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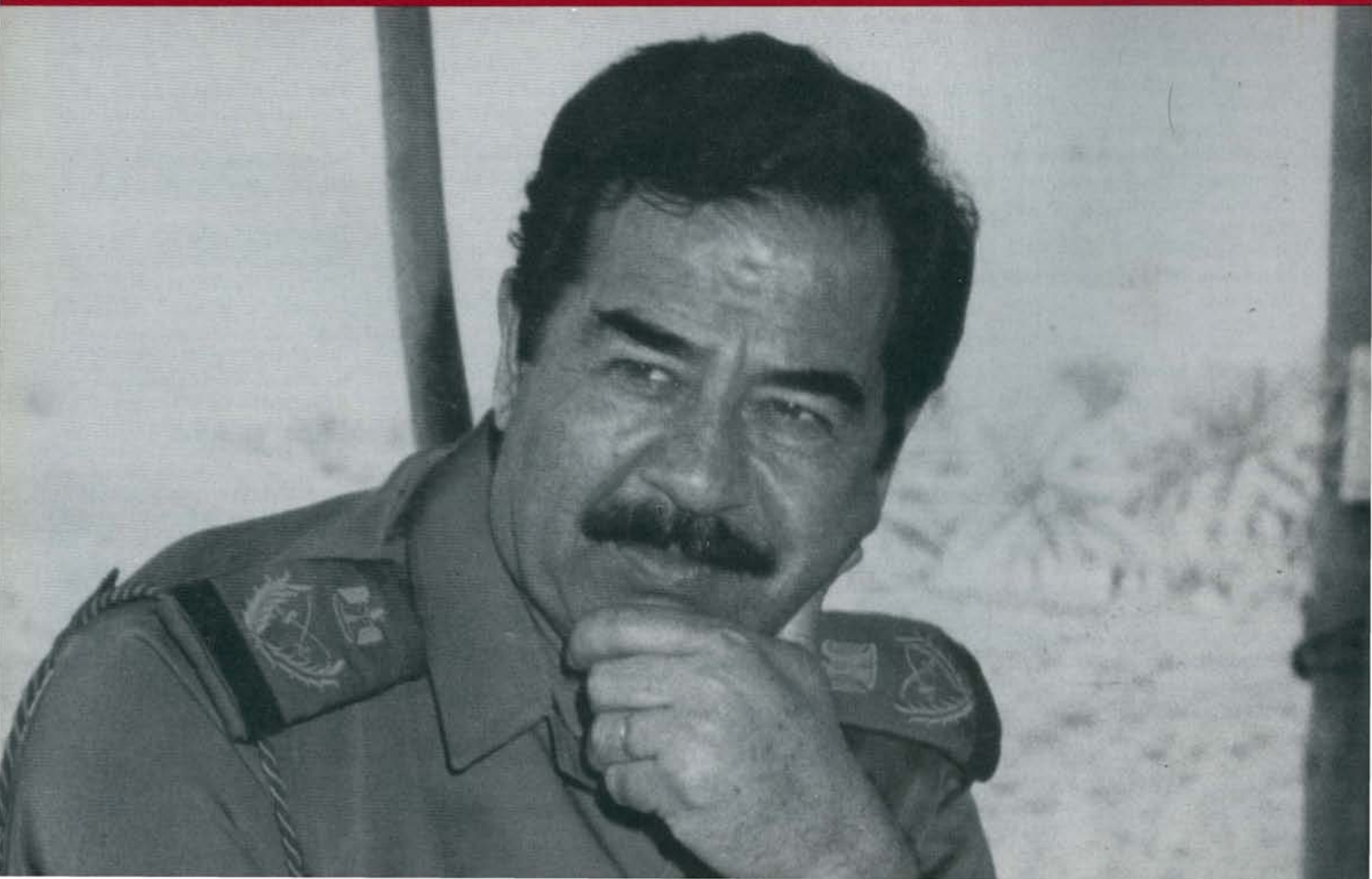
Executive Intelligence Review

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From the Editor

Last June 30, *EIR Strategic Alert* put out the assessment of Lyndon LaRouche: "The state of Israel is now marshaled, in preparation for a war, which, from one standpoint, might be described as Israel's attempted 'final solution' to the Arab problem. This means a war, presumably against Iraq and other states, and the destruction of Jordan. As long as we have the present combination, in Israel, and as long as the present agreements among the government of the United States, the government of the United Kingdom, and the Soviet Union persist, we can say now that a war in the Middle East will break out, either within weeks or within months, varying with conditions."

As of Aug. 2, the world had to concede that we were right. Those who could have changed the "present agreements" among Israel's controllers and those who could stop them, had done nothing effective to stop the outbreak of the pre-arranged war.

As of early December, everything is going into place for an Israeli "breakaway ally" scenario to be unleashed to start war in the Middle East. Indeed, the more Saddam Hussein and others seem to be boxing Bush into negotiations, the more the furor is building up in Israel toward launching a preemptive strike, which would detonate a broader war. In Britain on Dec. 6, Israeli Premier Yitzhak Shamir told leaders of Britain's Jewish community that all U.N. resolutions against Israel, including Resolution 242 calling for Israel's withdrawal from the Occupied Territories, should be "consigned to the dustbin of history"! He made clear that Israel would resist all U.N. attempts to monitor Israeli actions in the Occupied Territories.

Yet, the U.S. government still maintains that it is justified in starting a war against Iraq in order to enforce *United Nations resolutions* on the Persian Gulf!

The world faces the threat of war, and not just because of the Middle East. As some of the leading players before Congress, like Nunn and Schlesinger, have also said, there are momentous things going on in the Soviet Union (see pp. 8, 36). The West has no rational policy to deal with this kind of breakdown crisis. It is still enmired in Thatcherism and the other obscenities which have led to the bankruptcy of the international financial system and mass murder in the Third World.

Nora Hamerman

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Depression now a 'downturn,' as Bush scapegoats Iraq

by C. White

Barely a month ago, before the November elections, President Bush was still circulating fictional accounts about the health of the U.S. economy. In the week before the election, hoked-up Gross National Product (GNP) data were trumpeted far and wide by the President, his Treasury Secretary, and the head of the White House's Council of Economic Advisers. Now, a month after the elections, all these lies are being pushed aside. Federal Reserve Board Chairman Alan Greenspan has begun to talk of a "meaningful slowdown," and government forecasters are working on an analysis which is expected to be released by early next year, which will admit that the U.S. economy is in a recession.

The change is the adoption of new lies for the old. Now Bush and company admit to a slowdown, and as portended before the election, Saddam Hussein is being named as the culprit on whom the failures of this and previous administrations are being conveniently pinned.

New lies won't disguise the reality. The depression is here, and Saddam Hussein didn't cause it. In New York City now, for example, jobs are being lost at the rate of 7,000 per month in every category from construction, to manufacturing and assembly-line jobs, to Wall Street financial outfits. Growing unemployment is translating into the shortfall in revenues which is bankrupting state and local governments throughout the country.

It's all going—the whole economy. Nationwide, the case of the auto industry is indicative. One hundred and seventy-five thousand auto workers have been laid off so far this year, according to the Motor Vehicle Manufacturers Association.

For the first time in eight years, U.S. companies expect to dismiss more employees than they hire, according to a Manpower, Inc. survey. Of 15,000 companies surveyed, 16% plan to reduce their work force, while 15% plan to

increase it. Just three months ago, 23% of the companies surveyed planned to take on more workers, and only 11% were planning to dismiss workers. Manpower president Mitchell Fromstein said that hiring activity is now reaching recession levels in all sectors of the economy, and all regions of the country, except the Midwest, where as many companies plan to reduce workforces as plan to increase them.

Government data on employment are notorious fictions. Such corporate plans ought to be seen in the context that actual unemployment, once those the government omits are included, is three times what is claimed, 18% and over, not under 6%.

With this, corporate purchasing managers, whose report on October activity was issued Dec. 3, turned in their lowest level of activity since the depth of the collapse of the U.S. economy in 1982 engineered by then-Federal Reserve Board chairman Paul Volcker. The purchasing managers' report monitors the flow of inputs into manufacturing and other sectors.

Greenspan turns a phrase

On Nov. 28, Federal Reserve Board Chairman Alan Greenspan told the House Banking Committee: "All indications are that a meaningful downturn in aggregate output occurred as we moved through October and into November." With typical administration cynicism, he described this, not as depression or recession, but as "gradual decline."

Greenspan said, "What we're looking at is a gradual decline, which if it persists, will give us a fourth-quarter GNP which is negative." And here is the absurdity. Greenspan went on to claim that "the meaningful downturn" was attributable to Saddam Hussein's invasion of Kuwait on Aug. 2, and to the effects since then of higher oil prices.

This is also the message President Bush has delivered since the Nov. 6 elections, as he did on Nov. 30 when he addressed a gathering of bankers at the White House. Now, we also learn that the Council of Economic Advisers, under Michael Boskin, the Treasury Department, under Secretary Nicholas Brady, and the Office of Management and Budget, under Richard Darman, are in the process of preparing their forecasts of expected levels of economic activity for the last quarter of 1990 and the first quarter of 1991. The bureaucrats preparing the estimate reportedly have been given political clearance from the top to project two successive quarters of a downturn. They therefore join Greenspan and the Commerce Department's Index of Leading Economic Indicators, which now shows four straight months of economic decline. The just reported 1.2% drop in October was accompanied by a downward revision of the results for last July.

Before the election, the lie was that growth was continuing; now, it is that Saddam Hussein caused the slowdown. Trying to now blame previously manufactured domestic disasters on Saddam Hussein is ridiculous.

This came up during Greenspan's testimony. The Federal Reserve chairman was asked how he reconciled what is called "anecdotal" evidence from around the entire country of the depth of the downturn, with the Federal Reserve's own data. He replied: "The world out there, when you look at the hard data, is not in as bad shape as it feels. This is not an unusual phenomenon."

For Greenspan, the banking system may be bankrupt, real estate collapsing nationwide, businesses, like the airlines, lining up outside bankruptcy courts for protection, and alarm bells ringing about the insurance companies, such as Equitable Life Insurance, the third-largest insurer in the nation, but the world "is not in as bad shape as it feels."

The cynicism of all this is extraordinary. A new Internal Revenue Service tax ruling gives media companies, retailers, cellular telephone concerns, and other companies a two-month window to sell subsidiaries below cost or close them completely and deduct the losses from their taxes, the Dec. 4 *Wall Street Journal* reported. Besides allowing over-leveraged companies to write off their losses on their taxes, the ruling gives a shot in the arm to the Wall Street firms that will handle the sales and closures. The Nov. 19 ruling reverses a March ruling blocking such deductions, and leaves the window open until Feb. 1. Greenspan's decision to permit the banks to lower their reserve requirements works to the same effect. This is exactly the kind of corruption and fraud which got the country into the mess in the first place, long before Saddam Hussein invaded Kuwait.

Causes of the depression

This depression started during the winter of 1981-82 when the cumulative effects of Volcker's high interest rate policies ripped the U.S. economy apart. Volcker's wrecking operation was part of a policy commitment, which has re-

mained unchanged since the assassination of President John F. Kennedy on Nov. 22, 1963, to destroy the basis of human existence through eliminating technology-based forms of organization of human progress. There can be no human progress without technological advance; without technological progress mankind would die, and that is the intended result.

The depression was covered over by genocidal looting of Third World nations, by the creation of a speculative bubble of debt bigger than any in human history, and by the public relations campaign of lies about the "recovery" and "continuing economic growth." This came to an end in the fall of 1989 with the collapse of the more extreme forms of speculative excess, the junk-bond financed leveraged buyouts. That didn't stop the lies.

Bush's 'Big Lie'

And now come the new lies. In a series of speeches in late November, including his press conference Dec. 1, Bush tried to lay the blame for the worldwide economic downswing on Saddam Hussein. Attacking critics of the U.S. threats to launch aggressive war, Bush said: "Those who feel that there is no downside to waiting months and months must consider the devastating damage being done every day to the fragile economies of those countries that can afford it the least."

This sleight of hand ignores the fact that it is the United States which has prevented the Iraqis from marketing their oil. It also ignores the reality that the U.S. economy has been in a downturn since well before Iraq invaded Kuwait.

The real change is not that the economic indicators are now registering a decline, but that the *political decision* has been taken to try to maintain some credibility for the indicators and the administration.

Economist Lyndon LaRouche warned in a statement issued Aug. 14 by his congressional campaign, that Bush is using the Gulf deployment to deflect Americans' attention from the growing economic crisis. LaRouche said that Bush's decision to send hundreds of thousands of Americans to fight in the Gulf, and minimally tens of thousands to die, was a "flight forward by Bush, [who was] seeking a refuge from the U.S. economic crisis in military adventure in the Middle East."

As *EIR* has warned repeatedly, the Nov. 6 elections were a turning point for the U.S. economy, because after the elections the international banking community was determined to prevent the Bush administration from papering over the shutdown of production at home by exporting inflation abroad.

Subterfuges like the abortive preelection budget "submit" cannot continue to cover up the desperate condition of the U.S. economy, as plant shutdowns continue, and more major financial institutions go bankrupt. And another series of lies, identifying Saddam Hussein as responsible for what can no longer be concealed, isn't going to work either.

Why I helped Iraq develop advanced technologies

The eruption of the Middle East crisis unleashed an enormous pressure campaign by the Anglo-American Establishment and its mouthpieces, particularly the Anti-Defamation League of B'nai B'rith's (ADL) Zionist lobby, against Brazil's relations with Iraq. The campaign's main target was Brazilian Air Force reserve Brigadier Hugo de Oliveira Piva, who directed a team of engineers and technicians which cooperated with the Iraqis in a project to build air-to-air missiles.

On Oct. 10, the New York Times accused Brigadier Piva of being "one of the fathers of the Brazilian atom bomb." The origin of these attacks was a report presented to the U.S. Congress by Gary Milhollin, director of an obscure "Wisconsin Project on Nuclear Arms Control," an organization promoted by the U.S. government to snoop on Third World nations' scientific and technological initiatives considered harmful to the Establishment's interests. The same slanders were published in the October edition of the ADL's Latin American Report.

What is behind the campaign against Brigadier Piva is not an alleged plan to build a Brazilian atom bomb, but rather the crucial role played by him in the development of that country's aerospace program, which is one of the most advanced in the Third World, and in the training of skilled scientific and technological personnel. Such "audacity," in the eyes of the superpowers, is to be prohibited to any nation below the Tropic of Cancer.

Brigadier Piva was the director of the Brazilian Aerospace Technology Center between 1984 and 1989, at which time he retired from the Air Force and founded a consulting company, HOP, through which he did consulting work for the Iraqi government. He provided the following concise answers to questions posed to him by EIR's Brazil correspondents, Silvia Palacios and Lorenzo Carrasco.

EIR: As a result of the current Mideast crisis, you became the center of attacks by the international press for the work you did with a private company in Iraq. What is this persistent campaign due to?

Piva: That campaign against HOP is directed by the more developed countries, which feel harmed by our success. HOP

obtained a technical aid contract to help an Iraqi group in the development of an air-to-air missile. HOP's bid displaced

Argentina, Brazil bury nuclear hopes

The Presidents of Argentina and Brazil signed a bilateral accord on Nov. 28 that submits their respective nuclear programs to each other's inspection, and very possibly to that of the International Atomic Energy Agency (IAEA), while promising never to engage in nuclear weapons research and development. Over the following week, each nation also reached a bilateral agreement with the United States, which gave the anti-nuclear Bush administration de facto veto power over their nuclear programs, the most advanced in all of Ibero-America. The set of pair-wise agreements, concluded on the eve of President Bush's tour of five Ibero-American nations—and at his personal insistence, according to well-informed Brazilian sources—marks the beginning of the end of independent nuclear research and development anywhere in South America.

The Argentine-Brazilian treaty was signed amid great fanfare in the border town of Foz do Iguaçu, and in the patronizing presence of a representative of the IAEA. Both nations committed themselves to file full specifications of all nuclear facilities and material with the IAEA within 45 days, and are expected to agree to full IAEA surveillance shortly.

The IAEA is controlled by the United States and the Soviet Union, which have a monopoly on nuclear weapons and wish to maintain Third World countries like Brazil and Argentina in a state of technological backwardness. Its supervision is viewed by many in the developing sector as an unacceptable limitation on

competitors belonging to the developed countries, capturing part of their business.

EIR: What kind of technical and scientific collaboration did you provide in Iraq?

Piva: HOP gave technical assistance to an Iraqi group which was developing an air-to-air missile similar to the Sidewinder and the Magic. The main objective was to teach them research and development methodology, using the air-to-air missile as the subject matter. It must be noted that Iraq possesses hundreds of those missiles provided by the U.S.S.R., France, and the United States (Sidewinder G); thus, our work would never bring about any imbalance in the short term.

EIR: What do you foresee as the future of Brazil-Iraq rela-

tions, which were broken after more than a decade of fruitful collaboration?

Piva: I hope that, after the conflict, Brazil-Iraq relations will return to the level they were at before.

EIR: You have said that the attacks on you come from the superpowers. Could you explain this a bit more?

Piva: The superpowers always try to prevent Third World nations from developing. They need an underdeveloped Third World to be able to exploit us as colonies. HOP, with its highly trained engineers and technicians, was creating a development pole which was highly prejudicial to the colonizing interests of the industrialized nations.

EIR: During the decade of the 1950s, Adm. Alvaro Alberto,

national sovereignty and the right to fully develop all modern technologies.

Argentine President Carlos Menem announced that, as part of the accord, he would ask his Congress to ratify the Tlatelolco Treaty, a regional anti-nuclear treaty which Argentina had long refused to sign because it allows international inspection of all nuclear facilities in the country. Brazil is already a signator of the treaty. Both Presidents declared, however, that they would not go so far as to sign the international Non-Proliferation Treaty, or NPT, which is much hated throughout the Third World since it virtually prohibits any nation which is not now a member of the nuclear club from developing this crucial technology.

Nuclear bomb hysteria is used as bludgeon

The stick used to beat both countries into accepting the accord, was a months-long international campaign that screamed that both nations were building atom bombs—or might do so someday. The Brazilian military, in particular, was vilified both inside and outside the country for purportedly having a secret plot to build a bomb, and for favoring high-technology cooperation with other Third World nations like Iraq. Brazil's Science and Technology Secretary José Goldemberg, desperate to please President Bush on the eve of his arrival in that country, publicly proclaimed that never again would the Brazilian military be allowed to work on nuclear weapons, and urged that the new Argentine-Brazilian accord provide "a framework for President Bush's visit" by "ending insinuations and accusations about clandestine programs."

The Brazilian government was particularly anxious that Bush agree to lift a U.S. ban on the sale to Brazil of an IBM supercomputer which had been held up on the grounds that its parallel processing capabilities could be used to simulate nuclear explosions, and could therefore

be used by the Brazilians to help build a bomb.

President Bush, during his visit to Brasilia on Dec. 3, did approve the computer sale—but, as the *Washington Post* noted drily, "the sale will not become final until the two nations agree on safeguards." That means that Bush will keep the computer dangling in front of Brazil's nose until the government agrees to *all* aspects of nuclear supervision and supranational control—very possibly including signing the NPT.

Meanwhile in Argentina, the government of Carlos Menem followed up its deal with Brazil, by signing an accord with the United States on Nov. 30 for the exchange of nuclear information between the two countries on experimental and commercial nuclear reactors. The Argentine National Atomic Energy Commission and the U.S. Nuclear Regulatory Commission were the specific signators in the agreement. The pair of accords de facto puts Argentina's once-proud nuclear program under the thumb of the Bush administration, which is committed to dismantling it.

Opposition voices to these policies are being heard in both countries. In Argentina, many of these voices are associated with the nationalist military elements around Col. Mohammed Alí Seineldín which were repressed by the Argentine government on the eve of Bush's visit there. In Brazil, it is expected that there will be strong opposition within the Congress to the ratification of the new Argentine-Brazilian accord. Congresswoman Maria Rattes, the president of the congressional committee responsible for overseeing the Brazilian military's nuclear program, will shortly present a motion to formally invalidate the just-signed agreement, since it permits IAEA inspection of Brazilian nuclear facilities. According to the Brazilian daily *Gazeta Mercantil* of Dec. 1, Rattes views this as a threat to Brazil's national sovereignty.—*Dennis Small*

the pioneer of nuclear energy in Brazil, was the object of an intense campaign to discredit him. Could a parallel be drawn with the campaign you are currently facing?

Piva: The campaign against Adm. Alvaro Alberto had similar motives. He was trying to create national competence in the nuclear field, and HOP is creating that competence in the space and missile field.

Both represent the mastery of advanced technologies, which promote the country's technological development and progress. The developed nations are not interested in that.

EIR: President Fernando Collor's administration wants Congress to pass a law which would prohibit any government official who has worked in sensitive areas, from performing private activities abroad for a period of 10 years. What do you think?

Piva: Passage of that law would impede foreign sales of services in the advanced technology sector. The sale of services is the most noble and advantageous export, since no wealth goes out and the brains, after they return, are more experienced and valuable. We will go back to exporting minerals, wood, and raw materials, like in colonial times.

EIR: The Aerospace Technology Center (CTA), over which you presided, has a record of scientific excellence. What is the history of its creation? Will it be a model for other Third World countries?

Piva: The CTA is a model of *teaching-research-industry* integration, which should be followed by other Third World nations.

EIR: You played a significant role in the development of Brazil's modern aerospace industry. Could you tell us a little about the projects in which you participated?

Piva: I participated in all of the CTA's space projects, from the first launches of imported rockets up to the development of all of our test rockets and the Satellite Launching Vehicle (VLS).

EIR: A campaign against the Armed Forces began in Ibero-America several years ago and began recently in Brazil. They are subjected to strong pressures, on ecological and pacifist grounds, which seek to prevent them from participating in technology projects, especially advanced technology projects. In the face of this, what can be done?

Piva: It is fundamental for the resumption of our technological development that the Armed Forces again receive support for research and development, because they are the ones who always develop advanced technology in this country. It is also necessary to turn around the campaign against the Armed Forces, since only a favorable reputation can attract good students to its ranks; and it is the high-level human element which is the greatest factor in success, especially in research and development.

Soviets made fatal blunders in energy and agriculture

by William Engdahl

At year's end 1990, the economy of the Soviet Union is being wracked by a breakdown in food distribution and threat of food emergency not seen since the bitter wartime winter of 1941, with rationing imposed in Leningrad and other major cities. Simultaneously, the energy sector of the superpower, for decades the center of its hard-currency trade potential, is in unprecedented breakdown. On Nov. 26, the Soviet Union revealed that its draft budget for 1991, presented to the Supreme Soviet, is based on an anticipated 50% drop in oil exports, with devastating consequences in lost hard-currency revenue. These two crises of the Soviet economy are intertwined.

The unraveling Soviet economy presents the most dangerous and, at the same time, potentially most positive strategic crisis the world has faced since 1913, depending on whether the Soviets adhere to the Anglo-American condominium or reorient their policies to the economic development potential of the "European Triangle" policies of Lyndon LaRouche.

Most Western observers are astonished at the apparent speed with which the Soviet Union, the world's most awesome military superpower outside the United States, is collapsing at every critical juncture. The seeds of this collapse go back some 20 years to the era of Leonid Brezhnev, when the Soviet collective leadership made a fatal strategic blunder. At that time, and for 10 years or more, the enormity of this blunder was apparent only to the extremely far-sighted.

Bad investment decisions

Beginning in the early 1970s, responding to Anglo-American overtures, Moscow made a two-pronged economic decision. It would invest the entire U.S.S.R. "social surplus" and whatever credits it took from the West, to build up the world's largest petroleum and natural gas infrastructure and production. This was exacerbated by the unshakeable commitment to put the lion's share of its new lucrative oil and gas export earnings toward building up the military machine. The remainder of the export earnings from oil and gas export would go toward purchase of unprecedented tonnages of

Western grains, to compensate for the abysmal inefficiency of Soviet agriculture production.

