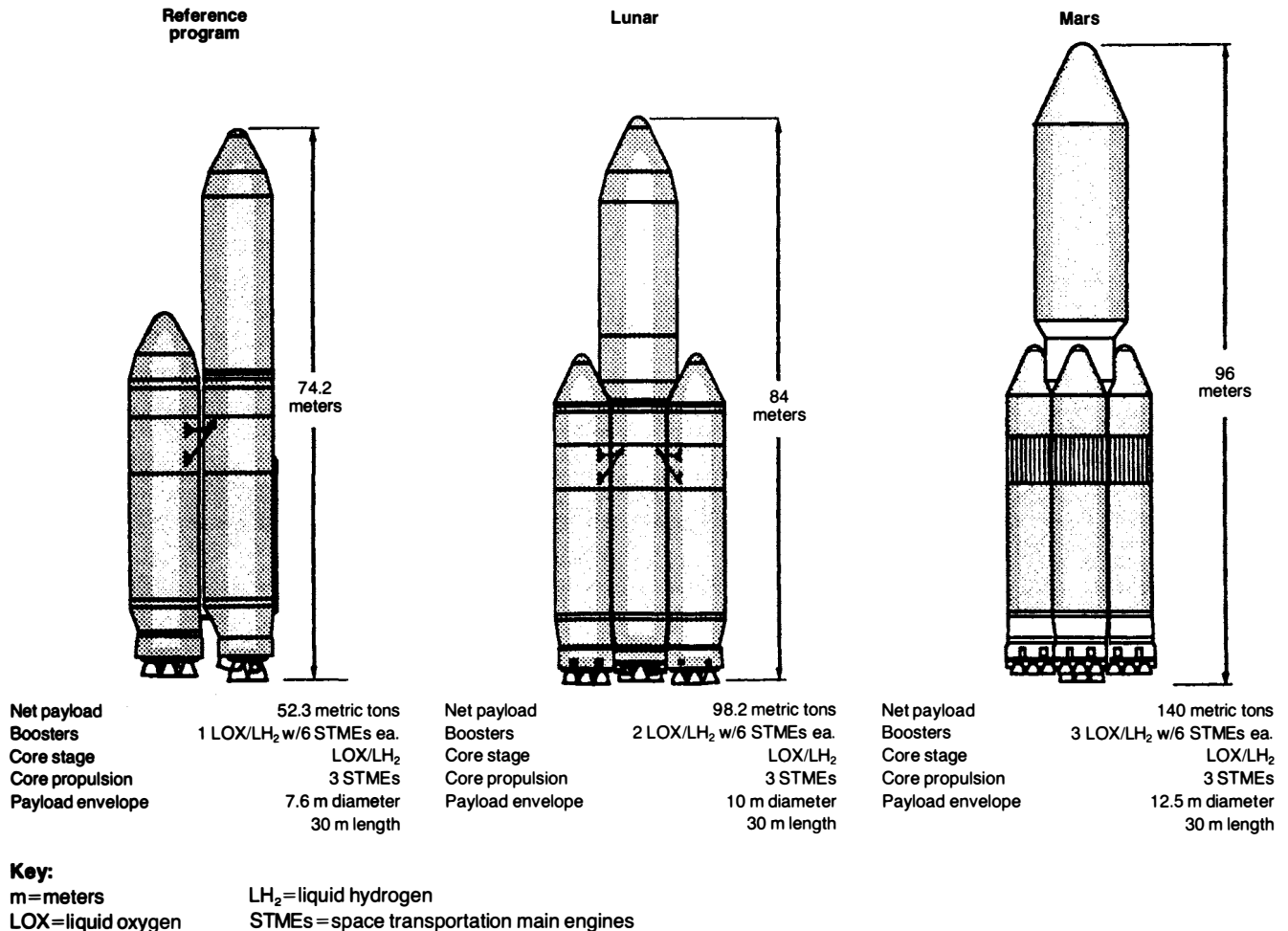
Delaying the effort, taking the approach of former Senator William Proxmire (D-Wis.)—the Moon will always be there, so what's the hurry?—will drag out the development and make the cost in resources and manpower, not to mention money, prohibitive. No one, inside or outside the space program, would maintain interest in an effort that had decades between major milestones.

To make use of the expertise and years of experience of the people who researched, built, and planned man's first adventure on the Moon, as well as the men who actually went there, the work must start now. In order to go back to the Moon in the year 2001, Space Station Freedom will have to be operational by 1997, not 1999 as currently planned. Lunar transfer vehicles must be checked out and tested from Freedom, before they are loaded with cargo and crews to go to the Moon.

Therefore, rather than stretching out the completion of Freedom each budget year, the work must be accelerated to *cut* two years from the schedule. Originally, the space station was to be operational in 1994. It has suffered more than \$2 billion in budget cuts since the program began in 1984. A family of heavy-lift launch vehicles have to be produced, to carry double, and then double again, the tonnages that must go from Earth to the Moon, and then from the Earth and the Moon to Mars (**Figure 5**).

For years, NASA and the Air Force have been trying to convince parsimonious administrations that heavy-lift vehicles are required for the Strategic Defense Initiative, for servicing Space Station Freedom, eventually for more complex robotic outer planetary missions, and most importantly, for

**FIGURE 5**  
**Advanced launch system heavy lift vehicles**



Source: NASA, "Report of the 90-Day Study on Human Exploration of the Moon and Mars," November 1989.

For years an Advanced Launch System (ALS) for unmanned payloads has been under study. The reference program would lift over 50 metric tons of payload, using 1 liquid hydrogen booster, rather than solid rocket boosters, which are used on the Shuttle and today's expendable launch vehicles. Today's Shuttle orbiter carries 20 tons of payload. However, a more capable configuration would be required for the lunar effort, with a doubling of payload capability, using two boosters. The payload envelope or carrier would also be slightly larger. Manned missions to Mars will require a larger payload envelope, as well as an additional booster, to reach a 140 metric ton payload capacity. For comparison, the Soviet Energiya booster is designed for a 100 ton payload.

It is estimated that between five and seven ALS heavy-lift launch vehicle flights will be required for each Mars mission, depending upon the mission type and year, and the variation in distance between Earth and Mars. These flights are required to deliver between 550 and 850 metric tons, consisting of Mars transfer vehicles and propellants, to Space Station Freedom.

an aggressive manned planetary exploration program. Now is the time to start developing the Shuttle-derived, unmanned heavy lift vehicles, as well as new generations of rocket technology. These vehicles will get men and material to low-Earth orbit. Then the unique lunar transfer, lunar excursion, and Mars transport systems must be developed and tested.

As the NASA report states, "During the Apollo era, Werner von Braun led a task force to develop long-range goals for the space program after Apollo: more lunar missions,

a space transportation system, a space station, and human journeys to Mars." In 1986, Tom Paine, who had been NASA administrator in 1969 when the Apollo 11 crew landed on the Moon, released the report of the National Commission on Space, reiterating these long-range goals.

With the Space Shuttle and Space Station Freedom, two elements of the infrastructure to colonize the Moon and the planets will be in place. Now is the time to push forward without delay and return to the mission of space exploration.

# Panama genocide begins the end of George Bush

The foremost American political dissident, Democratic congressional candidate Lyndon LaRouche, has warned that the Panama fiasco could bring down President George Bush, possibly as soon as April. The character of the war that began with the U.S. invasion on Dec. 20 shows an administration gone mad, and becoming more insane as the days go by.

“There’s a reek of a personal vendetta by the President of the U.S. against one man, Gen. Manuel Noriega, whose personal knowledge is a threat to the career of President George Bush,” LaRouche noted in a commentary issued Dec. 26. “This demonstration in Panama is only one of the most conspicuous and most obviously bloody of a series of demonstrations that George Bush is not the man to scrap his policy because it has proven bankrupt. He would rather destroy the world than give up a bankrupt policy or concede that the policy was bankrupt.

“So, what I suspect we will be seeing is a President being put to the test. If he does not change, and I speak of typically the liberal Establishment, which will give him a little time and chance to learn his lesson after he has been slapped in the press and elsewhere, then they will crush him.”

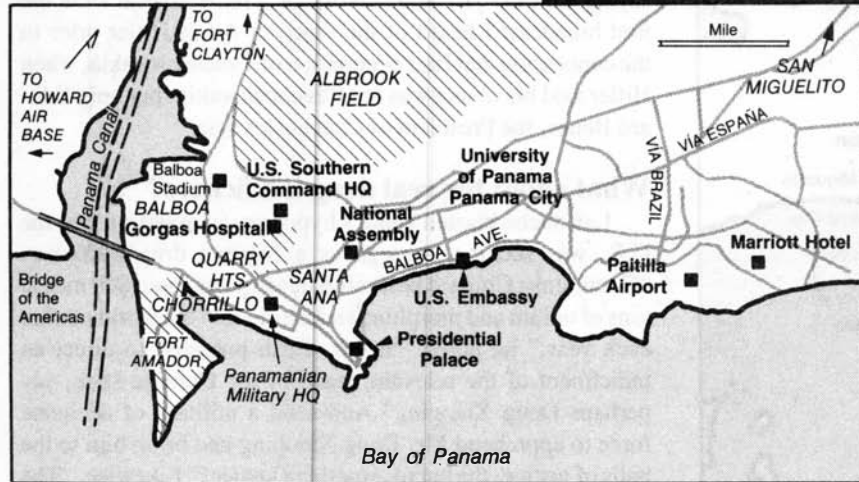
On Dec. 29, the deepening insanity of the Panama action was underscored as the U.S. Army continued to bombard the Papal Nunciature in Panama City with heavy-metal rock music at ear-splitting volumes, in an effort to pressure Nuncio José Laboa into handing over Panamanian Defense Forces chief Gen. Manuel Antonio Noriega, who had taken refuge there on Dec. 24. “All other considerations pushed to one side,” LaRouche stated, “it is a very simple, very crucial fact, that announced to the President of the United States by every news media and channel by which he might be informed, *in his name* the U.S. military occupation forces in Panama are sending Satanic rock messages to the ambassador of St. Peter—thus implicitly defining President George Bush as the anti-Christ or as a claimant to the status of anti-Christ.”

Hours after the invasion began on Dec. 20, LaRouche, himself a political

The map shows the Chorrillo quarter of Panama City, leveled "like Hiroshima" by the invaders—where most of the population is poor and black. The other devastated neighborhood, San Miguelito is located to the left of the area in this map, and has gone mostly unmentioned by U.S. press.



Stuart Lewis



EIRNS

The Dec. 28 burial in Arlington National Cemetery of the first American GIs who died in Panama to satisfy the President's obsession.

prisoner of the U.S. regime, had identified it as "an action in the spirit of Tiananmen Square," pointing out that it reflected the recent mission of top Bush aides Brent Scowcroft and Lawrence Eagleburger to establish solidarity with the government of the Tiananmen Square butchers. "It is an act of incalculable folly, demonstrating a U.S. government which seems to have completely lost its nerve and its sense," LaRouche stated, and warned that the political backfire from the action "will lead in all probability to Mr. George Bush's resignation from office under threat of impeachment," before completing his present term.

### History cancels Bush agenda

LaRouche said, "It must be added that this event comes on the same day that British leading press speaking for the Anglo-Saxon world, confess that the Great Depression of 1989-92 has begun. The United States is going into a depression, at the same time that the government of the Soviet Union has officially scrapped—from top to bottom—the policy known as *perestroika*. That policy, *perestroika*, and Mr. Bush's promise, implicitly or otherwise, that there would be no depression under George Bush, means that the two planks of the Bush administration's policy and authority have been destroyed. At the same moment that the *entire* program—Mr. Bush's program, to which he has been committed since the time of his election—has been scrapped by history, the U.S. government launches an insane act of desperation, sending soldiers to turn themselves into body-bags in

Panama.

"Has this government learned *nothing* from the experience of the past 25 years?" LaRouche predicted that "all the hyenas and vultures of the Democratic Party will now mobilize themselves to tear, from limb to limb, the political flesh of the Bush administration. The chances of getting a Republican elected in 1990, are pretty slim in most parts of the country. . . .

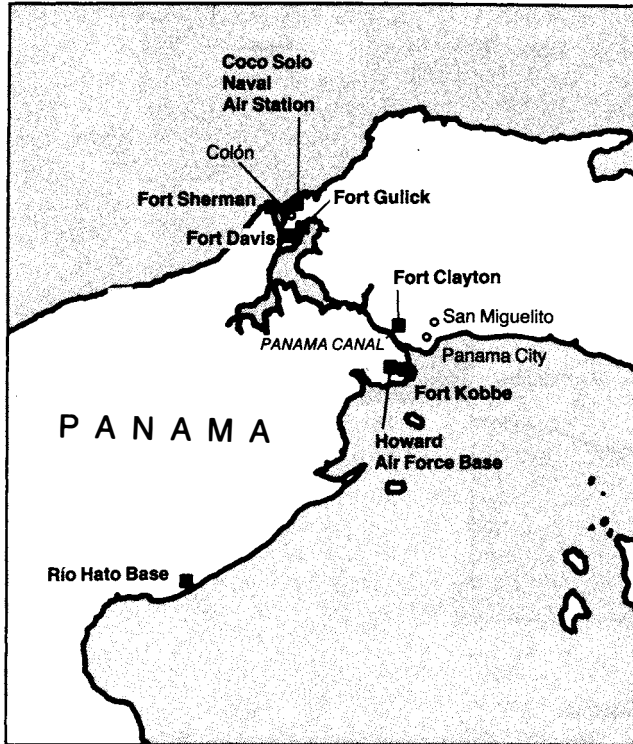
"That means that we in the Democratic Party, and those who are inclined to support the Democratic Party, must stop the silliness, and prepare to assume the responsibilities of elected political leadership, at a time when the problems are, first of all, a Great Depression, and murderous acts by desperate governments such as those in Tiananmen Square, in Ceausescu's Romania, and in what appears to be a Ceausescu-ruled United States," LaRouche, a co-founder of the National Democratic Policy Committee, advised.

"Let's go back to policies of scientific and technological progress, and a commitment to provide the kind of opportunities and security for every individual in this country, and to the degree possible, around the world, of which we can be proud before the imagined eyes of our grandchildren to come."

### Vietnam, only worse

After President Bush held a press conference Dec. 21 to call the loss of life in the war "worth it," LaRouche observed: "This has lost the United States Central and South America.

## Military bases in the immediate target zone of the invasion of Panama



*The U.S. military used highly sophisticated weaponry against the 4,500-man PDF, including deployment of Stealth bombers to attack the Río Hato base.*

It has lost the United States the confidence of Europe, at least the Bush administration. Bush is a President who no longer has any credibility for handling foreign policy. The Soviets no longer consider him as having credibility, and justly so, from their standpoint. Western Europe no longer considers Bush as having credibility, and Central and South America don't."

LaRouche, whose analysis was echoed later in many European and U.S. press commentaries, pointed out on Dec. 21 that the Bush administration clearly intended to kill Noriega, rather than have him face phony drug charges in a U.S. court. "They do not want him in the United States taking the witness stand. It would be very embarrassing to the White House to have Noriega on the witness stand."

Rather, "the point was to exterminate him such that they splattered the area around the command post with artillery fire, heavy weapons fire, effectively like what the SS units in Warsaw did in going after the Warsaw Ghetto. . . . When you invade a country, when you shoot down its people, and say we're just chasing a fugitive, when that man's the prime

minister of the country, who's leading forces in the Defense Forces and the Dignity Battalions in very carefully planned evasion coordination tactics, when the United States then begins to move into house-to-house combat in a city of 1 million people, Panama City, it makes you sick to your stomach," said LaRouche.

"This is war against the people of Panama. Nothing more, nothing less. When we hear our leaders such as Bush speak, saying the only problem is Noriega, I remember in 1938 the first broadcast I heard of the voice of Adolf Hitler prior to the concession and later occupation of Czechoslovakia, when Hitler said his object was not Czechoslovakia, but only Eduard Benes, the President of Czechoslovakia."

### What about the real drug traffickers?

LaRouche blasted Bush's hypocrisy in asserting that the U.S. was seeking Noriega as a fugitive drug trafficker. "Communist China at best estimates exports about 800 metric tons of opium and morphine and heroin into the world market each year," he noted. "Is Mr. Bush prepared to direct an indictment of the relevant heads of the Chinese state, say perhaps Deng Xiaoping? And send a military of adequate force to apprehend Mr. Deng Xiaoping and bring him to the halls of justice, the bar of American justice?" Likewise, "The drug traffic of the Far East, as well as most the hostage taking and hostage trading, and international terrorist coordination such as the bombing of the Lockerbie Pan Am 103 passenger jet is done by a gentleman by the name of Hafez al-Assad, the President of Syria. Is the United States prepared to send an adequate force in, having gone through the formality of indicting Mr. Assad, into Syria, for the purpose of bringing Mr. Assad to the bar of American justice?" LaRouche concluded, "I rather think not."

On Dec. 22, LaRouche predicted that images of My Lai would soon be evoked as the United States becomes bogged down in a war worse than Vietnam. "As for this farce called the Endara government, this will be less popular in Panama among the Panamanian people than Quisling was in Nazi-occupied Norway. This government cannot stand, it cannot be stabilized. It will be hated bitterly by 80% of the people. We are going into a massive irregular warfare resistance by the Panamanian people against the United States, which is viewed as a murderous, invading aggressor."

Moreover, "civilians were ostensibly targets from the outset of the operation, ostensibly targeted in a plan ostensibly or purportedly approved by [Chairman of the Joint Chiefs of Staff] Colin Powell. The victims were primarily black Panamanians. . . . The Endara government, which has some very unwholesome aspects, including connections to the notorious Dadeland National Bank in Florida, represents the section of the cotton-tail or whitetail population which is notorious for its action against the poorer black population, which is the overwhelming majority of the population of Panama and of Panama City itself."

# Panama massacre: the real story

by Carlos Wesley

In the dawn hours of Dec. 20, the largest military force deployed by the United States since the Vietnam War was ordered by President George Bush to illegally invade the tiny Central American nation of Panama. Eventually Bush would commit 26,000 troops, armed with the most sophisticated of weapons, including the supersecret F-117 Stealth aircraft, to annihilate the 4,500 combatants of the Panamanian Defense Forces, and the several thousand irregulars of the Dignity Battalions and the Committees for the Defense of the Fatherland (CODEPADI). He would also deploy a propaganda machinery that would have made Goebbels envious, to wage psychological warfare—against the American public.

Before the invasion, and in the days following, the U.S. media failed to inform the public about what was occurring in Panama, instead emitting a barrage of disinformation and outright lies. What was billed as a “surgical strike” to capture Gen. Manuel Antonio Noriega, head of Panama’s government and commander of its defense forces, turned into a massacre of the civilian population.

Hours after the invasion began, Panama’s President Francisco Rodríguez told a news conference, “The new military aggression which began at dawn today has caused more than 60 deaths and several hundred injured, most of them civilians. The aggression took place particularly in the densely populated Chorrillo neighborhood, where very poor people live, and which is still burning. . . . And the most absurd thing is that it is surrounded by U.S. armed forces which do not even allow the Red Cross to enter to give aid to the victims.”

Rodríguez spoke on the afternoon of Dec. 20, by which time, according to Bush’s propaganda apparatus, the Panamanian resistance should have collapsed. Instead PDF troops, Dignity Battalions, and ordinary citizens were mounting a fierce resistance and preparing for a long guerrilla war. At this point, the American commanders called for reinforcements from Fort Ord in California and other U.S. bases. The estimates for “mop-up” operations, which the troops were told would take no longer than 24 hours, were revised, first to three days, then to five, then to “10-15 days,” and finally, they were saying it would take months to clean

up the resistance.

During that first day, the “Resistance Radio” network, linking the Radio Nacional, the state-owned network, and other radio stations, rallied Panamanians to defend the invaded homeland. Their reporters provided the only accurate reports of the invasion to the local populace and to foreign media seeking accurate information against the barrage of disinformation put out by CNN and other U.S. sources. “We have to get off the phone,” said one of the announcers who was briefing a caller on the evening of Dec. 20. “We are being bombarded by rockets fired by a helicopter gunship.” The station was destroyed. All of its employees were civilians.

On Friday, Dec. 22, the resistance forces, which were supposedly on the run, staged a spectacular mortar attack against Southern Command headquarters in Quarry Heights. They also attacked the Panama Canal Commission, and the Legislative Assembly, where the Bush-appointed collaborationist troika of Guillermo Endara, Ricardo Arias Calderón, and Guillermo “Billy” Ford, all of whom are linked to drug-money laundering (p. 32) had installed themselves. “U.S. intelligence was surprised by the readiness of some Panamanians to fight and die for their leader,” reported the London *Guardian* Dec. 22. The resistance shown by Panamanians has been “surprisingly bitter,” it said.

## Population war

The fire fights continued on the 23rd and the early morning hours of Christmas Eve. However, on the same day Noriega requested asylum from the Vatican embassy in Panama, and the Panamanian government announced that it was suspending the armed resistance. What the Panamanians had not counted on was Bush’s “new kind of war”: against civilians. “The tactics Bush is using against Panama were invented by the Nazis in Hitler-Germany, the same ones of Stalin’s Russia, and the Chinese Communists,” said an Ibero-American diplomat at the United Nations. To minimize politically-damaging American casualties just before Christmas, the invasion force shelled PDF military installations, many of which were located in heavily populated areas, with mortar and artillery barrages, and carried out aerial bombardments of parts of Panama City.

Helicopter gunships fired indiscriminately at clusters of people, without regard to whether the targets were PDF soldiers, members of the Dignity Battalions, or just non-combatant civilians. The tactic, borrowed from Hitler’s armies, was to inflict heavy damage upon the civilian populace in order to break the will to resist among combatants. “It is just wanton murder,” said an American businessman with ties to the U.S. military in Panama.

The morgue of Santo Tomás Hospital was filled beyond capacity by Dec. 21. Chorrillo, where the PDF headquarters was located, was wiped off the face of the earth. Made up of wood tenement houses, built at the turn of the century, the

area burned to cinders under the U.S. bombings. Most of the inhabitants were poor, and black. Hundreds were left dead, thousands wounded, and 28,000 people homeless. The Bush administration said it was sending \$25,000 in emergency funds to help them.

This is "just like Hiroshima," said General Noriega in a taped radio broadcast on Dec. 23. In a statement given the same day to AFP, the French wire service, Noriega said that Bush had "caused great and useless killings," including losses to the American forces which were hidden from the U.S. public. "Every treaty of international law is being violated, and the international community should be terrified because all of these violations are being carried out in the name of a supposed defense of human rights," he said.

As in Chorrillo, the working-class township of San Miguelito was also heavily bombarded and strafed by the helicopter gunships. The particular viciousness shown by the invaders against San Miguelito was in part due to it being the center of most resistance from the citizen militias, the Dignity Battalions. But the bombs and the bullets did not discriminate between civilians and combatants, and the toll was heavy.

The city of Colón, with its largely black population, was also subjected to ruthless bombardment. The tenement known as "Fifteen Stories," a public housing project built by the government for low-income citizens, lost its top four floors after an aerial bombardment, an eyewitness reported by phone on Christmas Eve.

There was also the bombing of the PDF complex at Río Hato, carried out by the supersecret Stealths on Dec. 22. There, almost 100 teenagers perished, Nils Castro, in charge of international affairs for the PRD, Panama's ruling party until the invasion, told a press conference in Mexico City. They were students at the Tomás Herrera military high school.

In all, 5,000-7,000 Panamanians, mostly civilians, died during the invasion. "Nobody will ever know the exact number. Many people were buried in mass graves, others were burned, others have simply disappeared," said a former government official Dec. 26. "Everyone I know lost one or more relatives or a friend," said another Panamanian Dec. 28. "One of the drivers in my husband's union was killed, and my neighbor is still trying to locate her relatives who lived in Chorrillo," she said. "There are long lines at the morgues of people trying to find missing relatives," said another source Dec. 28.

### **Greatest tragedy of Panama's history**

"You have to understand, there is nothing in our experience that could have prepared us for this. We have never lost anything close to this number of people," said one Panamanian interviewed Dec. 28. Even CNN has reported 2,000 deaths; given that Panama has only 2 million people, this would be equivalent to the United States losing 250,000 people—five times the American losses during the Vietnam

War. Yet Bush's propaganda machinery insists that "most Panamanians overwhelmingly welcomed the invasion."

Almost as bad as the killings, was the looting. "It was carried out by both rich and poor, not by the Dignity Battalions, as the U.S. media claim," said one Panamanian interviewed Dec. 26. "They came in their BMWs, in their Audis, and they were stealing just as the poor were doing." "I saw it with my own eyes. The middle class was also out there, looting, because they were afraid that they would end up without any food," said another source. Another witness said that she saw the mob approach a store with an acetylene torch to cut through the steel door. "As they started to cut the door, someone shouted, 'The Americans are coming!' and they all started running, until someone said: 'Hey! Why are we running? The Americans aren't going to do anything. This is Bush's Christmas present to us.' And they all returned to break down the store's door. The American armored column went past, and they didn't even pause to chase the looters away."

Not one business was left untouched in the central business district. Losses are estimated at \$1 billion, one-third of Panama's annual GNP. Insurance will not cover the losses because they are considered "due to an act of war." There are shortages of food and other necessities. "What I can't understand is why they didn't try to protect those areas they were occupying," said a pro-Noriega source about the U.S. troops. But the Marines did provide protection to the many foreign banks in Panama's offshore financial center.