Thus, starting between 1973-75, Moscow began to become the single largest customer on world grain markets. Multinational grain conglomerates such as Cargill, Continental, Mitsui-Cook, and Archer Daniels Midland, some of the world's most powerful corporations, grew significantly stronger in the process of servicing the new Russian grain market.

The largest single source of grains for the Soviet market was the United States. American agriculture began to be fundamentally restructured during the 1970s as a consequence, into a captive of this export-driven commodity market, with disastrous domestic consequences for American food security, and the American family farm.

In 1976, in the wake of the first oil shock, the U.S.S.R. signed the first Long-Term Grain Agreement with the United States. Moscow began to import grain from the West at staggering volumes, from 30 million tons per year by the late 1970s up to a record 55.5 million tons in the harvest year 1984-85. This amount was equivalent to fully one-third of the average entire grain harvest of the 12 nations of the European Community (EC). Soviet grain imports have been adjusted to make up for their harvest shortfalls each and every year for the past 15 years.

The result inside the U.S.S.R. was to perpetuate a superstitious, backward, brutalized peasantry. Introduction of advanced Western chemical fertilizer methods was ignored by the various Five Year Plans. Instead, anthroposophic "soil cultism" based on the 1930s agronomy texts of L.D. Lysenko and V.R. Williams, emphasizing plant "genetics" and "organic farming," prevailed until the late 1980s. Investment in upgrading the transport, storage, and farming equipment for Soviet agriculture was ignored. The problems were swept under a rug covered with imported American and Canadian grain.

Official Soviet state policy for the 10th Five Year Plan (1976-1980) and the 11th Five Year Plan was that the state's new fixed investment in plant and equipment would be *slashed as a policy goal*. The official argument was that to renovate and re-equip old plant and equipment was "less expensive" and "shortens construction time." Economic growth rates were primarily maintained for this crucial period in the Soviet economy not through technological upgrading of the productive powers of the economy, but through increases in labor productivity—forced speedup, delayed retirement, and lengthened working hours.

The defense priority

Most calculations of the share of total Soviet economic effort devoted to military costs are far short of the real extent of the burden on the economy in the decade and a half since the first oil shock and the beginning of large Western grain purchases. Taking a calculation which sums the traditional

"military" costs for defense programs for equipment, manpower, defense R&D, add to that the areas of industrial effort which exist to directly support this military, such as the vast Soviet civil defense effort. To this add also the total economic cost of maintaining the "external Empire" and, according to a study by A.W. Marshall of the U.S. Department of Defense, the real economic cost of maintaining and increasing the military might of the Soviet Empire was a staggering 20-30% of the entire Soviet Gross National Product over the 10 years beginning in 1976.

The lure of hard currency

The lack of adequate investment into Soviet agriculture was a consequence, ironically, of the complementary policy of investing everything which was not diverted for the extraordinary 1975-85 Soviet military modernization and Armed Forces expansion, into the infrastructure of oil and gas.

In the energy sector, the consequences of this strategy are most painfully clear. When Western oil and political interests manipulated a 400% market price increase in petroleum in 1974, followed by yet another breathtaking nominal price rise to \$36 per barrel by late 1979, the temptation for Soviet planners was obviously too great. The autarkic Soviet economy turned to the West in the most vulnerable domain possible—oil and gas—and gambled almost all on the windfall of hard-currency export earnings. By the early 1980s, oil and gas exports to OECD countries accounted for an estimated 66-75% of all Soviet hard-currency export revenues.

On the surface, Soviet oil industry accomplishments since the early 1970s are impressive by world standards, even astonishing. Total production of Soviet crude oil, contrary to a famous CIA analysis released in 1977 which concluded that Soviet oil production had peaked and would go into decline over the next decades, actually rose 20% or more after that time.

Results for Soviet natural gas output were even more impressive during this period. In the decade from 1976 to 1986, Soviet natural gas output increased by 114% to a level of 686 billion cubic meters. By the early 1980s, the U.S.S.R. had surpassed the United States to become the world's largest producer of oil, some 12.5 million barrels per day (mbpd) in 1988 versus some 8.1 mbpd for the United States and as little as 4.7 mbpd for Saudi Arabia.

But beneath these impressive surface indicators lies the most serious economic crisis to hit the Soviet Union this century. By the mid-1980s, some 64% of all Soviet oil came from one region, Western Siberia. It contains some of the world's largest known oil reservoirs. But this concentration was also problematic.

During the "boom" years of the 1970s, planning officials in Moscow forced overproduction of these giant fields, especially at the giant Samotlor field. The aim was to maximize the increase in immediate output to capitalize on hard-curren-

cy export earnings in order to fuel the restructuring of the Soviet military machine. However, oil reservoirs were abused in the process. The well pressures were depleted and production rates dropped. In addition, economizing led to a failure to invest in adequate housing and other necessary infrastructure in the forbidding climate of Western Siberia. All aspects of transportation and production were let slide until Mikhail Gorbachov cited these deficiencies in an address to the Siberian oil workers in September 1985.

It was too late. Huge investments had been concentrated in these few giant remote fields. Investment in new exploration has so far yielded far more difficult and far more remote finds of new oil to replace the falling production, at per barrel costs of production many times that of the old depleted fields.

The 'reverse oil shock'

But the hammer blow was struck in 1986 when a Western policy of collapsing the world oil price—in effect a “reverse oil shock” which brought the price below \$10 briefly, its lowest level since the early 1970s—dealt a devastating blow to the vulnerable Soviet economy. Already by 1985, the Soviets faced an impossible trade-off between raising per barrel investment into existing oil production in order to merely maintain a stable oil flow, keeping investment fixed while field flows declined. With the world oil price collapse of 1986, this strategy became a shambles.

But events have not been meta-stable. Despite the gradual rise in world oil prices since 1986, the combined effects of years of disinvestment in infrastructure and pressures from Moscow to “meet plan targets” for speedy and cheap construction, made the Soviet energy sector vulnerable to a series of devastating accidents in every key area of energy production. Oil pipelines of inferior quality Soviet steel (cheaper than the imported West German Mannesmann steel pipe), with inadequately welded seams, are exploding, with fatal human and economic consequences. Lack of spare parts is causing a sharp fall in daily oil production levels and leading to the first hints of cuts in oil exports to the West since the last quarter of 1989. Eastern Europe has been the hardest hit as Moscow jettisoned customers there in order to maximize Western hard-currency income. This in turn has reduced Moscow's ability to import by barter for their oil and gas, urgently needed parts and equipment for all sectors of the economy.

Running out of gas

One of the significant problems in harvesting this year's large Soviet grain crop, which might have significantly eased the present food emergency, was the lack of gasoline for trucks and tractors, the largest consumer of “light” petroleum refined products in the U.S.S.R. The lack of the right kind of refinery capacity, called in the trade “secondary” refining infrastructure, is perhaps the critical bottleneck in the growing Soviet fuel emergency. This is because for decades vari-

ous five-year plans emphasized the production of crude for export. The secondary “cracking” infrastructure, as a result, is extremely limited. Most refineries produce a heavy fuel oil called mazut.

To turn a bad situation into a disaster, Moscow decided, after the world oil price collapse in 1986-87, that it had to control an out-of-control state budget deficit. The annual budget plan for 1990 calls for an eye-popping reduction of investment into the vital state energy sector of 40%. Just before he resigned in despair at the end of 1989, the first deputy minister of oil and gas stated, “For the last six months we have been in a vacuum. . . . Rapidly, a once-thriving industry is being ruined.” For the first time since World War II, total annual production of coal, gas, and oil declined.

The disaster at the graphite-moderated dual purpose Chernobyl nuclear reactor near Kiev in spring of 1986, during the collapse of oil prices, added another dimension of economic chaos. It led to enormous delays and cancellations of nuclear energy construction which is already causing blackouts in key industrial cities of the U.S.S.R.

The Soviet economic conjunctural crisis was already clear by the early 1980s when a group of economists led by Abel Aganbegyan and K.K. Valtukh argued against the prevailing ideology of reducing private sector investment and cutting costs. Aganbegyan made a heated argument for increased investment in the key machinery sector as the key to improving the productive potentials of the entire economy. Mikhail Gorbachov was receptive to his views. The problem is that the economy, and the Russian peasant culture, were not. Partial “reforms” have added to the chaos as an estimated 30% of all agriculture production simply rots in fields or in storage areas for lack of transport or refrigerated storage facilities. Oil output continues to fall at alarming rates for lack of adequate technology for enhanced oil recovery, sufficient spare parts, and delivery of spare parts to the oil wells. Chaos has spread like wildfire as strikes demand more results in face of declining living standards.

'From the prison in which the politician's career expires, the influence of the statesman is raised toward the summits of his life's providential course. Since Solon, the Socratic method has become the mark of the great Western statesman. Without the reemergence of that leadership, our imperiled civilization will not survive this century's waning years.'

—Lyndon H. LaRouche, Jr.

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U.S. states reveal huge budget deficits

by H. Graham Lowry

Since the November elections, state governments across the United States have displayed remarkable talents for surprising discoveries. A number of fiscal "black holes" have been identified, far larger than the budget deficits previously measured. These have been swiftly reported with a judicious measure of astonishment, and much rattling of budget-cutting sabers; but political fictions are being rapidly replaced by depression realities.

California, New York, Massachusetts, Connecticut, Virginia, Maryland, and Florida are among the states which have experienced post-election revelations of the multi-hundred-million-dollar kind in current deficits—and their projections for the next fiscal year are generally three to four times worse. The dissipation of campaign smokescreens has brought to light the fact that the U.S. economy is collapsing so completely, that no state has the tax revenue base to meet its budget.

According to a study released in September by the National Governors' Association, 33 of 45 states had shortfalls in projected corporate income tax receipts during fiscal 1990. More than half of them also had lower than the expected revenues from sales and personal income taxes. At the same time, state tax increases for 1991 totaled \$10.3 billion, "the largest single-year increase ever recorded." Yet the states drew up their budgets for 1991—most of which took effect July 1 of this year—on the assumption of "slow, but positive, growth." The governors' study plainly declares, "They do not anticipate a recession. If a recession were to occur, states would be in substantially worse condition."

'Tis the season for austerity

Ten days after the election, Massachusetts discovered an additional deficit for the current fiscal year of \$500 million, even though nearly \$730 million had been cut from the budget since July 1. Republican William Weld, the blueblood bankers' boy, won the governorship with a campaign including tax relief for the beleaguered citizens of Massachusetts—and promptly dropped his pledge. During his reelection campaign, New York's Gov. Mario Cuomo (D) declared that this year's deficit would be \$824 million, but he told legislative

leaders at the end of November that more than \$1 billion must be cut from the current budget. The deficit for the fiscal year beginning next April 1 is now projected at \$3 billion. The legislature was ordered into special session Dec. 10 to begin the bloodletting.

After an easy election victory, Cuomo is demanding reductions of more than \$200 million in statewide school aid and \$125 million in Medicaid, as well as the elimination of 6,000 state jobs in the next few months. A statewide hiring freeze would cut another \$250 million from New York's payroll through attrition. New York City alone would lose \$185 million in state aid, according to Mayor David Dinkins (D), on top of a city deficit already figured at \$388 million.

California, Connecticut in crisis

The most dramatic case to date is California, where the state's official fortunes have been reversed with stunning speed. Addressing a special legislative session on Dec. 3, lame-duck Gov. George Deukmejian (R) demanded \$1 billion in emergency budget cuts, to cover a remaining deficit estimated at only \$30 million just a month before. From an already battered educational system, Deukmejian wants to cut \$526 million in state aid to local school districts.

With the continued dismantling of the state's productive industry and agriculture, the tax base has been collapsing faster than the bookkeepers can adjust the revenue figures. In late July, the legislature "balanced the budget" by slashing \$2.7 billion in spending and piling on \$900 million in new taxes. At the end of November, the state budget committee released an analysis reporting that "the state's fiscal situation has taken yet another turn for the worse." It now projects this year's revenue shortfall at \$1.5 billion, and the deficit for fiscal 1991-92 to hit \$5.9 billion. That is 10% of the California state budget—and even that forecast assumes a 5% rate of economic *growth!* The report adds, "Of course, an even bigger problem would emerge if California's economy experienced an outright recession."

The extent of actual economic devastation is sharply revealed in the case of the much smaller state of Connecticut, the wealthiest in the nation. A staggering \$1.5 billion deficit for fiscal 1992, which was projected in October, was refigured at \$2.1 billion a week after the elections—equaling 30% of the entire state budget. In August, the state's errant forecasters had put the deficit at just over \$1 billion—less than half of the figure now being told dismayed Connecticut voters.

At least two-thirds of the estimated shortfall is attributed to the collapse of revenues, especially from the state's mammoth insurance industry, which appears to be on its way to the same scrapheap on which the nation's savings and loan institutions are to be found. Connecticut Governor-elect Lowell Weicker, who campaigned against imposing a state income tax, now says he will not rule it out.

Giant Turkish dam projects offer water for the desert, aid to peace

by Marcia Merry

Astride the Euphrates River in south-central Turkey is the giant Ataturk Dam—centerpiece of one of the most ambitious hydraulic projects in the world. This project, and the proposal for a “Peace Pipeline,” promise water for the deserts of the Middle East.

The Ataturk Dam is part of the Turkish government’s Guneydogu Anadolu Projesi (Southeastern Anatolia Project, or GAP), that calls for building 21 dams and 17 hydroelectric power plants on the Tigris (Dicle) and Euphrates (Firat) River systems. The plan originated more than two decades ago with the Turkish State Hydraulic Works, and today it has evolved into a master blueprint involving a combination of 13 major projects, primarily for irrigation and hydropower. Construction on the first dams began in the 1970s, and today there are three dams so far completed or in the final stages.

While the GAP is designed for the transformation of the six provinces of southeastern Turkey, the potential for harnessing the waters of the Anatolian highlands offers the possibility for bringing water to millions as far south as the southern Arabian Peninsula.

The only significant source of precipitation run-off that is available to be developed for use in the Middle East is from this region, which extends into the highlands of Iran. At present, Turkey makes use of only about 8% of its net precipitation. In contrast, Israel, for example, uses fully 88% of the surface water available to it—which is very little. There are millions of acre-feet of water available in Anatolia for the development of Turkey, and for neighbors to the south.

In 1986, Turkey initiated a mobilization for the Peace Pipeline. The plan called for diverting water flow from the Ceyhan and Seyhan Rivers, which rise in the Anatolian highlands and discharge uselessly into the Mediterranean, southward via Peace Pipelines into the arid wastes as far as Yemen.

Taking the opposite approach, geopoliticians in London and Washington in October advocated that Turkey exercise its “Spigot Option” against Iraq, and use the Ataturk Dam to turn off the flow of water in the Euphrates to Iraq. According to John Vidal, the environmental correspondent of the London *Guardian*, “Iraq would wither in the first true ‘eco-war’ . . . Water is Iraq’s Achilles heel.” Vidal admitted that the

“Spigot Option” has some problems, for example, that turning off the Euphrates would hurt Syria, through which the river flows between Turkey and Iraq; and also, Turkey does not control all of the headwaters of the Tigris River. However, Vidal is not alone in the call for “hydro-warfare.” Peter Schweitzer, of the American Foreign Policy Council, has also called for Turkey to use its water as a weapon, and received prominent attention in the *International Herald Tribune* in November.

Apart from the demands of these madmen, all the water development plans will be thwarted if Bush’s drive for war succeeds. Plans for the Peace Pipeline are now completely stopped.

Turkey initiated ‘Peace Pipeline’

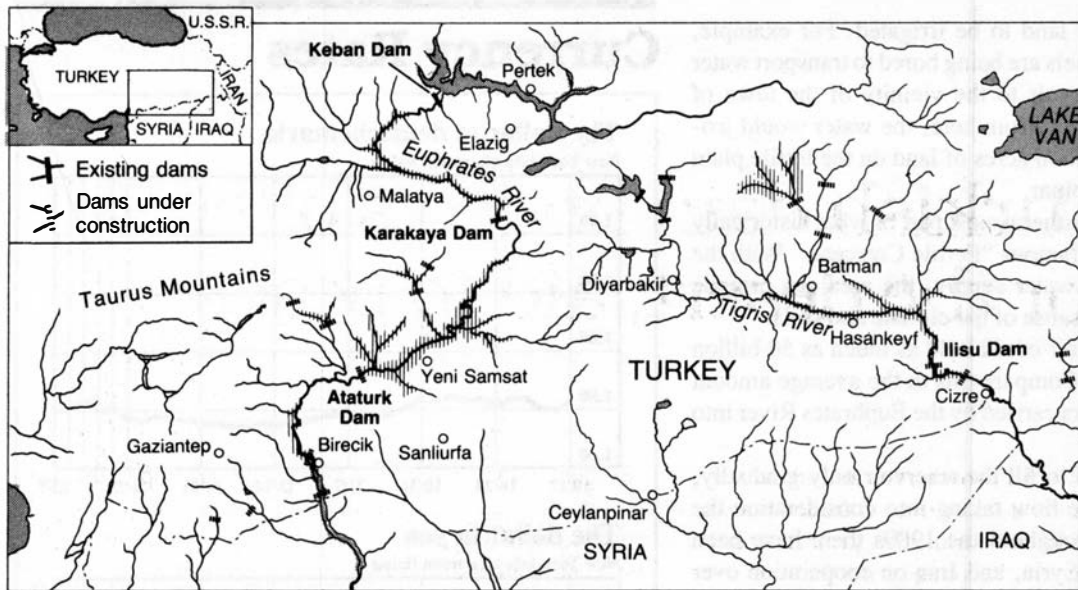
The original Turkish proposal called for one branch of the pipeline to go through Syria and Iraq, and another through Syria, Jordan, and Saudi Arabia, all the way to Yemen. The cost might run as high as \$21 billion, according to one American engineering firm, but there are no insuperable engineering feats involved, and the payoff would be immeasurable.

Right from the start, opponents branded the plan as Turkish propaganda, but there was great enthusiasm from the public. The original idea called for joint financing by Turkey, Syria, and Iraq. There was great interest in a public investment offering.

There is no quick, inexpensive solution to the need for water to the south, but the need is great. Although Saudi Arabia has developed water supplies through desalination, and from pumping from the sizable aquifers that underlie the region, there are many parched, waterless areas.

Water supplies are an acute question in Jordan. Officials at the staff of the Water Research Center of the University of Jordan estimate that the average Jordanian uses only 22 gallons (83 liters) of domestic water per day. This contrasts with 93 gallons (350 liters) per person per day used in Western Europe, and 66 gallons (250 liters) in Israel.

In the face of these acute needs, the Peace Pipeline provides a potential for political and economic stability. Econo-



The Southeastern Anatolia Project (GAP) plan for 11 dams on the Tigris River system and 10 on the Euphrates River system (plus the Keban Dam), will provide water for development.

mist and statesman Lyndon LaRouche has stressed this project as part of the "Oasis Plan" basis for peace in the Middle East. This autumn, in the Paris daily *Le Monde*, former French Foreign Minister Claude Cheysson also called for a giant Turkey-to-Yemen regional water project, to aid the peace process in the Gulf.

GAP project continues

Describing the future of the GAP, the Turkish Minister of State Kamran Inan said, "These rivers have been here for millions of years. We want to put the water to use, to benefit the children of this country. We are building a project for generations to come. I don't believe there is anything of greater urgency. Turkey is increasing by 1.3 million people every year. The requirements are enormous, but if intelligently used, our resources are more than enough to cover these demands."

According to the GAP "Final Master Plan Report" of April 1989, it is planned that at full development, over 1.6 million hectares of land will be irrigated, and 26 billion kilowatt-hours (kwh) of electric energy will be generated annually with an installed capacity of over 7,500 megawatts. The total planned irrigation area corresponds to 19% of the total economically irrigable area in Turkey (8.5 million hectares), and the total annual electricity generation accounts for 22% of the economically viable hydropower potential of the nation (118 billion kwh).

The objectives of GAP cover power, agriculture and industry, and overall development. The GAP dams will increase Turkey's hydropower capacity by at least 70%.

The design covers the six provinces of Turkey that occupy the southeastern part of the nation, and border on Syria to the south and Iraq to the southeast. The land area of 73,863 square kilometers corresponds to the size of Belgium, Hol-

land, and Luxembourg combined. The region comprises 9.5% of the total land area of Turkey. The population in 1985 was 4.3 million, accounting for 8.5% of the nation's total of 50.7 million in 1985.

The GAP region is one of the less developed areas of Turkey, and in the mid-1980s, the per capita gross regional product was 47% of the per capita gross product of the nation. However, 15 years after the initial stages of the GAP, the region was self-sufficient in basic foodstuffs, including wheat, meat, and milk. And, the region accounted for high shares of the national output of certain agriculture commodities: 76% of lentils produced in Turkey, 92% of the pistachios, 28% of the pomegranates, 22% of the grapes, 15% of the barley, and 13% of the cotton.

The Keban Dam, the first of the 21 dams in the GAP project, was completed in the 1970s and is fully functioning. The reservoir of the Karakaya Dam is still being filled, and eventually it is expected to provide nearly one-quarter of the GAP's electrical output.

The Ataturk Dam's reservoir is also still being filled. Named after Mustafa Kemal Ataturk, the leader of modern Turkey, the Ataturk Dam spans the Euphrates downstream from the ancient town of Samsat.

The Ataturk Dam is the world's fifth-largest earthen dam. The dam is 600 feet high and over 6,000 feet long. Hundreds of trucks, graders, and bulldozers have moved multi-thousand tons of rock and dirt. An estimated 110 million cubic yards of fill have been hauled in. Over 12,000 people have worked on the site, building the dam itself, the power plant, irrigation water tunnels, and related works. Provision has been made for the dam to withstand earthquakes, which are common in this region.

When completed, this single dam is designed to produce one-third of the GAP's projected energy output, and provide

water for over half the land to be irrigated. For example, gigantic twin water tunnels are being bored to transport water from the Ataturk Reservoir to the vicinity of the town of Sanliurfa, 33 miles away. From here, the water would irrigate as many as 1.2 million acres of land on the fertile plain of Harran, near Ceylanpinar.

This region is the northern-most part of what historically has been known as the famous "Fertile Crescent." With the provision of a reliable water supply, the area can provide three harvests a year because of the climate and soils.

The Ataturk Reservoir could hold as much as 50 billion cubic meters of water. Compare this to the average amount of 30 billion cubic meters carried by the Euphrates River into Syria in a whole year.

Turkey has planned to fill the reservoir only gradually, and then to regulate the flow taking into consideration the downstream users. Throughout the 1980s there have been talks between Turkey, Syria, and Iraq on cooperation over the Euphrates water. In 1975, Syria completed the large Al-Thawra Dam on the Euphrates, and Iraq accused Syria of withholding water. However, in April this year, Iraq and Syria signed a Euphrates-sharing agreement.

In January 1990, Turkish President Turgut Özal spoke at the initiation of the filling of the Ataturk Reservoir (which will take years), stressing that there would be no impoundment of the Euphrates waters at the expense of Syria and Iraq. "Let no one suspect our intentions. We have taken into account the needs and concerns of our neighbors. We will never use the control of water to coerce or threaten them."

Opposing this view, and the water development perspective, the World Bank withdrew its funding support for the GAP. However, Turkey proceeded without it.

Saving the heritage

Teams of archaeologists have been working since the 1970s to excavate, save, and reassemble significant artifacts of the previous settlements in this ancient region, in advance of the new lakes and water channels projected by the GAP plan. Down through the centuries, there have been successions of societies here, from Assyria through to Roman times, and medieval cities. Trade routes have criss-crossed the region, including the Silk Road to China. Many of the small villages occupy sites with 2,000 years worth of ruins and artifacts.