Throughout the world, where the information was not as manipulated as that provided to Americans, there was widespread condemnation of the invasion and wanton murder. The United Nations General Assembly adopted a resolution Dec. 29, denouncing the invasion as "a flagrant violation of international law," and calling on the U.S. to withdraw its occupation forces from Panama.

The reaction in Ibero-America was even stronger. Perhaps for the first time in its history, the Organization of American States approved a resolution condemning the United States. President Alan García of Peru withdrew his ambassador from the United States and called Congress into a special session to condemn the invasion. García also said that he would not recognize the quisling Endara government imposed by the "army of the invader." Mexico "firmly condemned the invasion," and even Bush's ally against Panama, Carlos Andrés Pérez of Venezuela, was forced to "condemn and reject" the U.S. military intervention.

The resistance in Panama is by no means over. The occupation forces and the Endara regime have embarked on a political persecution campaign against all potential nationalist leaders, pretending that "they served the Noriega regime." Thousands have been jailed, and many have been fired from their jobs. A Panamanian nationalist noted, "This will just increase the resistance. The U.S. might yet find itself faced with another Vietnam here in Panama."



# Civilian deaths in Panama prediscouted

by Leo F. Scanlon

At 0100 hours on the morning of Dec. 20, the United States military, principally the light infantry units of the U.S. Army, conducted a real-world version of a military exercise which has been in the training manuals and sandbox exercises at the Command and General Staff College for over 20 years. Inherent military problems associated with the execution of this plan indicate that the primary political objective of the President of the United States was to smash the government of Panama with a deadly show of military force, thus creating the conditions for the construction of a synthetic replacement. The new institution is to be grafted onto the Panamanian nation with the aid of a high-visibility U.S. military presence. The "capture" of Gen. Manuel Noriega is at most a secondary consideration in this scenario.

The success of this exercise is premised on the simultaneous deployment of forces sufficient to disperse the main concentrations of the Panamanian Defense Force (PDF), interdict or capture elite units which are capable of organizing urban guerrilla operations, and lay waste the neighborhoods (largely poor and black) from which the PDF and the government draw popular support. The enormous number of civilian casualties which resulted—much of the city was so destroyed that the true numbers may never be known—is a predicated feature of this plan.

## Military gamble, high casualties

The means chosen to carry out the objectives of this operation included the mobilization of the 13,000 U.S. troops in place in Panama, combined with an additional 10,000 combatants, most of whom were air-dropped in during the early morning hours of Dec. 20. The in place forces are primarily the 193rd Infantry Brigade, which in recent months had been reinforced by Marine units, a battalion from the 7th Infantry Division at Fort Ord, California, a mechanized battalion from the 5th Infantry Division at Fort Polk, Louisiana, and additional military police units. Additional forces included a brigade of the 82nd Airborne Division, two ranger battalions, and selected special operating units. Several days after the beginning of the invasion, 2,000 additional troops, including many Military Police units, were added to the force, and 8,000 more were put on alert, readied to supplement or replace the main force.

The fundamental military problem facing the planners of

this invasion is the geography of the area around Panama City, which makes it impossible to cut off access to the adjacent mountainous areas, thus guaranteeing that significant elements of the PDF would be able to reach the jungle sanctuary and regroup for partisan action against the occupiers. That is, in fact, exactly what occurred on some scale.

Army Lt. Gen. Tom Kelly of the Joint Chiefs of Staff described the situation on Dec. 21: "Our plan is to take the area from Río Hato on the west to Cimarrón on the east, which is where the preponderance of PDF forces were, and to reduce them. That is what we've done. . . . They, as far as we know, melted away in that they're not there [i.e., the PDF had abandoned their fixed positions—ed.]. . . . I don't have a definitive answer as to where they went or what they're doing. . . . Some of them have gone out of town. Some of them stayed in."

This situation brings up the second basic military difficulty with this invasion—the necessity of house-to-house fighting in Panama City itself, with its inevitably high casualties, both military and civilian. Theoretically, control of the capital would have to be secured, and organized opposition destroyed, before troops could be redeployed to support operations against PDF units in the jungle areas. Since this feat was never accomplished in Saigon even after 15 years of war, the prospects for a quick military resolution of the situation were non-existent by the second day of the invasion.

According to military specialists who have studied the invasion plan, there has always been one way to minimize military casualties under these conditions—cordon off areas of the city and simply shoot anything that shows resistance—and this solution had been consequently considered unacceptable.

## Populated areas targeted

Nonetheless, since minimizing U.S. casualties was a political priority, this very course was, in effect, carried out through the use of sophisticated close air-support assets, along with artillery barrages directed at the populous, poor neighborhoods of Chorrillo and San Miguelito.

Joint Chiefs of Staff Chairman Gen. Colin Powell described the forces involved in what was called the "Task Force Bayonet" area in central Panama City. "Task Force Bayonet consisted of a mechanized battalion, the force of the 6th Mechanized. It also was supported by a platoon of light tanks as well as the 5th Battalion of the 87th Infantry. The mission . . . was to seize the Comandancia, the headquarters of the PDF, General Noriega's headquarters. . . . They have accomplished that mission. The headquarters has been reduced. There has been considerable burning. I'm not quite sure how much of it has been burned out, but there has been quite a bit of fire down there . . . and some of the PDF members have now slipped out and are mixing in with the general population. So there will still be a need for mopping up and stability operations."

## Bush names drug mob capos to rule Panama

The new "government" sworn into office by the U.S. Army in Panama at midnight on Dec. 19, is headed by three opposition leaders connected to the drug trade.

Named President by the United States was Guillermo Endara. Endara is a business partner of a leader of the Panamanian opposition caught red-handed in the dope trade, Carlos Eleta Almarán. Endara owns significant stock in, and sits on the board of Harinas Panama, S.A.; Eleta is the company's president and founder. Eleta was arrested on April 1989 in Macon, Georgia by U.S. Drug Enforcement Administration personnel, and charged with conspiring to import 600 kilos of cocaine per month into the United States, and planning to set up shell companies in Panama to launder the estimated \$300 million in drug profits. Two associates of Eleta's who were arrested in the same scheme, have since pleaded guilty to all charges. Eleta remains free on \$8 million bail pending trial.

Sworn in as First Vice President was Ricardo Arias Calderón, secretary general of the Christian Democratic Party, whose brother is one of Panama's prominent bankers, Jaime Arias Calderón. The Arias Calderón connection to drug money centers around the now-closed First Interamericas bank owned by Colombian drug kingpin Gilberto Rodríguez Orejuela, and Banco Continental de Panamá.

First Interamericas was ordered closed by Panamanian banking authorities on March 1, 1985, after the bank was caught laundering drug money, when it was discovered that Rodríguez Orejuela was the major shareholder.

Jaime Arias Calderón is also one of the owners of Banco Continental, which has served as a conduit for

financing the election campaigns of the Christian Democratic party headed by his brother Ricardo Arias Calderón. In 1985, a captured Colombian drug-runner confessed that he had laundered some \$40 million for the Cali, Colombia cocaine cartel through the Banco Continental with the full knowledge of another opposition leader who sat on the board of Banco Continental.

Completing the governing team the United States installed in office on Dec. 19, is Second Vice-President Guillermo "Billy" Ford, a banker who is up to his elbows in drug money-laundering. Ford and two political associates, Carlos Rodríguez and Roberto Eisenmann, own the Dadeland National Bank in Miami, Florida, a bank which was revealed in 1985 to have served as a laundromat for one of the largest marijuana-smuggling rings ever caught in the United States. (Ford's associate, Eisenmann, also sits on the board of Banco Continental).

Dadeland National's ties to the dope mafia came to light during the trial of the Antonio ("Tony") Fernández drug syndicate, a ring which confessed to smuggling more than 1.5 million pounds of marijuana into the United States. The Fernández ring began buying stock in Dadeland National as far back as 1976; by 1984, the gang owned 9,900 shares of stock in Ford's Dadeland bank. One of the gang's money launderers, Iván Robles—a political associate of Guillermo Ford since the mid-1970s—was employed as an assistant at Dadeland National Bank during the period he served as the mafia's courier. He testified at the trial that he and others had also stashed part of their dope earnings in a lock box held at Dadeland National.

Earlier in 1989, U.S. authorities announced a list of American banks under investigation for money laundering activities. Among the banks listed was Dadeland, co-owned by Ford, Eisenmann, and Carlos Rodríguez.

Rodríguez, who continues to be the chief executive officer of Dadeland, was personally greeted Dec. 22 by President George Bush as Endara's envoy to the United States.

These operations consisted of reducing the surrounding blocks to a condition that one ABC News reporter described as "like Berlin in '45"—complete rubble. Combat operations were not halted in order to dig out the dead and wounded civilians, which the Pentagon refused to even mention.

As-house-to-house fighting began, the artillery bombardment was replaced by A-7 fighter bombers and the awesome firepower of AC-130 gunships (known as "Puff the Magic Dragon" in Vietnam), which were brought in to provide tactical air support for the urban skirmishing.

The amount of property destroyed and lives wasted by

this strategy was foreseen by responsible military commanders who opposed the plan, including former JCS Chairman Adm. William Crowe, who deplored the prospect of American boys coming home in body-bags, and Gen. Frederick Woerner, who was fired as head of the Southern Command because of his opposition to an invasion. His replacement, Gen. Maxwell Thurman, has taken credit for "selling" the strategy. Ironically, he is famed for his success as a marketing specialist, having recruited the volunteer Army with the slogan, "Be all you can be," a phrase that will have new meaning in Ibero-America.

## 'Will Americans swallow this?'

*On Dec. 23, Elmo Martínez Blanco, Minister of Industry and Commerce in the Panamanian government loyal to Gen. Manuel Noriega, telephoned EIR's reporter from Panama, where he said the loyalist government was still functioning underground, and gave him a statement in English, parts of which appear below.*

We wish naturally a Merry Christmas and a very Happy New Year to you. But today, we are filled with sorrow; we are also filled with anger, as you may realize. I feel sorrow for the many Panamanian civilians, especially children, who had died victims of the sophisticated American weapons, but I also feel anger, because Mr. Bush is not telling the truth to the American people. And the American people are not demanding the truth from Mr. Bush. I feel anger because the American people seem to be satisfied by beautiful, pseudo-patriotic, mellow words of praise to the soldiers and their families, and the families are not demanding the truth.

Here in Panama, by far more civilians have died than soldiers. Their lives have been sacrificed by the insanity of those who claim to be doing it in the name of democracy. I just saw a young American soldier. He was perhaps 19 or 20 years old. He was nervous and insecure, and I doubt that he has a chance to survive. I am sure that, like him, there are many asking themselves why they have come to this beautiful country to destroy, to kill, or to be killed.

I was just a moment ago myself wondering if, among them, there could be children of the many friends I have in the States, and that, of course, made me feel how insane the whole thing is.

It was repulsive to watch Mr. Bush a few days ago on television. He was facing the press, and therefore he was also facing the American people. And what he did, was to fill the American people with misleading statements, with praising words to the American soldiers, turning the issue away from the real meaning. He simply was treating the American people as a pack of naive children. Do the American people really swallow this? The cynicism reflected in some of his statements is an offense to the people of the United States.

The killing of an American marine, he said, that is a serious crime. That, and the alleged harassment of the wife of

a soldier, prompted the invasion of 25,000 soldiers, provided with the most sophisticated weapons. That is a poor theatrical excuse. Do the American people really believe this?

He never told the American people that the dead soldier was a Colombian, whose father had come to Panama to collect his body and take it to Cali, in Colombia, where he comes from. He did not tell the people that what he called three innocent American soldiers who got lost, were three men who had broken a barricade at high speed, who shot wildly around with automatic weapons, and wounded an eleven-month-old baby, two civilians, Rupert Galey and Elaine Betancourt, and one soldier, Alex Correa. Is it possible to believe that American soldiers, who certainly must know the city they are about to invade, came into the city unarmed and got lost, and came right in front of the army headquarters on a barricaded street that puts them just a few meters from the main entrance? Ask Mr. Bush how he really explains that.

Wasn't it perhaps one more act of provocation? Did Mr. Bush forget to tell the people that in this month there have been hundreds, and I repeat, hundreds of incursions deep into Panamanian territory—at times taking small towns, at times taking our national airport, our international airport, our water supply—and that in spite of our numerous protests, the only thing we found was the arrogance of power, with small answers that it was all "military maneuvers." But did Mr. Bush forget to tell the people of the United States how many Panamanian civilians died, because of these military maneuvers?

### **Demand the truth**

The American people should demand the truth. It is their moral obligation. If not to favor us, at least to show respect to those who have died, and will die, because of the insane decision to bring to power a pack of semi-aristocrats who are obedient to the dictates of the American government.

Do the American people really believe that all these atrocities and the sacrifice of innocent lives are done for democracy? Why was it not done in the name of democracy in countries ruled by dictatorships friendly to the U.S., and where tens of thousands of people died at the hands of such governments? What about Argentina? Uruguay? Paraguay? Venezuela with Pérez Jiménez, Haiti with Duvalier?—all of them, and many more, cruel dictatorships friendly to the U.S. There was no invasion in the name of democracy there, and then. Ask Mr. Bush why not.

Ask Mr. Bush how many American lives have really been lost here in Panama. How many Cobra helicopters have really been shot down? Any decent man would feel outraged watching the choreography of the burial of soldiers he called patriots serving democracy, when he well knows that they are victims caught in a dirty war, conditioned by the most atrocious disinformation campaign conducted by the American government in this century. . . .

On the other hand, do the American people really believe that Mr. Bush is after an alleged narco-trafficker as he is telling, or is he really after a man who refuses to be obedient to the American government? The American people know that the real drug peddlers, that the real drug handlers, the real drug criminals are in the States; why hasn't Mr. Bush thrown the Army at them? Ask Mr. Bush how many innocent civilian lives he is willing to sacrifice in the States in doing so—doing it right there, where it is so badly needed? Ask Mr. Bush.

Now they have to convince the world, by showing the world what allegedly has been “found” in General Noriega's office. Are the American people so naive as to fall for that? What is Mr. Bush trying to play? The coyote chasing the roadrunner? That is what we are wondering.

The American people should be aware that our real crime, the real crime of the government of Panama, is to assert, with dignity, our total independence and sovereignty. We are not enemies of the American people, but let it be known that we are determined to defend ourselves. How strange it is, when one thinks that the American people guard their sovereignty as something sacred, and they are willing to defend it with their lives; but they also so easily seem to forget, that there are other countries, even small countries, like ours, whose nations, against all odds, are also willing to do so. Mr. Bush has not been honest to the American people to date. The people should demand answers without the cosmetic of mellow, pseudo-patriotic words. He owes that respect to the American people.

Unfortunately it seems that the American people often are content with finding out the truth years after it should have been found out. Just in recent years, there are many of these cases. It took years before the American people seriously questioned the idyllic happenings in Vietnam and found out too late the atrocities being committed; too many lives had already been wasted. Mr. Nixon, Mr. Reagan, Mr. Poin-dexter, Mr. Etcetera—they are all protagonists, playing with the truth, and the American people find themselves asking questions today about them—perhaps too late. . . .

Ask Mr. Bush about it. And do not let him disarm you by some phrases on some made-up heroic actions. Ask Mr. Bush how many crimes have already been committed, in the name of his democracy, which includes a President sworn in by the American Army on an American base and recognized only by Mr. Bush's government. Ask Mr. Bush to defend Mr. Endara. He keeps on talking about Mr. Endara's victory. What victory, we ask ourselves. He talks about 3-to-1 results in favor of Mr. Endara, and we know that not even the most naive Panamanian could accept that. We know that such a result was impossible—not even manipulated. Panamanians are not that naive.

It is even less acceptable, when the Supreme Court of Justice nullified the elections, because the Electoral Court found it impossible to complete counting; and why? Ask Mr.

Bush. Mr. Bush might have forgotten to tell the people that Mr. Endara's followers, armed to the teeth by Mr. Bush's government during the elections, took by force most of the acts from the electoral posts, presumably to “protect them,” but they never surrendered them to the Electoral Court! Ask Mr. Bush why not.

I could stay here and pose thousands of questions that Mr. Bush should answer and which are basically the reasons why I and most Panamanians are willing to offer our lives in order not to let a foreign government impose on us its will. Americans would never let that happen in their country—why should we? Ask Mr. Bush.

And remember, we know we are against a monster. We are against a monstrosity, against disinformation; but no matter how choreographed the world might receive the news, we know that if we fall, it was worth it, because we were on the side of national dignity, for national sovereignty and self-respect. And that, no one can take away from us.

Yes, I feel sorrow and I am angry. But I should like to take the opportunity however; to wish Merry Christmas and a Happy New Year to you but also to the American people, because after all they are, as we are, the Panamanian people, the real victims of all the disinformation.

I am speaking as a citizen, as a decent citizen, who feels the anger that is normal when a foreign troop is attacking and destroying your country with no real reason whatsoever. . . .

## ‘Only U.S. bayonets are supporting Endara’

*José Mariá Cabrera, the Panamanian ambassador to the Organization of American States, was interviewed on Dec. 26.*

**EIR:** You do not recognize this creation of the United States government, “President” Endara?

**Cabrera:** This would be absolutely impossible, under any kind of administration that has been imposed and maintained in power by a foreign invading army. The administrative apparatus that Mr. Endara seeks to establish enjoys not the slightest popular support, not the slightest legitimacy. It is maintained in its position solely and exclusively through the force of U.S. bayonets and by the fact that entire sectors of the republic are occupied by a foreign army.

**EIR:** What do you think of the support Panama has received thus far from Ibero-American countries?

**Cabrera:** I believe, first of all, that the Panamanian cause

cannot fail to win the support of civilized peoples, not only of Latin America, but throughout the world. The savage aggression to which the Panamanian people have been subjected by the United States Armed Forces has no comparison with regard to the savagery of the aggression, the indiscriminate massacre of civilians, whose fatalities are in the thousands, and that the invading troops have buried the bodies in common graves, mass burials, to try to hide their genocidal crime, to prevent international public opinion, the international community of nations, from ever knowing for certain the number of victims its savage military intervention in Panama has caused.

**EIR:** You speak of thousands. Do you have any estimates of how many thousands of Panamanian civilians have died?

**Cabrera:** We have figures ranging from 4,000 to 6,000 victims. I don't believe we will ever know exactly how many victims resulted from the United States' armed attack against Panama, which is a peaceful and defenseless country.

**EIR:** Can you tell us how these people were killed, what the North Americans did exactly, how they eradicated civilians. Were they part of the resistance?

**Cabrera:** Basically, they were residents in the areas surrounding military objectives that had been designated at the beginning of their operation, their invasion of Panama. A large number of people from the populated sectors in the neighborhood of Chorrillo, surrounding the general command headquarters of the Panamanian Defense Forces; the same with the sector of San Miguelito, also populated by a large number of poor and humble Panamanians who were massacred, who were assassinated mercilessly by the troops of the invading army. . . .

**EIR:** Mr. Ambassador, what is the plan, the perspective, from this day onward?

**Cabrera:** Look, the situation is that of an occupation of our country, of our Fatherland, by troops of a foreign invading army.

**EIR:** So the resistance will continue?

**Cabrera:** We must fight and work for the great objectives of the Panamanian people, which have always been the total liberation of our Fatherland, the recovery of the Panama Canal, and the disappearance of foreign bases on national soil. It is the fight begun by Gen. Omar Torrijos Herrera, which he left to the present generations to complete.

**EIR:** Do concrete plans exist as to what form the resistance will now take?

**Cabrera:** Well, I think the best favor we could do for our enemies would be to announce our plans to them. The resistance is on the march, and growing daily.

## 1982, the Malvinas; today, Panama

*Argentina's Col. Mohamed Ali Seineldin issued a statement on Dec. 20 after the United States invaded Panama. Even though Colonel Seineldin was forced into retirement by President Carlos Menem, he has been placed under 20 days' house arrest for violating military discipline under which he must obtain permission before making political statements.*

With the deepest spiritual grief, I share the just indignation and the suffering of the Defense Forces and the people of our sister republic of Panama, martyred by aggression against the principle of national sovereignty, which provided the foundation for all American states, including that of the aggressor power.

As an Argentine officer, I have served on a long-term professional mission in Panama, contributing to the consolidation of its Armed Forces in compliance with the highest goals of Argentine foreign policy.

Just as in 1982, the Republic of Panama was in solidarity with the cause of the Malvinas, today, our chivalry obliges us to declare publicly:

- 1) The principle of Self-Determination of Peoples has been broken.
- 2) Proper solidarity between two American states has been broken through direct intervention in the internal affairs of a nation, in violation of international and American law.
- 3) A dangerous precedent has been created which affects hemispheric security.
- 4) Serious doubts have been engendered as to whether [the United States] sincerely intends to comply with the Torrijos-Carter Treaty which provides for the return of full sovereignty over the canal to Panama.
- 5) Actions like this these hamper the peace efforts in Central America.
- 6) Violations of this kind also rekindle the kind of dialectical contradictions which Marxism thrives on, and reintroduce them to countries such as ours, which seek to overcome them by asserting the principle of the supremacy of the nation. . . .

Panama's Cause is the Malvinas' Cause. Yesterday, it was Hungary and Suez. In 1982, Afghanistan and Malvinas. Today, it is Romania and Panama. . . .

# Fact sheet on U.S. invasion of Panama

At 7:30 on the morning of Dec. 20, 1989, President Bush delivered a short statement on nationwide television justifying the massive invasion by 25,000 U.S. troops of the nation of Panama which had begun just over six hours before. The justifications mentioned by Mr. Bush, and subsequent clarifications and additions by other top officials later during the same day, establish beyond doubt that the United States is in violation of international law, and that the cited "justifications" were no more than pretexts for undertaking a knowingly lawless act of aggression to remove the government of a foreign, sovereign nation, just because the United States government didn't happen to like that government.

The following fact sheet identifies the chief assertions—the Big Lies—by President Bush and other top officials, followed by the truth, based on the undisputed facts as published in the U.S. press, or other public record documentation.

**Assertion:** That Panama declared war on the United States in a Dec. 15 resolution. President George Bush's Dec. 20 early morning televised statement: "Last Friday, Noriega declared his military dictatorship to be in a state of war with the United States." Other officials referred to it as "Panama's declaration of war on the United States."

**Truth:** It was the United States which declared war on Panama. On April 6, 1989, President George Bush notified Congress that he had invoked the National Emergencies Act and the International Emergency Act to declare "a state of national emergency" in the United States, because of "an unusual and extraordinary threat to the national security and foreign policy of the U.S.," posed by the Republic of Panama.

In his notification to Congress, Bush announced that he was renewing the harsh economic warfare measures against Panama that were initiated on March 2, 1988.

U.S. officials also announced repeatedly over the past 20 months that they would take military action to remove the lawfully constituted government of Panama, and Panamanian Defense Forces (PDF) chief Gen. Manuel Noriega, if other methods failed to accomplish that.

On May 17, 1989, the Bush administration leaked to the *Washington Times*, that it had changed the rules of engage-

ment for U.S. military forces in Panama. Henceforth, U.S. troops in Panama were to seek a confrontation, "countering earlier orders to avoid a confrontation with the PDF."

This was confirmed the very next day in an article in the May 18 *Washington Post* which reported that the U.S. military Southern Command based in Panama "was preparing to test Noriega's forces by running convoys through the outskirts" of Panama City. Bush administration officials said, "The underlying intention is to rattle Noriega's PDF and, possibly to spark a confrontation."

On July 8, 1989, the commander of U.S. Army South in Panama, Gen. Marc Cisneros, dismissed efforts by the Organization of American States (OAS) to settle the Panamanian crisis. The OAS will not act "firmly" to carry out U.S. demands to dislodge Noriega, he said. "Speaking for myself, I believe this is the moment for a military intervention in Panama," said Cisneros.

When asked how he would go about an attack, Cisneros told his interviewers that he would issue an ultimatum to the Panamanian Defense Forces saying that they had 30 minutes to surrender. "I believe most of the officers of the PDF will accept" the ultimatum, he said.

The Dec. 15 resolution of the National Assembly of Panama cited by Bush and Fitzwater, merely refers to these measures of war against Panama: "The Republic of Panama . . . has for the last two years suffered a cruel and constant harassment by the U.S. government, whose President has made use of the powers of war . . . to try to subject the will of Panamanians. . . . The Republic of Panama is living under a genuine state of war, under the permanent hounding of the U.S. government, whose soldiers not only daily violate the integrity of the Torrijos-Carter Treaties . . . but trample our sovereign rights in open, arrogant and shameless violation of the pacts and norms of international law. . . . Therefore be it resolved that the Republic of Panama be declared in a state of war, for as long as the aggression unleashed against the Panamanian people by the U.S. government continues."

The resolution was worded to state that a state of war existed, in order to legally "offer special powers to the head of government" to respond to these threats.

Moreover, the U.S. stated publicly on Dec. 16 that it did not regard the Panamanian statement as dangerous. Only when the decision was taken—for other reasons—to invade, did the U.S. make a 180-degree change the next day, Sunday, and reverse its public view of the statement. On Saturday, Dec. 16, White House spokesman Marlin Fitzwater said, "I don't think anybody here considers it [the Panamanian statement on being in a state of war] important enough in terms of impact. . . . Today's action is another hollow step in an attempt to force his [Noriega's] rule on the Panamanian people."

**Assertion:** That the invasion was launched to "protect

American lives." According to Secretary of State James Baker at a news conference Dec. 20, "Noriega was considering launching an urban commando attack on American citizens in a residential neighborhood."

**Truth:** Secretary Baker went on to concede that "I can't prove to you that this report was absolutely reliable," and also admitted that this alleged report only reached President Bush after he had made the decision to invade. Not a single piece of evidence purporting to be from this report has been released to the public in substantiation of this charge, and so far there is not a shred of evidence to back it up.