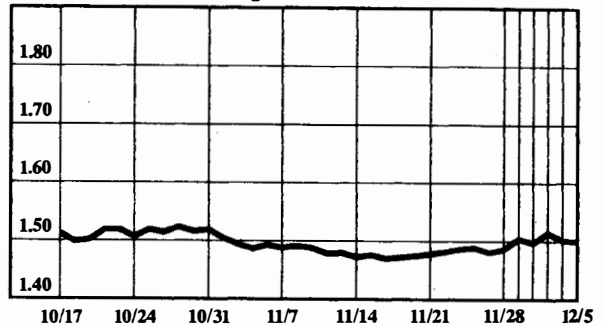
In the floodplain of the Ataturk Dam, teams began their salvage work in 1978. Even the residents of the modern village of Samsat were resettled into Yeni (New) Samsat, at a site which will be on the shoreline of the new Ataturk Reservoir.

The Turkish Ministry of Culture has salvage sites at 60 locations in Anatolia and, until the Bush war drive, had been seeking foreign assistance to keep pace with the construction of the dams. Now, all is in abeyance.

Currency Rates

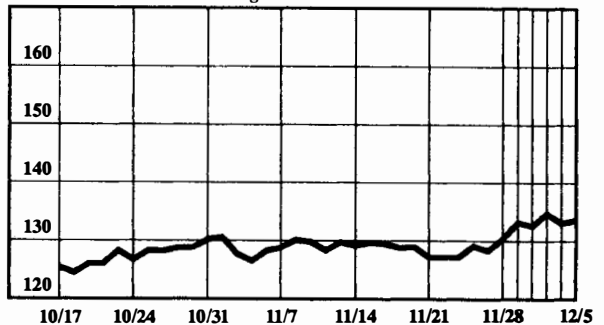
The dollar in deutschemarks

New York late afternoon fixing



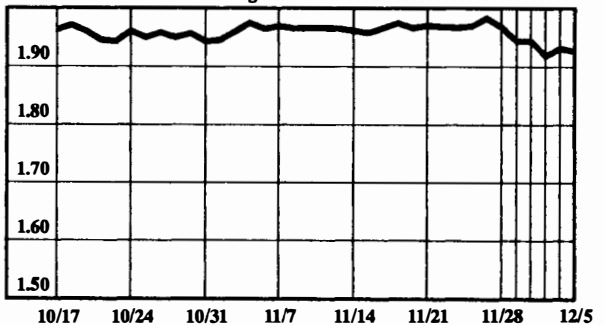
The dollar in yen

New York late afternoon fixing



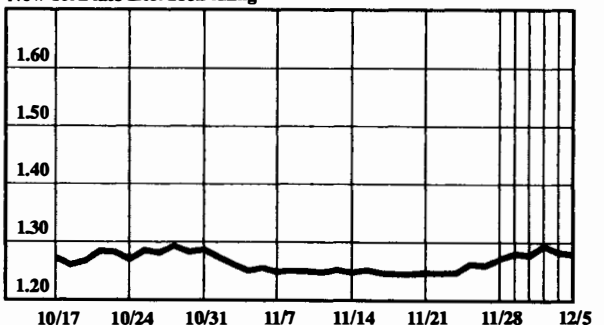
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



More deregulation is coming

The Bush administration wants to give Wall Street an even freer hand to buy up, and wreck, the local banks.

The Bush administration took its fascist banking reorganization show on the road the last week of November, led by the President himself.

On Nov. 29, the President spoke to a meeting of the Association of Bank Holding Companies, an organization dominated by the biggest banks in the country. He could hardly have chosen a more friendly audience for his message.

Bush retailed the same line given a week earlier by Treasury Secretary Nicholas Brady, that the "outmoded" and "inefficient" U.S. banking system must be restructured to make it more "competitive." Bush promised to take "a leadership role" in this banking reform, and said that the administration hopes to "relieve a little pressure from the overzealous nature of some of the regulations" imposed upon the banks. He blamed the credit crunch, not on the depression, but on "overregulation."

"The legislation we will propose will make a significant contribution to the long-term health of the banking industry," Bush claimed, calling existing laws "increasingly outmoded, as likely to prevent banks from staying competitive as it is to allow them to serve customers and sustain confidence in the system." He said that "denying banks the opportunity to enter new markets actually encourages risky ventures that fall within the old rules and regulations. Our banking system can never be truly safe if it's not also economically sound."

The next day, Treasury Secretary Brady and Securities and Exchange

Commission chairman Richard Breeden journeyed to Boca Raton, Florida, to address the Securities Industries Association.

Brady told the assembled securities dealers that the administration plans to remove the barriers between commercial banks and securities dealers, by overturning the Glass-Steagall Act of 1933. He also targeted the McFadden Act of 1927, which limits the ability of banks to branch across state lines.

Brady repeated the administration's new pet phrase, that the banking system is "outmoded, burdensome, and inefficient," and claimed that its flaws "are an unseen contributor to our financial institutions' current difficulties."

Brady launched an attack on deposit insurance as well, a subject dear to the hearts of securities dealers, who consider deposit insurance an unfair advantage to their commercial banking rivals.

"The administration feels strongly that issues of deposit insurance reform—that is, the extent and charter of the safety net—are so closely intertwined with the question of reform of the industry's structure that it makes no sense to treat them separately," Brady said. He said that the restructuring must be done in such a way as to limit the taxpayers' exposure.

"The securities industry has always conducted its business—in good times and bad—without the benefit of a government safety net or subsidy," Brady exclaimed. "This is right and should not change. It goes without

saying that when the Glass-Steagall barrier is lifted, banks and securities firms should find themselves on a level playing field, favoring neither side." The financial services market "has become one industry," he said. "Securities firms and banks should be free to affiliate if they choose to do so."

SEC chairman Breeden also called for the "reduction of barriers" to the activities of banks and securities firms, and suggested that just as corporations are allowed to own securities firms, they should also be allowed to own commercial banks.

The administration is cynically trying to sell these moves as being in the public interest, protecting the public from the bankers. "We've got to carry out this restructuring in a way that limits rather than expands the taxpayers' exposure," in the words of Secretary Brady. "In the era of the S&L cleanup, that is the first hurdle any reform proposal will have to clear."

Nothing could be further from the truth. The entire package is designed to concentrate financial power in the hands of just a few big companies, destroying the last vestiges of locally controlled banking in the country. Local credit needs will be completely subjugated to the dictates of Wall Street. Since there's not enough money to go around, that means that nothing will be available for local development; it will all go to Wall Street.

The administration claims that it will build "firewalls" between the banking, securities, and other businesses of the megacorporations that would spring from this fascist plan, but such claims are fraudulent. The biggest banks and financial companies are today already above the law, as their ability to deploy U.S. government agencies against the public interest demonstrates.

A new threat to airport financing

The bankruptcy of Continental Airlines may cause headaches for officials trying to market airport bonds.

Immediately following the bankruptcy filing by Continental Airlines on Dec. 3, Standard & Poor's announced that it was placing three of Continental's four hub airports on credit watch. The announcement illustrates how the unraveling financial schemes of the 1980s can set off far-reaching and quite unexpected shock waves.

Continental's four hubs are Houston, Denver, Cleveland, and Newark. S&P placed the first three on credit watch, due to the significant presence Continental has at each airport. Newark was omitted because it is administered by the far larger Port Authority of New York and New Jersey.

According to David Swierenge of the Air Transport Association, airports are generally financed on the bond market. The marketability of airport bonds is based on the dedicated stream of revenues derived from the airlines, which are charged landing fees, gate rentals, or some combination of the two. These charges are established by negotiations between the airlines and the airport authorities, and are not uniform across the country. The charges may be higher at an airport which is in the process of modernizing or expanding by building new facilities.

The charges are designed to recoup the total costs of maintaining and operating the airport. At Cleveland, for instance, the contract between the airport and the seven airlines which use it, stipulates that any shortfall between airport revenues and expenses shall be made up by the airlines at the

end of the year. If the airport shows a surplus at the end of the year, it is distributed to the airlines.

The federal ticket tax that goes into the Airport and Airway Trust Fund comprises a very small portion of airport financing, because the Reagan and Bush regimes have refused to spend the money on new airports, thereby creating a "surplus" that has been used to hide the size of the federal budget deficit.

By placing Continental's three hubs on credit watch, S&P is signaling to bond investors that there exists some risk that the revenue stream of those airports might suddenly be disrupted, were Continental's bankruptcy to result in the liquidation of the airline.

Swierenge, along with airport officials in Denver and Cleveland, insisted that it was very unlikely that another airline would not step in to fill the void left by a liquidation of Continental. Swierenge conceded, however, that "there is no guarantee that other airlines would fill the gap."

But with the airline business headed for a loss of around \$2 billion this year, these may be hollow reassurances.

At Cleveland, according to Mark Courtney, manager of marketing and communications at the Department of Port Control (the airport authority in that city), Continental controls about 40% of the market. The second largest share of the Cleveland market is held by USAir, with 25%.

USAir, which recorded the first annual loss in its history in 1989 and

has racked up \$233.4 million of losses in the first three quarters of this year, announced in September that it was reducing its work force by 7%, or 3,600 workers. With the run-up in jet fuel prices since August, it is unlikely USAir's financial situation is going to improve anytime soon.

George F. Doughty, director of aviation for the Denver airport, insisted that the liquidation of an airline "is not relevant" for an airport authority, because "revenue ultimately comes from passengers and shippers. If Continental evaporated tomorrow, we would not lose 15% or 20% of the passengers" which are served by Continental.

Despite Doughty's assurances, Denver has a special interest in Continental's survival. Denver broke ground this year for a new airport to replace Stapleton Field. It will be the first large airport built in the United States in almost 20 years; \$210 million in bonds have already been sold for land acquisition, and another \$900 million to finance construction. Doughty said that Denver plans to sell another \$1-1.5 billion in bonds for construction. So far, the only airline to sign a contract to operate at the new airport is Continental.

Though S&P has indicated to officials at both Cleveland and Denver that a downgrading of their bond ratings is not imminent, potential investors in the remaining \$1.5 billion that needs to be raised, will be watching closely to see if Continental can avoid liquidation, or if Denver can sign up more airlines for its new airport.

There could be big trouble ahead for U.S. airports, which need \$50 billion in new capital expenditures by the end of this decade if they are to avoid gridlock. With the airline industry now on its knees, many investors may no longer be willing to provide the necessary financing for such projects.

At last, a navigable Po

The Italian river of literary fame could become a waterway that revolutionizes Italy's creaking transport network.

The long-postponed dream of making Italy's greatest river, the Po, navigable, may finally come true. A bill recently passed by the Transportation Committee of the Italian Chamber of Deputies appropriates about \$1 billion over the next three years to make the Po, which runs west to east across northern Italy, navigable from Cremona to its outlet on the Adriatic Sea.

The project is vital to the national interest. Among other things, it will mean tremendous energy savings. The estimated cost of fuel to ship the same cargo in 1,350-ton vessels is over 1,000 times less than for overland methods. But creating the Po-Veneto water system has many other implications for the Italy that will be integrated into the bigger and freer Europe of 1992, with its 500 million people.

The Po Valley has been famous for 900 years for the "capital-intensive" exploitation, through irrigation and transport canals, of its immensely fertile land. In 1310 the poet Dante in his *Inferno* praised the engineering feat of the embankments of the Po in Padua. In 1342 Petrarch wrote his famous patriotic poem *Italia mia* on the banks of the Po. Around 1492, Leonardo da Vinci apparently envisioned a canal from Pavia, the town on the Po closest to Milan, to the western shore of Italy and the Tyrrhenian Sea. That canal would have given Milan its own port comparable to its mighty rival, Venice.

Since the middle of the 19th century, around the Po Valley's ultra-productive agriculture there have arisen

the greatest industrial concentrations of northern Italy, ringing Milan. Today, transportation and energy costs threaten to idle much of this economic potential.

In a recent interview, Christian Democratic deputy Hon. Giuseppe Torchio, the first sponsor of the bill, said that there is "no doubt" the Po project will open up the future of a new transportation structure in Italy. He explained, "The General Transportation Plan states that the development of cabotage and upgrading of the waterway system are two key steps in the strategic evolution of freight transport." Cabotage is short-range navigation between two coastal ports or two inland ports of one country.

"The Italian rail network, which is today substantially circumscribed to the Po region, is situated as an extension of cabotage from the sea to the Po industrial heartland. This links up with trucking, which thus functions as a transverse distribution vehicle off the main water arteries."

Giuseppe Torchio continued, "Besides building the overall network, we have to get to work right away to complete work already in progress to make what already exists functional. Top priority goes to the work of fixing the shallow river bed of the Po, and the related maintenance projects. We need to hurry to make up for lost time, both in the waterways and the railways."

A navigable Po, which opens a communications route to the Adriatic and hence to the Mediterranean, will make Italian products more competi-

tive. Torchio also points to "the compelling necessity, which everyone now recognizes, to set limits on road congestion, which has already assumed intolerable levels, even from an environmental standpoint. That means using other modes of freight transport (rail, waterway) with much lower social costs than trucking, and greater respect for natural and environmental values. We must transfer to waterways and railroads a significant volume of the current, constantly expanding freight traffic.

"We must aim at a policy of productive investments which allows us to utilize the large existing fixed capital," the parliament member went on, referring to the concentration of industrial plant in the Po Valley. "The business community, through the Confederation of Industry, has already shown its interest in waterway infrastructure and has produced studies and documents showing the potential for continuous waterway-maritime transport and industrial sites along the waterway system."

Though we live in an age of "free enterprise" mania, the Italian Confederation of Industry recognizes the state's role in fostering a project of this scale. The confederation, Torchio said, "has also indicated to Parliament and the government the need for its overall intervention in the management and organization of such works. This would involve the need to revise the rigging requirements for fresh-water vessels, tax exemptions for traffic on internal waters, the training of skilled navigation personnel, and so forth.

"Reducing the costs of finished goods depends also on lessening the businessman's costs in acquiring the transport service." So, "when you reach the bottom line, directly and indirectly this is a totally obvious necessity."

Do oil multitis run Italian politics?

Enrico Mattei tried to set up a national oil entity, independent of the "Seven Sisters," and paid with his life.

The recent exposure in Rome of Operation Gladio, the secret paramilitary organization set up to fight guerrilla war against a potential Soviet invasion, but used to destabilize the nation's institutions, has thrown a spotlight on Anglo-American control over Italian political life. But not even the Communist opposition has pointed to the *financial* interests who profit from such controls.

The Italian government's submission to the interests of the major oil companies is manifest. After the first oil crisis in 1973, Italy was the only industrialized nation to increase its imports of hydrocarbons—from 67% to 81%—while France, Germany, Japan, and even the United Kingdom and the United States decidedly lowered their dependency. After the farcical 1987 nuclear referendum, Italy shut down the Trino and Caorso nuclear plants, and halted work on the Montalto di Castro plant.

Oil has been known as a fuel for over 150 years. Its industrial exploitation began in 1870. Despite wars, government interventions, and secret service maneuvers, the control of production, refinement, and transport has remained largely in the same hands: seven large companies linked by tacit cartel agreements which give them a kind of monopoly. The division of zones of influence between the Anglo-Dutch BP and Shell, and the American Esso and Mobil, was first set up on Sept. 17, 1928 at Achnacarry Castle in Scotland, property of Shell's Sir Henry Deterting, where they decided to crush all outside competition.

The Anglo-Persian Oil Company,

better known as British Petroleum, was until 1987 the majority stockholder of the British government. The OSS, the pre-CIA U.S. intelligence service, was run by such figures as Paul Mellon of the Mellon family, which long controlled Gulf Oil, and John Archibold of Rockefeller's Standard Oil.

The tragic example of how the companies operated on Italian soil is Enrico Mattei. The president of Italy's National Hydrocarbons Entity, ENI, wanted to use the wealth from oil reserves to unlock the rapid development of Middle Eastern countries. Mattei's famous deal with Iran, in which he was ready to pay 25% more for oil to the producing countries than the companies, was a mortal threat to what he was the first to call the Seven Sisters. Mattei had also stated in more than one public speech, that he wanted to found an Arab Development Bank.

His policy would have brought development and lasting peace to the Middle East. Nearly 30 years after his death, the ongoing monopoly of the companies has instead led to destruction and wars throughout the Gulf countries. The companies used the U.S. government, especially the State Department and CIA, against Mattei's vision. Even though Mattei was a staunch Atlanticist, journalists in the Seven Sisters' pay wrote vile slanders against him, accusing him of being a dictator, an underhanded manipulator, a corrupter, and even a possible Soviet agent.

In a State Department secret report cited by Roberto Faenza (*Il Malaffare*, Mondadori, 1978, p. 41) before

Mattei's death, U.S. agents stressed that the ENI head was unmovable unless extreme measures were taken: "Unfortunately Mattei, although technically in the employ of the state, conducts his operations in the same way as a capitalist magnate. He obtains protection from political interferences, distributing money under the table to members of Parliament and the press. He has managed to get a law passed on petroleum, reserving to ENI all geological exploitation, and putting off for centuries the possibility of exploring in depth in the territories of the peninsula. What is even more dangerous in Mattei is his appetite: He is trying to create a series of new industries which could destroy private enterprise. . . . For this reason the restriction on Mattei's power and the reduction to zero of his ability to influence the government illegally, could remove from the Italian scene the political and economic threat he represents." Further on one reads: "Not only does Mattei try to control Italian oil resources, but he hopes to be able to control all energy resources, including atomic energy."

On Oct. 27, 1962, the MS-760 plane in which Enrico Mattei, *Time* magazine journalist William McHale, and pilot Imerio Bertuzzi were flying, blew up in flight near Milan. The dossier on Mattei's death compiled by the CIA station in Rome on Oct. 28, 1962 was never released by American authorities to investigators in Italy. "National security" reasons were given. The CIA station chief in Rome, Thomas Karamessines, who wrote the dossier, left Italy right after the ENI president died. Then-CIA director John McCone was one of the biggest shareholders in Standard Oil of California (Socal), today Chevron; at the time of Mattei's death he owned \$1 million in shares.

To be continued.

A vote against neo-liberalism

The worsening economic depression is unifying the country against President Collor de Mello's monetarist measures.

Second-round gubernatorial elections on Nov. 25 delivered a decisive political defeat to Brazilian President Fernando Collor de Mello who, in the eight short months of his presidency, has achieved the miracle of unifying nearly the entirety of Brazil's population and institutions against his neo-liberal economic program, whose sole results have been to sink the country in a deep economic depression.

Immediately after their victories were confirmed, the elected governors of the most important states announced plans to implement anti-recession countermeasures. "The voters authorized me to say *no* to recession and to unemployment, and to the international opening promoted by the current government. President Collor de Mello preached a new disguise for savage capitalism," declared the new Paraná governor from the Brazilian Democratic Movement Party (PMDB), Roberto Requião. Paraná is a southern state which has suffered from a lack of agricultural credits.

Similar statements were made by Luis Antonio Fleury, the PMDB's victor in the critical state of São Paulo. According to the weekly *Relatorio Reservado*, the formation of an anti-recession front was also announced by the new governors of the rich central-eastern region of the country, through the creation of a common market based on development of agricultural, mining, and fishing programs. This was the first clear show of the public discontent reigning in every corner of the country.

But simultaneously, instability is

growing out of control, spurred by the government's stubborn insistence on executing its neo-liberal dogmas at the expense of destroying the productive economy and at the cost of confronting such institutional pillars of the country as the business and military sectors.

The growing voluntary bankruptcies being declared by businesses which for decades had managed to successfully navigate the economy's imbalances but which today can no longer stand up to the stratospheric interest rates and contraction of consumption, exemplify the great damage being done to the productive sector. Spokesmen for São Paulo's industrialists announced in late November that nearly 100,000 private-sector workers would be laid off.

According to figures of the Brazilian Geographical and Statistical Institute (IBGE), the industrial sector during the first nine months of the year suffered a 7.49% production shrinkage. It is estimated that the total drop in the Gross National Product in 1990 will be similar to that experienced in 1983, the worst year of the recession overseen by former Planning Minister Antônio Delfim Netto on orders of the International Monetary Fund.

On Nov. 28, for the first time in decades, the influential Military Club held a general assembly with nearly 1,000 associates—both active and reserve—along with dozens of wives and widows of soldiers from the three services. The assembly was called to discuss solutions to the deterioration of military wages since last March,

when Collor de Mello's anti-inflationary program was launched. Gen. Nilton Cerqueira, Military Club president, was openly critical of the government: "The dramatic fall in wages is reflected in military morale and discipline. Urgent measures need to be taken by the government to prevent the situation from worsening. The minimum required is the immediate restoration of buying power."

Added to the collapse of industry and the growing military discontent is an imminent crisis in agriculture. On Nov. 29, *O Estado de São Paulo* reported that the Agriculture Ministry has produced a report which paints a dramatic picture of the Brazilian countryside. Due to both the scarcity of credit and to the long delays in releasing what little there is, it is expected that there will be serious shortages of such basic food items as rice, corn, and soy derivatives next year.

The ministry report also calls attention to another problem: the difficulty of obtaining agricultural loans, which is expected to lead to the bankruptcy of middle-sized and large producers of agricultural feeder industries. For example, in September 1986, some 4,700 tractors were sold; in September of this year, a mere 1,800. The fall in sales of harvesters is worse, a drop of 90.7%! The conclusion of the report is that, with the failure of the harvest, there will occur a "price spiral and psychological insecurity."

Faced with such a disaster, the only sector currently applauding the government's recessive program is the banks, whose profits remain at an all-time high. The banks are expected to end 1990 with an "historic growth average of 7-8%." Third-quarter profits this year were considered excellent. Such "buoyancy" was maintained thanks to the speculative games played with high interest rates.

Business Briefs

Poverty

U.S. safety net has gaping holes

Barely one-third of unemployed people are now receiving unemployment insurance payouts, compared to more than three-quarters in the recession of 1975, and about half in 1982, the *New York Times* reported.

Because of the budget crisis at all levels of government, the eligibility requirements for receiving unemployment insurance benefits have become so stringent, that Walter S. Corson, an economist at the Mathematica Policy Research Institute who conducted a study for the U.S. Department of Labor, found that even if officially admitted unemployment were to rise to 9%, only 36-38% of America's unemployed would be eligible for unemployment insurance benefits.

The new, post-industrial economy is directly to blame, because service sector workers, who now comprise the bulk of the U.S. workforce, usually do not earn enough to qualify for benefits, or change jobs too often to meet the length of service requirements.

The *Times* also noted that this time around, it is very unlikely that Congress will extend the duration of unemployment payouts from 26 weeks to 52 weeks, as it has done in past recessions. The reason for this is that the recent budget compromise mandates that any increase in any type of social benefits be offset by reduced expenditures elsewhere, or by increased taxes.

Infrastructure

Brazil, Peru agree on Amazon highway

Brazil and Peru reached political agreement on an Amazon highway link. It would provide the first Atlantic-Pacific road connection in that area. Mario Amato, president of Brazil's São Paulo State Industrial Federation, affirmed, "It would consolidate the basic physical infrastructure of Latin American integration."

The route chosen runs close to the Bolivian

border and facilitates integration with the Bolivian, Chilean, and Argentine highway and rail grids. Peruvian delegates pressed for that southern route from Rio Branco and Assis, Brazil, to Puerto Maldonado in the Peruvian jungle. There the route traverses the high Andes via Cuzco and Arequipa to end up at the Pacific port of Matarani.

Of its 1,303 miles, 508 are in Brazil. Almost 300 miles are already paved. The rest is often-impassible dirt road. But it already exists, which is one argument against "environmentalist" crusades to stop road-opening the jungle and its fringes to economic development.

Such a road would be of immediate benefit to soybean producers in the interior of Brazil, who could truck their products to Pacific ports far closer than the Brazilian Atlantic coast. Peruvian producers would send back the fertilizer required for Brazilian soils.

For maps and background, see *EIR* Nov. 2, 1990.

Demography

Population decline threatens Europe

The European Community's 1990 figures, which include 1988, show fertility for the 12 EC nations at 1.6 children per woman, almost 20% below the zero-growth rate of 2.1. Total fertility fell below that level in 1975, and has been plummeting since. Births outside marriage, however, have skyrocketed since 1978. At this point, 45% of the births in Denmark, and 25% in both France and Britain, occur outside wedlock.

The birthrate crash began in 1965, well before the 1973 oil shock triggered worldwide depression.

The lowest birthrates of all at this point are in Italy, at 1.34, Spain, at 1.38, and Germany, at 1.42, a slight rise from the world-historic low of 1.28 in 1985. West Germany had a significantly lower birthrate than the former East Germany. This is despite positive measures to aid families, such as complete health care and a monthly stipend of DM 600 for mothers for

the child's first 18 months.

The only country which has a birthrate of 2.2 is Ireland, and this is a drastic fall from 1965, when the birthrate was 4.0. France, because of a massive government program to encourage births begun under Charles de Gaulle, including large subsidies for children, has a birthrate of 1.8—still below zero growth.

At the present fertility rate, the population of the EC, which was 270 million in 1985, will fall to 240 million by 2025. The population of former West Germany, which was 60 million in 1985, will fall to 35 million, and of France, at 54.4 million in 1985, to 48.6 million.

Domestic Credit

It's a 'depression' says bankruptcy expert

"What recession? It's a depression," is the title of a commentary in the *New York Times* by William J. Rochelle, a bankruptcy specialist at the law firm of Fulbright, Jaworski and Reavis McGrath.

"In my profession, we are seeing dozens of formerly wealthy real estate developers," Rochelle wrote. "The absence of a market distinguishes this recession from the ones before it. . . . Today, nothing sells."

Rochelle explained why "the bottom is not yet in sight." "Today's prices continue to reflect an expectation of substantial appreciation. The . . . break in . . . prices will come when values reflect . . . realistic demand.

"On the demand side, the bottom is also yet to arrive. Consumers . . . need two or three years to exhaust their working capital. Real estate developers' . . . problems became public when their working capital was gone.

"While layoffs have depressed many families' incomes in recent years, their working capital has not yet been exhausted. When it is gone, either they or their bank lenders will start dumping assets to repay debts. . . .

"Enough sellers who are forced to sell will bring a price collapse. When the big bust occurs, how far under water will the big banks be then?"

Rochelle concludes by relating how he

once asked a "veteran bankruptcy lawyer" what it was like during the Great Depression. "After a while even bankruptcy lawyers couldn't make a living because no one had the money to buy assets from bankruptcy trustees."

Labor

Life expectancy for U.S. blacks declines

The life expectancy for black people in the United States declined for a fourth consecutive year, to 69.2 years in 1988 from 69.4 years in 1987. Life expectancy for whites was unchanged, at 75.6 years. Overall life expectancy for Americans dropped from 75 years to 74.9 years in 1988.

A major factor in calculating life expectancy is infant mortality, the *New York Times* noted. The U.S. ranks 22nd in the world in infant mortality, and that ranking has been worsening since the 1950s. Infant mortality in the U.S. is now decreasing only about 1% a year, far below the 5% annual decreases recorded in the 1970s. Ten infants died in their first year of life for every 1,000 live births in 1988, compared to 10.1 per 1,000 births in 1987.

"Infant mortality leveling off now is unacceptable," Dr. Reed R. Tuckson, senior vice president of the March of Dimes, told the *Times*. "We are losing 40,000 babies a year every year now. It is unconscionable, a national disgrace. It is not as if this is unsolvable, that we don't know what to do to lower it, not as if we don't have the technology. We do."

Finance

'Purposeful debt' recommended for U.S.

"More purposeful debt could kick-start the U.S.," according to a commentary in the *Japan Economic Journal* dated Dec. 1. "There is nothing wrong with being indebted to foreign-

ers if the borrowings are invested in schools, roads, and other means of enhancing future productivity," reads the blow-up quote in the commentary, which is authored by Robert B. Reich, who teaches political economy at Harvard's John F. Kennedy School of Government.

"Global capital—the savings of Americans and non-Americans alike—will be attracted back to the U.S. only when the American economy shows signs of awakening. This is precisely why it's so important for government to prime the pump—to spend, even if the consequence is a large and growing deficit."

Reich proposes that the government repair and enlarge America's decaying infrastructure of roads, bridges, sewage treatment facilities, and airports, and take steps to improve education.

R&D

Japanese automation plan moving forward

The Japanese Ministry for International Trade and Industry (MITI) has launched a multilateral scheme to develop manufacturing technology. The plan had been delayed by more than 10 months because of a slow and hostile response from Washington and Brussels, but is beginning to take off, the Japanese news service Kyodo reported Nov. 21.

"The Department of Commerce was at best lukewarm about the project at first, but strong lobbying from concerned U.S. companies changed their attitude," said Katsujiro Kida, director of MITI's Industrial Machinery Division.

The 10-year, \$1 billion project is designed to make the entire production process from market research to shipments into a highly automated and integrated system with a universal standard. Already, some 70 Japanese firms, including most of the leading manufacturers, have formally joined the project. A two-day meeting was held in Tokyo on Nov. 19-20 among Japanese, U.S., and European Community officials to decide on the framework for the project.

● **WESTERN EUROPE** is being flooded with cocaine, heroin, and other illegal drugs, according to U.S. drug enforcement officials. Ibero-American trafficking organizations have linked up with African, Mid-eastern, and Asian opium-trafficking networks, and have flooded the continent and England with cocaine.

● **SCIENTISTS** returning from recent trips to the Soviet Union report that the civilian magnetic fusion research program is being virtually wiped out. One scientist reports, "The Soviets only have money for salaries; no funds for operation of their existing experiments or for construction of future ones. Many Russian scientists are looking for jobs abroad."

● **JAPAN** has warned that the global economic slowdown will seriously hurt debt-ridden developing countries, in an Economic Planning Agency report released Nov. 27.

● **GRADUATE STUDENT** Sarah Shaw attacked the proposal of Sally Shelton-Colby, the wife of former CIA chief William Colby, that the U.S. follow Mexico's example in slashing its budget, in a letter to the editor of the *Washington Post*. In paying on its debt, "Mexico has guaranteed a life of poverty for over half its citizens," she wrote.

● **SALOMON BROTHERS** managing director and chief banking analyst Thomas R. Hanley, has found that the loan loss reserve needs of the 18 leading U.S. banks is \$35.3 billion, not \$12.9 billion.

● **WOMEN'S** participation in the U.S. labor force may have peaked, because the retail and service industries have been hit hard by the depression, and because of a rising number of births among women in their twenties, the Bureau of Labor Statistics reported.

The terrible cost of George Bush's Persian Gulf war

by Webster G. Tarpley

As a result of the policies of Margaret Thatcher, George Bush, and Ariel Sharon, the world is now on the verge of war in the Persian Gulf. This war could now come at any time through an Anglo-American and/or Israeli attack against Iraq. Minimally, reliable U.S. military sources say, the U.S. forces will suffer 60-70,000 casualties, of which about 25% will die; while Iraq's casualties, civilian and military, would reach at least 300-500,000. The war in question would affect the populations of the Arab world, the Indian subcontinent, Africa, and Ibero-America, where the indirect death toll could be in the hundreds of millions as the result of a new oil crisis. In the advanced sector, the war would bring an economic depression far more devastating than that of the 1930s.

Such a war could rapidly expand to become World War III, understood as a series of three to four regional conflicts, each of which will be equal to, or greater than, the European or Pacific theaters of World War II, even without considering the nuclear weapons that may be used in each case. Waiting at the end of such worldwide escalation is a full thermonuclear confrontation between the Anglo-American coalition and the Soviet Union.

In terms of economic effects, the Gulf war will lead to the destruction of 20-25% of the world's total oil production, and will bring the price of oil to \$100 a barrel at the minimum. The Third World's oil will be cut. This will generate an utter breakdown of the world economy and a vertical collapse of remaining world trade. The Gulf war will represent the end of world civilization as we have known it over the last four decades.

The following facts about the human and material costs of such a war have been compiled by an *EIR* research team from a variety of expert military and other sources. While we cannot assert the definitive accuracy of each detail, the overall picture so devastatingly refutes the lies and illusions of the warmongers, that we offer this fact sheet in the hope of galvanizing opposition in the form of a movement for peace, national sovereignty, and world economic development.



Soldiers of the U.S. 101st Airborne Division load ammunition on an AH-64 Apache helicopter in Saudi Arabia. The Apache, which would be a centerpiece of U.S. attacks on Iraqi armor, must fly close to the ground in order to be effective. Because of desert sandstorms, some military experts say these helicopters require 24 hours of maintenance for every hour of flying—even before combat begins.

U.S. Army

A world war

The Gulf war begins with an attacking coalition composed of the military assault and support forces of the United States, the United Kingdom, Israel, France, Syria, Egypt, Saudi Arabia, Turkey, Oman, Qatar, Bahrain, the United Arab Emirates, and other countries up to a theoretical total of 26. The target of this coalition is Iraq. In the early stages of war, an Israeli attack on Jordan will bring that country into the war on the side of Iraq. Slightly later, Iran is very likely to enter the war on the side of Iraq, either as a full belligerent or as a friendly neutral sending in volunteers (as Red China claimed to be in the Korean conflict). An Iran-Iraq alliance was predicted by the Red Army commander Marshal Mikhail Moiseyev; Edward Luttwak has told the U.S. Congress of special units of Iranian Revolutionary Guards who are training to attack Anglo-American forces if the latter approach the "Yalu River" of the Iran-Iraq border.

Anglo-American violations of Iranian airspace and territorial waters under war conditions make such Iranian entry into the war more likely. Destruction by the Anglo-Americans of the Karabala shrine in Iraq, the premier holy place for Shi'ite Muslims, would lead to a *jihad* by all Shi'ites against the Anglo-Americans, in which Iran would necessarily assume the leading role.

It is plausible that the Gulf war will begin through an Israeli preemptive attack on Jordan and Iraq, perhaps not respecting the Jan. 15 United Nations timetable. This Israeli action would be a part of the Sharon Plan, of Israeli Housing

Minister Gen. Ariel Sharon, which foresees the forcible expulsion and deportation of 1.6 million Arabs resident in Israel and the occupied territories, and their dumping onto the territory of Jordan. A high percentage of the Palestinian Arabs would be killed in this process.

In the event of an Anglo-American attack on Iraq, an Iraqi retaliatory attack on Israel would become a political as well as military necessity. The entry of Israel into the war, in addition to the Anglo-American or Israeli first use of nuclear weapons, would guarantee that the Anglo-American coalition would break apart, including through the effects of internal political upheavals, coups d'état and revolutions among the Arab and Islamic coalition members. This will lead to possible multiple shifting alliances: A pan-Arab military coup against the Alawite regime of Syrian President Hafez al-Assad would take Syria out of the Anglo-American coalition and into pro-Iraqi neutrality, or perhaps into war with Israel in order to regain the Syrian Golan Heights. Revolutions in Egypt and Turkey could rapidly follow. The vast majority of the 200 million Arabs in today's world, and the majority of 1 billion Muslims, would support Iraq against Anglo-American nuclear aggression, with the obvious implications for governments in these nations.

The irrevocable commitment of the bulk of Anglo-American and NATO forces to war in the Gulf will make their employment on the Indian subcontinent, the Balkans, and the Far East no longer possible. The removal of these forces from the regional equations centering on Pakistan, Yugoslav

via, and Korea-Taiwan will have the following impact:

- *An Indo-Pakistani war could break out, involving nuclear weapons.* India and Pakistan have been on the verge of war for most of 1990, and have exchanged threats of nuclear attack. The Afghan Mujaheddin are allied with the Pakistani regime, and the Afghan government with India. The Anglo-Americans and China will side with Pakistan, while the Soviets will be unable to ignore India, perhaps their last foreign ally. A war on the Indian subcontinent means that almost 1 billion people will be at war.

- *A Balkan war would carry the potential to become a general war in Europe.* The commitment of Anglo-American-NATO forces, including those of Italy, to the Gulf will be seen as a golden opportunity for Serbia to reassert domination over the other component republics of the Yugoslav Federation. Albania will side with Kosovo, while Bulgaria will assert its claim to Macedonia. Croatia and Slovenia will seek to secede. Hungary and other contiguous states could easily be drawn into such a conflagration.

- *In the Far East, the weakening of U.S. support for the Republic of Korea and the Republic of China makes these states into possible objects of attack by North Korea and mainland China, respectively.* The 30,000 U.S. troops in South Korea could only be defended by the massive use of nuclear weapons. P.R.C. strongman Deng Xiaoping has announced an acceleration of his timetable for the conquest of Taiwan.

Ultimately, each of these regional conflicts—the Persian Gulf, the Indian subcontinent, the Balkans, and the Far East—leads toward a U.S.-U.K. thermonuclear confrontation with the Soviet Union. Since the imposition of the economic blockade against Iraq, the Anglo-Americans have also imposed on the Soviet Union a virtually total grain embargo. President Mikhail Gorbachov has warned outside powers against intervening on the side of component union republics of the Soviet Union. Although weakened in land offensive capabilities, the Soviets have continued to expand their absolute ICBM superiority with SS-24, SS-25, and modernized SS-18 missiles, and submarine-launched ballistic missiles and submarines. Soviet support for U.N. Security Council Resolution 678 for military action against Iraq appears motivated in part by willingness to let the Anglo-Americans be decimated through their offensive operations in the Gulf, weakening them for any subsequent conflict with the Red Army.

The potential for strategic miscalculation in all phases of the looming conflict is magnified by the psychological instability of President Bush and the Anglo-American leadership. Bush is gripped by a war psychosis related to his personal psychological disintegration under the pressure of economic breakdown crisis and military confrontation. Because of this mental impairment, Bush now fulfills the classification of inability to discharge the powers and duties of his office under the terms of the 25th Amendment to the U.S. Constitu-

tion. Under the Goldwater-Nichols Defense Reform Act, Bush's only professional military advice has come from Gen. Colin Powell, chairman of the Joint Chiefs of Staff, an ideologue and political careerist.

A nuclear war?

Discussion by *EIR* researchers with several retired U.S. military officers has turned upon the following startling hypothesis: that a Gulf war may rapidly go nuclear.

The war plan under which Operation Desert Shield is being conducted, these sources contend, goes back to the Carter Doctrine of 1979 and was designed to counter a Soviet thrust into the Persian Gulf through reliance on neutron bombs. Neutron bombs would have been effective against Soviet tank columns in motion, but may be far less effective against Iraqi fortified positions, since a meter of earth or sand greatly reduces the impact of neutron radiation. Therefore, under the logic of this original plan, the Anglo-Americans would have to rely from the opening of hostilities on tactical nuclear weapons in the 1 kiloton range and up, including nuclear shells for 110 millimeter howitzers. Despite the obvious destructive power of these battlefield nuclear weapons, their impact should not be exaggerated. Since nuclear detonations do not generate overpressure outside of ground zero, a simple covered trench in the sand provides substantial protection against everything except a direct hit. In addition, sand does not transmit shock waves as well as the loam or clay

LaRouche: Why we must support Iraq

Lyndon LaRouche issued the following commentary on Dec. 2, in response to an influential figure in Europe who favors military action against Iraq.

To put the matter as briefly as possible, we ought to consider ourselves engaged in a war against Bertrand Russell and his kind for the soul of humanity as a whole. That means that we must combat the New Age current, which desires to establish a modern global version of a paganist *Pax Romana*, whether that be Anglo-American, Muscovite, or other.

To conduct this war successfully, we must define war in the way I have defined it in comments upon Prof. F.A. von der Heydte's *Modern Irregular Warfare*, and in other relevant locations, as essentially cultural warfare. From that standpoint, because Iraq—and precisely because Iraq—is at present adopted as a chief imped-

soils of the temperate zone.

Another reason for the temptation to resort to nuclear weapons, these military analysis assert, is that the Iraqi military represents a powerful defensive force of well-organized, well-equipped, and battle-seasoned troops. Iraq now has approximately 450,000 soldiers in Kuwait and southern Iraq, including a first line of fortifications manned by the Iraqi Army and, behind them, a mobile reserve of the elite Republican Guard. In mid-November, it was announced that an additional 250,000 reservists would be called up and sent into this area. Further reserve call-ups could bring the total Iraqi land forces on all fronts to 700,000 to 1 million troops, many of them combat veterans.

The Iraqi Army fought an eight-year war with Iran and suffered some 800,000 casualties. In the opinion of professional military observers, the Iraqi forces have a limited capacity to conduct deep offensive operations (although their seizure of Kuwait was highly efficient), but are masters of the tactical defensive, and did not break or panic at critical moments in that war. Iraqi line units are battle-hardened, experienced in desert fighting, and familiar with all the climatic and environmental stresses of the region. The Iraqi soldier will be fighting to defend his own country, his family, and his property against an imperialist aggressor from the other side of the world. He will be highly motivated, and any battle plan premised on an Iraqi rout will probably prove to be illusory. Roughly 60% of the Iraqi people are Shi'ite

Muslims. Whereas during the Iran-Iraq War this fact created problems of political motivation which had to be overcome, in any contest against non-Muslim forces, and especially the "Great Satan" United States, it will stiffen resistance.

Iraqi forces possess an array of heavy equipment, with a total of 5,800 tanks, 1,500 armored fighting vehicles, 5,000 armored personnel carriers, 150 attack planes, 150 attack helicopters, and two dozen modern Soviet SU-24 bombers equipped with Exocet missiles of the type that destroyed the U.S.S. *Stark* in the Gulf in 1987.

While the U.S. will possess overall air superiority, the Iraqi forces will retain advantages in certain areas.

The Iraqi main battle tank is the T-72, which has numerous points of superiority over the newer U.S. Army Abrams M-1 when it comes to desert warfare, according to retired military officers consulted by *EIR*'s research team. In tank duels, the standard model T-72 fires a shell which will crack the Abrams turret. By contrast, the frontal armor of the T-72 is impervious to the standard M-1 Abrams shell, although this is being redressed through the arrival of M-1A1 tanks from Europe, which are equipped with a 120 mm cannon which does have the capability to destroy the T-72 head on. Otherwise, U.S. Army anti-tank weapons, such as the LAW, the Dragon, the AT-4, and the TOW, will not pierce the frontal armor of the T-72.

Iraq possesses the German-made Roland anti-aircraft system, which is more than the equal of the U.S. Hawk

iment to the establishment of Mr. Bush's Hitlerite, paganist, neo-Roman World Order, it is most undesirable that Iraq be significantly injured in any way.

There is more at stake in this than simply sympathy for the enemy of one's most mortal adversary. It is a *cultural* principle. The virtue of Iraq—and it has many "down" sides—is that Iraq, unlike that miserable collection of oilgarchs, principally oilgarchs of the South, is committed to the idea of transforming the Arab population, and others, but especially the Arab population, by aid of scientific and technological progress.

Such a commitment is not only the enemy of our Bertrand Russellite and kindred adversary, but it is a damned good idea. So therefore, why do we wish to destroy someone who may be an erring fellow, but who is agreed upon a principle which we adopt, to work to the advantage of an absolute lunatic who wishes to set up upon this planet a utopia which the planet and the human race alike would probably not survive?

That must be our overriding consideration.

I realize that under the press of political circumstances, narrower considerations—playing-field types of considerations, such as "how to play the game" as handed

to us—seem to override our perceptions of larger realities. We are so concerned with making a principle of the proper way of playing the game, that we degrade politics to a mere game, and then wonder sometimes why, after winning many battles, we seem to have lost the war. We played the battles each according to the rules of the game, but lost the war. And we did so, because there was a fallacy inherent in playing history according to the childish conception of an infantile game.

What we ought to be concerned about, is *to ruin* that which is about to ruin this planet, i.e., the establishment of some neo-paganist order which destroys the means by which the nuclear family is maintained, for the sake of playing the game according to our self-image, the self-image that we would like to put upon ourselves, from the standpoint of playing according to the rules of the perceived game.

It is not the defeat of an enemy, or the advantage of the enemy of our adversary that concerns us; it is the defeat of that adversary by making sure that we take no steps, if we could do otherwise, which might weaken the standpoint of our practice and strengthen the standpoint of the adversary's practice.



Paratroopers from the U.S. 82nd Airborne Division in Saudi Arabia. The all-volunteer forces of the post-Vietnam era include a large proportion of blacks and Hispanics—not the children of the elites. The fact that recruitment has declined since the Gulf crisis began, says something about the combat motivation of previous recruits.

U.S. Army

system. The Iraqis may in the meantime have succeeded in activating the U.S.-made Hawk batteries they captured when they entered Kuwait. Iraq possesses a formidable array of heavy self-propelled artillery pieces which are probably superior to their U.S. equivalents.

Along the coast of Kuwait and stretching westward along the Iraq-Saudi border, Iraqi military engineers have over recent months constructed an extensive system of fortifications. These fortifications are composed of trenches, bunkers, dugouts, and pillboxes, with dug-in tanks and fortified artillery pieces protected by anti-aircraft and missile batteries. Although they lack steel and concrete underground structures, these works are roughly comparable to the French Maginot Line, or to Finland's Mannerheim Line, which held off the Red Army during the winter of 1939-40. They are constructed in echelons to a depth of about 25 kilometers, and are, in particular, defended by minefields, booby traps, and prepared fields of fire. These fortifications are reported to be well stocked with food, water, ammunition, and other supplies, so that they are able to withstand prolonged siege. These works are vulnerable to nuclear weapons, although a relatively large number of nuclear rounds, bombs, or warheads would have to be expended in order to achieve a breakthrough. Otherwise, military professionals are in agreement that any frontal assault on these fortifications would generate casualty rates similar to those faced by attacking forces on such World War I battlefields as the Chemin des Dames in 1917, where the French suffered 120,000 casualties in two

days. The only alternative is to outflank these fortified lines with a vast turning movement through the desert of western Iraq.

Any amphibious assault against the coast of Kuwait could face the same odds as the British at Gallipoli in World War I, where superior forces supported by gas attacks failed to dislodge a Turkish force entrenched along the Dardanelles. Such an assault could also be compared to Omaha Beach in Normandy, which cost the majority of Eisenhower's 28,366 casualties suffered during the battle, or to the Marine Corps Pacific attacks on fortified Japanese positions at Tarawa, Iwo Jima (about 26,000 casualties), or Okinawa (65,631 casualties).

Rainy season and sandstorms

The Iraqi defensive operations are facilitated by climate and weather, which act as countervailing factors against a U.S. technological superiority that was intended for use in Western Europe. Between December and February, there are frequent rains, occasionally punctuated by sandstorms, which will make movements of massed armor difficult. Military officers with experience in the area say that the January-February period usually contains a couple of days of intense rains which turn everything to mud, with flash floods that will mire any and all equipment. There is also snow mixed in with the very fine desert sand and dust, which coats everything with a frozen mud.

In February and March, this gives way to a period of

sandstorms called in Arabic the "sifter." During this entire period, the sandstorms grind the lenses of optical equipment into a milk-white powder, making them wholly inoperable. The dust sometimes blows 20,000 feet high, and can interfere with planes even at these altitudes. Sandstorms play havoc with electronics, lubrication, etc.