**Assertion:** That the invasion was ordered in response to the developments occurring several days before. President Bush on Dec. 20: "General Noriega's reckless threats and attacks upon Americans in Panama created an imminent danger to the 35,000 American citizens in Panama." Secretary of Defense Dick Cheney, asked why he had reversed his opposition to U.S. intervention, which he had expressed after the failure of an Oct. 3 coup attempt, said that "after General Noriega had had himself declared maximum leader and then indicated a state of war existed between Panama and the U.S. government . . . it was clear that General Noriega had created an environment in which his troops felt free to terrorize and brutalize Americans who had every . . . right to be in Panama."

**Truth:** The invasion plans were made many months ago, and were activated when desired by President Bush, using whatever pretext was available.

1) It has been an open secret that most U.S. officials have wanted a U.S. military invasion against Panama for a long time. The administration was so desirous of a pretext for an invasion that it was all set to accuse Noriega of stockpiling weapons and equipment for kidnaping Americans and threatening the Panama canal. During the Thanksgiving holiday, the FBI and CIA sent a crack special team to Panama to "confirm" that this charge was true. The team went to the warehouse, where they had been tipped, the stockpile was hidden, only to find it empty.

Brian Ross of NBC News said that had they found what they were "looking for," the invasion was set to go then.

Gen. Marc Cisneros, commander of the U.S. Army South in Panama, told Spanish news agency EFE on July 8, "I believe this is the moment for military intervention in Panama. . . . A U.S. military intervention would pass as an event without major importance." Gen. Maxwell Thurman was reported Dec. 21 to have been pushing hard for U.S. military invasion since a failed coup attempt on Oct. 3, 1989, and to have been personally responsible for converting the Chairman of the U.S. Joint Chiefs of Staff Gen. Colin Powell, to this viewpoint.

2) The U.S. has had an operational plan for the invasion of Panama since at least last spring. Defense Secretary Dick Cheney said Dec. 20, "The order went out late on Sunday

[Dec. 17] to implement a plan that had been in existence for some time. It was one of the first items I was briefed on when I became secretary of defense last spring."

3) U.S. forces have been "practicing" maneuvers on how to take over installations inside Panama for the past five months. Beginning approximately in July 1989, United States military forces in Panama began carrying out occupation maneuvers against Panamanian civilian centers and installations, in flagrant violation of any conceivable interpretation of U.S. rights under the Panama Canal Treaties. The occupation exercises began on July 1, with the occupation of the Panamanian township of Gamboa by a U.S. infantry company. Heavily armed troops, using armored personnel carriers and Chinook helicopters, held the town for 24 hours. The following day, U.S. troops invaded the town of Chilibre, and seized control over the water purification plant that supplies Panama City and Colón.

Over the next five months, sudden, unannounced U.S. military actions against civilian areas were carried out with increasing frequency. Both the town of Gamboa and the Chilibre water purification plant were seized twice. The town of Arraijan was occupied in August, with 30 Panamanians, including the mayor, detained during the "maneuver." Panamanian courts and judicial offices were raided in August. Highways out of Panama City into outlying townships were closed repeatedly for hours at a time by U.S. troops and vehicles. Vehicle access to both the headquarters of the National Malaria Eradication and the Gorgas Hospital was closed for two to three days in November. These "dry runs" could have had no possible function except as preparation for the real thing carried out on Dec. 20, 1989.

4) It is no secret that military action was widely viewed by senior officials in the administration, including President George Bush, as the only way to erase the "wimp" image, and to remove what was often called the "symbol of the impotence" of the Bush administration, namely, the continued existence in power of Gen. Manuel Noriega.

**Assertion:** That the killing of an American officer who drove through a checkpoint in the vicinity of General Noriega's headquarters, and the alleged beating of another officer and the threatening of his wife, were the reasons for the invasion. President Bush, Dec. 20: "Forces under [Noriega's] command shot and killed an unarmed American serviceman, wounded another, arrested and brutally beat a third serviceman and then brutally interrogated his wife, threatening her with sexual abuse. That was enough."

**Truth:** These incidents were just the pretext for a long-planned operation. This regrettable death was in fact the result of a series of deliberate provocations carried out by U.S. military men under direct orders of their superior officers over a period of months which sought to create just such an "Gulf of Tonkin" incident. The climate of constant tension and challenging of the authority of Panamanian police offi-

cials by U.S. troops in violation of the Panama Canal Treaties, was intended to ensure that sooner or later a fatal incident would occur.

The incident, as even U.S. officials admitted, took place in front of the headquarters of the Panamanian Defense Forces, located in the slums of El Chorrillo in Panama City, which the dead Marine lieutenant and his three companions reached only after going through three PDF roadblocks. When they were finally stopped by PDF officers at a checkpoint in front of the headquarters, the U.S. servicemen attempted to speed off. It was at that point, while they were escaping, as even the Pentagon admits, that they were shot.

According to the Panamanian authorities, the Marines came in shooting, and three Panamanians were, in fact, wounded during the incident, including an 11-month-old girl. If, as the administration claims, the soldiers were unarmed, and they had reached the PDF headquarters by mistakenly "taking the wrong turn," then why did they run away?

According to the *Daily Express* of London Dec. 18, "Washington sources believe the four officers could have been on a spying mission. Army and CIA operatives are believed to have been mapping vital areas in preparation for a bid to overthrow Noriega." The *Daily Express* added: "The U.S. government's attitude now is that if Noriega can be only removed by his death—so be it. The Justice Department has now changed a 1976 Executive Order which forbids the assassination of foreign leaders by any U.S.-aided coup attempt."

PDF officials had no reason to assume that the men were unarmed. Quite the opposite. Incidents involving heavily armed U.S. soldiers, traveling in civilian clothing and in private vehicles through the streets of Panama City, were almost a daily occurrence. In each case, when they were stopped, the excuse was always the same: "We got lost. We took the wrong turn."

On Aug. 9 of this year, there were at least two incidents involving American soldiers in civilian clothes, in private cars, but heavily armed, traveling through Panama City. When Panama policemen tried to detain them, American uniformed troops and vehicles surrounded the police and freed the men. It should be noted that the treaty forbids American soldiers to wear their uniforms off-base or to carry weapons off-base unless previously coordinated with the PDF.

The U.S. government had previously announced that the FBI had been given the authority to kidnap Noriega. Later, the same authority was extended to the Delta Force. The lifting of the ban on CIA involvement in the assassination of foreign leaders was also announced, and it was made explicit that the chief target of all these orders was General Manuel Noriega. Thus, the PDF officials on the scene of the Dec. 16 shooting could not help but reach the obvious conclusion, that the four U.S. Marine officers were a hit team sent out to

harm their commander.

**Assertion:** That the U.S. action was taken "to protect the integrity of the Panama Canal Treaty," according to President Bush on Dec. 20. White House spokesman Marlin Fitzwater said that "The integrity of the Panama Canal Treaties is at risk." Secretary of State James Baker told reporters Dec. 20 that one of the objectives of the U.S. invasion was "to defend the integrity of United States' rights under the Canal Treaties." Baker cited Article IV of the Panama Canal Treaties as providing backing for the U.S. invasion.

**Truth:** The only threat to the treaties came from the United States, not Panama. When asked by reporters to spell out precisely what the threat to the integrity of U.S. rights under the Canal Treaties was, Secretary Baker had no answer, not one incident or instance of a violation to mention: "Well, that's very speculative other than—I mean, let me simply say with respect to that that we've said before that we anticipated that there might be problems with respect to the canal if Noriega continued to retain power illegitimately. With respect to challenges to the integrity of our rights over the past two or three years, I would simply refer you to the—over the past year or so, maybe I should back up—but, over the past year or so, I'd refer you to the continuing pattern of harassment that we've seen going on down there against Americans in the exercise of our treaty rights."

It is the U.S. that has repeatedly, and flagrantly, violated the treaties in recent months. In addition to the violations mentioned above, the U.S. specifically violated an addendum to Article IV of the treaties. Article IV states that the U.S. and Panama agree to maintain the canal's permanent neutrality. A separate statement of understanding, signed by the Presidents of both countries, Omar Torrijos for Panama and Jimmy Carter for the United States, states "that each of the two countries, shall . . . have the right to act against any aggression or threat directed against the canal. This does not mean, nor shall it be interpreted as the right of intervention of the United States in the internal affairs of Panama. Any United States action will be directed at insuring that the canal will remain open, secure and accessible, and it shall never be directed against the territorial integrity or political independence of Panama."

**Assertion:** That one of the reasons for the U.S. invasion, according to President Bush, was "to defend democracy in Panama."

**Truth:** The U.S. has been intervening in Panamanian internal affairs, in violation of explicit international law, for almost two years, in efforts to topple the legitimate government of Panama. Despite this interference, the Panamanian government went ahead and attempted to hold national elections in May 1989. The U.S. spent at least \$10 million in documentable operations to support the Panamanian opposition—the equivalent, on a per capita basis, of spending \$1.25 bil-



lion on a presidential campaign in the United States! However, in an attempt to replay the “Philippines scenario,” in which the opposition stole the ballot boxes and made it impossible for the Philippines government to count the ballots, the U.S.-funded opposition did the same, preventing the Panamanian government from being able to accurately count the vote, and raising the suspicion that votes were tampered with while in the physical possession of the opposition.

Under these circumstances, the Panamanian government had no alternative but to annul the elections. Since then, the Panamanian government offered the opposition to join in a coalition government to hold fresh elections, but on the advice of the U.S., they refused the offer.

Then, a few minutes after midnight Dec. 20, only 45 minutes before the invasion, the U.S. declared the opposition slate as the “official” government of Panama, in an act conducted on a U.S. military base. On Dec. 20.

**Assertion:** That one of the objectives of the U.S. invasion was “to combat drug trafficking,” according to Bush’s Dec. 20 statement, by removing General Noriega, whom the U.S. has accused of being a drug trafficker.

**Truth:** Who’s really involved in drug trafficking in Panama? General Noriega and the Panamanian government were routinely and frequently cited by the U.S. Drug Enforcement Administration for their cooperation in anti-drug operations, right up until the day the U.S. government changed policy and decided to “get” General Noriega in 1987. It was General Noriega, personally, who demanded changes in the bank secrecy laws which the drug runners—and their international bankers—used to protect their profits.

On May 27, 1987, DEA Administrator John Lawn wrote General Noriega to congratulate him on the PDF’s collaboration in seizing drug-runners’ bank accounts as part of Operation Pisces, an operation U.S. officials hailed as “the most successful undercover investigation in federal law enforcement history.” Lawn wrote: “Once again the United States DEA and the enforcement authorities of the Republic of Panama have joined efforts to strike an effective blow against the drug traffickers. . . . Your personal commitment to Operation Pisces and the competent, professional, and tireless efforts of other officials in the Republic of Panama were essential to the final positive outcome of this investigation. Drug traffickers around the world are now on notice that the proceeds and profits of their illegal ventures are not welcome in Panama.”

Not one month later, the opposition movement in Panama, with full U.S. backing, led an uprising against that government. Organizing the rebellion were some of the top drug money launderers of Panama, as documented in *Executive Intelligence Review’s* updated Special Report, *White Paper on the Panama Crisis*. Today, the U.S. Army has installed in office Guillermo Endara, a business partner of one of those money-launderers, Carlos Eleta, who was arrest-

ed in Macon, Georgia in April 1989 on charges of conspiracy to import 600 kilos a month of cocaine and launder its proceeds.

Despite the propaganda, no consensus was ever achieved that General Noriega is a drug-runner. In an interview published in *EIR* on Sept. 16, 1988, Adm. Daniel Murphy—head of the Reagan administration’s National Narcotics Border Interdiction System and, for a period of time, chief of staff to Vice President Bush—stated that “during my entire tenure at NNBS and earlier with the South Florida Task Force, I never saw any intelligence suggesting General Noriega’s involvement in the drug trade. In fact, we always held up Panama as the model in terms of cooperation with the United States in the war on drugs. Remember that a grand jury indictment in this country is not a conviction. If the case ever comes to trial, I will look at the evidence and the jury’s findings, but until that happens, I have no first-hand evidence whatsoever of the general’s involvement. My experience ran in the opposite direction.”

**Assertion:** That the invasion was in accord with international law. In his initial statements, President Bush made no reference to any legal basis whatsoever for the U.S. invasion of Panama. Later, Secretary of State James Baker told the press that, “The actions we have taken, in our view are fully in accordance with international law. The United States, under international law, has an inherent right of self-defense, as recognized in Article 51 of the United Nations Charter and [as recognized in] Article 21 of the Organization of American States charter.”

**Truth:** In international law, any claim of self-defense is supposed to be followed by a response that is both proportional to the threat, and necessary to the threatened government. An overwhelming invasion to eliminate a nation’s armed forces, overthrow its government, and install a new government, is utterly “out of proportion” to the alleged “cause,” the killing of one U.S. officer. The U.S. construction requires that an attack on a few U.S. nationals in a foreign country be misconstrued as an invasion of the United States!

Article 18 of the OAS charter leaves no room for doubt on the question. Baker cited Article 21, which prohibits members from resorting to military force except in cases of “self-defense in accordance with existing treaties.” But nothing in Article 21 can justify ignoring Article 18, which is paramount, and which states: “No state, or group of states, has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of other states.” The U.S. has intervened repeatedly, and in major ways, in the internal affairs of Panama for the past 21 months, culminating in the Wednesday Dec. 20 invasion, a rather dramatic form of “intervention.”

Secretary Baker also invoked Article IV of the Panama Canal Treaties, which in fact refute the U.S. position, as indicated above.

# World press reports: Bush in trouble now

*Commentary in the international press on the U.S. invasion of Panama has been highly critical, including from many sources not normally prone to such views of Washington's policies. We highlight here some examples that point to the backfire potential against President Bush.*

## France

*Le Figaro*, Dec. 26:

Contrary to U.S. government estimations, the military action in Panama has been a disaster, the major French daily's special correspondent comments. The "once agreeable and friendly" Panama City is now "devastated" and is reminiscent of Beirut; the presidential quarters and Supreme Court are in ruins. The situation "reminds one of *Apocalypse Now*," while the U.S. public has seen nothing of what is really happening, because of censorship. The U.S. military command has expelled journalists, and seized their film. "The Pentagon presents it all as a clean operation, like in a Hollywood film," he reports.

## Great Britain

*Financial Times*, Dec. 21:

The daily describes as "disturbing" the U.S. Department of Justice authorization for overseas arrests of "those declared fugitives from U.S. law."

Did the goal of removing General Noriega "warrant the extreme recourse of an invasion of the sovereign territory of another country," the *Times*'s editorial asks. Even if one doesn't like Noriega, "his place in the indisputable first division of villainy is borderline. It would be hard to sustain the case that his crimes against humanity were worse than, for example, those of Pol Pot, who was removed by a Vietnamese invasion that the U.S., among others, so vehemently condemned; or indeed of the Ceausescu dynasty in Romania, which appears to have killed in a weekend more than Noriega has in years. In so determining, the U.S. has set itself up as judge, jury, and, if necessary, executioner—a course not without consequences and responsibilities."

Leaders in Mexico and further south are now fearful that the U.S. will invoke the narcotics issue as "a pretext" for further armed interventions, the editorial notes. And "the management of Panama may prove as troublesome as the taking of it," especially as U.S. actions over the past period have, perhaps irrevocably, destroyed the Panamanian economy.

*Financial Times*, Dec. 27:

One of the "most disturbing" aspects of the U.S. invasion of Panama, is the effort of the U.S. Armed Forces to control the flow of all information, placing every imaginable obstacle in the way of journalists' coverage of the events independent of the reports coming from the U.S. invasion army, the *Times* special correspondent in Panama writes. Many press were held "virtually as prisoners" on a U.S. military installation for 36 hours, given hardly any food and hardly any access to phones. Official numbers of U.S. casualty figures can be "seriously questioned," while the U.S. command is effectively preventing accurate accounts of civilian casualties, he charges.

"Torrijos must be turning in his grave," the *Times* comments, referring to the late Panamanian nationalist leader. The irony of the U.S. invasion is that it might spark a revival of Torrijos's original political coalition and ideas. U.S.-installed President Guillermo Endara is seen by the Panamanian black and mixed-skin population as the head of a "rabi-blanco" government of "white oligarchs." And since whatever U.S. aid comes in will be filtered through "free market" channels, the poorer populations might again rally behind a Torrijos-like appeal to "health, education, and housing."

This trend will be further catalyzed by the country's devastation by bombing, looting, anarchy, and chaos. There is a serious shortage of food and medicine throughout Panama City, and long food queues. This dire condition of Panamanians contrasts with the "relative luxury of U.S. troops" who have invaded, the *Times* notes:

*Guardian*, Dec. 28:

"Whilst the earthquakes of freedom grow ever more thunderous across Eastern Europe, all the President of the United States has to occupy his time is a tedious and embarrassing wrangle with the Pope about the fate of General Noriega. And, so far, the Pope commands the high ground," the paper comments. "America's botched adventure. . . a week on, has cost many innocent lives, turned much of Panama into a looted shambles, installed a leader seemingly incapable of independent leadership, doomed Washington to bail out an enfeebled client for years to come—and left Manuel Noriega, of all people, sheltering beneath the Vatican's robes. It is something short of triumph; and, as Mr. Bush retires to catch easier fish, there is an appropriate political cost attached."

## Italy

*Avvenire*, Dec. 21:

"The U.S. bombs against Noriega are the first effect of the U.S.-Soviet Détente," the newspaper of the Italian Catholic Bishops' Conference asserts. Bush resolved to invade Panama, as a consequence of the agreements taken in Malta with Gorbachov. "What Washington fears most is, as Kissinger said Jan. 8, 1989, the emergence of forces full of 'populism, nationalism, and anti-Americanism.'" But the reality is that the U.S.A. wants to abrogate the 1977 Panama

Canal treaties, the paper concludes.

*Corriere della Sera*, Dec. 21:

"The Shadow of the Old Gendarme," is how the Italian daily of record characterizes the U.S. invasion of Panama. Washington correspondent Brancoli calls the U.S. action "brutal" and "anachronistic." At the moment when the East bloc is moving dramatically towards democracy, the United States is returning to the logic of the gendarme. He anticipates that the U.S. will soon be facing guerrilla war in Panama, and that more and more Americans will be put at risk.

*Il Giornale*, Dec. 21:

"If the attack of 24,000 U.S. soldiers against 6,000 troops of the national guard of Panama leads only to the conquest of a city and not to the capture of a man . . . it will be confirmed that the Americans can take such pirate actions only in the movies. . . . The price Bush will pay will be extremely high. . . . The Soviet Union will be able to appear as the great power which builds peace in Europe, while the American superpower makes acts of war."

*Avvenire*, Dec. 27, "Bush's Obsession":

Elio Maraone writes in a front-page lead commentary, "It is legitimate to have doubts about what were Washington's real intentions. . . . A dead Noriega would have been welcome—even if the White House will never admit it. A living Noriega, free to talk in front of a court, could be quite embarrassing for the CIA, which paid him for years, and for Bush himself, who at that time directed the secret service. Already now some State Department functionaries are trembling, since, as it appears from documents seized in Panama, they were on the payroll of the dictator."

Bush's obsession with Noriega could "push the U.S. President onto the path of authoritarian measures."

## Switzerland

*Neue Zürcher Zeitung*, Dec. 27, "Troublesome Consequences for Bush":

"U.S. media have called attention to the possibility that in case of a public trial, Noriega may reveal a lot of discrediting material on his former longtime cooperation with the CIA and his personal contacts to leading U.S. representatives.

"According to the *New York Times*, President Bush met with Noriega twice in former years, once in his function as director of the CIA in 1976 and another time as Vice President of the U.S. in 1983."

## United States

*Oakland Tribune*, California, Dec. 21, "Reckless Gamble in Panama":

The editorial opens with a fictitious Soviet TASS wire reporting that Gorbachov has sent Soviet troops into Romania because "Ceausescu has been indicted by world opinion for his crimes. If that seems far-fetched, it's because Gorbachov knows he would pay too high a price in world . . . opinion for violently attacking another nation's sovereignty," but

President Bush has not learned such a lesson.

"[T]he invasion still represents a violation of peace and international order and is a reminder of the lawless days of U.S. intervention in this hemisphere. . . . The outcry will soon find echoes in the United States as well if . . . the operation doesn't end quickly and cleanly. . . . [T]he American people have no stomach either for a prolonged intervention or for the sight of body bags returning in the holiday season. . . . The linchpin assumption behind the whole operation was that Noriega enjoyed no support and the fighting would end soon. . . . [F]or many Panamanians, the evil at issue has shifted from Noriega to Yankee intervention—and if they decide to resist, Bush will have gambled away too many lives in vain."

U.S.-installed President Endara lacks credibility, since he was "the corporate attorney for and business partner of a man arrested last April in Georgia for running a huge cocaine conspiracy," the *Tribune* notes.

*New York Post*, column by Pete Hamill, Dec. 26:

"If George Bush really wanted to defend democracy, we would have invaded China after Bush's buddy, Deng Xiaoping, ordered 3,000 young Chinese murdered in Tiananmen Square," rather than sacrificing young Americans in the illegal invasion of Panama. The "whole adventure stinks of hypocrisy." The American soldiers who died in this "senseless melodrama" will be "remembered forever as the young men who died to satisfy the nasty pique and the injured masculinity of an aging President."

Hamill casts doubt on Endara's claim to be the legitimately elected head of Panama, noting that Noriega negated the election in May when it came out, including in the U.S. press, that the U.S. had slipped Endara's campaign \$10 million. "If a foreign nation did that in an American election, we'd probably cancel the counting too; such contributions are illegal here. But the history of our behavior in Latin America is full of doing there what we can't legally do here."

Endara was also close to the "dreadful Arnulfo Arias, an outspoken fascist . . . an admirer of Mussolini," who "ran a racist campaign as the oligarchy's man," Hamill writes. On the drug charges against Noriega, he notes, "For Noriega, you see, there is no presumption of innocence. He's guilty. Bush says so. Cheney says so. The generals say so."

## Germany

*Die Zeit*, Dec. 29:

A front-page editorial comment says of the Panama invasion that this mission in the tradition of Theodore Roosevelt's gunboat diplomacy is more than doubtful: "Field Marshal Bush has either not achieved any of his objectives or only at the cost of immense casualties." The mission was to protect the Canal, which wasn't even threatened at any time; it established firm U.S. control, again, but in a breach of the very same treaty that was to hand over the canal to the Panamanians by the year 2000.

## Soviet massacres from the Elbe to the Urals?

by Webster Tarpley

"Nowadays to exercise self-determination through secession is to upset the Union, to pit peoples against one another and to sow discord, bloodshed and death." This blood-curdling threat was issued by M.S. Gorbachov on Dec. 23, during a debate in the Congress of People's Deputies in the Kremlin on the validity of the Molotov-Ribbentrop [Hitler-Stalin] Pact of 1939, and of the territorial annexations carried out by the U.S.S.R. under that pact. Gorbachov's threat was directed against Lithuania and the other Baltic states.

On Dec. 20, the Lithuanian Communist Party had voted by a margin of 855 to 160, with 12 abstentions, in the capital of Vilnius to split from the Communist Party of the Soviet Union (CPSU). The demand from Vilnius for an "independent Lithuanian Communist Party with its own statutes and program," disregarding earlier warnings from the Gorbachov leadership in Moscow, marked the first time since 1917 that a component part of the CPSU had attempted to assert its independence from the Moscow center. The move was doubly alarming to the Kremlin because of the pervasive nationalist ferment in the Baltic states, clearly foreshadowing a total break with the U.S.S.R. One day later, the trade unions of neighboring Estonia gathered in conference in Tallinn to cut their ties with the Soviet trade union federation. Earlier in December, the Lithuanian Supreme Soviet had eliminated the constitutional clause guaranteeing the primacy of the Communist Party in state and society. Similar steps are in the works in Latvia as well.

The conjuncture of the Romanian-centered Balkan crisis with the Lithuanian-centered Baltic crisis is propelling the Kremlin toward the use of military force in either or both of these theaters. These events, coming after the liquidation of perestroika in mid-December, have also produced a new phase in the personal psychological disintegration of Gorbachov:

The telegenic peace angel is long gone, supplanted by the bullying, hectoring, jumpy dictator. Gorbachov is attempting to pose as the master, rather than the servant, of the institutional evolution of the Soviet Union back toward totalitarian repression. But as his hysterical outbursts increasingly betray, Gorbachov's cosmopolitan Trust pedigree is a severe and ultimately insuperable impediment to acting out the role of the *vozhd* of the Third Rome. All these events furnish striking validation for the predictions ventured by political prisoner Lyndon LaRouche in November, when he predicted an anti-perestroika crackdown turn in the Soviet empire for the period between Dec. 15 and the frosts of Epiphany (Jan. 6).

Mid-December had seen a virtual coup d'état by the resurgent Soviet industrial-military complex, led by Supreme Defense Council technocrats Lev Zaikov and Yuri Maslyukov, and Prime Minister Nikolai Ryzhkov. On Dec. 19, the parliament ended the six-day wake for the defunct perestroika program by approving the Ryzhkov "war communism" economic program, which stresses central planning and a command economy as matters of practical policy. Gorbachov was assigned the degrading role of bullying the deputies into repudiating the innovations that his own "new thinking" was supposed to represent. Gorbachov ruled any amendments to the package out of order: "Either you support the program or you amend it, which means you do not support it at all." The program passed, 1,532-419.