U.S. tank training for the Middle East has been conducted largely in Egypt, where the sand is coarser, and there is less dust. The Arabian Peninsula and Iraq, by contrast, have a fine and dusty sand which readily blows around and permeates everything. In addition to destroying optics and the much-vaunted infrared night vision equipment, the dust can clog filters and can suffocate troops wearing atomic-biological-chemical warfare (ABC) suits. The fiasco of the provocative "Imminent Thunder" exercise, in which an amphibious landing using hovercraft had to be canceled because of high winds and 10-foot waves, is indicative of a lack of competent weather forecasting on the part of the U.S. forces. Many of the Saudi military leaders are also unfamiliar with the weather in the area south of Kuwait, since most of them come from an area several hundred miles to the south.

The Abrams tank gas turbines are reported to require many hours of additional servicing as a result of the dust and sand. The Apache anti-tank helicopter, which would be a centerpiece of U.S. attacks on Iraqi armor, did not perform well during the U.S. invasion of Panama. In order to be effective, this helicopter must fly close to the ground. With desert sandstorms in the offing, the Apache's windshield and gunsight lenses will be subjected to a sand-blasting effect that can seriously reduce effectiveness. Partly because of the sands, these helicopters are now estimated to require 24 hours of maintenance for 1 hour of flying, even before combat begins. Problems related to the sand are thought to have caused a majority of the crashes of U.S. fixed-wing aircraft and helicopters since August.

A hollow army

The U.S. has arrayed approximately nine divisions, 2,000 tanks, six aircraft carrier battle groups, a battleship, and hundreds of combat aircraft in the Persian Gulf. They are joined by some 30,000 Britons, 2,000 Frenchmen, 15,000 Egyptians, 3,000 Syrians, and 65,000 Saudis, plus several smaller contingents, all subject to reinforcement over the coming weeks. At first sight, the advantages in aviation, missiles, nuclear weapons, electronics, and technology of this coalition force would appear to make it invincible. But the effectiveness of this force is also undermined by important disadvantages, which may make the outcome of hostilities less predictable.

At the heart of the matter is the political motivation and outlook of the individual American combat soldier, who is disproportionately likely to be black or Hispanic, with Asian-Americans, and Southern and Appalachian poor whites also heavily represented. The all-volunteer forces of the post-

Vietnam era have recruited to a significant degree by stressing technical training, scholarships, and future job opportunities. For many recruits, military service has appeared as the sole alternative to certain unemployment or marginal dead-end jobs. Before the Gulf crisis, the U.S. Army was able to graduate 700 recruits per week from its basic training program. The fact that recruitment has declined dramatically since the Gulf crisis began says something about the combat motivation of previous recruits.

U.S. troops and staffs are green. The typical soldier has no combat experience and what experience there is pertains to warfare in the jungle, not in the desert. Why should such forces risk their lives to restore the slaveholding Emir of Kuwait to his throne, when the Kuwaiti army ran away on the first day of the invasion, and no serious Kuwaiti forces have materialized since then?

Despite popular myths about a defense buildup during the Reagan years, the U.S. military has been gutted in its logistical depth. To maintain an army in the Arabian Desert on the other side of the world is a logistical nightmare. If the U.S. turned out to be physically unable to defeat Iraq with conventional means, the only way the U.S. could hope to prevail would be to conduct the war with nuclear weapons from the very beginning. The intention of nuclear first use may be one important reason for Bush's fulminating about Iraqi nuclear weapons. Dangerous weaknesses have become evident in the following areas:

Munitions: The U.S. is unable to produce sufficient quantities of artillery shells of the type needed for a desert campaign. Domestic production of many kinds of ammunition no longer exists, and these munitions must be imported from Germany, South Korea, and other countries. Arsenals have been closed for reasons of budget austerity. Domestic production is now concentrated almost exclusively in small arms ammunition, and there is no surge capacity to begin mass production of the types of munitions that would be expended in a protracted war with Iraq. U.S. forces are therefore reduced to cannibalizing the European 90-day munitions reserve and the South Korean 120-day stocks.

More sophisticated munitions such as the laser-guided smart bombs are expensive, so they have been produced in minuscule quantities. Gen. William Odom, the former chief of the Defense Intelligence Agency, asked the Senate Armed Services Committee: "Do we have adequate stocks of bombs for a long and intensive air support campaign? Some observers have advocated a long bombing campaign before initiating ground action. I would like to know if our bomb and air-launched munitions stocks are sufficient for such a campaign. If they are not, such an air offensive could leave the Army ground forces without adequate close air support when they take the offensive. Our assumed advantage in air power could prove illusory." Former Secretary of the Navy James Webb warned the same committee to demand a Pentagon briefing on the "status of ammunition accounts measured against their

probable rates of use.”

Ammunition stocks appear to be so low in the Gulf that many units have been unable to take part in live-fire exercises. Some military planners are approaching panic, and are looking for a quick fix. Such a quick fix does not exist, because the factories and qualified personnel to reinstate such production have been shut down and dispersed. In the meantime, the 1991 Defense Department budget has eliminated all training exercises using live ammunition. In Odom's words, “Our new tanks, artillery, and infantry fighting vehicles will require vast tonnages of daily supplies. It seems to me doubtful that a sufficient buildup of the logistics base can be accomplished in a couple of months. Not only will the standard tonnages have to be increased, but the availability of supplies in the U.S. and Europe may be short.”

Airlift and sealift: The lack of sufficient quantities of freighters and transport aircraft has extended the length of time needed to accomplish the current buildup far beyond the timetables contained in the original war plans. As Odom told Senate Armed Services Committee chairman Sam Nunn (D-Ga.), “The air- and sealift required to put an invasion force in Saudi Arabia is enormous. Yet our lift capacity is embarrassingly small. Throughout August and September, the shortfall meant that our forces were vulnerable to an Iraqi offensive. We can only thank the Iraqis for giving us time to build up. We could have faced a Dunkirk as late as the end of September.” Former Secretary Webb showed concern about capabilities for the evacuation of wounded and the delivery of replacements.

Water: One of the greatest vulnerabilities of the U.S. invasion force is the lack of a secure supply of potable water. U.S. and other forces are said to depend on a desalination plant located at Jubail, a plant built by the Saudis to provide water for a city of 300,000, which is under construction. The plant is a sitting duck, unfortified, with high water towers visible from a great distance. If this plant were to be destroyed, the entire water lifeline for the U.S. forces in the desert could be cut off. Four other smaller desalination plants in the area have no surplus capacity, since their water is needed by the local Saudi civilian population. In addition, delivery of water to the front lines now depends on large water tanks carried by large Chinook helicopters, which must travel relatively slowly while they are carrying out this mission. This water supply line will make an inviting target in case of war.

Clothing: During the winter, temperatures in the Saudi desert can approach the freezing mark, and wind chill factors can bring this down to -20°F . But Pentagon planners do not possess winter coats of the required type for about 200,000 troops. The Pentagon is attempting to have 100,000 sand-colored winter coats manufactured, but the two factories that produce them say that they are unable to procure the fiber materials needed for production. Troops are also forced to wear olive drab clothing, which stands out in the desert.

Medical care: There is great doubt concerning the viability of in-theater medical assets to care for the wounded. A recent ABC News “Nightline” exposé revealed that field hospitals are still using primitive X-ray equipment, manufactured in 1949.

Trained manpower: Even at current levels, the Gulf buildup cannot be sustained in terms of qualified and trained personnel. In Odom's opinion, “replacement personnel for battle casualties are likely to be a problem. Reserves for this campaign will be in short supply. . . . The cuts the Congress plans this year for the Army's end strength can only serve to exacerbate this problem.” According to Webb, over the past 15 years, the Army Individual Ready Reserve and Standby Reserve have fallen from 1.5 million to 280,000, and “about 45% of those present members are unreliable assets.”

Political motivation, leadership, ammunition, supply, water, airlift and sealift, clothing, medical care, and force structure are thus all in doubt.

If the U.S. forces do not wish to court World War I casualty levels with a frontal assault on the prepared Iraqi positions, the only alternative will be an attempt to sweep around the Iraqi left flank far to the west of Kuwait. Doing so will highlight the logistics difficulties of equipment which was designed for the smaller distances and less aversive environment of Western Europe. Supply lines, including water supply lines, will be extended, and their vulnerability will increase. As military observers point out, such an attempted turning movement would encounter stiff resistance from the Iraqi Republican Guard, the mobile reserves positioned behind the lines of fortifications. The result is likely to be the greatest tank battle of world history, exceeding even the Battle of the Kursk salient, in which 2,500 German tanks were opposed by some 3,000 Soviet tanks. The Arab-Israeli wars of 1956, 1967, and 1973 will pale by comparison. A battle on the colossal scale of the Kursk salient would be bigger than the Battle of the Bulge, incomparably bigger than any of Eisenhower and Patton's tank battles on the western front of World War II. U.S. forces have simply never faced a campaign of these dimensions.

Are present-day U.S. staffs competent to execute an operation of this type? Odom suggests that they may not be: “Moving a division or a corps a couple of hundred miles, fighting much of the way, requires experienced staffs and commanders. In this case, most of them will be learning as they go,” because exercises on the required scale have been ruled out by “budget constraints.”

The ‘Bull Run’ factor

The factors summarized so far may be the harbingers of a debacle in the making. The danger of such a debacle will be at its greatest in the initial phases of the war which Bush is committed to unleashing. The Battle of Bull Run in 1861 evokes a syndrome of U.S. military history which has returned many times in many wars: The first attack is apt to

break down with loss. In the Civil War, and in other wars, U.S. troops have been able to recover from such early reverses because of political motivation and morale factors. What are they to fall back on if they find themselves using nuclear weapons in a campaign to restore the degenerate, slave-holding Emir of Kuwait to his feudal throne? Under such circumstances, the cohesion of U.S. forces simply cannot be guaranteed.

A hecatomb

On Sept. 16, then-Air Force Chief of Staff Gen. Michael J. Dugan summarized U.S. strategy in an interview with the *New York Times*. He indicated that the centerpiece of U.S. utopian air power strategy will be the massive bombardment of Iraqi civilian population centers and cultural assets. Until two weeks earlier, Dugan stated, U.S. planners were eyeing a list of targets including Iraqi air defenses, airfields, warplanes, missile sites, and related military assets. "That's a nice list of targets," said Dugan, "and I might be able to accept those. But that's not enough." Dugan said that the "cutting edge would be downtown Baghdad. This bombing would not be nibbling at the edges. If I want to hurt you, it would be at home, not out in the woods someplace." Dugan said he had been asking academic consultants about "what is unique about Iraqi culture that they put a very high value on. What is it that would make an impact on the population?" He said that his goal was to identify "centers of gravity where air power could make a difference early on." Dugan was fired not because of his intentions, but because he had made them too public. If the Karabala shrine fulfills the criteria for a cultural asset of great importance, then warfare or irregular warfare on the part of all Shi'ite Muslim populations against the U.S. will be the result.

In the light of these facts, estimated Iraqi casualties among civilians and military personnel start at 500,000 killed and wounded. Nuclear bombardment of civilian population centers would increase these losses astronomically.

For U.S. forces, casualty estimates start at about 70,000 killed, wounded, and missing for a month-long war. Some estimates for the duration of hostilities in a ground assault go from six months to eighteen months.

These estimates can be compared to the following historical benchmarks:

- In October 1942, a 200,000-man British and American army under Field Marshal Montgomery engaged and defeated the 100,000 men of the Afrika Korps of Gen. Erwin Rommel. This battle lasted for 12 days, with 31,500 German and 13,500 British and American casualties.

- In the October 1973 Yom Kippur War, the Israeli Army, which had the twin advantages of fortifications at the outset (the Bar-Lev Line) and air superiority, suffered 20,000 casualties. As General Odom points out, "Iraqi forces are larger, possessing more modern equipment . . . and have been battle tested in eight years of war with Iran."

Coalition against Gulf war forms in France

A cross-party anti-war coalition has formed in France against President François Mitterrand's alliance with Anglo-American policy in the Gulf. A group of 30 prominent individuals, ranging from the Communists to the extreme right and including Gaullist and Socialist influentials, signed their names to an advertisement appearing in the press on Dec. 6, demanding "the withdrawal of French troops that were sent to the Gulf," and calling for "the immediate opening, under the aegis of the United Nations, of international negotiations for the global settlement of the problems of the Middle East."

Signers include former Foreign Minister Claude Cheysson, Socialist Party European Parliament member Max Gallo, former presidential adviser Régis Debray, former Foreign Minister Michel Jobert, Communist Party bigwig Charles Fiterman, and New Right ideologue Alain de Benoist.

The fact that the statement was signed by two high Socialist Party figures, Cheysson and Gallo, has created an uproar in France's ruling party. They have been ordered by the Socialist Party to withdraw their signatures or leave the party.

Alain de Benoist, one of the signers, wrote a commentary in *Le Monde* on Dec. 6, denouncing the "hypocrisy of the West." He cites the silence of the West when the United States "massacred the civilian population of Panama" under the phony pretext of a "war on drugs." He also stresses that Iraq's occupation of Kuwait is not the only illegal occupation today: Even aside from Lebanon, what about the British in Northern Ireland, Gibraltar, and the Malvinas?

One key purpose being served in the Gulf, he argues, is to seek a remedy for U.S. economic problems, through war. The Bush administration wants to transform the U.N. into "the embryo of a world government, and at the same time a new source of international legality, and to install a world order which would marginalize the countries of the South, placing the political under the juridical."

But, warns De Benoist in conclusion, "the West will win all the wars, except the last. And if we see one day a third world war, it will see the United States and continental Europe on opposing sides."

According to the London *Times* of Nov. 30, Brig. Gen. Patrick Cordingley of the British Desert Rats expects 15% casualties for his unit in case of a frontal assault on the Iraqi fortifications. The same report puts losses in U.S. combat units as high as 8% per day, which one military expert compared to the losses of Field Marshal Haig's attacking forces on the Somme in World War I.

Thus, the butcher's bill for a Gulf war would start at about 600,000 killed and wounded, and rapidly escalates from there depending on the pattern of events. This refers to Iraq and the United States alone, and the losses of the other belligerents would have to be added to this.

In addition to these losses, it is necessary to recall that 800,000 refugees, the majority of Asian origin, have fled from Iraq and Kuwait. Another 400,000 foreign nationals are displaced persons inside Kuwait and Iraq. In case of war, this figure will be increased by hundreds of thousands of Egyptian workers who have stayed in Iraq. Hundreds of thousands of Yemenis have been expelled from Saudi Arabia in retaliation for Yemen's support of Iraq. To these must be added a large part of the 1.6 million Palestinians whom Sharon intends to deport from Israel and the occupied territories as soon as war begins. If this happens, large parts of the population of Jordan will also be displaced by Israeli military action.

The destruction of the Saudi oil fields

Saudi Arabia's oil fields and pipelines are concentrated in large part in a corridor along the Gulf coast between Kuwait and the United Arab Emirates. The refinery at Rastanura produces about 1 million barrels of oil per day. Rastanura and the other refineries represent the jugular of Saudi oil production, and they have accordingly been fortified and are defended from air attack by the Patriot system, the most modern air defense in the U.S. arsenal. U.S. think tanks are now developing absurd scholastic arguments to prove that it is impossible for these oil facilities to be destroyed in war. In reality, it is inevitable that a large portion of Persian Gulf oil production will be destroyed in case of war. Gulf oil wells, pipelines, refineries, and tanker terminals will be destroyed or interdicted in the following ways:

Direct Iraqi military action: In case of war, Iraq will have every reason to attack Saudi, U.A.E., Qatar, Bahrain, and other oil assets with all means at its disposal. This includes highly accurate Soviet SS-11 medium-range ballistic missiles. The Scud ballistic missile is far less accurate, but could still cause extensive damage in a large target such as the Rastanura refinery. It might be enough to hit the large Aramco storage dump for demolition explosives on the hill above the refinery, to get something on the order of magnitude of a low-yield nuclear explosion. Iraqi bombers armed with Exocet missiles represent another capability for destroying oil assets. Such bombers will not necessarily be wiped out during the first days of an all-out U.S. air attack, since

they have already been dispersed and placed in camouflaged bunkers.

The oil Intifada: If the Anglo-American leaders insist on attacking Iraq, and especially if they do so with nuclear weapons, they must reckon with spontaneous and state-sponsored irregular warfare on a vast scale. This will receive added impetus in the event of an Israeli attack on Iraq, and further impetus as a result of the planned Israeli genocide against Palestinian Arabs. Such irregular warfare will be carried out not just by Iraqis and Palestinians, but by large numbers of Arabs from all countries and indeed by many Muslims around the world. The targets of such irregular warfare will be the assets of the United States, the United Kingdom, France, Israel, and other members of the attacking coalition. In addition, a preeminent target will be the oil assets of Saudi Arabia, the U.A.E., Qatar, Bahrain, Oman, and other Arab governments allied with the attacking coalition. This will include sabotage of all imaginable types.

An Arab oil embargo: Under conditions of Anglo-American-Israeli nuclear aggression and genocide against Iraq, immense political pressure will be brought to bear by the Arab masses on such oil-exporting states as Algeria, Libya, Egypt, and others to immediately declare an oil embargo against all members and allies of the attacking coalition. This might extend to such Muslim oil producers as Indonesia, and to oil producers with large Islamic population components, such as Nigeria. The Anglo-Americans will then be obliged to invade these states if they wish to commandeer their oil, opening up new war fronts and creating new tensions for the attacking coalition.

No oil for two-thirds of the world

The result of these three factors will be the annihilation or interdiction of between one-fourth and one-fifth of the entire world production of oil. During the first half of 1990, daily world crude oil production by region and by nation can be broken down as follows:

Oil-producer	Millions bbl/day
World	60.929
OPEC	24.167
Arab OPEC	15.496
Saudi Arabia	5.661
Kuwait	1.971
Iraq	2.992
U.A.E.	2.067
Persian Gulf	16.095
Iran	2.983
Mexico	2.497
Venezuela	2.047
Nigeria	1.767
U.S.S.R.	11.070
United Kingdom	1.896
United States	7.341

As can be seen from this table, the Persian Gulf, the immediate theater of war, accounts for slightly over 25% of all world oil production today. Given the announced intentions of the Bush regime, it is clear that, in the event of war, the oil production of Iraq and Kuwait, amounting to about 8% of world production, will be immediately destroyed. This will be followed by attacks on large portions of Saudi Arabian production, which in the meantime substantially exceeds the 9-10% of world production indicated above. The 3-4% of world production represented by the U.A.E. will come under Iraqi or irregular warfare attack. In the likely event that Iran becomes embroiled in hostilities, Iran's 5% of world production may also be decimated. If the effects of an Arab oil boycott are factored in, it is easy to see how the current world oil supply available on the world market could be cut by between 20 and 25%.

There is no historical precedent for such a violent contraction of world oil supply.

Who stands to be deprived of oil when Gulf production is destroyed in the coming war? One-fourth to one-fifth of world production corresponds roughly to the one-fourth to one-fifth of world consumption that is represented by the developing-sector countries. Since the developing sector—the countries outside of the Organization for Economic Cooperation and Development (OECD) and the former East bloc Comecon—represents about two-thirds of the world's population, this means that for two-thirds of humankind, no more oil will be available.

Given the racist and colonialist mentality of the Anglo-American ruling elite, it is clear that the production destroyed in the Gulf and the rest of the Middle East will be deducted insofar as possible from the consumption of the Third World. The Anglo-American and NATO out-of-area deployments stand ready to seize the oil resources of Venezuela, Mexico, Nigeria, Indonesia, and other Third World oil producers in order to assign this oil according to the political priorities of London and Washington. The overall effect of these colossal dislocations meshes precisely with the strategic commitment of the Anglo-American elite to use North-South neocolonial warfare to destroy independent Third World states and exterminate Third World and non-white populations.

Hundreds of millions of deaths

Withdrawing the Third World's oil supply will lead to the greatest genocidal holocaust of all world history. The deaths generated thereby will be counted in the *hundreds of millions*, and they will be concentrated in the developing sector among persons with black, brown, and yellow skin.

In order to estimate the impact of these shocks on the world economy, we may take a retrospective look at the original Kissinger-Rockefeller-Rothschild oil crisis of 1973-74. In that year, the Yom Kippur War, involving Israel, Egypt, and Syria (plus a border crisis between Iraq and Kuwait) was followed by an Arab oil embargo against the West.

During the late summer of 1973, a barrel of oil could be purchased for \$1.99. By the end of 1974, the price of a barrel of oil had risen to over \$10. This amounts to a price increase of over 500%.

By simple linear extrapolation of the same price dynamic, we should expect to go from an oil price in the neighborhood of \$20 per barrel during June and July of 1990, toward a 500% price increase, leaving us with a price of \$100 per barrel. It is worth emphasizing that this figure almost certainly underestimates the reality that will face the world after the outbreak of a Gulf war. During the oil shocks of 1973-74 and 1979, there was no significant destruction of oil production capacity. Any constriction of supply was simply the result of political decisions to cut production, and these decisions could be and were readily reversed. At no time during the 1970s was there ever a true supply crisis. There was merely a drastic price increase, with virtually unlimited quantities of oil available at the higher price. As Fiat's Gianni Agnelli stated at the end of 1973, "We will be able to find crude. But the important thing will be the price."

This time the world will be faced by a true contraction of supply, with no oil available at any price for vast sectors of the globe.

The contraction in world oil supplies will devastate agriculture and transportation, especially in the Third World. It will cause an abrupt decline in world grain production because of increased costs and diminished availability of truck and tractor fuel and petroleum feedstocks for fertilizer. This fall-off in grain production will affect vast undernourished sectors of the world population who are presently existing on the ragged edge of famine. These populations will be pushed off the brink into the abyss of death by starvation.

Price tag: \$1 trillion

The House Committee on Banking, Finance and Urban Affairs was told by John Wheeler, of the Center for the Vietnam Generation, on Nov. 27 that the cost of a ground war in the Gulf would be likely to exceed \$1 trillion in current dollars. This would compare with Wheeler's estimate of a total cost of \$300 billion 1984 dollars for the Vietnam War, although this latter figure does not reflect certain veterans' benefits over the long term. Wheeler indicates the possibility of a ground engagement lasting up to 12 months. The addition of an extra \$1,000 billion to the U.S. national debt would take the country far beyond mere bankruptcy or mere hyperinflation, into an economic holocaust of which only the vaguest outlines can be discerned.

At the very minimum, this \$1 trillion figure would need to be increased to reflect the destruction of yet another entire generation, in the way that the Vietnam War destroyed a generation with a combination of battle deaths, Operation Phoenix and Lt. William Calley at My Lai, narcotics, demoralization, and apathy. The cost to the nation of wasting an entire generation is incalculable.

Propaganda hitmen target gullible to fork out funds for Gulf war

by Herbert Quinde

A gaggle of political “Rambozos,” many of whom served as propagandists in the “public diplomacy” apparat during the Iran-Contra fiasco, has regrouped to take the lead role as cheerleaders for Bush’s insane Persian Gulf policy. The operation is aimed at creating the phony public perception of overwhelming support for going to war against Iraq, even though national surveys demonstrate growing opposition to the policy.

The most visible group is the Coalition for America at Risk. The coalition, which is not registered with any state or federal agency, is an ad hoc group with no office or telephone number, but has purchased expensive television spots on prime time and has published full-page advertisements demanding that Bush act immediately to obliterate Saddam Hussein and Iraq.

The group is sponsoring a massive direct mail fundraising campaign aimed at spreading disinformation about the Gulf crisis among conservative and moderate political layers who are otherwise beginning to “smell a rat” in Bush’s push for a “New World Order.” The group was “organized in an attempt to counter other conservatives, led by columnist Patrick Buchanan, who have questioned Bush’s policies,” reported the *Washington Post* in a recent profile of the coalition. Richard Viguerie, the impresario of right-wing direct mail campaigns, has teamed up with the public relations firm of Republican Party operative David A. Keene to coordinate the coalition’s efforts. The mailings are primarily targeted at elderly contributors who were profiled as susceptible to a simplistic “patriotic pitch.” Because this sector of the population is well known to have discretionary funds, over the past decade, it has been cynically exploited by the fast-talking fundraising warriors of the Reagan Revolution who proliferated into a multitude of single-issue groups that still drown American households with political junk mail.