Upon hearing of the Lithuanian split, Gorbachov had telephoned Lithuanian communist leader Algirdas Brazauskas to express his "dismay." After an emergency Politburo meeting, Yegor Ligachov told reporters that the Lithuanian move represented "great trouble for the people and for Communists." The Lithuanians, said Ligachov, "just do not

realize yet what grief will descend.”

The Central Committee plenum was conducted on Dec. 25-26. On Christmas Day, Gorbachov led off with a philippic against the Lithuanians. He branded the decision to split from the CPSU as “illegal,” “illegitimate,” and “beyond the framework of Soviet laws.” According to Gorbachov, “public opinion was shaped in favor of secession” by the Brazauskas leadership tailing after the pro-independence Lithuanian popular front, the Sajudis, which he attacked for “acting subversively” with “nationalist terror” and with “provocative” attempts to “internationalize” the Baltic question through visits to the American Embassy in Moscow and the White House. “The present Communist Party and state leadership will not permit the breakup of the federal state,” said Gorbachov. “We have to clearly draw up limits beyond which one cannot go because going beyond them means, in advance . . . the destruction of perestroika in its entirety [and the] disintegration of the Soviet Union.”

“Harsh necessity requires actions to preserve the state and secure its unity. Here we should not have any illusions as far as the intentions or abilities of the central government are concerned,” Gorbachov stated. He appealed implicitly to his U.S. and British condominium partners by presenting “an integral, stable and powerful Soviet Union” as an “urgent need of the epoch and of the existing complex system of international security.” “Nobody can be interested in its destruction,” argued Gorbachov. He ridiculed the Lithuanians and the other Baltic peoples, ranting that their “hopes for some kind of ‘Western sugar daddy’ are rather naive.”

According to sources, Brazauskas argued that if the Lithuanian communists were to follow the Gorbachov line, the Lithuanian Communist Party could not survive for a week. Pointing to the elections for the Lithuanian Supreme Soviet to be held on March 18, Brazauskas asserted that the only chance to keep any Communist Party in existence in Lithuania would be by allowing it to split from Moscow. Mikhail A. Ulyanov, an actor by trade, intervened to propose that Gorbachov visit the troublesome Lithuanians personally. One wonders who provided Ulyanov with his script. According to an unnamed central committee member quoted by the *New York Times*, “Gorbachov seemed almost relieved to have this idea presented to him.”

### **If Gorbachov fails to repress Lithuania**

In reality, Gorbachov will be as happy to court fiasco in Vilnius over the next few days as Heinrich Himmler was to assume command of the doomed Army Group Vistula in the last phases of World War II: Both are losing missions. Before accepting this thankless assignment, Gorbachov was subjected to one of the self-destructive public episodes that have dogged him, especially since he threatened to resign his posts on Dec. 9 in response to taunts that he was the darling of the Western capitalists and the Roman Pope. In a heated exchange with Ukrainian deputy Valentin Karasyov, whom

Gorbachov accused of representing the Inter-Regional faction to which the late Andrei Sakharov also belonged, Gorbachov delivered an outburst to the plenum: “There are attempts to make you believe I am working on behalf of someone, that I want to rip up the party and dissolve the Soviet federation. I reject that categorically. I am a Communist, a convinced Communist. For some, that may be a fantasy, but for me, it is my main goal.” At the conclusion of the session, Gorbachov retainer Vadim Medvedev told the press that Gorbachov does not intend, despite all the threats, “to use military means to resolve problems in the Soviet Union.”

“We stand for political solutions,” said Medvedev. But he also pointed out that although the present Soviet Constitution enshrines the right of republics to secede, there is a “big difference” between that clause and the “political realities.” Medvedev carefully noted that the Baltic is an internal matter of the U.S.S.R., where “efforts have to be made to prevent a chain reaction” of political rebellion.

According to senior European intelligence experts, a possible scenario would foresee an intervention by Red Army troops in Lithuania in the aftermath of a failed Gorbachov visit. This might be accompanied by Gorbachov’s ouster. The Kremlin’s problem is that the crushing of Catholic Lithuania by Soviet forces would be likely to detonate a larger rebellion in Catholic Poland, where the insane monetarist economic policies adopted by Finance Minister Leszek Balcerowicz on the advice of the neo-Schachtian Jeffrey Sachs, are imposing murderous austerity and raising social tensions to explosive levels. A revolt in Poland would mean in turn that communications with some 400,000 elite Soviet troops in East Germany would become tenuous. Poland might also detonate the Ukraine, where the Russian Orthodox Church has been demanding a crackdown by state authorities against the Vatican-linked Ukrainian Catholic Church, which has been reassuming control of churches occupied by Orthodox priests since Stalin’s time.

Thus, according to these experts, a bloody civil war could shortly engulf the immense land area between the Elbe and the Urals. According to these experts, the Romanian massacres are the signal that the peaceful and joyous toppling of communist dictators, as in East Germany and Czechoslovakia, has come to an end, and that the ugly and bloody revolutionary phase has begun.

If such a bloodbath comes, the craven Bush regime will bear a heavy responsibility. Secretary of State James Baker, in an act of unbelievable folly, appeared on television Dec. 24 to incite a Soviet military intervention into Romania by acknowledging that Stalin’s view of Yalta was the right one, and that the Russians have a free hand in their own sphere. After Romania could come Yugoslavia, which is also on the brink of civil war, and with that the achievement of the millennial goal of a warm water port, turning the NATO southern flank at the Adriatic, or south through Bulgaria to Tsargrad and the Bosphorus.

# Phase I of Romanian revolution has ended

by Konstantin George

The Romanian Army coup and popular revolution that overthrew, at the cost of an estimated 60,000 lives, the hated despot, Nicolae Ceausescu, marks, on the hopeful side, the definitive end of Communism and Communist Party rule in Romania. It also marks the equally definitive launching of what will become the Balkan Crisis of 1990. The Ceausescu, Nicolae and Elena, are dead, and their execution symbolizes the end of Phase I of the Romanian revolution. The next phase, already under way, is the jockeying for positions between the new interim government, called the National Salvation Front, and its main pillar of support, the current Romanian Army leadership; and the array of new parties now rapidly forming, between now and the free elections set for April.

There are two levels to what has been going on in Romania since Dec. 22. There is the level of a truly popular revolution, a population which wants nothing less than a total break with not only the 25 years of despotic Ceausescu rule, but the entire 45 years of brutal Communist oppression. Counterposed to this is the new interim government, the National Salvation Front, quite a different animal. The leaders of the National Salvation Front, beginning with its head, Ion Iliescu, are not only Communists, but all belong to Romania's smallest—and next to the Ceausescu clan itself, most hated—minority; members of the 1,000 families that formed the tiny and irrelevant pre-war Romanian Communist Party. In other words, these are Comintern Romanians, and the hardest of the hard-core Soviet assets in that country. To wit:

1) Ion Iliescu, 59, interim President and head of the National Salvation Front, whose parents served as Comintern agents in the pre-war RCP, during the "period of illegality." Iliescu, always a Communist, formally joined the RCP youth right after the Red Army entered Romania in August 1944. He went on to study in Moscow, beginning in 1950, from which time his friendship with Gorbachov stems.

2) Petre Roman, 43, the new prime minister, son of Comintern parents, and whose father fought in the Communist International Brigades in the Spanish Civil War.

3) Alexandru Birladeanu, placed in charge of the Romanian economy by the National Salvation Front. Birladeanu was head of the Romanian State Planning Commission during the 1960s in the last years of Stalinist Ceausescu's Stalinist predecessor, Georghe Georghiu-Dej, and the first years of Ceausescu.

This new government reflects the coup side of the revolution, namely that the revolution succeeded because it was launched by the Army with Soviet backing, and, contrary to Western reports of a black and white "Army versus Securitate" war, by leading factions of the dreaded Securitate, or secret police, in close coordination with Moscow. Ironically, the very fierce resistance by Ceausescu diehards and fanatics has provided through this writing (Dec. 28) the greatest short-term stabilizing factor to the new regime. If there weren't such fanatic, armed resistance, the Iliescu types would have to invent it. As long as fighting continues, popular attention is still largely riveted on completing the first revolution—the mopping up of the last remnants of the *ancien régime*—and deflected, at least partially, from turning on the Comintern Communists turned "democrats."

These considerations played a key role in why Moscow decided not to intervene militarily. Moscow was mooting a military intervention during Dec. 22-23, when it was not clear that the Army would emerge victorious. Once the ultimate victory of the Army forces was assured, Moscow put any intervention on ice, reasoning that a protracted conflict was the best guarantee for short-term stability for the new regime it had installed.

## Troop transit rights

We are entering 1990, and 1990 will be the year of Balkan Crisis. Romania is but one sub-theater of this crisis. Yugoslavia is rapidly nearing a point of no return into fragmentation along ethnic lines, and potential civil war. Bulgaria is being hit by strikes and disorders. Last but not least, Hungary's relative political stability could come totally unglued by the end of March, when free elections are held. All these countries border on Romania, and Romania is the country positioned between them and the U.S.S.R. Under these conditions, Moscow's main strategic demand vis-à-vis Romania is an agreement with a Romanian government allowing the passage of Soviet troops across Romania for the contingency of military operations anywhere in the Balkan theater. With Soviet puppet Iliescu in, even as interim President, such accords can be signed. Once that is achieved, Moscow, after the scheduled April elections, would accept a non-Communist government in Bucharest, under two conditions: overall, that the regime's foreign policy, akin to Poland's under Solidarnosc, be pro-Soviet and membership in the Warsaw Pact be maintained; and, that any Iliescu-signed agreements concerning Soviet troop passage rights, be respected.

The National Salvation Front as such will not survive past April. That is certain. The most Iliescu and his cohorts can hope for is a minority status in a non-Communist coalition government. However, between now and April, when the "second revolution" will occur, these Cominternists—who come from the same dirty 1,000 families that produced Ceausescu and wife Elena Petrescu's clan, can do a lot of damage, some of it irreparable.

# U.S. warfare in 1989 targeted four strategic allies in Asia

The Dec. 9-11 visit to Beijing by National Security Adviser Brent Scowcroft and Deputy Secretary of State Lawrence Eagleburger—despite the Bush administration's stated policy to ban all high-level contacts with the Beijing regime in the aftermath of the Tiananmen Square massacres in June 1989—was clear proof that Henry Kissinger's "China card" still dominates Washington's policy toward Asia, as it has since 1971. The Bush administration justified its kowtowing to the Beijing regime by declaring that U.S. strategic interests lie in maintaining its special geopolitical relationship with the People's Republic of China, although given Washington's appeasement of Moscow, it is impossible for the Bush administration to claim that the "China card" is *anti-Soviet* policy.

However, the corollary of Kissinger's "China card" also continues in the Bush administration: The United States maintains a posture of imperial hostility to those nations which represent its longstanding and most loyal strategic allies. In particular, over the last year, Washington has carried out a policy of extreme political, military, and economic pressure on four of its key allies, all of which are sites for U.S. military presence: Turkey, the Republic of Korea, the Republic of the Philippines, and Japan.

## Hostility toward Turkey

Turkey is the site of U.S. naval bases, several air bases, and strategic listening posts—pertinent with respect to both the Soviet Union and Iran. The U.S. military capability in Turkey is, in essence, the key to the eastern Mediterranean. However, Bush's decision to appoint State Department intelligence director Morton A. Abramowitz as ambassador to Turkey indicated that U.S. policy toward Turkey would become increasingly hostile. As a Carter administration Defense Department official, Abramowitz had authored the 1977 policy of pulling U.S. ground troops out of South Korea. While ambassador to Thailand, Abramowitz oversaw the 1980 collapse of the government of Premier Kriangsak Chomanan. As the chief of the State Department's Policy Planning Committee during the Reagan-Bush administrations, Abramowitz played a role in the 1986 overthrow of Philippines President Ferdinand Marcos and in the policy of supplying arms to Ayatollah Khomeini's Iran, which inclusively had as its objective the eventual undermining of the

secular Turkish state.

Bush's policy toward Turkey has been summarized in a series of threats written by Abramowitz's deputy George Harris to the government in Ankara, and leaked last fall. In these documents, Harris demanded that the government of President Turgut Özal "place less emphasis in Turkey's agenda for the 1990s on the Soviet threat and more on relations with the Soviet Union," and ridiculed Turkey for having a "hairshirt mentality." Referencing the U.S.-Soviet deal, he gloated, "The Turkish argument that emphasizes geostrategic location and its value to NATO has become a less useful selling point in Turkey's relations with the U.S."

Former U.S. Attorney General Elliot Richardson, currently U.S. special envoy to the Philippines, underlined Washington's policy in his conclusion in this same set of documents: "Gorbachov has embarked on an ambitious program of internal reform. . . . His aim is to reduce both risks of conflict and the cost of Soviet engagement. This kind of realism calls for comparable realism on our side through step-by-step moves that reduce the risk of war." Then, the conclusion: "All these considerations apply to the U.S. relationship with Turkey and to Turkey's relations with Western Europe. Turkey and the U.S. should be able to look confidently toward a lessening of tensions with the U.S.S.R."

Ankara, however, has remained unconvinced. In May 1989, the most recent Soviet anti-Turkey campaign began in earnest, timed with Bulgaria's launching of the mass expulsion of its Turkish minority. A May 22 speech by Armenian First Secretary Suren Arutunyan called for "the return of Kars Province" from Turkey to Armenia—a province in northeastern Turkey which was annexed by Czarist Russia in 1878 through the Russian-dictated San Stefano Treaty, and then reverted back to Turkey after the Russian Revolution in 1917. The call for the province's return to Armenia was repeated June 3 in the Soviet Congress of People's Deputies and reprinted in *Izvestia* June 4.

The United States responded with provocation—also against Turkey. In the fall of 1989, Sen. Robert Dole (R-Kan.) sponsored an "Armenian Genocide Day" bill in the U.S. Congress, which accused the Ottoman dynasty of genocide against Armenia, back in World War I. The accusation is still an emotional one in the region.

So, on Oct. 18, Ankara started to implement five countermeasures, including reducing the number of U.S. jet fighters deployed in Turkey from 26 to 24; restrictions on U.S. war vessels anchoring in Turkish ports; restriction of the movement of U.S. military personnel on Turkish territory, and restrictions on U.S. training flights. If the Dole bill passes in the next session of Congress, as it is expected to, the Turkish response will undoubtedly escalate. If the Turks continue their sanctions into the spring, then Bush and the Congress will have the pretext to veto the U.S.-Turkish bilateral treaty on military cooperation. Why this should suddenly become an issue was left unexplained. However, the bill hit the mark, since the accusation is an emotional topic throughout the region. Turkey reacted immediately against the United States.

### **Blackmail against Korea**

Although the United States worked actively behind the scenes to bring about the election of Noh Tae Woo as the successor to former South Korean President Chun Doo Hwan, the Bush administration in its first year has acted on all fronts to render the Noh Tae Woo government as impotent as possible.

The Bush administration signaled its policy with the appointment of Donald Gregg, a former CIA station chief in Seoul and close associate of George Bush, as ambassador to the Republic of Korea. Although Seoul felt it could not submit any protest to Washington, privately R.O.K. officials voiced concern over Gregg's appointment, due to his known links to the Korean opposition. These included Gregg's sponsorship of the ruling party opponent Kim Dae Jung and his saving of Kim's life in 1973 and 1980, and a close relationship to Kim Chong-pil, opposition leader (and former KCIA intelligence chief) who was briefly President during Gregg's previous tenure in Seoul.

Aside from its obvious potential for domestic mischief, Gregg's appointment also signaled the revival of the Carter administration's policy to withdraw the 40,000 American ground troops from the R.O.K.

Speaking at his Senate Foreign Relations Committee nomination hearings on May 12, 1989, Gregg stated, "I think we are at the point where we can begin to think about sitting down with the Koreans and negotiating, in a truly consultative way, eventual reduction of our troops." Shortly after Gregg's arrival in Seoul, the commander of the U.S. forces in Korea, Louis Menetrey, told the *New York Times* that there will be no military need to keep U.S. forces in South Korea after the mid-1990s, if present trends continue.

Aside from the opposition, there is no equivocation in official government circles on the requirement for the United States to maintain its strategic forces in the R.O.K. President Noh Tae Woo has repeatedly spoken against the removal of the U.S. troops. On Oct. 18, 1989, he told a joint session of the U.S. House and Senate that tragic results would follow

any weakening in the U.S. defense commitment or a precipitate lessening of the military presence might cause North Korea to "misjudge the U.S. commitment to peace in the region."

This U.S. strategic presence is the foundation of President Noh's repeated efforts to initiate relations with the North—Noh's so-called "Northern Policy," by which he has offered the cash-strapped Kim Il-Sung regime the South's aid and technology in building its economy.

The United States, however, has preferred to deal with the North Koreans outside of the parameters established by Noh Tae Woo. While Noh was in Washington, on Oct. 20, Bush sent former U.S. Assistant Secretary of State Gaston Sigur to North Korea for a week-long series of negotiations with the Kim Il-Sung regime. Politely commenting on this U.S. intrigue, the Korean daily *Chosun Ilbo* noted on Oct. 8, "We are concerned about the possibility that the United States, being less familiar with the North Korean authorities' way of thinking and way of behaving than we are, could fall victim to the fraud of the 'Kim Il-Sungists.' "

Gregg has also used his background to run U.S. foreign policy toward Korea through the opposition, bypassing the Noh government. The ruling party, South Korean press outlets have made clear, is not at all relaxed about the dynamics between Gregg and the opposition parties. The decision of the three opposition Kims to unite to bring down the government unless it agreed to their "pro-democracy" demands, during Noh Tae Woo's mid-October visit to the United States, some sources believe, was orchestrated by Gregg.

However, if the U.S. strategic policy toward R.O.K. remains in the realm of possibilities and speculation, U.S. trade policy toward R.O.K. has taken a heavy toll in the here and now. As South Korean news service YONHAP said Dec. 16, reflecting on the trade friction between the two countries in 1989, "persistent U.S. trade pressure was one of the major drags on the Korean economy." By making tremendous trade concessions to the United States, Seoul barely escaped being cited under the U.S.-legislated "Super 301" clause—which once cited includes the penalties such as 100% tariffs on exports. Once Seoul had gotten over that hurdle, however, Washington moved in and forced Seoul to further open agriculture markets, brought pressure to bear on the telecommunications industry, and called for the immediate announcement of a schedule for opening the service sector.

The South Korean economy is particularly vulnerable to this type of economic warfare, given its structure. The economy is heavily dependent on export, in particular export to the United States. An economic survey in July reported by publication *Chugan Maekyong* notes that business activity is plummeting downward, due to a reduction in exports and investment; that exports and business investment were increasing at a mere 3.52% rate. January-May exports in the auto industry, for example, were down 33% from the corresponding period of the previous year.



## Japan: surveying the horizon

Although Japanese Prime Minister Toshiki Kaifu declared shortly after the Dec. 2-3, 1989 Malta U.S.-Soviet summit that Japan would stand by the U.S.-Japan Security Treaty, it is clear that various sections of the elite in Japan are preparing for the eventuality of a decisive shift—albeit unlikely a break—in U.S.-Japan relations.

That the possible necessity for Japan to seek alternatives to its alliance with the United States—the touchstone of Japan's positive foreign policy—was a concern within Japan's ruling elite, was made clear with the publication of a book co-authored by Shintaro Ishihara, a parliamentarian of the ruling Liberal Democratic Party, and Akio Morita, chairman of the Sony Corp., entitled *The Japan That Can Say No*. According to Japanese sources, the book represents a growing nationalist trend within the elite, which no longer believes that Japan's role in the world should be constrained by its relationship to Washington. The book, which was translated into English against the will of the authors, was circulated widely in Washington, where it fed the worst fears of the "Japan-bashers." While Morita delivers a sound condemnation of America's "post-industrial" economic idiocies of the last 20 years, Ishihara declares that American "Japan-bashing" is the result of U.S. racism and hatred of Japan, going back to the bombing of Hiroshima and Nagasaki. In other words, Ishihara raises the question: Is the United States an ally of Japan at all?

In the last year, the Bush administration has given Japan ample reasons to raise such concerns:

- *The FSX jet fighter*: Not content with Japan's plans to build its own fighter, to be designed as an improvement on the U.S. F-16, Washington insisted that Japan and the U.S. co-develop and co-produce the plane. Then, once that Memorandum of Understanding for the FSX production had been drawn up, the Congress insisted that Japan just buy the F-16, a demand put forward amid hysterical charges that Japan would steal U.S. technological secrets. By the time the FSX Memorandum of Understanding was finally signed, the diplomatic damage had already been done.

- *Scandal-mongering*: In the last year, scandals concerning the fundraising practices of the LDP have downed two prime ministers. Leading the scandal-crusade was the Japanese daily *Asahi Shimbun*, which is affiliated with the *New York Times*, which ran the most vociferous anti-LDP campaign stateside. The U.S. embassy also reportedly has close ties to Japanese Socialist Party chairman Takako Doi, whose party reaped the electoral benefit of the scandal campaign.

On May 30, the Bush administration leveled "Super 301" against Japan, a trade war measure comprised of a package of threats if Japan were not to open up its markets to Washington's satisfaction.

- *Japan: the enemy*: In the last six months, the U.S. press has conjured up a view of Japan as the enemy of the

future, based on Japan's growing economic and hence political clout internationally. As even Reuters reported Dec. 19 on the effects of the anti-Japanese press campaign: "A recent opinion poll showed that many Americans already consider Japan's economic power a bigger threat to the U.S. than the Soviet Union's military might." This press campaign has fueled the perception in Japan that the United States and the Soviet Union are consistently combined against it, in a coordinated fashion. The Japanese daily *Yomiuri Shimbun's* comment on U.S. trade war tactics could be taken as a growing, if nonetheless still a minority, view in Japan: "Japanese people may begin to think that Japan-bashing by the U.S. is a greater threat to this country than the Soviet military threat."

## Philippines: Hang your own puppet

In the case of the Republic of the Philippines, U.S. tactics have gone so far that it sometimes appears as if the United States were at war with itself. Even before President Corazon Aquino called upon U.S. military forces to intervene against a military coup attempt Dec. 1, 1989, Aquino was being attacked by stalwarts in her own party for her "closeness" to the United States. Even Leticia Shehani, the sister of Defense Minister Fidel Ramos, who enjoys extremely close ties to the U.S. embassy himself, lambasted Aquino for the subservience to Washington. Shehani, who is chairman of the Senate Foreign Affairs Committee, remarked, "If we become too pro-American, we become subservient. We must be seen increasingly as taking decisions on our own. To a certain point, Marcos [who was excoriated by his opponents as a "U.S. puppet"—ed.] was more nationalistic. He really tried hard to make us more independent, politically and also economically."

Aquino's "pro-Americanism" is the rope that will hang her. That she was forced by the seriousness of this latest, sixth, coup attempt against her to turn to the U.S. military, is proof positive that her government continues to exist only by the good graces of Washington.

Given the Aquino regime's additional inability to deliver any economic benefits to the Filipino people, the Philippines is politically back at square one, with a government far less effective than that of Marcos.

For the United States, although some short-sighted officials might think Aquino will be forced to "pay her debt" by negotiating a new treaty for the U.S. strategic bases at Clark Field and Subic Bay, it is far more likely that Aquino's government will not survive to negotiate a new treaty. The old treaty expires in 1991. Furthermore, with this last U.S. "show of force" during the coup bid, anyone who wants to score political points in the Philippines will be forced to come out against the bases. This is a lesson that the Nacionalista Party, comprised of former Marcos and Aquino loyalists, has already learned, with its calls for termination of the bases agreement.

# Greenpeace: a critical look at the ecological multinational

## Part I of an EIR Investigation

The ozone hole, the greenhouse effect, poisoned drinking water—new announcements of catastrophes continually shake Europe and America, and the crusade against the alleged environmental criminals is in full swing. Nowadays, this propagandistic crusade cannot be conceived apart from what may be the most powerful, richest, and most spectacular ecological organization in the world: Greenpeace. Everyone is familiar with the dramatic camera shots of Greenpeace members guiding their rubber boats up to whaling ships or in the vicinity of nuclear tests, climbing smokestacks or construction cranes, or plugging the outlet pipes of chemical factories. This naturally never occurs without securing the greatest possible media publicity in advance. Wilhelm Bitorf, a journalist for *Der Spiegel* who sits on the governing board of the West German branch of Greenpeace, has been actively beating the drum for his organization in the “German news weekly” for years.

Recently, the wave of legal actions started by Greenpeace has attracted even more attention than its stunts. In the Federal Republic of Germany, six lawsuits are pending in the Hamburg state court with penalties of DM 155,000-410,000 (\$90,000-240,000) against the publisher, authors, and editors of two issues of the German-language magazine *Fusion* and the Patriots for Germany political party. Greenpeace first obtained a temporary injunction against a series of statements, and is seeking a permanent injunction. No decision has been made in the cases overall.

Central to the challenged publications is, by our information, a series of critical questions concerning the political benefits that third parties derive from actions done by Greenpeace, possible strategic background information, and the devastating effects of those actions on local economies. The remarkably hectic and massive court action has attracted special attention because the size and circulation of the publications sued are, in comparison to other media, rather small. For this reason, we have decided to look into the Greenpeace organization more closely, and our findings will be published in subsequent parts of this series.

Greenpeace is the only worldwide environmentalist organization with 33 offices in 20 countries (connected by a computer network), a base in Antarctica, and a fleet of highly modern ships (which communicate via satellite), a fabulous

worldwide budget, estimated at over \$100 million, and, what is perhaps most astonishing, powerful patrons and supporters in the West and the East. In 1971, Greenpeace began its work with obstruction of U.S. nuclear weapons tests; it then discovered it had deep feelings for whales and seals, and battled as well against nuclear waste, nuclear energy, nuclear reprocessing, and chemical wastes. Currently, much attention is being given to the Greenpeace demand to make Antarctica into a “world park” that is to be left to itself without any human interference—apart, of course, from the research of the Greenpeace members stationed there, and the publicity stunts such as the Antarctic crossing by Reinhold Messner.

There are continual criticisms of Greenpeace, even from other environmental organizations. In 1982, the groups in Kiel and Bremen split off, with sharp criticism of “Kiespeace,” which in the eyes of many involved co-workers was “only interested in money transfers.” The Canadian Paul Watson, a Greenpeace activist since 1978 who broke with Greenpeace to form the more militant organization called “Sea Shepherds,” admitted in an interview with Canadian Broadcasting Corp. that Greenpeace primarily regarded seals as a fundraising issue, since they make it easy to involve people emotionally. “Seals are not in danger of extinction,” Watson said. “But I think that of all the animals in the world, the harp seal is the easiest issue to raise funds.” He said that whales are not nearly so profitable—but even here, Greenpeace has succeeded in collecting \$4.5 million in one year (1989) in the United States alone for “saving the whales.”

The general secretary of the Danish World Wildlife Fund, Skat-Rordam, also voiced doubts about the Greenpeace campaign against seal hunting: “Most of the quarter-million seals killed each year would have died anyway from natural causes before reaching adulthood. But baby seals look soft and cuddly, so this was a good campaign for Greenpeace. Their ability to dramatize an environmental problem so people understand it is just fantastic. We can’t match them.”

Graham Searle, founding member of the Friends of the Earth, recently criticized an irresponsible campaign against toxic PCBs. “Rather than reading up on it, they chose to hype it up. In this they have succeeded. Their membership has grown and money has poured in. The British public has been conned.”

## Spending decisions

Another topic that should be investigated is how decisions are made to spend the huge amounts of money raised. In 1988, Greenpeace in West Germany had contributions of DM 39 million (\$23 million), which included the sales revenues from numerous ecology articles the organization offers. In the Hamburg central office, 60 officials who work there, receive, according to *Der Spiegel*, gross monthly salaries of DM 2,000-5,100 (roughly \$1,200-2,900). According to *Der Spiegel*, 400,000 supporters contribute about \$30 monthly—"the number of voting members, for the purpose of the organization's 'being able to function,' is approximately 20." The coordination of the state sections is done by the Greenpeace International Council in Amsterdam, a foundation set up under Dutch law, under the direction of world president David McTaggart. Monika Griefahn, the German member in the exclusive council, said a few years ago to the alternative paper *tageszeitung* "We are not a democratic organization, if you mean by that that actions are decided by means of general meetings."

A further reason to closely examine Greenpeace is that its spectacular actions not only relieve well-meaning contributors of their funds, but also cause devastating economic damage to many of those affected. A recent example is the Greenpeace worldwide campaign, ended a few months ago, to boycott all Icelandic fish products, because Iceland, under the pretext of scientific research, continues to hunt whales. Seventy to eighty percent of all exports of this small North Atlantic country are fish products. According to Greenpeace's own figures, the boycott campaign had cost Iceland \$50 million through August 1989; according to the German newspaper *Frankfurter Rundschau*, it cost as much as \$150 million.

Since scientists confirm that Iceland's scientific whale hunting does not threaten the whales of the Atlantic Ocean in any way, and that other countries are more heavily involved in whale hunting, a big question is again raised as to the motives behind the Greenpeace campaign.

How some people, at least, received the boycott is documented in a letter to the editor in the July 2 edition of the Danish paper *Berlingske Tidende*, which observed, "The situation is certainly not improved by the fact that the organization is initiating a massive boycott action against another tiny nation, where the most life-giving source of income is being attacked, where they accuse a whole nation of being murderers. Apparently a good argument for those who look at whales as pets, and there are enough of those to ruin small nations. This, I think, has scary parallels to the slogan of Nazi Germany, 'Kauft nicht bei Juden' [Don't Buy from Jews]."

After the long campaign against seal hunting, which was carried on for years by animal rights people, had ruined the market for seal pelts, with corresponding impact on seal hunters in Newfoundland and elsewhere, Greenpeace asserted that baby seals were also being hunted in Greenland, even

though seals do not breed there—only adults go there to search for food. After the campaign, which economically devastated the Eskimo tribes dependent on seal hunting, Greenpeace did apologize to Greenland, but so far, has not paid any compensation.

Propaganda campaigns, which are perceived in part by the affected people as economic warfare, must be investigated, not only with regard to their economic justification, but also with regard to who derives the economic as well as the political-strategic benefit from the campaigns.

## Nervous about exposés

It is striking that this ecological multinational is reacting with increasing nervousness to criticism and questions. In Spring 1989, the documentary film "Survival in the High North" by Icelandic journalist Magnus Gudmundsson, made headlines. The film dealt with the difficult struggle for existence of the Scandinavians of the far north and the campaigns of environmentalist organizations such as Greenpeace. Before it was shown for the first time in Iceland, Greenpeace unsuccessfully tried to get a temporary injunction against showing the film.

In April, the Danish newspaper *Det Fri Aktuelt* wrote, "Greenpeace seems to have chosen to keep a low profile in its attitude toward the controversial movie, which among other things accuses the environmental organization with having staged scenes of suffering animals. The movie, 'Survival in the High North,' had its premier on Icelandic TV on March 14. The day after, a spokesman for the Greenpeace International headquarters in Great Britain, Martin Leeburg, said to Ritzaus Bureau that there would be lawsuits against anybody who had anything to do with the movie. He stressed that he meant the producer of the movie, Magnus Gudmundsson, the state-owned Icelandic TV, as well as any other TV station which aired the movie. Since then, the movie has been shown in Denmark, the Faroe Islands, Greenland, Finland, and Holland, and on Tuesday, Norwegian viewers will get a chance to see it. But nobody has yet been sued by Greenpeace."

In a statement issued to the press on the sharp attacks from Greenpeace on his film, author Gudmundsson wrote, "The reaction of the Greenpeace organization against the documentary, 'Survival in the High North,' is the reaction of a group of desperate people who have been exposed for what they are: a power- and money-motivated organization that does not hesitate to use grossly biased and even deceitful methods to increase their influence at the expense of countless innocent victims. Throughout the years they have manipulated public opinion by mass propaganda, disinformation, and economic boycotts aimed at destroying the means of livelihood of thousands." At the end of April, Gudmundsson's film was shown at the international film festival at Cannes, France. Again, there were no legal consequences.

*To be continued.*

# Beethoven rules in Berlin

by Hartmut Cramer

"Seldom have we ever seen so many happy and joyful faces," was the comment most frequently heard by participants at a landmark Beethoven concert held on Dec. 17 in Berlin to celebrate the prospect of German unity based on the world's greatest classical culture. Violinist Norbert Brainin, formerly first violinist of the world-renowned Amadeus Quartet, and pianist Günter Ludwig played violin sonatas by Beethoven to an audience made primarily of people who had traveled from all parts of East Germany.

"I have felt the need to greet and congratulate people in the G.D.R. by this means—with the music of Beethoven—because they have risen up peacefully and non-violently against a dictatorship, and are continuing to stand up for freedom. This historic event is serving as an inspiration for the entire civilized world. Its ramifications are still incalculable, but they are cause for rejoicing nonetheless. Long live Western culture, and with it, the entire German People!"

With these words, Norbert Brainin explained why, despite an already overloaded calendar, he had spontaneously decided to come with Günter Ludwig to Berlin. Admission to the concert was, of course, free to all citizens from the G.D.R. In spite of the extremely short notice for the concert, its sponsor, the Private Academy for Humanist Studies in Wiesbaden, West Germany, had mounted an intensive publicity campaign, which included recruiting volunteers who stood at the old and new "holes" in the Berlin Wall, as well as at the major border-crossings near Helmstedt, Duderstadt, Herleshausen, and Hof, and distributed a total of 80,000 invitations.

The result was a flood of East Germans, many of whom sent in their coupons in advance, often bearing such touching notes as: "Have to travel about 250 kilometers. Need a guaranteed ticket, because I have to get my Trabbi in shape"—a reference to the two-cylinder vehicles which up to now have passed for automobiles "over there." Other notes: "Up to now we haven't missed a single Amadeus mission; very happy about this concert," and, "My son (11 years) has played violin since he was 5; it will be a great experience for him to see the famous master himself on the stage." Many simply wrote "*Dankeschön*."

It was therefore not entirely surprising when about 1,000 people, 800 of them from East Germany, crowded into the concert hall of the Berliner Hochschule on a Sunday morning. The concert had received the public endorsement of such

well-known Berlin artists as Boleslaw Barlog, for many years the head of the Schiller Theater, as well as Werner Thärichen, formerly the chief timpanist with the Berlin Philharmonic. Their greetings appeared in the printed program, alongside greetings from Elisabeth Furtwängler, the widow of the great German conductor who, along with his orchestra, had become something of an institution in Berlin.

Further greetings came from the French violoncellist Eliane Magnan, the American political leader Lyndon LaRouche, and from his wife Helga Zepp-LaRouche, founder of the international Schiller Institutes, all of whom stressed the idea that "there is no better way to celebrate the struggle of the people of the G.D.R. for freedom, than through performing the works of Beethoven."

## Demanding program for demanding listeners

"In keeping with the occasion," Brainin and Ludwig had selected a demanding program, beginning with Beethoven's Sonata No. 3 (Op. 12, No. 3)—an early, but musically and technically extremely difficult work.

The extraordinary intensity which these two artists are able to put into their playing, and their obvious enjoyment in conveying it, continued into the Op. 96 in G Major, Beethoven's final and probably his greatest violin sonata. The final work, following the intermission, was the grandiose "Kreutzer Sonata" in A Major, which was met with a storm of enthusiasm from the audience, which would not relent until the duo played the Adagio from Beethoven's Op. 24 "Spring" sonata as an encore.

The quality of the audience equaled that of the program. "Why did I get up at 5:30 a.m. and drive to a concert in Berlin? Very simple: because I don't go to the West primarily to buy elegant nylon stockings or good coffee, but rather to hear a concert such as this. Right now, that's much more important," was the answer given by a young piano teacher from Frankfurt/Oder.

Similarly, an elderly gentleman, despite a hip ailment, had undertaken the difficult trip from a village in the north of the G.D.R., near the Polish border, to Berlin because "you simply can't pass up something like this."

And this enthusiasm was shared by those who came from the West. Thomas Brandis, the former concertmaster of the Berlin Philharmonic, told an interviewer: "I think the idea of this concert is magnificent, but I am especially glad that Norbert Brainin, who has been my musical mentor from my earliest years, did not put his fiddle down following the death of his violist Peter Schidlöf, and continues to play so wonderfully, as we have heard here."

Another remarkable aspect of the concert was seen during the intermission, when booktables set up by the Academy were mobbed by East Germans hungry for new and useful ideas about how to run their country. One of the most popular books: *So, You Want to Learn About Economics?* by Lyndon LaRouche.

# Germans open the Brandenburg Gate

On Dec. 22, the historic Brandenburg Gate, at the center of Berlin, and the city's most famous landmark, was re-opened to citizens of both parts of divided Germany. Two sections of the hated Berlin Wall were removed, to create two pedestrian crossing points at this imposing structure, which lies in the Soviet sector of the city. The world-historic event was celebrated by joyous crowds of tens of thousands on both sides of the sector boundary.

At 1500 hours, West German Chancellor Kohl led a group of government officials through the new crossing point, and walked across Pariser Platz to the Brandenburg Gate. The enthusiasm of the East German crowds knew no bounds, as for 10 minutes, all security and order collapsed, and cheering crowds engulfed the chancellor. The opening of the Brandenburg Gate symbolizes, as nothing else could, the dynamic leading to the recreation of the German nation, united in freedom and democracy.

Three days before, on Dec. 19, Kohl paid a historic visit to the East German city of Dresden. Thousands came carrying German flags, as the West German chancellor spoke in front of the Dresden Frauenkirche, whose ruins are a memorial to the unimaginable suffering of the city during the Allied bombing raids of 1945. Kohl was constantly interrupted by chants: "Einheit! Einheit!" (unity), "Freiheit! Freiheit!" (freedom). For the first time since 1949, the head of a Bonn government was able to meet with East Germans in a free rally. Kohl delivered a speech in a very emotional tone, in which he pointed to the special quality of this 1989 Christmas, which all Germans can celebrate as one family, for the first time since 1945.

Despite the numerous obstacles and traps to be overcome and avoided (such as blocking by the Four Powers), there is still scope for considerable optimism in the New Year. Particularly in the economic sphere, the chancellor's visit put several initiatives into motion, which will improve the situation in infrastructure, food supplies and consumer goods, and industry.

After the talks in Dresden, West German Economics Minister Helmut Haussmann informed the press that a dense schedule of expert commission meetings has been agreed upon:

Kohl and East German Minister President Hans Modrow set up joint commissions of entrepreneurs, which will meet monthly starting in January and plan the founding of numer-

ous economic projects. A German-German economic commission will deal with fundamental questions like monetary policy, banking, investment in great infrastructure projects (housing construction, traffic and transport, energy, heavy industry, agriculture). The first meeting will take place in January in East Berlin; the second in April in West Berlin. A first meeting of a new panel of small and medium-sized entrepreneurs from East and West will take place in January, and a bigger conference in February. Later in the spring of 1990, a joint agreement on economic cooperation between the two governments will be signed.

Kohl and Modrow further agreed to establish a deutsche-mark-eastern mark exchange ratio of 1:3 for travel within the two parts of Germany. The measure, which considerably improves the value of the eastern mark (7 to 1 deutschemark in free bank trading now) and protects it against currency speculation, is strictly limited to travel and tourism.

## What about the railroad?

For a moment it looked like neither the chancellor nor the federal economics minister, in their statements before the press and at the Dresden Frauenkirche, would speak about the project for a high-speed rail link between Hanover and Berlin, which had been earlier referred to in Bonn as a "priority" project. Has the project been delayed, are there problems?

According to information released after the Dresden meetings, on Jan. 8 the transportation ministers of the two governments will meet again, to discuss the railway project. As an official of the transportation ministry in Bonn indicated to *EIR*, the planning phase is almost completed; what is lacking is a definite commitment by the East Germans on their share in the joint financing. The talks in Bonn between East German Minister of Transportation Heinrich Scholz and West German Deputy Minister of Transportation Wilhelm Knittel reached "substantial agreement that also the East German side will come up with a proposal on the financing . . . which we expect to be placed by the time the next meeting between the chancellor and the G.D.R. minister president takes place," at the end of January or early February.

If all goes well, construction could begin in the spring or summer 1990, said the official, adding that a special working group on transportation was formed in Dresden, which is to deal with all the other rail and transportation issues, including also air traffic, in inner-German relations at a first meeting on Jan. 9.

An official of the Bonn ministry of research declared, also in a discussion with this news service, that there once was even a plan for a magnetic-levitated train route Hanover-Berlin, but since the East Germans have a greater interest in a high-speed connection that can also be used for transport of goods, the decision went in favor of the high-speed rail/road version. The technological advantages of the magnetic-levitated train, namely transport of persons, cannot really be utilized for the transport of goods, the official said.

## Spotlight on troubled Kashmir

*The kidnaping drama has ended, but the hard work of resolving the problem has just begun.*

**T**oward midnight on Dec. 13 the dramatic terrorist kidnaping of Union Home Minister Mufti Mohammad Sayeed's 23-year-old daughter, which began Dec. 7, came to an end. Rubaiya was released by her captors of the Jammu and Kashmir Liberation Front (JKLF) in exchange for the release of five leading JKLF activists in police custody. She was flown to Delhi for a reunion with her father.

Mufti Sayeed is from the state of Jammu and Kashmir, and his family lives in Srinagar, where daughter Rubaiya, a medical doctor, interns at a local hospital. On Dec. 7, just days after Mufti Sayeed was sworn in as the new government's Home Minister, the first Muslim to hold that crucial portfolio in independent India, Rubaiya was taken hostage by armed men as she was returning from duty at the hospital.

The JKLF, the hoary old secessionist outfit kept alive by infusions from London and Rawalpindi, quickly demanded the release of five compatriots as ransom. The JKLF, whose representatives just completed a tour of anti-India congressmen and other groups in Washington, seek accession of Jammu and Kashmir to Pakistan. During the days of anxious waiting, there was an outcry from political groups spanning the communal divide, condemning the barbarous act. A plea for Rubaiya's life came from the Foreign Secretary of Pakistan, while other Pakistani groups condemned the act as "un-Islamic." Even JKLF Amanullah Khan, from London, put in a word for her life.

But the aftermath points to the

challenge facing the V.P. Singh government in the strategic state of Jammu and Kashmir. The cheering crowds that paraded throughout the city of Srinagar and several others were not celebrating Rubaiya's release—they were celebrating the victory of the JKLF terrorists!

As a *Times of India* correspondent described it firsthand, "It appeared as if Kashmir had ceased to be a part of India as rampaging crowds with flags of Pakistan and Pakistan-Occupied Kashmir could be seen in a joyous mood swaying in processions." There was no sign of any state or central police in the state.

In a press conference Dec. 13, following his daughter's release, Home Minister Sayeed described the situation in Jammu and Kashmir as "worse than Punjab." As the Home Minister frankly acknowledged, the state has been in turmoil for the past two years and there is a "complete collapse of law and order."

Located south of the Sino-Soviet borders, the strategic area of Kashmir has been disputed territory since the 1947 partition of the subcontinent between India and Pakistan, and it remains the major roadblock to improvement of relations between the two neighbors. Just as the Maharaja Hari Singh in 1947 announced his decision to bring his princely state of Kashmir into the Indian Union, the state was invaded by Pakistanis in tribal dress. The western half of Kashmir, or Pakistan-Occupied Kashmir, is called Azad Kashmir.

Jammu and Kashmir, the Indian half of the state, has never been fully

integrated into the Indian nation, though this was masked as long as the state was in the hands of the powerful political figure, trusted by the Muslim majority of the state, Sheikh Mohamad Abdullah. It was the Sheikh who, himself, it seems, maintained his people's faith in the wisdom of acceding to India. The political vacuum there since his death in the early 1980s is no small factor in the present crisis.

Even so, over the years, sins committed in the name of Kashmir's "special status," had the cumulative effect of almost totally alienating the state's Muslim majority from India. The Congress Party has never had much strength of its own in the state, but instead worked through Sheikh Abdullah and his National Conference. The Sheikh's son and successor, Dr. Farooq Abdullah, does not begin to have the political stature of his father, and it is not surprising that under his weak and vacillating leadership since 1982, the political processes within the state have deteriorated sharply.

According to the latest detailed reports from the state, it is the extremists who call the tune, with the mainstream political organizations almost completely marginalized and their once-respected leaders vying to strike the more extreme posture.

In this context, the open funding of fundamentalist groups, mainly by Saudi Arabia, Libya, and Pakistan, is only one of the more conspicuous avenues for foreign meddling. Among other things, it is reported that as Pakistani godfathers seek to reorganize their agents and assets under a "Kashmir Liberation Alliance" umbrella, denying funding to those suspected of less than 100% loyalty to Pakistan, a section of the militants, including a faction within the JKLF, is opting for a straightforward "Kashmir independence" fight.

## Terror resurgence in Southern Cone

*The surfacing of a continent-wide terrorist/kidnaping ring could destabilize the nations of the Southern Cone.*

**T**he kidnaping by an international terrorist group of businessman Albinio Diniz, owner of the largest supermarket chain in Ibero-America, suggests that the terrorism which plagued the Southern Cone at the end of the 1960s is being revived. The bloody narco-terrorism which infests the Andean spine is now trying to spread into the southern reaches of the continent.

On Dec. 17, the day of the already tense presidential election in Brazil, São Paulo police rescued Diniz, and captured most of his abductors. Diniz had been kidnaped one week earlier. According to information released by federal police authorities, the kidnaping was carried out by a very powerful and highly trained group. The director general of the Federal Police, Romeu Tuma, said on Dec. 18 that the group "was psychologically prepared, knew how to execute a kidnaping, and knew how to keep the pressure on the police." The São Paulo delegate in charge of the investigation said, "The band has a very well organized structure, [and] is divided into cells that do not know each other and do not communicate among themselves."

The terrorists possessed extraordinary combat capacity. They knew in detail all the radio frequencies of the São Paulo police, possessed detailed information on the functioning of the National Intelligence Service (SNI), the presidential military cabinet (in charge of presidential security), of army intelligence services, and had numerous high-caliber weapons.

The kidnapers, a veritable com-

mando unit, were of various nationalities. Head of the band is an Argentine with links to the terrorists who carried out the bloody assault on Argentina's La Tabalada military barracks in January 1989. And just like the 50 international terrorists who attacked La Tablada, the kidnapers also had Cuban and Nicaraguan trainees, as well as "human rights" activists, among them. According to police director Tuma, the kidnapers included two Canadians—who were "human rights" militants operating in Central America—and a Brazilian who had received military training in Cuba and Nicaragua. Another was a Belgian journalist who fled, along with several Brazilians. Others were members of the Revolutionary Left Movement (MIR), the Manuel Rodrigues Front, and the Organization of Armed Resistance (ORA), all from Chile. ORA, in particular, has the support of the Peruvian Shining Path terrorists.

"Chile's investigative police suspect that the group has participated in kidnapings in Venezuela, Argentina, and France," police investigator Tuma told the daily *O Estado de São Paulo* Dec. 26. Tuma traveled to Chile specifically to investigate the origins of the terrorists.

As the result of ongoing Brazilian investigations into the group, it has been learned that the same group had kidnaped another São Paulo businessman, publisher Luiz Sales, just six months earlier. However, all indications are that the gang's operations began at least two years ago, with the kidnaping of the vice president of

Bradesco Bank, Beltrán Martínez.

Brazil had been free of terrorist assaults for more than a decade, but this ended in 1986, when terrorism began to resurface in the same cities which had served as the infrastructure for terrorism in the late 1960s and early 1970s—namely, Rio de Janeiro, São Paulo, and Rio Grande do Sul (bordering Argentina). On Dec. 18, *Jornal do Brasil* reported that the Argentine police had found evidence that some of the \$5 million in ransom money from the kidnaping of Beltrán had been used to finance the La Tablada assault, in which at least one Brazilian—trained in Nicaragua—had died. The newspaper added that Argentine investigators have begun to explore the links of these terrorists to drug trafficking.

According to other reports, a Chile-Brazil connection surfaced in December 1987, when the Chilean terrorist group Frente Patriótico Manuel Rodríguez (which emerged in 1980 as the armed wing of the Chilean Communist Party) kidnaped Col. Carlos Carreño, an executive of a weapons factory, in Santiago. Carreño was later released in São Paulo.

What has become increasingly clear, as police director Tuma has claimed, is that the terrorists are preparing a broader offensive. It was widely observed in Brazil that the Albinio Diniz rescue occurred—amid great media fanfare—on precisely the day of Brazil's hotly contested presidential election. It was also revealed in the Brazilian press that had anything gone wrong with the kidnaping, the gang had been prepared to murder Diniz and leave his body to be found on election day.

Given the fragile political and economic stability of the Southern Cone, and especially of Brazil and Argentina, a terrorist wave could produce destabilizations of major proportions.

# International Intelligence

## ***Beijing increases student repression***

The Communist Chinese government put security forces on alert and reinforced plain-clothes police forces on university campuses, after it became known that Romanian Communist dictator Nicolae Ceausescu had been overthrown, the *International Herald Tribune* reported on Dec. 26.

Chinese sources said that police were to monitor any gathering of students and follow any groups, no matter how small, who leave the campuses.

On Dec. 23, when Ceausescu was reported to have eluded capture, students pasted an anti-government poster on a university billboard. "A dog is missing. Its name is Ceausescu," a student quoted it as saying. "Little dog, do not go and mix with the other three dogs, Deng [Xiaoping], Yang [Shangkun], and Li [Peng]."

To maintain tighter control, police leaves were canceled as of Dec. 24, and work unit leaders in Beijing were told to keep strict control of any signs of dissent. There was increased police presence at Christmas Eve services at Catholic and Protestant churches in Beijing.

On Dec. 26, according to Reuters, students at Beijing University celebrated Ceausescu's death by smashing bottles—a taunt aimed at Deng Xiaoping, whose name in Chinese sounds like "little bottle."

## ***Aoun: Will Syria be next to fall?***

The U.S.-Soviet backed puppet regime in Syria is in bad shape following the fall of the Ceausescu regime in Romania, states a Christmas-day press release from the Baabda presidential palace of Prime Minister Gen. Michel Aoun in Lebanon.

"With the fall of the Ceausescu regime, the Hafez Assad regime has been shaken in Syria," the release comments. "In effect, up to this day, Romania was providing 45% of Syrian military and industrial technology, in application of the 'preferential accords of cooperation' between the two regimes in the

economic, industrial, commercial, and military domains. The Assad regime is worried, in the face of such developments, for its infrastructure, taking into account that 70% of the road and telecommunications networks are of Romanian construction, and, what's more, undertaken without recompense by teams of several Romanian 'experts.'"

The release further points to the "technical and human exchanges on the level of methods and means of repression."

It is also getting increasingly difficult for Syria to conceal its vast drug-producing and trafficking operations, which White House officials continue to claim do not exist. In response to a Freedom of Information Act request in the United States by Joseph Bookaker, a vice-chairman of the Council of Lebanese-American Organizations, the U.S. Drug Enforcement Administration replied that it has so many files on its "Operation Minaret"—an investigation into Syrian-controlled heroin production in Lebanon's Bekaa Valley—that it would cost \$108,110.38 to duplicate the entire file.