The ‘Saddam rapes (white) women’ gambit

In a fundraising letter, the coalition writes: “Much is at stake and time is critical. Gas and oil prices are skyrocketing and threaten to bring the world economy to its knees. Every

day that goes by with Saddam Hussein still terrorizing innocent Kuwaitis—every single day—more people die, more women are raped, more children are mutilated, and more threats of international terrorism are levied against the free world.” (Never mind the fact that George Bush just met personally with the world’s biggest sponsor of international terrorism, Syria’s Hafez al-Assad!) The letter asks for big contributions for their “Emergency Action Kit” which shows “you how to *fight back* and help our President stop this terrifying holocaust.” The kit includes a petition in support of President Bush, a Coalition for America at Risk membership card, samples of letters to be sent to elected representatives and local newspapers, as well as a “fact sheet” outlining Saddam Hussein’s “history of terror,” and a bumper sticker—in short, everything but a secret decoder ring.

The packet also includes a “900” phone number which gives “access to the private American Broadcast System, with up-to-date and inside reports. . . . You may call anytime to hear the latest-breaking stories from the Gulf,” states the fundraising letter. At a cost of \$2 a minute to the caller, one can hear “news” messages that are a cross between a pathetic attempt at Edward R. Murrow and Tokyo Rose. There is a choice of two phone reports. One is titled “Inside Kuwait.” The other is “Report on Operation Desert Shield,” which opens: “This is Lt. Gen. James Vaught, USA (ret.). The military buildup in the Gulf continues as more U.S. forces from Germany, the U.S., and elsewhere continue to arrive along with additional forces from participating allies. As time passes, we should continue to improve allied combined and joint war fighting ability by conducting realistic maneuvers and exercises throughout the region, thus sending a clear message to Saddam Hussein that he will not win. The allied force is becoming more capable with each passing day, and by now has most likely surpassed Iraq’s fighting capability, quantitatively and qualitatively. Hence the allied ability to execute the Nov. 29 [U.N.] mandate authorizing the use of all necessary force to cause Iraq to withdraw from Kuwait after Jan. 15, 1991 is rapidly becoming a reality. Saddam Hussein should quit now. The period between now and Jan.

15 is Saddam Hussein's last, best opportunity to save his country and himself from massive pain and destruction which will surely come if he does not comply with the U.N. mandate."

Lt. Gen. James Vaught figures as a "coalition adviser" on the letterhead, and is the former chief of U.S. special forces teams jointly deployed by the Pentagon and the CIA. Vaught was the commander of the failed Operation Desert I, the Carter administration-directed attempt to rescue U.S. hostages in Iran in 1979. The rescue failure ensured Carter's election defeat. Maj. Gen. John K. Singlaub (ret.) who ran guns to the Nicaraguan Contras with Oliver North, is another advisory board member.

The coalition is headed by Amb. Sam. H. Zakhem, the U.S. ambassador to Bahrain during the second Reagan administration. Although the coalition says its activities are financed by well-heeled contributors, sources say that the bulk of the money is provided by the exiled Kuwaiti government. Ambassador Zakhem is a political associate of the Coors beer family, which is known to fund right-wing causes.

Conserving the secret government

Other members of the coalition include a collection of the super-right-wing fringe. Scott Stanley, former editor of the John Birch Society's *Review of the News*, is a co-chairman. Stanley is known as a bit of a "wild man," according to his friends. He was arrested for disrupting the Namibia elections in 1988 by United Nations authorities overseeing the voting. The U.S. State Department and *Wall Street Journal* came to his defense. Gary Jarmin, who says he is an "ex-Moonie," is director of the American Freedom Coalition. Aram Bakshian is a Reagan speechwriter and editor of William Buckley's *National Review*. Lynn Bouchey is the head of the Inter-American Security Council. Tony Zagotta was president of College Republicans in 1989. Benjamin Hart is founder of the Heritage Foundation's Third Generation group. The conservative group was a salon for young up-and-coming right-wingers and neo-conservatives who worked in the nation's capital. Jonathan Pollard, the jailed Israeli spy and former Naval Intelligence analyst, reportedly attended Third Generation meetings.

But it is not clear if all who figure on the coalition's letterhead have in fact agreed to lend their name to the effort. John Rees, a member of the "Get LaRouche" task force and a professional government snitch and agent provocateur, says that he does not remember authorizing his name to be used by the coalition, although he is certainly not out of his element. In an interview, he disparagingly referred to the group as the "Coalition for a War." Rees served in the public diplomacy network both as a recruiter of low-level operatives and as a spy against groups opposed to the Reagan administration's Central American policy. Rees was partly to blame for the embarrassing exposé of the FBI's illegal targeting of

the Committee in Solidarity with the People of El Salvador (CISPES). The *Boston Globe* reported in March 1988 that Rees gathered "intelligence" from private right-wing groups for use as "justification" of the FBI's illegal surveillance of CISPES.

Bulletheads, ho!

The McCarthyite tone of the coalition is prevalent throughout its activities. Even though every major military and foreign policy expert—except for Henry Kissinger and a couple of his disciples—who has testified before the Senate has opposed a military conflict with Iraq, the coalition questions the patriotism of anyone opposed to Bush's Gulf policy and denounces such people as terrorists. In its fundraising letter, it cynically writes, "I hope you will now wish to enclose your most generous contribution. Already the 'Hanoi Hundred' and other friends of terrorists have undermined our President and our troops in the field. This is *outrageous*. Just responding to the usual extremist claque—the Ramsey Clarks and the other friends of terrorists—is costing a fortune. Please help us all you can." Speaking before the Senate Foreign Relations Committee on Dec. 4, Ambassador Zakhem stated, "Saddam Hussein will never back down if we give him the slightest hint that the world is wavering in its resolve to get him out of Kuwait or that the United States is divided and unwilling to use its military power."

This heavy-handed manner is no surprise since the coalition knows it is fronting for the administration. Late last summer, Doug Weed, the Bush administration's public liaison to right-wing groups who were grouching about the President's "liberal" stance on many issues, left the White House. He now serves on the coalition's board. The coalition's activities cohere with the mandate of National Security Decision Directive 77, titled "Management of Public Diplomacy Relative to National Security" (SECRET), dated Jan. 14, 1983, which secretly ordered the "organization, planning, and coordination of the various aspects of public diplomacy of the United States Government relative to national security. Public diplomacy is comprised of those actions of the U.S. Government designed to generate support for our national security objectives." NSDD 77, or possibly some more recent, equivalent secret presidential order, has empowered the creation of a psychological warfare apparatus aimed at bombarding the American population with pro-war propaganda.

But the propaganda effort is not being left simply to money-grubbing ideologues. The *Washington Post* reported that the premier public relations firm Hill and Knowlton is among seven firms hired by the Kuwaiti government "with the imprimatur of the United States government" to convince Americans its cause is worth dying for. Craig L. Fuller, chief of staff when Bush was vice president, is working side-by-side with Hill and Knowlton's Vice President Robert K. Gray on the project.

German elections: a vote for economic progress

by Rainer Apel and Muriel Mirak-Weissbach

German Chancellor Helmut Kohl was visibly in a very good mood when he appeared before television cameras in Bonn on the evening of Dec. 2, the day of elections for national German Parliament. Having defeated his challenger, Social Democrat Oskar Lafontaine, by a margin of more than 10%, he had every reason to be delighted. Among labor constituencies in the five new eastern states that have been united with West Germany since October—Brandenburg, Mecklenburg, Thuringia, Saxe-Anhalt, and Saxony—51% had voted for Kohl and his Christian Democrats (CDU), against a meager 25% that had voted for Lafontaine and his Social Democrats (SPD). For the SPD, the traditional labor party in Germany, this election result was a smashing defeat.

December 2 was a historic day, because for the first time since 1932, the entire German population above age 18—about 60 million voters—was called to the polls for free, direct, and secret elections. About 77.8% of the voters went to the polls to vote, giving Kohl's ruling CDU-CSU and its coalition partner, the liberal Free Democrats (FDP), a healthy majority of nearly 55%. The CDU's vote of 43.8% was the highest any party in Germany ever won in free elections, and the 11% the FDP gained was one of the highest results that party has ever had. Kohl and his FDP foreign minister, Hans-Dietrich Genscher, were backed because a majority of the population identified them with the peaceful unification of the country.

Long faces among opposition leaders

The opposition leaders who were interviewed after the polls closed faced the television cameras with long faces. The Social Democrats, who had run the unpopular Oskar

Lafontaine as their chancellor candidate, were polling only 33.5%, down 4% from the last election, which was the party's worst showing since 1957.

The SPD's disaster was a mild one, however, compared to the catastrophe that hit the environmental-extremist Green Party, the West German wing of which failed to surpass the 5% required for entering Parliament, by polling only 4.7%. The Greens in the West were thus thrown out of Parliament after seven years. The Greens of the East, however, polled 5.9% and got eight of their candidates into the new Parliament.

Due to a special law introduced for these first all-German elections, the vote took place separately in the West and the East. Parties in eastern Germany were given parliamentary seats if they polled 5% in what had been East Germany before unification on Oct. 3. Thus, the East German Green Party and the PDS (the successor to the SED communists)—still polling 9.9% in the East—made it, though their showing nationally was low.

A further blow to the SPD and Greens came in Berlin, which, in addition to seats in the national Parliament, was also voting, for the first time in 58 years and after 45 years of partition, on a government for the whole city. The "red-green" coalition of the SPD and the Greens which had thrown West Berlin into chaos, was thrown out by the voters, and the CDU, which had campaigned aggressively there "against violence, drugs, criminality, [and] chaos," won by a margin of 10%.

What made the CDU victory possible, was a collapse of the SPD in the traditional labor districts of western Berlin, like Neukoelln, Tempelhof, and Wedding, which once had

close to 55% SPD voters, and have now close to the same percentage of CDU voters.

To make the disaster for the western SPD complete, the results the eastern Social Democrats polled were stable, compared to the three elections in eastern Germany before this year. Of 37 seats the SPD was able to conquer directly in all of Berlin, 36 went to the eastern SPD! The secret behind this discrepancy is that the voters in eastern Berlin honored the "Grand Coalition" of SPD and CDU which had governed there from May to December; the western voters dumped the "red-green" coalition of SPD and Greens that had governed from January 1989 to December 1990. Consequently, the CDU of Berlin is opting for a Grand Coalition with the SPD now. The western Social Democrats are still hesitant, but the ones in the eastern part of the city have already signaled their commitment to join.

Two days after the debacle in Berlin, another "red-green" coalition broke, in the city of Hanover, the capital of the state of Lower Saxony. In Hanover as in Berlin, a Grand Coalition is shaping up now; this may set a trend for a future national coalition arrangement between the CDU and the SPD.

On Dec. 3, defeated chancellor candidate Oskar Lafontaine announced that he would neither become party chairman nor leader of the parliamentary opposition, which came as a surprise even to his staunchest followers. Also the party chairman, Hans-Jochen Vogel, and the deputy chairman of the SPD parliamentary group, Horst Ehmke, resigned from their posts.

The picture is even worse in the Green party: The defeat of the western section of the party and the fact that the more moderate—one may say less crazy—eastern Greens made it into the new Parliament, will most likely not only lead to a total reshuffle of leadership posts, but also to a split of the party organization into the different wings. If it does not lead to an expulsion of the extremist-ecologist wing from the party organization, it may end up in a walkout of the extremists, many of whom are expected to join the communist PDS sooner or later.

The end of the Age of Ecologism

The vote on Dec. 2, especially in Berlin, showed clearly that the tide has turned. Almost 20 years of environmentalist hysteria against industry and advanced technologies, of attempts to impose an ecologist police state that would look into every aspect even of household life, from your handkerchief to your toilet and your garbage can, searching for some polluting substance that could be fined, was relegated to the history books.

Ecologism is still there, because it has penetrated all the largest political parties, but it runs against the urgent need to launch rapid industrial recovery in the eastern states of Germany, which the communist regime left destroyed after 45 years of primitive exploitation. Faced with the threat of economic collapse in eastern Germany, the loss of about one-

third of the 9 million jobs there in the next 18 months which are considered critical, the German government cannot afford the "luxury" of losing time with radical ecologist debates about the usefulness of investments. If the government wants to prevent eastern Germany from turning into a poverty belt, it has to launch crash programs for building new factories, homes, energy plants, railroads and highways, water reservoirs, bridges, and the like. The government has to create 3 million new jobs in the next 18 months, to hire those currently being laid off in the East.

That is the mandate given to Chancellor Kohl in the elections—a mandate for rapid economic progress.

Will Chancellor Kohl select ministers for the economy, finances, and transport with a vision to set this rapid economic progress into motion? Will he be able to drive back the influence of Thatcherite policies of free-market liberalism which are prevailing in the party of his coalition partner, the Free Democrats?

Although plans for infrastructure development are on the drawing boards, there is no overall concept on the government level of how the nation as a whole must be rebuilt. Nor is there any concept of the role that the export-oriented German economy could play in reconstructing the neighboring nations of Poland, Hungary, Czechoslovakia, and the westernmost republics of the Soviet Union—Ukraine, Belorussia, and the three Baltic republics of Lithuania, Latvia, and Estonia.

Chancellor Kohl has repeatedly addressed this challenge, pointing out that economic recovery of eastern Germany would mean nothing, if the recovery of the eastern nations bordering on Germany failed. But the question of how a collapse in the East could be averted was never really answered by Kohl or any other senior German politician in the election campaign. The campaign was predominantly a personality contest among Kohl, Lafontaine, and Genscher, rather than a programmatic debate on what should be done after the elections.

The LaRouche factor

This is not to say that the election campaign was devoid of programmatic debate. On the contrary, the Patriots for Germany party, headed by lead candidate Helga Zepp-LaRouche, ran an energetic campaign on issues in six of the 15 states: Berlin, Thuringia, Saxony, North-Rhine Westphalia, and Bavaria. The message spread through the lead candidate's two nationally televised campaign broadcasts and 300,000 pieces of campaign literature was unequivocal: Nothing short of American economist Lyndon LaRouche's "Productive Triangle" concept can rebuild Eastern Europe.

Voters' response was especially positive in eastern Germany. Workers, many of them having lost their jobs in the past few weeks, gathered around Patriots' literature tables to discuss the Triangle concept, asking about the program's political feasibility and its immediate economic effects. Vic-

tims of 45 years of communist looting, which they didn't want to see replaced by whatever brand of Western looting or economic mismanagement, they asked for information on how "LaRouche's third way" would work.

Numerous plant managers of the major factories in Berlin, Saxony, and Thuringia invited Patriots candidates to address large groups of management and workers on the Triangle program. The rigorous opposition of the Patriots to the anti-nuclear ecologists was appreciated especially by the 35,000 workers of the uranium mines in southern Thuringia and southern Saxony. The endorsement of nuclear power, considered unpopular by politicians after 20 years of ecologist campaigns in western Germany, meets no opposition worth noting in the eastern part of the country. Even many of the eastern Greens are for, or at least not vehemently against, nuclear power—to the chagrin of their western co-thinkers.

The other flank of the Patriots' campaign was the party's mobilization to stop a war in the Persian Gulf. Here too, Helga Zepp-LaRouche's television broadcast denouncing Bush's war machinations, which was seen by millions on prime time, broke the conspiracy of silence among other parties on the issue.

Another aspect that was entirely missing in the other parties' electioneering but which met a lot of interest, was the issue of civil rights, which is still a much-discussed topic among the 16 million Germans in the east who just liberated themselves from the worst aspects of a communist police-state regime, but are faced with many "moles" of that past regime who are trying every trick to sabotage economic, social, and political progress, to intimidate and discourage the new political leaders of eastern Germany. Forums held on university campuses that were addressed by American civil rights leader Amelia Boynton Robinson, encouraged many students to become more political and to work with the Patriots after the election. Any positive momentum created on campuses will also affect the youth associated with the other political parties, and it is necessary to have a broad citizens movement across party boundaries to create pressure for rapid progress.

Pressure is needed, indeed, to translate the election results of Dec. 2 into a change of political practice, to make an irreversible transition from the era of ecologism and industrial zero-growth to the new era of rapid technological and social-economic progress.

It has been said repeatedly during the past weeks that Chancellor Kohl and his closest advisers "would not have ears to hear" any discussion of the LaRouche "Productive Triangle" until after Dec. 2. Now, with the electioneering over, Kohl and his colleagues will have to listen. The mandate of the voters was for action and for a good program; had it been a mandate for inaction and no program, but a continuation of the current policy of muddling through, the voters would have given preference to Chancellor Kohl's challenger Oskar Lafontaine and his red-green entourage.

Army and KGB dictate Soviet reorganization

by Konstantin George

The Soviet military command and the KGB secret police are getting ready for an internal crackdown on the non-Russian republics of the Soviet Union, and are jousting for more control over foreign policy in the face of the war threat in the Middle East.

The warning signs are there to be read, in the way the military and KGB are dictating President Mikhail Gorbachov's reorganization of the ruling state executive apparatus, which pivots on two changes: the replacement of the disbanded Presidential Council by a Presidential Security Council, and the placing of the U.S.S.R. Council of Ministers, or cabinet, under the President.

On Dec. 2, a major shakeup turned the Ministry of Internal Affairs, with its nationwide militarized police force, into a joint holding of the KGB and the Army. The military-linked political lobby, the Soyuz ("Union") group, which openly agitated for the change in that ministry, is pressing for the replacement of Foreign Minister Eduard Shevardnadze as well, in an apparent effort to get control of the new Presidential Security Council.

Gorbachov made no bones about upgrading the machinery of repression, when he announced in a Dec. 4 address to the Supreme Soviet: "Measures will be worked out and put into practice to stabilize the situation in the Armed Forces and the law and order authorities, and to strengthen their role and responsibility." The body rubberstamped the plan.

On Dec. 2, it was announced that U.S.S.R. Internal Affairs Minister Vadim Bakatin, a party careerist, had been dumped. Bakatin's replacement is KGB career man Boris Pugo, who served as KGB boss in Latvia until 1984, and later was party first secretary in that Soviet-occupied republic. Nominally a Latvian, Pugo grew up in Russia and can barely speak Latvian. His father served in the forerunners of the KGB, the Cheka and NKVD. Pugo has a career specialty in running KGB operations against freedom fighters in the non-Russian republics, with special expertise concerning the Baltic states.

The new first deputy minister of internal affairs is an Army man: Gen. Col. Boris Gromov, a bitter foe of nationalist independence. Gromov was the last commander of Soviet forces in Afghanistan. He then served as the commander of the Kiev Military District in Ukraine from February 1989 through November 1990, where he spoke out repeatedly against any form of Ukrainian independence.

Pugo's appointment gives the KGB two crucial posts on the new Presidential Security Council, where he will flank KGB boss Vladimir Kryuchkov.

Military calls the shots

The reshuffle was worked out in advance with the U.S.S.R. military leadership and the Soyuz group of 500 deputies opposed to any republics breaking out of the Soviet Union. The group's membership includes dozens of Army officers.

Defense Minister Dmitri Yazov admitted, in a Dec. 2 interview with the daily *Komsomolskaya Pravda*, that he had received two military leaders of the Soyuz group, Colonels Nikolai Petrushenko and Viktor Alksnis, on Dec. 1. The Soyuz group, lobbying for the military command, had already gone on record demanding Bakatin's ouster. The last straw for them was Bakatin's attempt to create independent police militias in the republics. Yazov told them—24 hours before the TASS announcement that Bakatin had been replaced—that Bakatin was out and Pugo in as new internal affairs minister.

Following the meeting with Yazov, the Soyuz group held a two-day congress. There they reiterated a threat, first issued in November, that if Gorbachov fails to restructure the state executive to their liking and begin taking tough measures against nationalists in the republics, the Soyuz group will present a no-confidence motion against him when the U.S.S.R. Congress of People's Deputies convenes on Dec. 17 to give the final yes or no on Gorbachov's proposed new state structures.

Colonel Alksnis told the Congress: "We can count on at least 50% of the deputies voting for Gorbachov to resign." Such statements are seen as pressure tactics, designed to shape the formation of the new Security Council. Whether or not Soyuz goes ahead with an actual motion of no-confidence, will be decided at the last moment before the Congress of People's Deputies convenes.

As Yazov told *Komsomolskaya Pravda*, the Soyuz group also wants the scalp of Foreign Minister Eduard Shevardnadze. Colonels Petrushenko and Alksnis told Yazov that Shevardnadze's remaining in office "no longer serves any purpose." They alleged that Shevardnadze might be willing to allow a direct Soviet military involvement in the Persian Gulf. The Soyuz group has announced that it will, on Jan. 5, begin a debate in the Soviet parliament on policy in the Persian Gulf, timed to occur soon before the expiration of the Jan. 15 United Nations deadline for Iraqi withdrawal from Kuwait. A Middle East war would certainly raise new internal security issues for the Soviet Union.

For the Army to tighten the yoke of repression, all it takes is for the KGB and its friends to stir up a pretext. On Dec. 3 a crowd "3,000 Uzbek hooligans" attacked a bus in the Namangan region of Uzbekistan with six unarmed Soviet soldiers on board. Five of them were beaten to death. This

made-to-order provocation occurred only 24 hours after the formal announcement of the Pugo and Gromov appointments. Soviet troops were rushed into the region. On Dec. 2 and 3, bloodshed resumed in the Transcaucasus; at least 15 died. The worst fighting occurred between armed Armenian militia and Azerbaijani police on the border between the two republics.

Russian threats against the Baltic republics also became more menacing in November, after the United States granted Moscow a free hand to repress the Baltics and other freedom-seeking republics, in trade for Soviet backing of the U.S. military buildup in the Persian Gulf.

Undaunted, the Presidents of the three Baltic republics, Vytautas Landsbergis of Lithuania, Anatoli Gorbunovs of Latvia, and Arnold Ruutel of Estonia, presided over the historic first joint session of the three Baltic parliaments in the Lithuanian capital of Vilnius, on Saturday, Dec. 1. The Presidents and parliaments of the Baltic republics issued a dramatic "appeal to all parliaments in the world," to recognize the independence of Lithuania, Latvia, and Estonia, to support them, and to ensure real independence by pressuring Moscow to withdraw the Soviet Army of occupation from their soil—where those troops have been since the Soviets illegally annexed the three republics under secret agreements in the 1939 Hitler-Stalin Pact.

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The days of Major's kingdom are numbered

by Mark Burdman

"A competent, compromise, non-charismatic temporary solution." That is how one English source described the phenomenon of the bespectacled 47-year-old non-entity known as John Major becoming Britain's new prime minister. "A government of the men in the gray suits," was the description of a second. "Very boring," said a third. "He has the profile and competence of a typical bookkeeper," stated a City of London insider. "What is there besides the glasses and the gray suit?" asked a fifth, who happens to be a political cartoonist by profession.

Certainly, seeing John Major at 10 Downing Street is a shock, after eleven and a half years of Margaret Thatcher, the green-grocer's daughter and would-be nanny, who had become not so affectionately known as "Attila the Hen" in the last months before her demise. So shocked was the correspondent of the London *Guardian* watching Major enter 10 Downing Street on Nov. 27, that he wrote the next day that "one particularly amazing fact" about the new prime minister, is that "she is a man." Also suffering culture shock is Major's wife Norma, who, for reasons not entirely clear, has decided not to move herself and the two Major kids into 10 Downing Street with husband John.

Besides all this, City of London insiders are asking pointed questions about Major's past. They can't explain the anomaly, that as a youth he passed a difficult examination in order to qualify as a grammar school graduate, yet later could not pass an exam to become a ticket collector in the public transportation system.

So, what can one make of this colorless figure, and of Britain's first post-Thatcher government?