## ***Fundamentalist upsurge in Algeria***

Algeria seems to be ripe for an upsurge in Islamic fundamentalist activities following the Dec. 8 mass rally of 10,000 Islamic women organized by Sheikh Mahfoud Nana in the capital Algiers. At the rally, the militant women urged an end to all pro-Western and feminist activities.

The rally represented a show of strength by the Muslims who, over the last year, have been gaining greater influence there. During the second week in December, some members of the central committee of the ruling National Liberation Front asked for Islamic Law to be implemented in Algeria and for French to be banned from schools (or replaced by English). The spread of fundamentalism in Algeria has been the result of combined pressures exerted by the United States and the International Monetary Fund for a "greater liberalization and democratization" of the Algerian society.

The same argument is being used in

Washington against Tunisia. During the November visit of Tunisian President Ben Ali, U.S. President George Bush is known to have expressed his "surprise" at Ben Ali's refusal to give official status to the Tunisian fundamentalists. The Tunisian fundamentalist leader Ghannouchi is known to be working on behalf of the CIA in Afghanistan where, as a Tunisian Muslim, he led several missions of reconciliation between the Afghan Mujahedeen groups. With political support coming from Washington, Ghannouchi is financed directly by the Saudis.

In exchange for the Tunisian Muslims playing a role in Afghanistan on behalf of Washington, the Bush administration promised to use its influence to obtain their public recognition in Tunisia. These repeated demands have now created a serious diplomatic row between Tunisia, Saudi Arabia, and the United States.

## ***ADL lauds 'Fourth Reich' hysteria***

Kenneth Bialkin, past chairman of the Anti-Defamation League and former attorney for drug-runner Robert Vesco, in an interview with a journalist on Dec. 20 showered praise on the British journalist Conor Cruise O'Brien's recent diatribes against a unified Germany, which he has dubbed the "Fourth Reich." "There is no finer historian or political analyst in the world than Conor Cruise O'Brien. He is totally honest and perceptive. I know him, I've met him, I've conversed with him. He's open, sincere, and realistic. The last thing I would do is disagree with him. If he is raising these concerns about the emergence of a Fourth Reich, then I think he should be taken very, very seriously."

Bialkin said that he believes "it's understandable that German reunification would create a lot of fears and concerns. A unified and strengthened Germany could present a threat of some kind to Europe and to others. One has to keep in mind the Hitler era; one has to keep in mind the aggression of the Germans, who let themselves be led into a very bad path."



## Briefly

● **PATRICIO AYLWIN**, a Christian Democrat, was the winner of the Dec. 14 presidential elections in Chile. He had about 55% of the votes, against former Finance Minister Hernán Buchi with 29% and populist businessman Francisco Javier Errazuriz with 15%.

● **EGYPTIAN** Interior Minister Baki Badr, an opponent of the Islamic fundamentalists, was the target of an assassination attempt on Dec. 17, when a pick-up truck carrying explosives blew up 30 yards from him. He was not hurt.

● **JAPANESE** and Soviet negotiators resolved nothing as they unsuccessfully attempted to draft a treaty to formally end World War II hostilities. A Japanese Foreign Ministry official reported on Dec. 19 that "There were absolutely no new points of contact."

● **ISRAEL** has begun buying oil from Iran in an effort to use trade ties to gain the release of Israeli soldiers, and possibly other Western hostages held in Lebanon, NBC News reported Dec. 18.

● **'SWEDISH** managing directors will now have to learn German, and it will probably again become the second language in the curriculum," exclaimed Carl Bildt, leader of the Conservative Party of Sweden, during a visit to East Berlin on Dec. 11. "There will be a Great Germany. There is no doubt of that," he said.

● **THE U.S.** and the Soviet Union signed an agreement on Dec. 21 on how to verify their Intermediate-range Nuclear Forces (INF) Treaty, Reuters reported. "The memorandum of agreement that was signed this session records the procedures and equipment for carrying out the on-site inspection provisions of the treaty," said U.S. spokesman John Garner.

From the opposite side, Lyndon LaRouche, who has relentlessly exposed the ADL's real identity as "American Drug Lobby," noted on Dec. 9 that ever since 1968, during the "New Left" experiments at Columbia University in New York, LaRouche had suspected Conor Cruise O'Brien of having been involved in Soviet-linked intelligence operations." LaRouche warned, "Those who follow Conor Cruise O'Brien within Britain are committing worse than the mistake made by Chamberlain and company, and Britain generally, in 1938-39 on the issue of first Czechoslovakia, and then Poland itself."

An ADL delegation will soon arrive in Moscow, to "investigate anti-Semitism."

### **Another U.S. arms deal for Iran**

Intelligence sources suspect that delivering more arms to Iran was one of the topics of discussion between U.S. National Security Adviser Brent Scowcroft, Deputy Secretary of State Lawrence Eagleburger, and Chinese leaders during early December.

The last round of American-Iranian negotiations reportedly took place in late November in Algiers, in the immediate aftermath of Bush's personal decision to unfreeze some \$567 million worth of Iranian assets. The next steps are to include American compensation for the families of the Iranian Airbus shot down in July 1988, as well as new weapons deliveries. On Dec. 13, Washington officially announced that compensation to the families of the non-Iranian passengers was going to be paid.

Intelligence sources note the following elements of the negotiations: 1) At the beginning of December, an important Chinese military delegation visited Teheran, and Sino-Iranian military cooperation has been growing in all fields, including nuclear energy in the last year. 2) Iran's announcements in recent months, according to which its military industries have developed a "Made in Iran" new type of helicopter or even jet fighter, are reportedly merely a cover for a flow of weapons shipments from the West.

3) Several clients of Kissinger Associates have financial interests in both China and Iran, such as the Fluor Corporation, which built the Isfahan oil-petrochemical complex together with the Thyssen company of Germany. In November, the Iranian government reached an agreement with Thyssen for work to be continued.

### **Havel is new Czech President**

At the end of the most tumultuous two months in Czechoslovakia since the 1968 Soviet invasion, a new non-Communist government has been sworn in in Prague, headed by playwright Vaclav Havel as President, and by former "Prague Spring" Prime Minister Alexander Dubcek as chairman of parliament.

The leadership change was announced Dec. 22 after talks between the Communist Party, the opposition Civic Forum, and other political groups, according to the Communist Party newspaper *Rude Pravo*.

The formal transition of power in Prague began on Dec. 7 with the resignation of Prime Minister Ladislav Adamec in the wake of the opposition National Front's demands for a say in the selection of seven key ministers in a new government. On Dec. 10, Czechoslovak President Gustav Husak swore in his country's first government without a Communist majority in 41 years, and resigned immediately afterwards. The new government, headed by Communist Prime Minister Marian Calfa, is composed of nine other Communists, seven unaffiliated ministers, and two each from the Socialist and People's parties.

Another Communist, Gen. Miroslav Vacek, who was named defense minister in an earlier reshuffle, retained his post.

On Dec. 17 several thousand people packed into a Prague church for a mass commemorating students injured in a rally exactly one month before. Afterwards, tens of thousands of Czechoslovak students marched through central Prague along the same route used in November, when police ambushed and brutally assaulted marchers.

## 25 years later, the heritage of Dr. Martin Luther King

by Marianna Wertz

The revival today of slander and gossip attacks on the memory of Dr. Martin Luther King, Jr., whose birthday will be celebrated on Jan. 15, coincides, perhaps not by accident, with the upcoming 25th anniversary celebrations of the Voting Rights Act (passed Aug. 6, 1965) and the wave of demonstrations in support of civil rights for all Americans that led to passage of that historic legislation. In the climate of republican revolution now building in Eastern Europe, and in the face of growing economic hardship in this nation for minorities and a growing majority of working people, the memory of the American civil rights movement could easily spark a similar mass upsurge here—something much feared by the financial elite sitting on the tinderbox called the American economy.

To counter the slander of King, and to give support and guidance to that inevitable republican upsurge, the Schiller Institute, under the leadership of the American political leader Lyndon LaRouche and his West German wife Helga Zepp-LaRouche, plans a series of demonstrations and other activities in early 1990, prominent among which will be the publication of the writings of Amelia Platts Boynton Robinson, one of the most courageous leaders of America's civil rights movement. Mrs. Robinson is one of few Americans still active in political life, who was personally involved in the leadership of the civil rights movement from the 1930s to the 1960s, working directly with Dr. Martin Luther King.

Amelia Robinson is also today an active leader in the Schiller Institute. In 1984, together with former Manhattan Borough President Hulan Jack and dozens of American farmers and civil rights leaders—in what became known as the Ben Franklin Brigade—Mrs. Robinson traveled to West Germany, to help found the Schiller Institute, and to join in an historic trip to West Berlin. There, this delegation of far-

sighted Americans joined in a press conference, calling for the reunification of the two Germanys, and for America to play her rightful historic role as the "Temple of Liberty" and "Beacon of Hope," to help bring this about.

Mrs. Robinson first published her dramatic account of the struggle for civil rights in Alabama, *Bridge Across Jordan*, in 1979. Ten years ago, unemployment among blacks was 13%, twice the national average, and a staggering 41.1% for black teenagers. Justice for black Americans, as she amply documented, was only just beginning, a result of the decades of struggle she recounts in *Bridge Across Jordan*. With her abiding faith, she concluded nevertheless, "Deep in our hearts we do believe not too far in the future, we shall overcome these injustices."

Today, well into her ninth decade of life, Mrs. Robinson is still fighting to overcome injustice. To deal with the even more demanding problems facing all Americans, and especially minorities, in the 1990s, and to counter the slander of King, Mrs. Robinson asked the Schiller Institute to publish an updated account of the struggle for civil rights in Selma, in which Dr. King is honestly portrayed for the courageous leadership which he gave there. Featured in that account will be the role that the Schiller Institute and the political movement associated with LaRouche are playing in furthering the goals of the civil rights movement and Dr. King today.

We publish here some excerpts from the upcoming, updated version of *Bridge Across Jordan*.

### On Dr. King's role in the civil rights movement

Having one's office across from a Southern jail for 30 years has quite an effect upon one who is in sympathy with the downtrodden. I could hear cries and pleas of prisoners,

and often the sound of straps which lashed their bare backs. Many times I closed the door to keep from hearing the weeping of grown men and women. Brutality and injustice we lived with every day. . . .

In spite of the atrocities the Negro had to endure, there were many, who had no hate or malice in their hearts. Fear and ignorance, but not hate. They wanted only to know where to turn for help, so when Dr. King came into the city, along with SNCC and others, to help unshackle those in bondage, he was welcomed by all blacks of Dallas County. Most of the prisoners and the people who had been to jail for some slight provocation made up their minds that this time they would go for something important—their rights which had been taken away. This explains why the marches and demonstrations were so successful.

On Jan. 2, 1965, and thereafter, when Dr. King came into the picture to work with us, ministers seemed to gain courage and began stepping over each other to get to the rostrum and before the audience. Cooperation improved all around, whereas previously too many were afraid of what the white citizens might think and the effect such activity might have on their credit. A few women, two of them teachers, had to bear the burden until the program mushroomed into a national movement.

### **On her role in the march across Edmund Pettus Bridge**

We knew that the crux of the trouble in Alabama lay in our governor, George Wallace, and we decided to march the 50 miles to the state capital and hand our grievances to him. The march would begin the next day, Sunday, March 7, 1965.

. . . The night before the march we gathered at the church and talked with the citizens, asking them to walk with us regardless of the cost, even if it means “your life.” I was afraid of being killed and I said to myself, “I cannot pay the supreme price, because I have given too much already.” But I also then thought, “Other mothers have given their lives for less in this struggle and I am determined to go through with it even if it does cost my life.” At that moment, a heavy burden fell from my mind and I was ready to suffer if need be.

. . . As we left the church we saw scores of officers of the city, and county and state troopers huddled in groups, smiling and looking somewhat human. . . . We marched from Brown’s Chapel AME Church in the black section toward town. The officers had us close ranks and walk faster and by larger groups. . . . As we approached the Edmund Pettus Bridge, which spans the Alabama River, we saw the sheriff, his posse, deputies, and men plucked out of the fields and stills to help “keep the niggers in their place.” As we crossed the bridge, I saw in front of us a solid wall of state troopers standing shoulder to shoulder.

. . . Each officer was equipped with cans of gas, guns, sticks, or cattle prods, as well as his regular paraphernalia.

Beyond them, men on horses sat at attention. . . . The troopers with their gas masks on and gas guns drawn then began to shoot gas on us and the troopers in front jumped off the trucks. Those standing at attention began to club us. The horses were brought on the scene and were more humane than the troopers; they stepped over the fallen victims.

As I stepped aside from the trooper’s club, I felt a blow on my arm that could have injured me permanently had it been on my head. Another blow by a trooper as I was gasping for breath knocked me to the ground and there I lay unconscious. Others told me that my attacker had called to another that he had the “damn leader”. . . . Some of the marchers said to the trooper, “She is dead,” and they were told to drag me to the side of the road.

. . . It was months before I recovered completely from the experience, but my spirit soared as I realized what it meant to sing and really feel, “Oh freedom, over me; and before I’ll be a slave, I’ll be buried in my grave, and go home to my Lord and be free.”

### **On Lyndon LaRouche**

I compare the trials and crosses through which my husband Samuel William Boynton and I (in a very minute way) went, to Lyndon LaRouche’s punishment for trying to save the world from collapse, which will surely happen if injustice and hate are not stamped out.

America’s top political officials, some top officials in other countries, satanic groups, and ignorant and naive citizens hold a contempt for Lyndon LaRouche. I have read many of his books, listened to his philosophies, made comparisons with supposed progress, particularly in this country, and I cannot understand the why of it at all.

Any teenager can see and is affected by the economy. Our country appears to be unconcerned to a remarkable degree about the increase in the use of drugs, suicides, immorality, and satanism, and is unable to cope with these situations. Many think there is nothing they can do. Still there are others who camp in the streets, stage sit-ins, walk-ins, ride-ins, you name it. All of these are done to call to the attention of the lawmakers, locally and nationally, that something is wrong with the system, and we will soon be at the point of “no return.”

. . . Are the lawmakers willing to let this country, with its democratic way of governing (which is the best if we follow the constitutional guidelines), turn from the principles for which it stands, and substitute a dictatorial system? Do we realize that some people are more endowed by God with wisdom and understanding than others? Mr. LaRouche is one. If Mr. LaRouche were given the chance to give of himself, with his wisdom in science technology and experience in economics, the country could be saved.

It is said that he is against the system. What sane person isn’t? To fight against drugs, food shortages which are causing starvation, lack of decent or no shelter, poor educational

system, discrimination, poor environmental conditions, and satanism—all of which are destroying this country and the moral values of its citizens; the struggle against these evils is what some governing bodies have against Mr. LaRouche, and fighting against drugs heads the list.

If we don't conquer these evils that are taking over the system, where men in high office are gambling and grabbing more power and money, then we are a lost country, because we have allowed the baby to be thrown out with the bath water—we are lost, and the world will be no better off.

## Six months too early, 20 years too late

by Nina Ogden

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### **And the Walls Came Tumbling Down: An Autobiography**

by Ralph Abernathy

Harper and Row, New York, 1989

640 pages, hardbound, \$25

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Three days after witnessing the assassination of his friend Martin Luther King, Jr., Rev. Ralph Abernathy asked a fundamental question in a sermon called "My Last Letter to Martin." "We were never separated until the other day, as you know," he said. "I was right behind you as I have always been. I don't know why they got you and left me. I can't help but talk about it."

Much has been said to condemn this book. But beyond the self-indulgent jealousy and vulgarity which have earned it infamy, it is a tragic story of defeat. Its loudest critics have played the biggest roles in the tragedy and must now reflect on the injunction: "Judge not lest ye be judged. For with . . . what judgment ye judge ye shall be judged."

The civil rights leaders who never adapted to the hopelessness of the last 20 years can be counted on the fingers of one hand. The best of the others were left behind by history. The worst of them, who are among the loudest critics of this book, became witting traitors.

The sad story of this book is Reverend Abernathy's unconscious adaption to that hopelessness and to his own weakness. He says, "When I took over from Martin, I did so after the civil rights movement had peaked and the SCLC [Southern Christian Leadership Conference] had already begun to decline in influence. In Montgomery, [Alabama] we had begun in hope and had won a great victory. We had grown in strength and purpose at Birmingham and Selma

. . . but we had lost our fighting edge and the singleminded allegiance of our people."

Contrast this with his light-hearted description of an Advent season almost 40 years ago, in the days preceding the Montgomery, Alabama bus boycott of 1955, when Dr. King and Dr. Abernathy were young ministers in their first major churches. "As soon as Martin and [his wife] Coretta moved to Montgomery we called on them and from the beginning he and I became inseparable. Though both of us had heavy responsibilities as pastors of important churches, we tried to meet for dinner every day to talk and make plans. . . . Because of Jim Crow [racial segregation policies], we could only have dinner at home. So, the four of us had dinner every night, with Coretta preparing the meal one evening, Juanita [Abernathy] the next—and usually conversations among the four of us would last beyond midnight.

"For me it was exciting because we were talking about large and important projects. . . . Martin had some general ideas about the means of attaining freedom, while I had the specific understanding of Montgomery that he lacked. . . . Both of us recognized the seeming impossibility of the task but we also understood that change was inevitable and imminent. . . .

"It all seemed so reasonable and yet so remote on those autumn nights when we sat over a bowl of soup or a plate of stew and outlined the future. Then as we put the final touches on our plans, God intervened with a plan of his own and a more urgent timetable."

It was the Montgomery, Alabama bus boycott: The first major battle of the civil rights movement in the strategy of nonviolence unfolded. Dr. King said, "When we say, 'love your enemies' we do not mean to love them as a friend or intimate. We mean what the Greeks called *Agapē*—a disinterested love for all mankind. This love is our regulating ideal and the beloved community our ultimate goal. As we struggle here in Montgomery, we are cognizant that we have cosmic companionship and the universe bends towards justice." King stressed the words of Mohandas Gandhi, "Rivers of blood may have to flow before we gain our freedom, but it must be our blood."

This battle in Montgomery, the younger brother of the independence movements of the developing sector of the previous decade, set the moral standard for the decade to come. Shortly before his death, Dr. King examined those events in his essay "Pilgrimage to Non-Violence." "The past decade has been a most exciting one," he said. "In spite of the tensions and uncertainties of this period something profoundly meaningful is taking place. Old systems of exploitation and oppression are passing away, new systems of justice and equality are being born. In a real sense this is a great time to be alive. Therefore, I am not yet discouraged about the future. Granted that we face a world crisis which leaves us standing so often amid the surging murmur of life's restless sea. But every crisis has both its dangers and its

opportunities. It can spell either salvation or doom. In a dark confused world the kingdom of God may yet reign in the hearts of men." King's description of salvation or doom has been the question of the last two decades. Doom, demanded the oligarchy in 1968, the year they murdered Martin Luther King and rolled their tanks into Prague.

What Dr. Abernathy and virtually every other leader saw as the "decline of influence" of their movements, the enemy saw as a total rout of the expectation and optimism that had resulted from the liberation movements in the developing sector and the American civil rights movement in place of Dr. King's dream to "be able to hew out of the mountains of despair a stone of hope." A nightmare of dope, injustice, and genocide descended.

Ralph Abernathy wrote his book 20 years too late and six months too early. When he entitled that book *And the Walls Came Tumbling Down*, he never dreamed it would be the Berlin Wall or that as many people would sing "We Shall Overcome" in Leipzig as sang it with him in the 1963 March on Washington. Six months ago, last summer, when he finished his book, the answer to his question, "I don't know why they got you and left me," would have been contained in the words he spoke when Dr. King named him to succeed him as president of the Southern Christian Leadership Conference in the event of his death: "I do not look forward to filling the shoes of Martin Luther King. I don't think anybody can fill them."

Today, we are living in the most hopeful Advent season in two centuries. The freedom train is expected by the citizens of all nations in the world at the same time. Today, Dr. Abernathy's answer can be the same one we must all answer—we were left to fight for victory.

## A Tavistockian's view of leadership

by Daniel Platt

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### **On Becoming a Leader**

by Warren Bennis

Addison-Wesley, New York, 1989  
226 pages, hardbound, \$19.95

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We may assume that this is one of those books that the yellow-necktie set will want to be seen carrying around; the jacket sports glowing endorsements by Yuppie avatars Tom Peters and Harvey B. Mackay. However, there are reasons

to believe that this book represents a more sophisticated intervention into the corporate milieu than your average "guide for the upwardly mobile."

Early in his book, Bennis poses a useful and provocative question:

Two hundred years ago, when the Founding Fathers gathered in Philadelphia to write the Constitution, America had a population of only 3 million, yet six world-class leaders were among the authors of that extraordinary document. Washington, Jefferson, Hamilton, Madison, Adams, and Franklin created America. Today, there are 240 million Americans, and we have Oliver North, the thinking man's Rambo.

What happened?

In the two or three pages that follow, Bennis draws a fairly accurate and insightful sketch of America's journey through the achievements of the 18th and 19th centuries, the promise of the 20th, and the decline in the postwar period, culminating in the rebellion of the 1960s, the Me Decade that followed, and today's Yuppies, a decline which Bennis attributes to "the mistakes and crudities of the organization men." Very well; so what does Professor Bennis propose to do about this?

Well, it looks as if Professor Bennis may be exercising a little sleight of hand here. He has drawn much of the material for this book from a series of interviews he conducted with a selection of people he wishes to portray as exemplary contemporary leaders. Interestingly enough, the ones he seems most taken with are all connected in some way with Hollywood, arguably one of the key agencies behind America's postwar decline! Of these purported leaders, the one he quotes most frequently is Norman Lear, an important manipulator of culture via the medium of television, and founder of People for the American Way, which has worked to displace the old farmer-labor-minorities combination that once characterized the Democratic Party, replacing it with an emphasis on hedonism, malthusianism, and, most recently, the defense of Satanism. Bennis is also very impressed with Mathilde Krim, wife of Hollywood mogul Arthur Krim and founding chair of the American Foundation for AIDS Research, an organization which has deployed itself against the traditional public health measures—embodied in the respective 1986 and 1988 California ballot initiatives Propositions 64 and 69—in favor of the impotent "condoms and clean needles" approach.

An intriguing aspect of Bennis's approach is that he carefully avoids any discussion of what these people actually stand for, preferring to have them utter platitudes about what they feel has made them successful at whatever it is they do. He quotes an innocent-sounding passage from a report on education by the genocidalist Club of Rome, revealing little about the organization. Why?

Throughout his book, Bennis asserts that “to express yourself fully . . . is the most basic human drive.” The manner in which he makes this assertion leads one to conclude that it is relatively unimportant what one stands for, provided one fully expresses it. Is this not the narcissism of the sixties, seventies, and eighties that Bennis has deplored at the beginning of his book? Are not his esteemed Hollywood types typical of the social engineers that steered our culture in that direction?

Let’s consider the question of culture. For years, *EIR* has contended that culture is the real battlefield of history. Bennis is clearly aware of its importance. But from what rich cultural heritage do Bennis and his leaders draw their inspiration? Among others, they invoke Wallace Stevens, Oscar Wilde, Luis Buñuel, Pablo Picasso, John Lennon, and the Andy Griffith Show. As if to hint that he knows better, Bennis coyly mentions Socrates and Plato, but does not quote them. He also promotes Norman Lear’s curiously topsy-turvy conception of culture: “I think that where the greatest impact on the culture might have been, in other times, the church, education, the family, the greatest impact now is business.” And elsewhere in the book Bennis reminds us: “To those of you who would argue that [culture] is shaped by the media I would answer—as television producer Norman Lear does—that even television is shaped by business.” But before we consider what these gentlemen may actually mean when they refer to “business,” here is one other quote from Professor Bennis, the clearest statement of intent in the book: “The leaders of the future will be those who take the next step—to change the culture. To reprise Kurt Lewin, it is through changing something that one truly comes to understand it.”

Who is Kurt Lewin? Bennis’s book tells us nothing beyond the quote. But *EIR* readers may recognize Lewin’s name as that of the chief theoretician of the London Tavistock Institute, the man upon whose theories the psychological warfare battles of World War II were fought, and the organizer of the key Tavistock spinoff institutions in the United States, whose influence and methodology rapidly penetrated all levels of government, as well as the media and major corporations during the postwar period. Two key institutions that function as part of the resulting network are the Aspen Institute of Humanistic Studies and the Association for Humanistic Psychology; Warren Bennis has been closely associated with both. The legacy of Kurt Lewin is the employment of “crisis management” techniques, the creation of a “controlled environment” where groups and individuals can be induced to alter, not merely their behavior, but their sense of identity. Marilyn Ferguson’s best-selling public relations write-up of these methods, entitled *The Aquarian Conspiracy*, refers to this as “paradigm shift.”

Consequently, when Professor Bennis talks of changing the culture, we should probably take him seriously. However, unlike Marilyn Ferguson (who, like Bennis, has served

on the board of the Association for Humanistic Psychology), Bennis is not especially candid about in what direction he wishes to change it. Bennis does clearly believe that an intervention into the business community can produce the desired results. Businessmen, be advised.

## Flawed, but on the right track

by Bob Trout

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### **On the Trail of the Assassins**

by Jim Garrison

Sheridan Square Press, New York, 1988

342 pages, hardbound, \$19.95.

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On November 22, 1963, President John F. Kennedy was assassinated, in one of many assassinations of American Presidents. With his death the commitment of the United States to an aggressive program to develop the technology to go to the Moon and beyond also died and the United States began its descent into a post-industrial economic ruin which has brought the same nation that 20 years ago set foot on the Moon beyond the brink of financial collapse.

Jim Garrison wrote *On the Trail of the Assassins* two decades after he brought Clay Shaw to trial unsuccessfully for conspiracy to assassinate President Kennedy. The book describes how members of the jury found Shaw innocent, although every member of the jury stated afterward that they agreed that Garrison had established that President Kennedy had been killed as the result of a conspiracy. In the 20 years since Garrison’s case, the “lone assassin” theory lies in a shambles. Jim Garrison, the District Attorney of New Orleans, initially accepted the results of the FBI and Warren Commission investigation, that a “crazy, lone assassin” had killed President Kennedy. In the autumn of 1966, Garrison was shocked when Sen. Russell Long told him, “Those fellows of the Warren Commission were dead wrong. There is no way in the world that one man could have shot up Jack Kennedy that way.” Garrison launched an investigation into the Warren Commission report and the Kennedy assassination.

He found the commission’s report neither thorough nor professional. Numerous witnesses had seen multiple snipers, especially on a grassy knoll in front of the President’s car. After the assassination, a number of people were arrested and questioned, yet no records or identification were kept of

any of these potential suspects. The assassination was filmed by Abraham Zapruder, and the film established that the three shots allegedly fired by Lee Harvey Oswald were separated by no more than 5.6 seconds. This rapid fire would be an impossible feat with the bolt action rifle which Oswald owned. Even the best government marksman never came close to matching Oswald's alleged shooting skills. Garrison states that the Warren Commission's explanation of how three shots fired from Oswald's position, above and behind Kennedy, caused the wounds that Kennedy and John Connally received, defied both the laws of physics and common sense.

Garrison then began an investigation of Oswald's stay in New Orleans during the summer of 1963. He discovered that Oswald had been supervised by Guy Bannister, a former high-ranking FBI agent and Clay Shaw, the president of the New Orleans International Trade Mart. He discovered later that Shaw was a board member of two international trading companies, Permindex and its half-brother the Centro Mondiale Commerciale. Guy Bannister was in the center of an operation to train anti-Castro Cubans to fight in CIA-sponsored attacks on Cuba. Garrison concludes that Oswald's highly visible pro-Castro activities were supervised by Bannister and Shaw to create an image of Oswald as "a dedicated and ostentatiously visible Communist" who was then used as the patsy, to be blamed for the assassination and then to be immediately killed.

Garrison tries to locate the controllers of the larger operation behind Bannister and Shaw by asking who and what agencies were necessary to carry out a successful coverup of the real assassins. Garrison rules out the mafia as the sponsor of the assassination, because the mafia had no way of arranging all the logistics and certainly no way of carrying out a coverup which included high-level figures in the intelligence community. However, he concludes that the sponsor of the assassination was the CIA "Cold War establishment." Garrison sees Clay Shaw's membership in Permindex as part of his CIA connection. Garrison argues that the assassination was a coup by the sponsors of the assassination to force a change in policies. "I believe that what happened at Dealey Plaza in Dallas on Nov. 22, 1963, was a coup d'état. I believe that it was instigated and planned long in advance by fanatical anti-Communists in the United States intelligence community; that it was carried out, most likely without official approval, by individuals in the CIA's covert operations apparatus and other extra-governmental collaborators, and covered up by like-minded individuals in the FBI, the Secret Service, the Dallas police department, and that its purpose was to stop Kennedy from seeking détente with the Soviet Union and Cuba and ending the Cold War."

### **'Dirty war' against Garrison**

Jim Garrison was forced from office by media slander and a very dirty operation by the Department of Justice and

Internal Revenue Service. The major news media ran a campaign of negative publicity and then had the gall to accuse him of being a publicity seeker. NBC was actively involved in trying to disrupt Garrison's investigation, including trying to force Garrison's witnesses to withdraw from the case and even to leave the state of Louisiana. In the late 1960s, the Internal Revenue Service deployed approximately 40 agents to build a case against Garrison. Although Garrison was found innocent in two trials, the negative publicity caused him to lose reelection. The investigation was also hindered by the mysterious deaths of numerous witnesses.

While Garrison correctly identifies a fundamental shift in the policies of the United States following Kennedy's death, he is not convincing in his explanation of who was behind this shift and how policies were changed. A closer look at Permindex is given in the book, *Dope, Inc.* The president of Permindex was Louis Mortimer Bloomfield. Bloomfield joined the British Special Operations Executive in 1938 and was deployed into the United States to supervise U.S. intelligence operations for the British. He was "retired" from an official position in British intelligence and created a nest of corporations which served as vehicles for SOE operations. He was a key adviser to the Bronfman family.

The financial and political networks behind Permindex are best described as "Dope, Inc." or the financial empire tied to the \$500-700 billion a year drug economy. The same networks have emerged as the key sponsors of the condominium agreements between the Anglo-American establishment in the West and the collapsing Russian empire.

The shift in policies over the last 25 years is far different from the shift from the Cold War which Garrison claims. The United States abandoned its aggressive space program, along with the benefits that the space program R&D conferred on the entire economy, and even more importantly on the outlook of cultural optimism that Americans had. The investment tax credit and government and other investment in scientific and technological progress, which gave the United States during the 1960s the highest rate of growth in modern history, was abandoned, and the United States slid deeper and deeper into a post-industrial economy. The Kennedy policy was replaced, first by Kissinger's geopolitical schemes to manage the decline of the West, and now, by the New Yalta schemes of the very Anglo-American establishment which was the ultimate sponsor of the assassination.

The networks behind Permindex, far from being a Cold War military establishment, are currently leading the mad dash to form a condominium agreement with the collapsing Russian empire. Edgar Bronfman's East-West Forum is lobbying for the repeal of the Jackson-Vanik Amendment so that the Soviet Union can gain Most Favored Nation trading status and can have access to U.S. technology for the Russian pre-war military buildup. If it seems strange that the networks which Garrison identifies as including old aristocrats and unrepentant Nazis would be the same networks now seeking

a condominium arrangement with Gorbachov, one need merely look at the alliance between openly Nazi drug traffickers and Communist terrorists that comprises what we know as “narco-terrorism.”

The assassins of President Kennedy must still be brought to justice. These same networks have tried to kill Lyndon LaRouche, who best represents the American System policies which the Kennedy assassination coup d'état aimed to stop. LaRouche has battled this secret government, not from a defensive standpoint, but by rallying his fellow citizens to reclaim their government and implement American System policies with projects such as a 40-year program to create a colony on Mars. Freeing LaRouche, who is currently jailed by the secret government, is the best blow any citizen can strike to bring JFK's assassins to justice.

Jim Garrison's book, despite its flawed concept of the “grand conspiracy” behind the assassination of John F. Kennedy, is still very much worth reading. Garrison was an able prosecutor and today is a highly respected state Supreme Court judge in Louisiana. The book's strength is its devastating and painstaking picking apart of the Warren Commission coverup. Though written 25 years after the fact, it stands as one of the most precise and useful exposés of the method of political coverup and how to dissect such a scheme. If Garrison's theories about the motives behind the assassination of JFK are a bit skewed, it would appear that this is for want of in-depth background on the major players, including those, like Lord Bertrand Russell, who rushed to Garrison's “defense” when he came under attack from NBC and others.

## British witchcraft in the Age of Thatcher

by Mark Burdman

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### **Persuasions of the Witch's Craft: Ritual Magic in Contemporary England**

by T.M. Luhrmann

Harvard University Press, Cambridge, Massachusetts 1989

382 pages hardbound, with index, \$25

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There has been no conclusive evidence that Margaret Thatcher is a practicing witch, although there is a substantial element of witchcraft in what is called “Thatcherism.” T.M. Luhrmann's *Persuasions of the Witch's Craft* gives evidence that, underlying the veneer of materialism and desire for gain that characterizes Mrs. Thatcher's middle-class base and the free-

market ideologies of “Thatcherism,” there is a maelstrom of fantasy life and irrationalism, channeled into membership in a wide range of oddball cults. Luhrmann's book is a “participant anthropologist” report on the British species which engages in worship of Pan, Isis, Thoth, Demeter, Ishtar, Astarte, the Kabbala, and other forms of paganism. “We invoked Thoth and Isis, visited Demeter's temple, watched Hephaestus at his forge, danced with the lords of light at the beginning of creation,” writes Luhrmann, in a book published in the year A.D. 1989.

With some notable exceptions, the subjects of her study are well-educated, middle-class individuals, exactly of the kind that the reader would suppose have benefited from the services-and-consumer boom of the Thatcher years.

One of Luhrmann's interlocutors, a certain “Peter,” is described as a “reasonably senior civil servant.” Among his “fantasies,” is to become “a sort of Merlin to a contemporary Arthur.” He tells Luhrmann: “Not perhaps to this one [Margaret Thatcher]. But a later one.” Luhrmann comments: “This is a striking fantasy.”

Margaret Thatcher, watch out!

Luhrmann takes on the task of explaining, from an anthropological-psychological standpoint, the process by which apparently normal, pedestrian individuals become witches, pagans, and magicians. Objectively, she is doing nothing more than trying to analyze how people are brainwashed, but subjectively, since she is so sympathetic to her witch and magician friends, the book could be read as an academic's “how-to” manual for creating witches.

Insofar as her explanations have any substance, they amount to little more than that grown-ups who become witches are regressing to their infantile selves. In a chapter entitled, “The ‘child within’: a portrait of the practitioners,” she confesses: “I felt that magical practice taught me to read again the way I had read books at the age of ten, with an uncritical absorption in the characters.”

Luhrmann is one of a growing breed of academic defenders of the occult. She explicitly whitewashes the Satanic, or Satanist, component of the groups and belief-structures she is reporting on. Satanic murders are “rare,” she says, echoing the prevailing line of the FBI. That might be more than coincidence; evidently, Luhrmann has become a consultant of sorts to investigative agencies.

On pages 96-97, she writes of “chaos magic,” a practice derived from the ideas of Aleister Crowley. A description of “chaos magic” belief is taken from a pamphlet circulated by the Sorcerer's Apprentice Press in Leeds, U.K.: “Energy is liberated when an individual breaks through rules of conditioning with some glorious act of disobedience or blasphemy. This energy strengthens the spirit and gives courage for further acts of insurrection. Put a brick through your television, explore sexualities which are unusual to you. Do something you normally feel to be revolting.” There are reportedly 6-10,000 “chaos magicians” in the U.K., she says, comment-



ing in a footnote: "In 1987, I was called on to advise on a murder in which the murderer seemed to have been influenced by chaos magic. He did perform a premeditated ritual, but it is probably true that if he had not been reading these books, the murder would not have occurred. The books did not cause the murder: they simply gave a somewhat unstable psyche a sense of power in which murder became a reasonable type of action."

Luhmann's concept of a "reasonable type of action" and her academic background combine to produce some inimitable prose. For example, take the autobiographical account of witch "Margaret" talking of her acquisition of "witch power": "Before, it had been a few nights spent quietly in my room. But after I read Nietzsche I was trying out everything I hadn't tried before. Getting drunk, smoking dope, really myself into dope in a big way. . . . And it was after that that I came across some of the books on Greek religion. . . . And I suddenly realized that this was very much to do with being a woman. Which was rather nice. . . . You see, it's easier for women to be in touch with that physical, animal power, and that animal power keeps the world going. . . . Nature is the power. It's the common ground that you have with other women and with the earth itself. And with the heavens. . . . And the whole rhythm of the cosmos. Women are very rhythmic. . . . And it all fits in with the periodicity of the earth. And the blood mysteries of women, the menstrual mysteries, and the birth mysteries. . . . We're nearer the earth, we're nearer the heavens as well. . . . So I went from teaching symbolic logic and Wagner criticism and writing poetry—I'd made contact with some witches by then. The Pagan Front. Liked these people. Seemed really sincere, good, white witches. Also with a thing called the Fellowship of Ishtar. Ishtar is the Babylonian goddess of love and war, which sounded exactly like my themes."

For \$25, you can read more prose like this, the same for women and men, witches and non-witches, pagans and believers, and for people over ten years of age and under.

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—Lyndon H. LaRouche, Jr.

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## Books Received

**City of Lingering Splendour: A Frank Account of Old Peking's Exotic Pleasures**, by John Blofeld, Shambhala Publications, Inc., New York, 1989, 255 pages, paperbound, \$9.95.

**One Long Day in a Long War: May 10, 1972, Air War, North Vietnam**, by Jeffrey Ethell and Alfred Price, Random House, New York, 1989, 217 pages, illus., with index, hardbound, \$18.95.

**Unnatural Death: Confessions of a Medical Examiner**, by Michael Baden with Judith Adler Hennessee, Random House, New York, 1989, 209 pages, hardbound, \$17.95.

**A Cup of Coffee with My Interrogator: The Prague Chronicles of Ludvik Vaculik**, trans. by George Theiner, Readers International, Inc., London, 1988, 127 pages, hardbound, \$14.95.

**The Hunger of Eve**, by Barbara Marx Hubbard, Island Pacific Northwest, Eastsound, Wash., 1989, 246 pages, paperbound, \$11.95.

**The Sikhs, History, Religion, and Society**, by W.H. McLeod, Columbia University Press, New York, 1989, 161 pages, hardbound, \$25.

**The Gilded Leaf**, by Patrick Reynolds and Tom Schachtman, Little, Brown, New York, 1989, 353 pages, with index, hardbound, \$19.95.

**Survival in Space**, by Richard Harding, Routledge, Chapman and Hall, New York, 1989, 227 pages, illus., with index, hardbound, \$22.

**Right v. Might: International Law and the Use of Force**, by the Council on Foreign Relations, Council on Foreign Relations Press, New York, 1989, 124 pages, paperbound, \$12.95.

**China In Search of Its Future: Years of Great Reform, 1982-87**, by John Woodruff, foreword by Michel Oksenberg, University of Washington Press, Seattle, 1989, 218 pages, hardbound, \$19.95.

**Have You Forgotten? A Memoir of Poland: 1939-1945**, by Christine Zamoyska-Panek with Fred Benton Homberg Doubleday, New York, 1989, 250 pages, hardbound, \$19.95.

# Thornburgh Doctrine makes the U.S. an outlaw state

by Jeffrey Steinberg

When the assassination/coup plot against Gen. Manuel Noriega was aborted in October 1989, Attorney General Richard Thornburgh and Director of Central Intelligence William Webster set out to codify a new principle of international law that would enable the United States to take unilateral action anywhere around the globe with no concern for national sovereignty or rule of law—so long as the mission did not threaten Moscow's vital interests or step inside Russia's sphere of strategic dominance. If it was the resultant Thornburgh Doctrine that justified the policy fiasco of the Panama invasion—as it appears—then President Bush has only one simple option to save himself, and that is to fire Thornburgh, as a Democratic congressional candidate from Virginia, Lyndon LaRouche, recommended on Dec. 22.

In the Nov. 3, 1989 issue of *EIR*, Kathleen Klenetsky showed that Attorney General Thornburgh was part of a conspiracy to “bring about the ruin of U.S. constitutional law, in favor of the totalitarian police state in force in the Soviet bloc.” In the Nov. 17 issue, this author warned that if President Bush did not fire CIA director Webster before the Malta meeting with Soviet President Gorbachov on Dec. 2, the United States would find itself locked into a disastrous policy course, involving the abandonment of America's traditional allies in favor of a Soviet-American world imperium.

That harsh assessment was based on a series of recent policies emanating from the Thornburgh Justice Department and the Webster-directed Central Intelligence Agency in Langley, Virginia, which clearly aimed at setting up the United States as a global hooligan operating outside the framework of international law. Among the most visible signs of that policy course were:

- William Webster's deal with Senate Democrats on the intelligence oversight committee in late October to authorize overseas assassinations of heads of state—so long as the

murders occurred in the context of a broader covert mission aimed at changing a government through coup d'état. Webster argued that the strict ban on assassinations had prevented the CIA from playing any role in the October coup attempt against Panamanian Defense Forces commander Gen. Manuel Noriega, since there was a strong possibility that Noriega might be killed by rebelling junior military officers. When that coup plot was defeated and its leaders killed, exiled, or jailed, the CIA was rebuked for failing to foresee events and play a decisive role in the outcome. Webster seized the opportunity to use his credibility with Democrats on the intelligence oversight panels of both houses of Congress to obtain a reinterpretation of the rules governing CIA covert operations, and to win approval for Agency participation in foreign covert actions that might result in a foreign official being killed—so long as the assassination was not the mission's prime objective.

- Attorney General Thornburgh's admission, made public in October, that Justice Department attorneys had determined that it was legal for the FBI to kidnap fugitives from U.S. justice anywhere in the world, without seeking the permission or cooperation of host governments.

During the Reagan years, the United States had come under sharp international criticism for its attempt to kidnap suspected terrorist Abul Abbas on Italian soil following the *Achille Lauro* hijacking in which one American was killed by Palestinian Liberation Army terrorists. Smarting from a serious diplomatic rift with the Italian government, which resulted in Abul Abbas's safe passage out of Italy, the U.S. began shopping around for a new interpretation of the law that would accomplish an end-run around the kidnap ban. In the meantime, the FBI continued carrying out kidnappings of fugitives, but with no fanfare. In 1988, the FBI kidnaped Honduran drug kingpin Ramón Mata Ballesteros. Fed-

eral courts had already upheld the Bureau's right to seize fugitives abroad in the course of convicting Mata in a federal trial in Los Angeles this past summer. However, Thornburgh was clearly looking to establish a precedent in law so as to overcome the obstacles encountered in the *Achille Lauro* context.

Hence, the formal "legal opinion" authorizing what amounts to international piracy by American agents.

### **The Moscow link**

What made these "mafiosi" dictums even worse was the fact that Thornburgh and Webster had set themselves up as the administration's two leading advocates of intelligence and law enforcement cooperation with Moscow. Thornburgh had just returned from a week in the Soviet Union in October, during which he conferred with top Soviet judicial officials and with the director of the KGB. Webster had been on record since the first days of the Bush administration as favoring joint CIA-KGB operations and intelligence sharing, particularly in matters relating to international narcotics trafficking and international terrorism.

Webster had told an audience at the Los Angeles World Affairs Council last September that the Cold War was over, and strongly implied that the greatest threat to America came not from Soviet nuclear warheads but from Third World tinhorn dictators and German and Japanese industrialists.

Immediately following the Dec. 2-3 Malta "seasick summit," Thornburgh issued a second legal opinion which, taken in the context of the earlier two rulings by his office and Webster, constituted what has now been labeled the Thornburgh Doctrine. The third ruling abolished the 200-year-old *Posse Comitatus* law which prohibited U.S. military personnel from carrying out civilian arrests. With the stroke of a pen, Thornburgh declared *Posse Comitatus* null and void when it came to overseas operations aimed at capturing fugitives from American prosecution.

While it is still unclear precisely what role Thornburgh and Webster played in President Bush's ultimate decision to order 30,000 American troops into Panama, there is no doubt that Webster and Thornburgh were the two principal architects of the new illegal doctrine of force upon which that invasion and subsequent genocide were based.

### **American personnel in jeopardy**

Days before the Panama invasion began, jailed American statesman Lyndon H. LaRouche Jr. had issued a sharp denunciation of the Thornburgh Doctrine. Among LaRouche's predictions was that the doctrine would pose an immediate threat to American personnel and citizens traveling and working abroad. He foresaw Americans returning home in body-bags if that doctrine were ever to be put into practice. The events in Panama days later bore out his warnings.

As the result of the Thornburgh Doctrine being made public, first through a series of press leaks and later through

the deployment of American troops onto the streets of Panama, no American government official operating overseas can feel safe. In effect, the United States has abrogated every extradition treaty standing with every nation worldwide. Every U.S. legate, Drug Enforcement Administration officer, GI, and attaché is now fair game for any foreign government and foreign vigilantes fearful that their country is the next target of a U.S. kidnap effort, whether carried out by a "mission impossible" team of secret agents or by the 82nd Airborne.

Having codified a doctrine that sets the United States as an outlaw nation in the eyes of all civilized states, the Bush administration must now be prepared to face the consequences of that grave policy error—until such time as the policy is reversed.

It was on the basis of this unfolding situation that Lyndon LaRouche, himself a victim of American judicial tyranny, called for the firing of Thornburgh and Webster before President Bush went off to Malta. Now more than ever, that change in personnel is urgent—if for no other reason than to protect the lives of American officials and citizens abroad.

Unfortunately, based on the current "flight forward" profile of the Bush White House, the prospect of such a personnel shakeup and shift in policy would appear to be very unlikely. As this issue of *EIR* goes to press, Bush and Secretary of State James Baker have carried their sabre-rattling to the gates of the Vatican, demanding that the Vatican turn over Noriega to a phalanx of U.S. troops who have surrounded the Nunciature in Panama City. According to one source close to the White House, President Bush is "vexed" at the Pope for his refusal to turn Noriega out onto the street, and is at a loss to understand why the Pontiff has not been willing to do the United States a "favor" in return for the many favors that the Reagan and Bush administrations have allegedly done for the Catholic Church.

### **World reaction will be harsh**

When Ayatollah Khomeini issued a death sentence against Pakistani writer Salman Rushdie for his slanderous remarks about Islam in his book *The Satanic Verses*, there was an international outcry against the Islamic regime for its flagrant violation of international law and basic human rights. Like it or not, international law specialists would be hard pressed to distinguish between the Khomeini unilateral death sentence against Rushdie, and President Bush's unilateral decision to deploy 26,000 American troops to nab General Noriega.

President Bush can expect to encounter a similar surge of criticism when the full implications of the Thornburgh Doctrine are considered. In fact, already, significant criticism has appeared in the Western European press, and even some of the prominent liberal editorial writers in the United States have invoked images of Teddy Roosevelt gunboat diplomacy and regional bully-boyism.

# Du Pont heir puts 'Get LaRouche' mob on trial

by Frederic Henderson

The first three days of the trial to vacate the unprecedented November 1986 ruling that Lewis du Pont Smith is "incompetent" because of his political association with economist and former presidential candidate Lyndon H. LaRouche, Jr., and his financial support for those political commitments, began in West Chester, Pennsylvania on Dec. 19.

Judge Lawrence Wood, at the request of Smith's family, had ruled that Smith, then 29 years old and an heir to the du Pont industrial fortune, was incompetent to manage his own affairs. Wood's ruling took away the young history teacher's right to vote and to marry, among other things, but the main intention was to deny him his First Amendment right to associate with the political candidate of his own choice. Smith's challenge to Wood's finding will prove to be a battle royal. The trial is expected to last more than 14 days, spread over several months.

In mid-October, attorneys for Smith filed the petition to reverse Wood's earlier decision which is the basis for the current hearings. Smith's family's counterattack began well before the December hearings. In mid-November, Mr. and Mrs. E. Newbold Smith, Lewis's parents, rushed into court with the amazing demand that Wood appoint a "guardian" for their son to represent his interests in all legal matters. The request, in the form of a petition for guardianship *ad litem*, was nothing more than a blatant attempt to gain control over Smith's person, a move which they had failed to get Wood's approval in 1986. It represented yet one more in a continuing pattern of bad faith actions by the family since they began the incompetency proceedings over three years ago.

## Bad faith shown

Smith's attorneys, in their response, documented numerous examples showing that E. Newbold Smith was part of an illegal harassment campaign: his burglary of his son's home in Leesburg, Virginia; his later perjury about that on the witness stand before Judge Wood; his failure to respond to a Virginia arrest warrant for the break-in; the family's hiring of a private investigator to spy on Lewis and his wife Andrea to try to kidnap one or both of them; the family's proffering of false evidence to assist in a criminal indictment against

Andrea (later dropped); and the attempts to block Lewis and Andrea's marriage in 1987. They also noted for the court E. Newbold Smith's repeated public portrayal of his actions against his son as part of a larger "Get LaRouche" operation. In a hearing on Nov. 20, Judge Wood tossed out the family's bid for guardianship and also granted a petition filed by Smith's wife Andrea, to intervene as a party to the action to reverse the incompetency ruling.

From these pre-trial actions and pre-trial discovery materials, it can be expected that every slander retailed by the Anti-Defamation League, the spearhead of LaRouche's pro-Soviet, pro-drug political foes in the United States, will be the core of the family's opposition. A telling clue is that the family's star witness to maintain the fiction that Lewis is "incompetent," will be Christian Curtis, a former fundraiser who has been a key government witness for the "Get LaRouche" task force in all of the politically motivated prosecutions against LaRouche and his movement brought to date. Lewis du Pont Smith, in a statement released at a press conference on Nov. 19, said his strategy will be to put his family and their collaborators in the "Get LaRouche" task force on trial.

James Crawford, one of Smith's attorneys, said in his opening statement Dec. 19 that the court would be presented with incontrovertible evidence of the young man's competence, demonstrated in testimony by expert psychiatric witnesses, associates, his wife, Smith himself, and Lyndon LaRouche. Crawford noted that all of this would clearly prove that Lewis du Pont Smith had, despite Wood's earlier decision, gone about living his life in a fashion hardly that of an incompetent. Crawford pointed to the fundamental constitutional issues involved: Smith's right to support the political beliefs of his choice, both vocally and financially. He told the court that it would hear the nature of those beliefs through the testimony both of Lewis du Pont Smith and Mr. LaRouche.