There will be some cosmetic shifts away from the greater fiascos of the Thatcher era, including the revision, or even elimination, of the abhorred "poll tax," an invention of London's Adam Smith Institute and the circles of the late Lord Victor Rothschild, which imposes a tax per head, rather than a tax based on ability to pay. At the same time, there will be a decided "Europeanist" tone to government verbiage, as the British Establishment tries to gain the footing on the European continent that was impossible while Thatcher was ranting and raving against Germany and its neighbors. In the era of a united Germany and Helmut Kohl having emerged successful from the country's Dec. 2 elections, the contrast could not be more obvious between a fallen Thatcher in London and an ascendant Kohl in Bonn. What good are

British balance-of-power and divide-and-conquer strategies in Europe, if the British are not only "outside the game," but are in internal disarray?

Behind Major's lackluster facade, day-to-day policy will be under the direction of people like Foreign Secretary Douglas Hurd, an Establishment insider who early on mastered the art of educated sadism at Eton preparatory school, where he was nicknamed "Hitler Hurd," because, as captain of the school's rugby team, he used to whack teammates with a cane when he thought they were slacking.

In longstanding service in the British diplomatic corps, Hurd has learned all the wiles associated with the Whitehall insiders of the Foreign Office. As one London source stated Dec. 4, "The central fact of the new John Major government is that the British Foreign Office is going to be far more powerful than it was under Mrs. Thatcher. The approach to Europe will be far more sophisticated, far more subtle, and far more effective, without all the noise. The Germans will have less fun laughing at Britain, as they did under Thatcher."

The new government would best be dubbed "the Major-Hurd regime." On Dec. 4, Hurd made a speech in Brussels that seemed to represent a softening of Britain's attitude toward Europe, in which he said that Europe must play a more active role in taking responsibility for its own defense and security.

Otherwise, the key word for the Major government is "transitional."

A baptism of fire

Major entered the prime minister's office on the afternoon of Nov. 27, after winning on the second Conservative Party ballot against challengers Hurd and former Defense Minister Michael Heseltine. By Dec. 2, the same *Sunday Times* of London whose Nov. 18 editorial endorsing Heseltine over Thatcher had sounded the death knell for Thatcher's career, published various commentaries anticipating the rapid demise of the Major government. Oxford historian Norman Stone, who is also the special features writer for the paper, said about Major's regime: "A mysterious hand is writing upon the wall: The days of thy kingdom are numbered." In Stone's view, it were impossible for a monetarist government of right-wing persuasions to hold on to power, at a time when Britain is entering "the worst recession since the war," with profits falling, companies retrenching, small businesses going bust in ever-greater numbers, and unemployment bound to increase.

The *Sunday Times*'s main editorial was entitled, "A war and a slump." It bemoaned the fact that Britain's economic slump is occurring simultaneously with the imminent outbreak of war in the Gulf, with Major "largely unprepared for such a baptism of fire."

While the tactical priority for the Major-Hurd regime will be wooing Europe in the traditional British manner, Major is being prepared for the "baptism of fire," since the pro-war

LaRouche: Thatcher caused more deaths than Hitler

Lyndon LaRouche issued this evaluation on Dec. 1:

The world, during the past dozen years, has suffered more cruelty, more deaths, as a result of the policies associated with Britain's former prime minister Margaret Thatcher than the world suffered because of the policies and depredations of Adolf Hitler during his reign in Germany.

There is nothing good to be said for Thatcherism, and the sooner we recognize that, the better.

Thatcherism has caused more deaths in the Third World than most people would even begin to believe. Perhaps a half billion people were killed by Margaret Thatcher's policies, and partly through her influence on the United States. Thatcherism has destroyed more people in Europe, more lives, more economies, created more waste in Europe as a whole, than did Hitler's war. That's a fact.

In 12 years, Margaret Thatcher has matched the depredations accomplished in approximately the same period of time under Adolf Hitler in Germany. Granted the tanks were not moving so much, the bombs were not dropping, the spectacular events reported in the news media of the period of the 1930s and the last war—those were not there; but silently, on Milton Friedman and Jeffrey Sachs's feet, depredations spread.

The point is not to compare Margaret Thatcher with Hitler as a matter of the past, but, by comparing her justly with Hitler, to say: How long are we going to continue this? We're rid of Thatcher, why do we have to continue to put up with Thatcherism?

Look at the case in Eastern Europe and Germany from the standpoint of Germany today. This affects the assimilation of eastern Germany into the united Germany's economy. This affects the cases of Poland, Hungary, and other states of Eastern Europe; it affects the situation within the Soviet realm.

In Eastern Europe and the Soviet Union, we have a breakdown in progress, partly caused by what in the 1920s and early 1930s, Soviet economists called "primitive socialist

accumulation," that is, the looting of these countries and their infrastructure, in order to maintain the strategic material potential of the Soviet state, and other follies of the Soviet system.

The Soviets have thrown away, not the primitive accumulation, but some of the countries which are no longer manageable after being depleted. They have decided to plunge ahead, as an alternative, into what they think is a Western model—and it appears that, for the Soviets today, the popular view of a successful Western model is Thatcherism—in other words, the disastrous, ruinous, mass murderous policies of Jeffrey Sachs in Poland, Mrs. Thatcher's so-called Polish model.

The remedy in this case is based on the rapid development of basic economic infrastructure. That means modern rails, as the primary means of movement of goods and persons over greater than local distances. It means the development of waterworks, of course: inland canals, fresh-water management. It means, most prominently, the development of the generation and distribution of electrical and related power, interconnected with the transportation grid, particularly the rail grid, and river and seaports. It means communications, of course. It means the development of services to industry, in the form of education, in the form of health care for the population.

These things cannot be done under Mrs. Thatcher's approach of privatization. But that seems, so far, precisely what is happening in Germany—despite the fact that the German press notes the impossibility of meeting the challenge of eastern Germany, or Eastern Europe more broadly, or the Soviet Union, without successful use of rails.

So far, Germany has accepted the Anglo-American, Thatcher-Bush policy of privatization. Under privatization, the development of east Germany will be a catastrophe, as will Poland and Eastern Europe generally, and the Soviet Union. And, out of the catastrophe to the east of what was the Federal Republic of Germany, who knows what the fate of civilization might be, as Russia and other regions blow up, and turn to their military potentials in a desperate effort to find alternatives?

On a global scale, in the developing sector and elsewhere, Thatcherism has already done more physical damage to the economies and killed far more people than did the regime of Adolf Hitler. It is time to be rid of it.

lobby in Britain is as vocal as ever, if not more so.

On Dec. 4, Major met U.S. Joint Chiefs of Staff Chairman Gen. Colin Powell in London. More or less simultaneously, it was announced that Major would be visiting Washington, likely before Christmas, and then would be visiting the British troops in the Gulf, likely early in the coming year. On Dec. 6, Major is meeting Israeli Prime Minister Yitzhak Shamir, who will be going from there to the United States.

The major difference now, relative to the recent months of Thatcher rule, is that Major will not be able to exercise the psycho-sexual manipulation over George Bush that Mrs. Thatcher did during her fateful meetings with Bush in Aspen, Colorado, in the early days after the Iraq crisis had begun, when she convinced Bush of the necessity of war against Iraq, so as to build her much-cherished "Anglo-American-led New World Order."

Bush tour of South America builds hemispheric war machine

by Dennis Small

President George Bush kicked off a six-day, five-nation tour of South America on Dec. 3, whose objective was to lay the groundwork for absorbing every nation in the Western Hemisphere into a U.S. economy increasingly geared for war. The way Bush put it, in an address to the Brazilian Congress on the first day of the tour, was that "I truly believe we are approaching a new dawn in the New World." He demanded of Brazil, a nation which in the past has viewed itself as a leader of Third World aspirations for development, that it forget any such ideas, and "end the false distinctions between the First World and Third World that have too long limited political and economic relations in the Americas." Bush conceded that his Brave New World would be brought about through pain: "Economies now dependent on protection and state regulation must open to competition. The transition, for a time, will be painful."

Having once postponed this tour to promote the Enterprise for the Americas Initiative because of the U.S. budget crisis, there was concern in Ibero-American circles that the same might happen again, given the urgency of the Gulf crisis. But such fears were misplaced. Bush traveled to Ibero-America precisely *because* of the Gulf crisis, leaving Secretary of State James Baker at home to stoke the fires of war against Saddam Hussein. The administration wants to annex all of the raw materials—especially the oil—in Ibero-America, for the eventuality of a Middle East war. Should that part of the world go up in smoke, Washington figures it can turn to the Western Hemisphere for its needs.

Thus, one of the leading stated objectives of the Bush tour was to establish a five-country "framework agreement" for a South American free-trade zone, under which the nations of the area would abandon any remaining goals of sovereign national development, and instead reorient their economies as appendages of the collapsing U.S. banking system. In his speech before the Brazilian Congress, Bush referred to such an arrangement as a "commonwealth of freedom." With this in mind, Mexico and Venezuela, which are among the major world oil producers, are being pressured by Washington to sharply increase their output to meet U.S. requirements. This was the principal agenda item on Bush's visit

to Mexico in late November, a trip which laid the policy groundwork for the current South American trip.

Washington has the backing of Moscow in this enterprise. The White House repeatedly emphasized that the South American tour was at the top of Bush's "post-Cold War agenda," meaning that Moscow views Washington's hemispheric resource grab favorably. This was stated explicitly at a late-November conference at Johns Hopkins University in Washington, by the current director of the Department of Latin American Countries of the Soviet Ministry of Foreign Relations, Valery Nikolayenko, who told the audience that Bush's Enterprise of the Americas Initiative has many positive aspects for Latin America, and was therefore warmly received by these countries.

Given the lineup, every single government in Ibero-America seems more than willing to bow to Bush's war demands—but not so the populations, and many of the leading political forces, in these countries.

The Bush agenda

Prior to his departure, Bush's responses to questions submitted by journalists from the five countries on his itinerary (Brazil, Uruguay, Argentina, Chile, and Venezuela) revealed what to expect from the tour. He explained that he "became convinced" of the need for his Enterprise for the Americas because of what he described as the three earlier stunning successes of his administration in Ibero-America: "the triumph of democracy in Nicaragua, the end of dictatorship in Panama, and . . . the drug strategy."

What are these "victories" Bush is now building on? The War on Drugs which he is proclaiming a success has led to:

- a vast expansion of drug production worldwide (*EIR* estimates that it is doubling every five years);
- virtual dual power arrangements with the drug lords in Colombia and Peru, with a drift toward legalization in those countries and in the U.S.; and
- the deployment of U.S. Special Forces and CIA mercenaries into the jungles of South America, threatening to spread into a Vietnam-style presence.

As for the Panama "victory," here Bush's war fever:

- butchered anywhere from 4,000-7,000 innocent Panamanian civilians;
- installed the puppet Endara government, which even U.S. Drug Enforcement Administration officials admit is linked to drug money-laundering activities, and which has presided over an *increase* in drug trafficking in Panama since the invasion; and
- won such popular enmity for the United States that 100,000 Panamanians (5% of the population) took to the streets in protest on Dec. 4, less than a year after the invasion (see article, p. 53).

In Nicaragua, Bush's claims of success are equally outrageous. The Sandinistas were defeated at the polls early this year but, as agreed between Washington and Moscow:

- the Sandinistas still run the Nicaraguan Army; and
- Bush-style free-market policies have brought the economy to a standstill. The Chamorro government recently announced the layoff of 30,000 government employees, and suggested that they seek alternate employment . . . as street vendors selling ice cream!

Bush was also cavalier in brushing aside the pressing issues that the Ibero-Americans had wanted to discuss with him. When questioned by a Brazilian journalist about the foreign debt, Bush merely replied, "I do not see it as central to my discussions in Brazil." A second issue which Bush ruled out of order was that of technology transfer. The Brazilians had requested that this topic be discussed, since they correctly view advanced technology as essential to the development of their economy, but the White House told them it would not be on the agenda of discussions—other than a lecture from Bush as to the dangers of advanced nuclear technologies in particular. As the London *Financial Times* reported, "Mr. Bush offered little substantive support in the areas of debt and technology transfer, which most concern the Brazilian government."

Not surprisingly, Bush's reception in Brazil was singularly cool. Before addressing the Brazilian Congress, Bush had to silently listen to Senate President Ronan Tito warn him about the explosiveness of the debt situation, since the servicing of the foreign debt "is sacrificing our sovereignty, our freedom." Tito added: "Brazil invites our creditors to become partners in our development and growth and not partners in our poverty."

The hemispheric strategic reserve

What does Bush's Enterprise for the Americas Initiative boil down to? The State Department sent Deputy Assistant Secretary David Malpass to tour the continent a week before Bush's trip, to lay down the line.

Forget any quick benefits to your economies from the proposed free-trade zone, he explained, since it will "take from three to seven years" to arrange the details. In the meantime, the Bush administration requires a detailed inventory of every industry in the region, "company by company, en-

terprise by enterprise," to know how to properly annex it to the U.S. war economy. Malpass informed the Ibero-Americans that there were three conditions they had to fulfill before they could line up for the "benefits" of the free-trade zone: 1) inflation must be reduced at all costs—in other words, the International Monetary Fund's (IMF) austerity dicta must be ruthlessly applied; 2) the \$420 billion in foreign debt has to be renegotiated on terms acceptable to the creditor banks, and all arrears (over \$20 billion) must be paid up immediately; and 3) all barriers to U.S. foreign investment in the region must be eliminated.

This last point is particularly addressed to Ibero-America's petroleum industry, which the Bush administration is eyeing hungrily as a substitute for Gulf oil. Before the current crisis, the U.S. was importing about 4 million barrels per day of oil from the Gulf. Should all of that be cut off as a result of a conflagration in the Middle East, Mexico and Venezuela are slated to make up much of the difference.

Mexico has gigantic oil reserves: Some experts consider them to be as large as, or even larger than Saudi Arabia's. But Mexican oil output can be raised only over a period of years, and that only with significant new investment in exploration and drilling of wells—investment which Mexico is incapable of financing because of the IMF austerity policies it has adopted. So the Bush administration is pressuring Mexico to accept U.S. investment in its oil industry—a violation of the Mexican Constitution—in order to guarantee sharply increased oil supplies to the U.S. strategic reserve.

Bush lauds Pérez

Venezuela is the region's other principal oil producer, but it has nowhere near Mexico's potential. It *is* capable of expanding output quickly, however, and President Carlos Andrés Pérez has indicated that he is more than willing to hand everything over to the oil multinationals and the U.S. State Department. As President Bush noted in remarks to a Venezuelan journalist before leaving on his tour, "I must pay tribute to the extremely positive role that Venezuela, and particularly President Carlos Andrés Pérez, has played in the months since Iraq invaded Kuwait. . . . I agree with President Pérez that we need to increase the production of oil from areas of the world such as Latin America and the Caribbean. . . . I believe that private investment funds are available for this effort, and will go to countries which have hospitable investment climates. There is more that we can do in this area, and I look forward to discussing this issue with President Pérez and his advisers when I am in Caracas."

Pérez has been perhaps the most obsequious among the universally fawning Ibero-American heads of state, in his praise of Bush's war economy push. "There is no doubt that the Enterprise for the Americas is the most advanced proposal the U.S. has ever proposed for Latin America," the *New York Times* quoted Pérez saying. "It is a revolutionary, historical reaching out."

Carlos Menem provokes military uprising in Argentina

by Cynthia R. Rush

Since taking power in May 1989, Argentine President Carlos Menem has deliberately pursued the Bush administration policy of dismantling the institution of the armed forces. While his free market economic policies gutted military capabilities, reduced troop strength, and slashed budgets, Menem authorized the Army high command to persecute anyone who opposed his policy. The Argentine President repeatedly provoked the nationalist faction led by Col. Mohamed Alf Seineldín, lying that it represented a threat to the constitutional order, and jailing or firing officers while refusing to address the grievances they raised.

On Dec. 3, Menem's policies finally brought about the intended result. Just two days before the expected arrival in Buenos Aires of George Bush, a group of 300 nationalist officers rebelled against the Army high command, captured Army headquarters at the Libertador building in Buenos Aires, and occupied four other installations for much of that day, before finally surrendering in the evening. As a result of shootouts between the nationalist forces and troops deployed by the government, 20 people died and another 200 were wounded. Close to 370 people, mostly military personnel, are under arrest.

Lying that the military uprising constituted a coup attempt against his government, Menem moved quickly to brutally repress it. Army Chief of Staff Gen. Martín Bonnet vowed to "annihilate" the nationalists if they failed to surrender, and announced plans to bomb the Libertador building. On the same day, Menem also signed a decree providing summary judgment for soldiers or officers who took part in the uprising. From Brasilia, where he was meeting with President Fernando Collor, George Bush offered full backing for Menem's "democracy," and announced he would arrive in Buenos Aires on Dec. 5 as scheduled.

In his press conference in the evening of Dec. 3, Menem shrieked that those who participated in the military uprising were "criminals" and fringe elements who had cold-bloodedly executed officers loyal to the government. "The President's pulse will not falter" in imposing the harshest penalties on such murderers, he said. Menem announced that in some cases, the death penalty could be imposed for acts of

rebellion. Army Chief of Staff General Bonnet has complained that civilian courts shouldn't be involved in trying the rebels, because they tend to levy more "benign" sentences than military tribunals. Defense Minister Humberto Romero announced that same evening that Colonel Seineldín had authored a letter from San Martín de los Andes where he is jailed, taking full responsibility for the uprising, stating that the participants were following his orders, and requesting transfer to the location where those under arrest are being held. Romero also reported that Seineldín had requested a revolver and one bullet with which to commit suicide.

Although Seineldín took responsibility for the uprising, whether he personally gave the orders or whether he made this claim as a matter of military honor, remains a question mark. Since late October, the nationalist leader has been jailed at a remote base in San Martín de los Andes in Neuquen province, on charges of insubordination, and has had little communication with the outside world. It is unclear that he could have organized such an action.

In a statement reported in the Dec. 5 *La Nación*, Mrs. Marta Labiau de Seineldín also denied that her husband had requested a revolver in order to commit suicide. "That is not true," she said. "He is a man of profound Christian convictions and never would have done something like that." Reporting that the commander of the regiment where her husband was being held had confirmed that the story was false, Mrs. Seineldín said that the purpose of this report was to discredit her husband and "stain his honor." Another high-level military source consulted by *La Nación* described the report as a "fabrication." The story may be more directly related to the fact that the Anglo-American establishment, and spokesmen such as Henry Kissinger, would prefer to see Seineldín dead.

Menem responsible

In his Dec. 5 press conference in Buenos Aires, Bush praised Menem for not allowing "any group to return Argentina to the days of violence and dictatorship" and lauded the President's "superb show of strength and commitment."

In reality, it is Menem's commitment to dismantling the

institution of the armed forces, and the months of provocations against Army nationalists, which are responsible for the violence and deaths which occurred on Dec. 3. Nationalists had repeatedly warned that Menem's plan to "restructure" the armed forces, converting it—as per Washington's demands—into a Panamanian-style constabulary, constituted a threat to national sovereignty and independent economic development. He ignored them.

Just a few days prior to the Dec. 3 action, he signed a decree authorizing the "rationalization" of the armed forces. According to sources quoted in the Nov. 30 weekly intelligence sheet *El Informador Público*, the law could mean a 30 to 40% reduction in active military personnel, and firing of 28,000 civilian employees of the armed forces. Military sources consulted by the publication warned that this would mean removing from the armed forces some of the best trained and most technically competent personnel.

In addition, the government's free market economic program entails the privatization of tens of public companies controlled by the armed forces. Many of these, such as the military industries complex Fabricaciones Militares, the giant Somisa steel company, or the General Mosconi petrochemical complex, have for years been engaged in scientific, technological, and infrastructural projects vital to the country's economic development. Now, they are slated to be handed over to private domestic or foreign interests, including, according to *El Informador*, to Brazilian and Chilean companies linked to the armed forces of those countries. For the nationalist sector of the Army, which views industrial and technological development as essential to national security, these policies were intolerable.

That the scientific and technological capabilities of the armed forces are the target of the Anglo-American establishment was revealed in a Dec. 3 statement made by Luis Macaya, lieutenant governor of Buenos Aires province. Borrowing from Bush's ravings about Iraq, the Peronist official claimed that the nationalist military must immediately be "put in its place," because, otherwise, together with elements of the Brazilian armed forces, it intended to produce a "little nuclear bomb."

Hemispheric implications

In the aftermath of the Dec. 3 events, the press organs of the Anglo-American establishment issued warnings to the Menem government to quickly crush the institution of the armed forces and show that his nation is eligible to receive foreign investment and other "benefits" promised by the Bush administration. Only if it establishes "minimal stability," which implies smashing any military resistance to its policies, can Argentina improve its standard of living and invite foreign investment, the *Washington Post* editorialized on Dec. 4. On the same day, the *New York Times* threatened that Menem would only gain the respect of the international community if he "rethinks" his military policy and refuses to

make any further concessions to the armed forces.

There is little question that, as these articles suggest, the Anglo-Americans will now step up their offensive against the institution of the armed forces throughout Ibero-America. It is unimportant to them that, as real production collapses as a result of free market policies, far from bringing the "stability" demanded by the *Washington Post*, destruction of the military will signify a major threat to hemispheric security. If the free market policies imposed by Menem, Collor, Carlos Andrés Pérez and others remain in place, the narco-terrorism and Theology of Liberation-backed ecologism which already exist in some countries, will be reproduced not only in Argentina, but continent-wide.

Despite this reality, the Anglo-American establishment demands that obstacles to Bush's free trade schemes, embodied in his "Enterprise for the Americas," be removed. José Manuel de la Sota, Argentina's ambassador to Brazil, reflected this thinking in the proposal he made at a Dec. 4 luncheon in Brasilia, attended by President Fernando Collor and ambassadors of 21 other Ibero-American and Caribbean countries.

Referencing the military events in Argentina, de la Sota suggested that Brazil, Argentina, Uruguay, and Paraguay sign an accord to "defend democracy." Should any of these nations be the victims of a military coup, he said, their neighbors should respond with sanctions, trade embargoes, and even send troops to the affected country. The Argentine ambassador explained that his proposal would stipulate that in order to be eligible for membership in the common market now under discussion, countries must be democracies. "There can be no economic stability without political stability," he added, and recommended that if a dictatorial regime were installed in any of the member countries, that nation would be expelled from the common market.

In a similar vein, José Luis Manzano, president of the Peronist bloc of the Argentine Congress, told reporters on Dec. 5 that justice had to be swiftly meted out to those who participated in the Dec. 3 action, as a lesson to those who might be thinking of sabotaging Menem's "democratic" agenda. Manzano insisted that the nationalists had staged their action in order to interfere with such key foreign policies as sending troops to the Persian Gulf, the "peaceful agreement with Great Britain," and Argentina's economic integration with its neighbors. What they wanted, he said, "was to create an isolated Argentina, like Noriega in Panama."

Manzano announced that the government is now investigating civilian businessmen who it thinks financed the nationalist military uprising, and will also look into the nationalists' alleged "international connections." Indicating the type of witchhunt environment already created, Sen. Eduardo Menem, the President's brother, stated that those who gave money to the nationalist military movement "should know that they are guilty of murder, of destruction and public disturbances."

Africa's refugees: a moral test for the industrialized world

by Michael Gelber

Untold millions of people are now refugees in Africa, crisscrossing the continent in desperate search of food for their families, and to escape the wars that are raging in several countries. Even the United Nations officials in charge of keeping tabs on them and getting them a few scraps of bread now and then, do not have any idea of how many of them there are. The industrialized nations of the West, in particular the "flea market" Establishment of the United States, have written them off, with U.S. support for the U.N.'s refugee program now at an all-time low.