The first day's witnesses included a number of Smith's political associates and friends, who have known and worked with him. The day was dominated, however, by the testimony of Dr. Judiann Densen-Gerber, Smith's primary expert witness and an internationally renowned leader of the fight against drugs and child pornography. Dr. Densen-Gerber, in extensive testimony based on over 14 months of regular weekly contact with Smith, detailed the psychiatric basis for her findings that he is fully competent to manage his own life and financial affairs. Dr. Densen-Gerber said that Smith "does not suffer a mental disorder or disease" by any current or past legal standard.

In cross examination, David Foulke, the family's attorney, attempted to impeach the credibility of the testimony by smearing her as everything from an eccentric to "the official LaRouche psychiatrist" in such proceedings. He dragged out unfounded accusations of financial improprieties in Odyssey House, the drug rehabilitation program Dr. Densen-Gerber

founded and operates. This effort backfired when Dr. Densen-Gerber detailed her fight against drugs, child abuse, and pedophilia, herself producing and quoting from the publication of the North American Man-Boy Lovers Association, which identified her as their number-one enemy. While Foulke did not even bother to try to challenge her medical findings, Dr. Densen-Gerber successfully reiterated her view of Lewis du Pont Smith's competency and the importance of ensuring that both psychiatry and the law not be abused in this case.

Witnesses on Dec. 20 included Max Dean, past president of the Michigan Trial Lawyers Association and a friend of Smith. Mr. Dean is also the president and chairman of the board of the Constitutional Defense Fund and had formerly been active in the Flint NAACP. Mr. Dean said his relationship with Smith in the last two years had shown Smith to be financially astute, courtly, and reserved in demeanor. Also testifying was Amelia Boynton Robinson, an 84-year-old civil rights activist from Tuskegee, Alabama, who helped organize and risked her life in the famed Selma March in 1965. Mrs. Robinson, an associate of the late Dr. Martin Luther King, is a founding member of the international Commission to Investigate Human Rights Violations and the Schiller Institute. She first met Smith at a human rights commission gathering in Rome where he spoke on his case. They have remained friends, she testified, because of Smith's passionate concern and his support for civil rights, and her own lifelong concern for human rights.

The second day's testimony was concluded with that of Martha Diano, Smith's mother-in-law. Her testimony ripped apart the line being pushed by E. Newbold Smith's attorneys that Lewis and Andrea were being alienated from their families by the "LaRouche cult." Mrs. Diano described the close relationship enjoyed among mother, daughter, and son-in-law, and testified that Smith remains frugal despite his allowance, which was \$150,000 this year. She said he refuses to buy new furniture, stays at her small Philadelphia rowhouse during visits rather than at a hotel, and still drives "a beat-up old car," which Smith later described as a 1984 Volkswagen with 96,000 miles on it. She ended by saying, "I love him like a son."

### **Abuse of psychiatry for political ends**

The most important testimony of the day was supplied by Smith's second expert psychiatric witness, Dr. Abraham Halpren, a New York psychiatrist who helped write the medical tests widely used to determine legal competency. Halpren stated that the criteria used to adjudicate Smith incompetent were misunderstood and misapplied by the experts who testified in the prior proceeding. He also testified that Smith was totally competent. Halpern went on to decimate Dr. David Halperin, the psychiatrist from the American Family Foundation brought in by Smith's family for the original incompetency trial, saying that Halperin's prior diagnosis was unscien-

tific, shoddy, and the "application in its worst form of psychiatry for political purposes." Halpren said that Halperin's so-called psychiatric examination of Lewis du Pont Smith two weeks earlier had nothing to do with psychiatry, but was basically a political interrogation.

Dr. Abraham Halpren said he reviewed the transcripts and tapes made by Dr. David Halperin in 1985, and concluded that Halperin had taken an "adversarial" approach to Smith. He added that the idea of labeling a political organization as a cult horrifies him and other members of the psychiatric profession because then any politically dissident organization could potentially be silenced.

On Dec. 21, the third day of testimony, the *Philadelphia Inquirer* carried a lengthy article on the first two days of the hearings. Entitled, "Du Pont Heir Presses Case on Fitness," the article quotes Smith saying, "I wouldn't want any citizen of the United States to be put through what I have been subjected to."

Another expert, an occupational psychologist, testified that Lewis du Pont Smith was totally capable of holding management-level positions and functioning in the workforce, and from his observations functioned well as a political fundraiser and organizer. Donald "Tony" Hadley, the LaRouche supporter who won the Democratic nomination for Congress in the district that includes Chester County, also testified.

Judge Wood on several occasions formulated his view of the case. In the opening statement and later, he warned attorneys for Lewis du Pont Smith that he did not view the family's actions as being particularly relevant. He also, during the testimony of Dr. Abraham Halpren, indicated he was not interested in hearing testimony regarding what he described as "the cult issue." His concern, he said, was only whether Lewis du Pont Smith had, as he put it, "a mental makeup which in some qualitative or substantial way makes him more likely than others to be the victim of designing persons." This formulation raises major questions as to the character of the future proceedings. With the family on record as viewing the major issue as Lewis Smith's association with the ideas and policies of Lyndon H. LaRouche, it seems that there can be no way to limit the case in such a simple fashion. Either Wood excludes what is clearly the center of the E. Newbold Smith family's intended case, or Lewis du Pont Smith's attorneys are allowed to present material to rebut that which Wood has indicated he doesn't believe is relevant.

The future proceedings no doubt will be bitterly contested and more dramatic than anything seen in this case so far. The next hearing dates have been set for late January and mid-February. Smith has yet to call a number of major witnesses, including Mr. LaRouche. He himself will take the stand, as will his wife Andrea, in his fight to reverse the first ruling of incompetency in American history based on an individual's political beliefs and associations.

# Facts about Bush's sellout to China

by Ralph de Toledano

It is not only the Democrats who are referring to President Bush's sellout to Communist China and the murderers of Tiananmen Square as "a little Munich" and a "Pacific Yalta." Republicans are equally furious at this signal to Mikhail Gorbachov that, if he decides to stem the freedom tide, he can send tanks into Red Square, East Berlin, Warsaw, and Prague with no fear of trouble from the United States.

The question is why President Bush would jeopardize the future of his administration by so shabby a deal. Was it stupidity? Was his arm twisted? Or was he sold a bill of goods by those who have no business being in his administration? This is the background and the chronology. Let the interpretations fall where they may.

1) Henry Kissinger, by his own tacit admission in a speech made at Chatham House in London some years ago a British "agent of influence," has highly lucrative business dealings with the Chinese Communist government. Sanctions on dealings with Beijing, following the Tiananmen Square massacre, deeply hurt the Kissinger pocketbook.

2) Kissinger's former employees and operatives—National Security Adviser Brent Scowcroft and Deputy Secretary of State Lawrence Eagleburger—were mobilized to undo President Bush's cruel sanctions against the gentle murderers of Tiananmen Square.

3) Richard Nixon, an "agent of influence" for Richard Nixon, was enlisted in the effort. This took no great effort since in their thinking and morality Kissinger and the former President are like two peas in a pod. Nixon was necessary because he is adored on the Chinese mainland for his success in cutting the throats of his friends on Taiwan and his generosity to his one-time enemies on the mainland.

4) Scowcroft and Eagleburger, in a joint State Department-National Security Council push, prevailed on President Bush to give covert okay to the Nixon mission to Communist China—in which he was dined and wined by bloody hosts. (And do not forget the muscle of the Red China lobby in the State Department which eviscerated Nationalist China after World War II.)

5) On his return from Beijing, Nixon reported to Bush that the Communist leaders were anxious to "normalize"

relations, but that since they were proud people, the United States would have to take the first step. That step taken, they would graciously extend a blood-stained hand. Bush was urged to "save face" for the Communist Chinese by pleading with them to accept such goodies as we have had to give as well as our tacit apologies for taking a dim view of Tiananmen Square and other atrocities.

6) The next step for the Kissinger-Scowcroft-Eagleburger apparatus—aided and abetted by the Chase bank and the Rockefeller interests—was to set up a mission (or submission) to Beijing, approved by the President after he'd had a long telephone consultation with Kissinger. This conversation has been admitted by the White House. That mission was scheduled for a time when Congress was not in session.

7) What President Bush hoped to accomplish by his obeisance to the Chinese Communists—other than to please Henry K. and Richard N.—is hard to understand. In one move, Bush cast aside what pretensions this country has had to defending human rights. A signal was also sent to the Soviet hardliners. That this came after Bush had given away the store in Malta raises even more questions.

With one move, benefiting a disgraced President and a money-grabbing former secretary of state, President Bush has delivered to the Democrats the tough-on-communism tough-on-terrorism issue. So he is left with one major accomplishment to date—bailing out his Texas and California banker friends by sticking the American taxpayer with a \$200 billion price tag. The Chinese students in the United States who will be shipped back to face the tender mercies of the Beijing government can carry that thought home with them.

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## Thornburgh stifles freedom of press

*The Supreme Court ruling on the Grumman case gives the government a license to withhold information.*

**A** December decision by the Supreme Court upholding a government action to withhold information has alarmed many who are concerned about freedom of the press. The decision upheld the government's right to keep information from the Grumman Corp., under investigation in the "Ill Wind" Department of Justice probe of defense contract fraud.

To build its legal defense, Grumman had resorted to the Freedom of Information Act (FOIA) to obtain correspondence related to a routine audit in 1978 by the Defense Contract Auditing Agency. The DCAA declined Grumman's request and two days later turned the records over to the FBI, which subsequently also refused to release them. The FBI justified its action citing a clause in the FOIA law which "exempts from disclosure records or information compiled for law enforcement purposes."

By upholding the FBI position in its ruling, the Supreme Court effectively "extended the exemption to records not originally created for, but later collected for, law enforcement," asserted an *Editor and Publisher* Dec. 23 editorial which deplored the ruling. The editorial cited Justice John Paul Stevens's dissenting opinion, which called the DCAA switch of records "a naked transfer of otherwise non-exempt documents from a civilian agency to the FBI. Such a transfer is not a compilation."

Justices Thurgood Marshall and Antonin Scalia added in their dissents that the majority decision "lends itself to abuse so readily that it is unlikely to have been intended."

Jane Kirtley, executive director for the Reporters Committee for Free-

dom of the Press, told *Editor and Publisher*, "The decision will give government agencies virtual unlimited license to withhold any kind of information by simply sweeping it into FBI files."

*Editor and Publisher* said the decision, based on "some convoluted reasoning . . . puts another roadblock in front of reporters who try to report what is going on at the Department of Justice."

The reference to "roadblocks at the Department of Justice" concerned the climate of secrecy that has taken over at the DOJ under the reign of Attorney General Richard Thornburgh.

Thornburgh has been on a crusade allegedly aimed at cutting down "leaks" by DOJ personnel. Last August, DOJ leakers were threatened with criminal investigations and potential prosecution under theft-of-government-property laws.

Ron Ostrow, a veteran *Los Angeles Times* reporter who has covered the DOJ for 23 years, told *Editor and Publisher*, "You're finding in all parts of Justice a great reticence to disclose basic information that the public certainly has a right to know. . . . You've unleashed people who before felt some pressure to make information public. You've freed them to go back to their secretive ways. . . . People who don't like being watched are reveling in this."

A recent *Washington Post* editorial added, "It appears that Mr. Thornburgh is heading in the direction of stonewalling inquiries, punishing those who talk to the press and centralizing control in his own office. . . . It won't work and it shouldn't."

Journalists are complaining that it is not "leaks" of sensitive information about ongoing criminal investigations that have dried up, but even the most routine information that the public has a right to know.

In the past year, the staff of the DOJ's Public Affairs Department has been cut in half, limiting it to 14 authorized jobs. The *Post* also reported that new Immigration and Naturalization Service regulations bar local offices from talking to reporters without getting clearance from Washington first.

Ostrow reported that one top DOJ official he lunched with was subsequently interrogated about the interview. "That sent out a chilling message to people at that rank that it would be better to not have any communications with reporters," Ostrow told *Editor and Publisher*.

United Press International's DOJ correspondent Dan Carmichael told the same magazine, "It can be difficult to get the most routine information, and many people are afraid to be seen talking to reporters, even in the cafeteria." He added, "To Thornburgh, any information he doesn't control is a leak. Period."

Thornburgh on Nov. 29 put his stamp of approval on a set of proposed new Bureau of Prisons regulations that would allow prison officials to deny reporters interviews with prisoners, and would ban prisoners from writing paid or by-lined newspaper stories. Three hours later, he retracted his statement saying only, "The proposals were submitted prematurely and without my personal review."

On Dec. 11 the *Legal Times* reported that attorney Allen Hausman, one-time assistant director of the Civil Division at the DOJ, had been demoted for helping a reporter gather information for *American Lawyer*, a legal newspaper.

# National News

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## Scowcroft traveled to China secretly in July

National Security Adviser Brent Scowcroft made a secret trip to China in July 1989, just one month after the massacre at Tiananmen Square in early June, even though the White House had banned all high-level contacts, Cable News Network revealed Dec. 18.

The White House confirmed in a written statement that the mission took place. The Red Chinese government said Dec. 19 that the secret visit had been made at the request of the United States.

Senate Majority Leader George Mitchell (D-Me.) said he was astonished to learn that Bush had sent them on "another mid-night mission to meet secretly with the very Chinese leaders who had ordered the bloody suppression" of the democracy movement. Mitchell called for "full disclosure" of the administration's contacts with the Chinese government "so Americans can fairly judge the wisdom of its China policy."

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## Iran-Contra 'smoking gun' implicates Bush

A previously undisclosed Iran-Contra document has been discovered confirming that then-Vice President George Bush, former Secretary of State George Shultz, and others, sanctioned and implemented a "quid pro quo deal" with the Honduran government in exchange for that nation's role in facilitating the Contra support operation, the *Washington Post* reported Dec. 16.

Both Bush and Shultz had vehemently denied the charge and viciously attacked efforts in Congress, led by Sen. Alan Cranston (D-Calif.), to investigate the issue during the confirmation hearing of Donald Gregg as U.S. ambassador to South Korea.

On Nov. 27, State Department officials carrying out a court-ordered pre-trial discovery request in the John Poindexter trial, found a document dated Feb. 7, 1985 in "sensitive files maintained by the department executive secretariat, an administrative unit attached to the secretary's office."

The document carries George Shultz's initials in the approval box. The memo, written by Langhorne A. "Tony" Motley, then Assistant Secretary of State for Latin America, describes a White House meeting that day of senior officials where "it was agreed that some combination of efforts was needed to encourage the Hondurans to remain firm in their support for the FDN [Contras] during the coming weeks." The memo details the expedited U.S. economic and military aid to Honduras and proposes that a letter be written from then-President Reagan to President Suazo confirming U.S. commitment to him and "calling for his cooperation in the difficult days ahead."

The memo states, "Although the President's letter would not be explicitly linked to specific reassuring actions listed above, our intentions and expectations would be made clear in an oral demarche to President Suazo." The plan ultimately approved by Reagan included a proposal for several personal meetings with Suazo, including a March 16, 1985 visit by Bush.

Asked by a reporter on May 4, 1989 if he had delivered such an "oral demarche," President Bush said, "Honduras—there was no quid pro quo. Everybody that attended the meeting says there was no quid pro quo. . . . The word of the President of the United States, George Bush, is there was no quid pro quo."

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## Democrats ask conflict of interest probe

A group of 12 House Democrats said Dec. 13 that they have asked White House Counsel C. Boyden Gray to start a conflict of interest inquiry into Bush administration officials who may be simultaneously advising the U.S. and foreign governments.

In a letter to Gray released by Majority Leader Rep. Richard Gephardt (D-Mo.), the Democrats singled out two members of the White House Council of Economic Advisers—its chairman, Michael Boskin, and Gary Saxonhouse. The letter says Boskin and Saxonhouse have been listed as serving on the boards of Japan's Ministries of Finance, and International Trade and Industry, respectively. "This raises serious ques-

tions about conflicts of interest," they wrote.

The letter asks Gray to identify any other senior officials who serve in any paid or unpaid capacity for any department, agency, or instrument of a foreign-owned government or company. Kissinger Associates has several foreign government and foreign corporate clients.

Columnist Jack Anderson also revealed on Dec. 19 the close relationship between the administration and Texas Air officials, including Bush's top lobbyist to Congress, Frederick D. McClure, who was a vice president and lobbyist for Texas Air. It was McClure who signed a letter from the White House informing Congress that Bush had refused to appoint an emergency panel to investigate Frank Lorenzo's Eastern Airlines.

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## Soviet weapons threaten U.S. military systems

A new Pentagon report reveals, according to House Armed Services Committee members and Pentagon experts, that an entire class of U.S. weapons systems is now obsolete because of a new Soviet missile system.

The Soviet missile utilizes a homing system which allows it to lock in on and track the radar emissions of weapons that use radar to acquire their targets. The new development places the F-14, F-15, F-16, F-18 fighter planes, the AWACS early warning radar plane, the J-STARS targeting system, AEGIS cruisers, and DDG-51 Destroyers, at great risk. All would have to turn off their radars in order to avoid the missile.

The United States has produced only one similar missile, the HARM, and it is only designed to hit ground-based radar guidance systems. The U.S. electronic warfare program has been thrown for a major loss as a result of a serious misjudgment of Soviet technology strategy, which focused on the development of analog systems that are resistant to U.S. digital-based anti-radar jammers.

The weapon adds a further layer of protection to the nearly invulnerable air defense capability of Warsaw Pact forces, and, by threatening the J-STARS aircraft, makes NATO "smart weapons" (which depend on



the targeting radar carried in the plane) of little use against operations behind Soviet lines.

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## EPA head Reilly faces criminal allegations

Two senior officials of the Environmental Protection Agency, William Sanjour and Hugh Kaufman, have filed two sets of criminal allegations against the head of the EPA, William Reilly, charging him with improper, if not illegal, conduct in reversing EPA policy. They charge that the EPA inspector general has engaged in covering up the scandal.

Reilly apparently decided to reopen EPA's case against the state of North Carolina for blocking new hazardous waste sites, on the urging of his friend Jay Hair, head of the National Wildlife Federation (NWF).

Hair and Dean Buntrock, a member of the NWF board and chairman and CEO of Waste Management, Inc. which stands to make a lot of money depending on EPA decisions, had a meeting with Reilly in March to plot strategy. One of the pieces of evidence is a handwritten note to Reilly by Hair, jotted below a news story on North Carolina refusing to take other states' hazardous waste. Hair wrote, "Bill—if at all possible I would like to arrange a breakfast meeting with you, Dean Buntrock and myself to discuss national implication of above situation and for you to get to know Dean better. How 'bout Breakfast March 16-March 17, Crystal Gateway Marriott, Arlington (site of our annual meeting), Thanks, Jay."

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## Feds seize Operation Rescue bank account

The federal government seized the payroll accounts of Operation Rescue, the national anti-abortion organization, in a Dec. 21 raid. The order is calculated to impose an economic death sentence.

Operation Rescue spokesman Barbara Duffy stated, "It's a real shocker. Our attor-

neys were told by federal officials that they would not take any action before first notifying them. No warning was given whatsoever. It's frightening to think that the government of the United States could and would do such a thing."

Operation Rescue had complied with an ultimatum to turn over financial records to the U.S. Attorney's office, or to post a \$50,000 appeal bond. Financial records were turned over, and several attorneys posted the \$50,000 bond.

The original case involved a ruling by New York Southern District Court Judge Robert Ward against Operation Rescue leader Randall Terry for refusing to honor an injunction against protests, and his refusal to pay a fine of \$50,000 to the National Organization of Women.

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## Rumsfeld warns: Malta okays Brezhnev doctrine

The Dec. 2-3 Malta Summit decision by President Bush and Gorbachov to accelerate conventional force reductions in Europe "is tantamount to accepting and legitimizing" the Brezhnev Doctrine, which asserted Soviet hegemony over the entirety of Eastern Europe, former Defense Secretary Donald Rumsfeld said in an interview with *EIR* Dec. 6.

"It's pretty clear to me that the people of Eastern Europe don't want any Soviet troops in their countries," Rumsfeld said. "The question in my mind is, why in the world would the U.S. rush to accelerate conventional force reductions when they will lead, at best, to a 50% cut in Soviet forces in Europe? This is tantamount to ratifying and legitimizing the remaining Soviet forces in Eastern Europe. If you think back to the old Brezhnev Doctrine, we are just about to accept it!"

"It's policy that should concern the U.S., not personality," Rumsfeld said, in criticizing the Bush administration's fixation on Gorbachov. "I can envision a situation in which the apparent reforms will be halted, and an authoritarian reaction will set in." "This is not the time to be making \$180 billion worth of cuts" in our defense budget, he said.

## Briefly

● **A SOVIET SCIENTIFIC** delegation led by Yuri Nazarkin, chief Soviet negotiator at the START talks in Geneva, has arrived in the United States to discuss the SDI program at Los Alamos laboratory, the Alpha Laser, and to visit U.S. facilities in Capistrano Village, California, Radio Moscow reported Dec. 16.

● **THE BUSH** administration intends to impose an "eco-tax" which would raise over \$1 billion a year to help balance the budget, according to the *Los Angeles Times* Dec. 12. Chemical companies would pay for the right to produce "toxic" pesticides, compounds that allegedly deplete the ozone layer, and the "key pollutants that contribute to acid rain."

● **THE REAGANS'** tax returns are being investigated to determine whether they owe more taxes for gifts and loans of items like jewelry and designer dresses, the Internal Revenue Service announced Dec. 5.

● **OVER \$1 BILLION** in ecological fines was levied by the Environmental Protection Agency during 1989, climbing from \$175 million in 1987, EPA officials announced Dec. 19.

● **JOHN POINDEXTER'S** Iran-Contra prosecution was again delayed by Federal Judge Harold Green from Jan. 22 to Feb. 20, in order to review former President Reagan's White House diaries and notebooks to see if they contain evidence relevant to the defense.

● **THE UNITED MINE** workers union was hit with \$33 million in additional contempt fines on Dec. 8 by Russell County, Virginia Circuit Judge Donald A. McGlothlin, the son of the state legislator whom UMWA local president Jackie Stump beat in a recent state election. A total of \$64 million in fines, a level approaching an "economic death penalty," have been imposed. Some misdemeanor offenses are resulting in \$100,000 fines.

### *Europe's triangle of development*

While the world has been fixated on the horrifying bloodbaths in Romania and Panama, and in some ways rightly so, it is important not to overlook developments which are leading to a viable alternative world direction. Today the leading role in building new structures that can move us toward world peace, is being played by the European Community, led by West German Chancellor Helmut Kohl.

The motor which can take the world in a positive direction is what Lyndon LaRouche has called the "triangle of development" which spans Western and Eastern Europe. The plans are still on the drawing board for this triangle, whose pivot is the construction of high-speed passenger and freight rail lines between Paris, Berlin, Warsaw, and Vienna. Those rail lines represent the crucial infrastructural link that will make out of Western and Eastern Europe one huge, unified economic superpower.

Chancellor Kohl and French President Mitterrand are not blowing trumpets about their plans for this development, but, step by step, the agreements are being put into place. What's crucial is that these individuals have pushed through a perspective in the European Community by which central Europe will become a powerful, rich, magnificent 400-million person market. The creation of such a market will not only solve the immediate problems facing countries like Poland and East Germany, but will provide the center of gravity for economic recovery for the whole world.

In the world of International Monetary Fund free-market assumptions, of course, such a process is impossible. Axiomatically, the IMF argues that the gain of any one country, or group of countries, means a loss for others. A world based on such axioms looks a lot like the one we have today, in which each nation looks to steal the most resources at the lowest price from the other—and screams bloody murder if someone else, like Japan, successfully enriches themselves. Objectively, in terms of population potential, the entire world gets poorer.

Real economics, as developed from the work of Leibniz through LaRouche, works to the contrary.

Prosperity for one nation, if based on the development of infrastructure, technology, and human labor power, implicitly enriches the world as a whole. Nations in the process of development are stimulants to trade and eager markets for exports of high technology.

Thus the assistance which France, Italy, and West Germany give to the East bloc nations in infrastructural development, will in fact open up those nations as importers of other goods. All nations, even the United States, will benefit. While wiping out the hideous conditions that spawn civil wars, this approach will simultaneously create the basis for long-term peace.

The same means, of course, should be applied to other areas of the world. Africa and Asia are literally dying for lack of a motor for economic development. The same can be said for Ibero-America.

What LaRouche has proposed, most concretely in his Operation Juárez proposal of 1982, is that the United States approach Central and South America in the same fashion that West Germany is now approaching East Germany and the other East bloc nations. Dump the IMF. Provide credit for high-technology infrastructure. Build a powerful, rich common market of more than 300 million people, that will prosper not only themselves, but the rest of the world.

The reality is that the horrors into which the postwar world is devolving, are unsolvable without a shift in economic policy approach, toward that implicit in the European "triangle of development." The immoral axioms of the International Monetary Fund and its theory of malthusian usury, necessarily lead to total economic and political breakdown. Such a breakdown in morality eventually extends to all areas—as shown by President Bush's total scoffing at all norms of law.

Fortunately, morality and real economic development are not only coherent, but inextricably linked. Out of the desire to nurture the freedom movement in Eastern Europe, the Europeans have launched their "triangle of development." Out of the desire to reverse a hideously genocidal depression, the United States must adopt a development perspective toward Ibero-America. The benefits will be beyond measure.

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# **A TOTAL WAR STRATEGY AGAINST PEKING**

**by Gen. Teng Chieh**

**“All we need do is to understand how to make the most of our strengths to attack the enemy’s weaknesses. Then we can snatch victory out of the jaws of defeat. The Chinese Communist Party is extremely weak, just like a paper tiger—one poke and you could pierce it through. All the masses on the mainland are opposed to communism.”**

*—Gen. Teng Chieh*

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