This genocidal treatment of Africa, the world's most *underpopulated* continent, is no accident. For especially the past 10 years, the malthusian lobby has deliberately brought Africa to levels of chaos and dehumanization that can only be compared to the Black Death of the 14th century.

In an interview published in *EIR* on April 14, 1981, Gen. Maxwell Taylor (ret.), the Vietnam-era chairman of the Joint Chiefs of Staff and a member of the board of directors of the malthusian Draper Fund, unabashedly stated the perspective that was already operational on the continent: "My report is already quite selective about what can be saved. I have already written off more than a billion people. These people are in places in Africa, Asia, Latin America. We can't save them. The population crisis and the food supply question dictated that we should not even try. It is a waste of time. The Soviets are not about to save them, either.

"There will be horrible consequences for our failure to heed the warnings of General Draper and others. These people will suffer from continuous cycles of natural disaster, famine, hunger, floods, drought. Upwards of 500 million people will try to escape, become refugees, flee across borders. Most of them will never make it. Some old fools and young ones may talk of trying to mount a noble effort to help these people, and I am sure we will try to do the humanitarian thing. But they can't be saved, and we must be selective."

Who is 'really' a refugee?

There is no accurate assessment of how many refugees exist in Africa. In fact, to be a refugee, according to the definition of the U.N. High Commission for Refugees (UNHCR), you must have crossed a border from one nation to another, and you must be fleeing some form of persecution: religious, ethnic, or political, but *not* economic conditions. For example, 6,000 Ugandans who recently crossed into

Kenya looking for a means to eke out survival were ordered to be repatriated by the UNHCR.

By this logic, before German unification, the thousands of East Germans holed up in embassies all over Europe, would have had no right to seek refuge in West Germany. Perhaps the most notorious example of this policy in application has been the refusal to recognize the tens of thousands of Vietnamese "boat people" as anything but economic immigrants, thus denying them either the possibility to be assimilated permanently into the nation of arrival, or the right of relocation to a third country, e.g., the United States. The U.S. Refugee Act of 1980 enshrined this racist policy by establishing that flight from a communist country no longer provided automatic entitlement for refugee status.

Taking into account this limited definition, the UNHCR, the institution with the internationally accepted mandate to cope with the worldwide refugee tragedy, calculates that approximately 5 million refugees exist in Africa, and 15 million worldwide. However, this calculation reflects only those who live in camps under the auspices of the UNHCR. It must be understood that this figure changes seasonally and even daily, as refugees continuously migrate. Thus, an April 1981 U.S. State Department brief, entitled "Gist," reports: "Since October 1979, refugees from the fighting in Ethiopia have been arriving in Somalia at an average of more than 1,000 a day. As of February 1981, the Somali government estimated the refugee population in more than 35 camps at over 1.3 million, the overwhelming majority of them women and children. Another 500,000 refugees are believed to reside outside the camps." There exists no accurate evaluation of how many people live outside these camps, and they are not included in the UNHCR figures until they have been officially counted, if ever.

The most recent "Gist" analysis available, from August 1989, reports: "Beginning in June 1988, conflict in northern Somalia between the Somali government and the Somali National Movement forced as many as 400,000 civilians to flee into Ethiopia and still others into Djibouti." And the Sudanese government reports that today Ethiopian refugees are arriving in their country on a daily basis, totaling 1.5 million.

Also not included in the category of "true refugee" are those people forced to move from their homes, resettling in another part of their nation of origin but without means to

live. In the case of Ethiopia, over the past 20 years, unknown millions have become displaced. For Sudan, 4-5 million people have been driven from their homes and are living at the mercy of what are called, in relief agency terminology, private philanthropic organizations (PVOs). The Vatican estimates that there are 13 million such displaced persons in Africa.

Slashing the budgets

"The struggle is in our history and in our hearts. We can no longer allow petty selfishness and fear to confine the immensity of our compassion. We are at our best when we no longer endure injustice, when we take the moral high road, when we see the world as one family—then, we move ahead together and we prosper." So said Rep. Mickey Leland (D-Tex.), who died in a plane crash last year on the scene in Ethiopia, investigating the needs of Sudanese refugees.

Unfortunately, his attitude does not reflect the thinking governing the nations of the world in solving the refugee crisis in Africa.

In the July-August 1988 issue of *Africa Report*, President-elect George Bush stated what purported to be his policy toward Africa:

"Perhaps most of all, Africa is important to us in human terms. Africa is now suffering from a severe economic crisis. It is the moral duty of the world's wealthier nations to help Africa overcome the crisis. Our concern is all the more compelling because a significant percentage of Americans trace their cultural heritage to Africa. . . .

"The callous manipulation of human suffering by the Marxist regime of Ethiopia is an example of the bankruptcy of the Soviet model in Africa. We must replace this model with one based on mutual respect and a shared commitment to free enterprise and human dignity."

But what is the reality behind President Bush's fine words? The U.S. Committee for Refugees' "1989 World Refugee Survey" reports, "In FY 89, U.S. support for the general program [of the UNHCR] hit rock bottom at 16%, and an overall low of less than 20% for its general and special programs combined. [A general program refers to the regular anticipated expenditures of the UNHCR; special programs meet emergency needs.] The situation for FY 90 looks equally bleak, with the twin pressures of State Department and congressional fixation on Soviet emigration and the need to balance the budget."

Indeed, the UNHCR's 1990 budget, reflecting all nations' contributions, was \$550 million—less in absolute terms, not even taking into account inflation, than 1989's \$569.5 million. The 1989 budget reflected \$100 million less than what the UNHCR planned to spend; the 1990 budget fell \$200 million below the original UNHCR request. This paltry sum is to be applied to meet the needs of today's 15 million refugees, while virtually the same amount, \$497 million, was allocated in 1980 to provide for an estimated

8.2 million refugees.

Due to this austerity policy, the limited infrastructure development investment that the UNHCR undertakes has been rendered impossible to implement. Interviewed in September in the *Los Angeles Times*, Kingsley Amaning, a Ghanaian UNHCR official on the scene in Ethiopia, said, "Now we just have enough money for basic life-saving programs—but just for refugees." Education for the refugees has been eliminated, as has any road building, which would also benefit the host countries. Forget any meaningful medium- or long-term infrastructure development, which the UNHCR was never involved in and the World Bank has always opposed. "Revenue-raising" activities in Africa, promoted especially by the World Council of Churches—weaving, pottery making, cultivation of small gardens—have also been suspended.

A real problem that any host country faces is whether to integrate these people into the economic life of the country—and if so, how.

In a nation such as Malawi, with a native population of 7 million and a refugee population, primarily from Mozambique, of at minimum 850,000, this poses an immense problem, which cottage industries and "appropriate technologies" can never solve. In 1988, when "merely" 500,000 refugees resided in Malawi, a frustrated relief worker said that their dilemma is that "we can't take another half-million people, but we can't stop them from coming, either." Malawi has a per capita income of \$160 per year.

The case of Sudan

Migration of refugees out of Sudan has occurred on and off since shortly after 1956, when Great Britain withdrew from the country. It pits the primarily Islamic north against the Christian and animist south. The flow of refugees took a sharp turn upward following the declaration of Islamic Law in 1983, and the collapse of an existing peace agreement. By 1987, about 8,000-10,000 refugees were arriving each month in western Ethiopia from Sudan.

Sudanese peasants arriving in Ethiopia told relief officials the following account of the circumstances of their flight (as reported in the July-August 1988 *Africa Report*): "Armed men, often militia from rival tribes who are backed by the Khartoum government, enter a village. They kill the men and rape and abduct the women and girls. Those who escape or flee before the armed men arrive are overwhelmingly the adolescent males, who for the combatants represent recruiting prizes or potential enemy gunbearers.

"The youths begin the trek into Ethiopia, which can last up to four months. About one-fifth die on the way. The survivors live off the meagre leaves, seeds, and beans found in the dried up countryside and enter the camps 'staggering . . . the walking skeletons seen in Kampuchea in 1979-80,' says one U.N. official."

By mid-1988, some 180,000 Sudanese resided in one

Migration of refugees in Africa



camp about 50 miles from the border at Itang. Thirty-five thousand were living nearby at Fugnido, soon to be known as the “boys’ republic” because one-quarter of its inhabitants are “unaccompanied minors”—relief terminology for children with no parents.

A relief worker in 1988 described the patients in Fugnido’s medical center this way: They “compared poorly with

pictures of Nazi concentration camp victims and were as bad or worse as anything seen in Ethiopia during the 1984 famine.”

As of September 1990, the most recent documentation available, there are 240,000 Sudanese living in Itang, and 76,000 in Fugnido.

The ecological holocaust unleashed, caused by forcing



United Nations

Refugees in the Sahelian zone of Niger, roaming in search of food and water. The United Nations does not even know how many of them there are, and the world's governments are cutting the budgets for the meager relief efforts that do exist.

these human beings into a dependence on the most savage, backward existence imaginable, mocks all environmentalist yearnings for "living off the land." Referring to the Itang vicinity, an Ethiopian relief worker commented, "Just five years ago, this entire area was so thickly forested you couldn't see from here to here." Hundreds of thousands of refugees have inundated the land, cutting down trees for fuel and denuding the landscape. For the first time ever, the region is experiencing extensive flooding during the rainy season. Wild animals native to the area have not been seen in years.

There have been two efforts at negotiations this year between the Sudanese People's Liberation Army (SPLA), which is leading the insurrection in the south, and the military government of Lieutenant General el Bashir; both have failed. The SPLA is demanding that the nation be a secular state, and the government is willing only to lift Islamic Law in the non-Muslim areas by referendum. With as many as 10-11 million lives in jeopardy if last year's drought continues, there is ample motivation to reach a negotiated settlement.

Ironically, both the SPLA and the Khartoum government have given their verbal support for the development project which could transform Sudan into the breadbasket for Africa: the Yonglei Canal. This strategy to drain the swamplands of the upper Nile and increase the flow of the river, creating hundreds of thousands of acres of farmland was sabotaged by the International Monetary Fund (IMF) after it was one-third completed (see *EIR*, Sept. 28, 1990, and *EIR Quarterly Economic Report*, first quarter 1986). Apparently, neither faction is capable of breaking out of the Thirty Years War scenario they are locked into, to challenge the IMF and environmentalist movement which insists on preserving the "wetlands" of the Sudd swamp.

A continent-wide maelstrom

In addition to the Sudan-Ethiopia-Somalia nexus, there are at least four other focal points generating refugees,

drought, and famine. The longest-standing is in Angola, and goes back to the early 1960s, when a liberation movement was launched against the Portuguese. Eight months after independence, in 1975, the conflict was transformed into a left-right bloodbath. Today there are approximately 310,000 Angolan refugees living in Zaire, 97,000 in Zambia, and 25,000 in Namibia. The Soviet Union has been spending \$800 million per year in military support to the Angolan government, while the United States continues to invest \$60 million per year in the anti-communist UNITA of Jonas Savimbi. Though negotiations are ongoing to resolve this conflict, there is no talk of a development program for the nation on the part of any faction, and as Maxwell Taylor underscored, certainly not by either the Soviet Union or the United States.

The figures are so large that they are difficult to internalize; however, they get worse. Some 350,000 people, overwhelmingly non-combatants, have been killed in the past 15 years, and 800,000 face starvation in Angola alone. Displaced persons are estimated at between 600,000 and 1.2 million.

Also in southern Africa, is the 15-year war to overthrow the leftist government in Mozambique. First, the former British colony of Rhodesia, and then South Africa supported the anti-communist Renamo guerrillas. Since 1984, when South Africa and Mozambique signed a peace treaty, no nation has officially backed Renamo. Over 1 million Mozambicans have fled their country for Malawi, South Africa, Zimbabwe, Tanzania, and Zambia. Between 1 and 2 million people have been displaced and over 400,000 lives lost. Peace talks now under way are being mediated by the Archbishop of Beira in northern Mozambique and a delegation of Italian notables.

In central Africa, the Rwanda-Burundi-Uganda conflagration zone has been seething since 1959, the period immediately before independence. Over 250,000 people have fled both Rwanda and Burundi—in the case of the former, relo-

Burundi acts to overcome tribalism

Burundi's President Pierre Buyoya, who came to power in 1987, has adopted a policy of encouraging tribal harmony between the majority Hutu tribe and the ruling, but numerically smaller Tutsi. Motivating his decision, no doubt, was a massacre in mid-1988 killing somewhere between 10,000 and 100,000 Hutus. The U.S. State Department estimated that 47,000 Hutus fled to Rwanda to avoid the bloodbath. One year later, in August 1989, only 1,000 of these refugees remained in Rwanda. The State Department correctly attributed this "unprecedented" massive and rapid repatriation of refugees to "the Burundi government's serious attempts to effect national reconciliation."

This latest conflict was not an isolated case; similar "cyclical massacres" occurred in 1955, 1972, and 1979, producing a permanent refugee population of not less than 250,000. Like neighboring Rwanda, Burundi's population of 5.2 million is 80% Hutu. Unlike Rwanda, members of the Tutsi tribe until recently have dominated all areas of government and society.

Hutus, the vast majority of whom are Christians, are now being permitted to attend church—an act which had been discouraged before Buyoya—and encouraged to attend school. Only an estimated 20% of students are members of the Hutu tribe. The Army, which had participated in the massacres, is being opened to Hutus, as is the government.

Leaders of the Tutsi refugees living in Uganda are publicly identifying Burundi as a model for their reintegration into Rwandan society. However, the Rwandan leadership is distrustful, especially following the just-repulsed invasion of some 10,000 Tutsis from Ugandan territory. Rwandan President Habyarimana has chosen to solve the problem by requesting that Tutsi host countries Uganda,

Kenya, and Tanzania accept the refugees as citizens. Not surprisingly, they have refused.

The role of the Pope

Crucial to Burundi's commitment to national reconciliation has been the support provided by Pope John Paul II. On Sept. 6, during his most recent pilgrimage to Africa, the Pope addressed Burundi's civil service and representatives of the nation's university, financial, and social professions:

"You have clearly placed your Christian commitment within the framework of the changes that the people of Burundi are well on the way toward achieving for the consolidation of their unity. And you have spoken of a necessary examination of conscience. It is true that these questions are the consequence of a past of confrontation and suffering. You are not dodging them. In my opinion, they demand two important requirements from you. On the one hand, the nation's professionals must be the first to resolutely take the path of forgiveness and reconciliation. You remember Jesus' reply to Peter when he asked how often to forgive: 'I say to you, not seven times, but 77 times.' In other words, forgiveness knows no bounds (Matthew 18:22). It is not a question of forgetting everything, but of letting brotherly love overcome former misunderstandings or rivalry for the sake of building unity.

"The second obligation for Christians is to see that every human being enjoys the just respect of equal dignity. The jurists among you know well that for a state of rights, this is a basic principle which cannot be compromised. You should not seek artificially to deny the diversity of the members of a people, the diversity of groups and individuals, or the diversities of their gifts and capacities, but rather to adhere to a still more basic truth: Every human being is created by God, who in fidelity to his love, gave his Son for the salvation of everyone. This affirmation is at the very core of our faith; let us take care never to contradict our profession or our communion with the unique body of Christ."—*Michael Gelber*

cating in Uganda, Burundi, Tanzania, Zaire, and Kenya; in the latter case to Tanzania, Rwanda, and Zaire. The accompanying box documents the possibility of resolving the crisis in this region by overcoming tribal conflicts through the efforts of regional leaders with the support of Pope John Paul II.

Liberia has become the latest nation deserted by the West. According to an off-the-record assessment by the U.S. Agency for International Development, America made a decision no later than early 1988 that Liberia, whose major

products are iron ore and rubber, was no longer of strategic interest. Simply put, from the standpoint of American pragmatism, we weren't getting out enough compared to the dollars and cents we put in. An October report in the *New York Times* documents people "dying from starvation and epidemic. People are boiling leaves and eating them just to survive. One palm kernel is sold for 25¢ or more in some places. Rice is now called 'gold dust' and many people cannot afford to buy even a cup." One-half the population, 1.2 million people, either have fled the war, or have been displaced.

Pakistan reevaluates its U.S. ties after Pressler Amendment aid cutoff

by Susan B. Maitra and Ramtanu Maitra

Pakistan is experiencing a wave of anti-American sentiment following the Oct. 1 suspension \$576 million in economic and military aid by the U.S. government. Although an American team led by Deputy Assistant Secretary of State for South Asia Teresita Shaffer is scheduled to visit Islamabad to reopen talks, a number of other issues have kept the U.S.-Pakistan alliance off balance all along, and now, under the pressure of shifting strategic geometries, the relationship appears to be headed for substantial change.

The U.S. decision to suspend aid due for this year, under the six-year, \$4.2 billion aid program signed in 1987 by the Reagan administration, became operative when President George Bush failed to comply with congressional demands for Executive certification that Pakistan had not developed any component for nuclear explosive devices. This requirement, embedded in the Pressler Amendment, was the price for U.S. resumption of economic and military assistance to Pakistan in 1981, which had been abruptly terminated in 1977 when Pakistan refused to sign the Nuclear Non-Proliferation Treaty (NPT). Evidence gathered by U.S. intelligence indicating that Pakistan had developed a uranium enrichment capability at the Kahuta nuclear facility heightened concern about Pakistan's alleged attempt to make bombs. Yet, the Soviet invasion of Afghanistan made U.S. revival of the Pakistan alliance imperative. The Pressler Amendment was seen as the solution. With it, international safeguards could be enforced against Pakistan's nuclear program even while the U.S. strategic military tie was upgraded.

The aid cutoff, which came about a little more than three weeks before the Oct. 24 general elections in Pakistan, caused widespread outrage. At the time, the main opposition alliance, the Islamic Jamhoori Ittehad (IJI), which is now in power following a decisive electoral victory over the ruling Pakistan People's Party (PPP) in the general elections, used the issue effectively to accuse the PPP of treason. The tactic gained ground, principally because few of the Pakistani voters understand the complexity of policymaking in Washington. Former Prime Minister Benazir Bhutto and her mother Begum Nusrat Bhutto were accused of organizing U.S. policymakers to use the aid cutoff to leverage the outcome of the elections. The IJI charged that the Bhuttos are backed by Washington, which would lift the aid suspension if the

PPP were "allowed" back in power. We will not bow to such U.S. interference in Pakistan's affairs, said the IJI.

However, soon after the formation of the new government under IJI's leader Mian Nawaz Sharif as prime minister, it became evident that, despite its unhappiness, the Pakistani establishment could not afford to pick a row with Washington now, particularly given its dwindling foreign exchange reserves and growing foreign debt. Shaffer's visit indicates that despite Prime Minister Nawaz Sharif and President Ghulam Ishaq Khan's recent remarks about "standing on our feet" and not being "dependent" on foreign aid, Pakistan will try to comply with U.S. demands in order to keep the aid pipeline open.

Underlying problems

A satisfactory settlement may help to remove a thorn, but there is little doubt that further strains are in store. The overall relationship between the United States and Pakistan have been bedeviled by a number of underlying issues, most of which are quite independent of the aid problem, and some of which will become more compelling in the days ahead. Broadly speaking, these are: Pakistan's nuclear program, which also engulfs Indo-Pakistan relations; Afghanistan; Kashmir, another issue which involves Indo-Pakistan relations; International Monetary Fund (IMF) policy toward Pakistan; the Persian Gulf crisis.

The U.S.-Pakistan relationship is further complicated by the fact that it spans a long period during which global political alignments have undergone significant change. Moreover, it has been inherently an unequal relationship. For Washington, the relationship was always one of expedience: a dependent clause, if you will, of the U.S.-Soviet military rivalry. Pakistan had little to offer but its strategic location, and this chip is now diminished by new geopolitical dynamics.

In Pakistan, there are differing opinions about the benefits accrued by Islamabad during the almost four-decades-long relationship with Washington. While the mainstream in Pakistan argues that Washington has indeed helped in building a strong and modernized defense and also in achieving a reasonable degree of economic development, others point to the structural weaknesses in economic, strategic, and politi-

cal areas, and complain that these weaknesses are the results of Pakistan's overdependence on the United States.

But no Pakistani likes American interference in the country's internal politics, a subject of much discussion today as it has been periodically. And no Pakistani government has been comfortable in the "client state" straitjacket. Each one—military or otherwise—has sought independent leverage to hold its own against the superpower ally.

Pakistan fell into the U.S. axis in the Cold War buildup of the early 1950s. Mohammad Ali (Begra), who was serving as Pakistan's ambassador to the United States when he was installed as the prime minister replacing Governor General Ghulam Mohammad, spoke of his ambition to implant American political and cultural ideas in Pakistan. In 1953 Pakistan's first commander-in-chief and later President, Gen. Mohammad Ayub Khan, visited Washington on the lookout for a deal whereby Pakistan could—for the right price—serve as the West's "eastern anchor" in an Asian alliance structure. The deal came through in May 1954, thanks mainly to U.S. Secretary of State John Foster Dulles's belief in the dictum: "If you are not with us, you are against us." Pakistan signed a bilateral mutual defense agreement with the U.S. and four months later, without even a formal clearance from the cabinet, Pakistan signed the South East Asian Treaty Organization (SEATO) pact in Bangkok.

The 'Islamic bomb'

Subsequently Pakistan's dependence upon American military supplies became almost total. Following the signing of these two pacts, scores of Pakistani officers received professional training in America and under Americans. During Ayub Khan's military regime, the American presence in Pakistan was overwhelming. American military advisers were not only operating within the General Headquarters but also in defense installations in various parts of the country, and with ministries and departments regarded as sensitive in the context of America's global interests.

The relationship, however, took a turn for the worse during Prime Minister Zulfikar Ali Bhutto's days. Although Bhutto had played a stellar role in bringing the United States and China together, his determination to master nuclear technology, and deals with the French for a reprocessing plant, in particular, worried Washington. Although Zulfikar Ali Bhutto was removed and subsequently hanged by President Mohammad Zia ul-Haq, with backing from the United States, Pakistan continued to pursue its nuclear program. In the subsequent years of President Zia ul-Haq's military rule, Washington was increasingly uneasy about the impact of the Iranian Revolution in the areas and continued reports of Pakistan developing the so-called Islamic Bomb.

It is widely acknowledged that U.S.-Pakistan relations would have reached the nadir if the Soviet Union had not invaded Afghanistan in 1979 and U.S.-Soviet competition for supremacy in the region had not been so blatant. The

September 1980 "trip-report" by Francis Fukuyama, the former RAND Corp. employee who more recently declared that history had ended, is credited with convincing the Reagan administration to label Pakistan a "front-line state" and resume aid. Fukuyama emphasized the security threats to Pakistan, including "a Soviet-sponsored attack by India against Pakistan," and advocated an aid package along the lines of that offered to Egypt or Turkey.

But resumption of aid did not lay the nuclear issue to rest and it has been further complicated by Pakistan's preoccupation with India, which conducted a nuclear test at Pokhran in 1974. India vowed not to pursue nuclear weapons development, but has refused to sign the NPT and instead has painstakingly built up a mastery of nuclear technology indigenously—an achievement Pakistan is in no position to imitate. Pakistan for its part refuses to be drawn into either NPT or a bilateral agreement with the U.S., and instead insists that the U.S., as a strategic ally, should play a role in curbing India's nuclear ambitions and throw its muscle behind creation of a nuclear free South Asia. Islamabad complains that the U.S. has refused to exert pressure on India, thereby accepting India's nuclear superiority in South Asia.

Afghanistan and Kashmir: geopolitical pivot points

Though not of such long standing, Afghanistan is also a source of tension and disagreement between the U.S. and Pakistan. Washington differs with Islamabad significantly, particularly since it has reached an arrangement with Moscow on other major issues. Following the Soviet troop withdrawal from Afghanistan, the issue was relegated to a secondary level by the United States. It was made clear that Washington would not like to antagonize Moscow on this score. Pakistan, on the other hand, remains intent on establishing a pro-Pakistan regime in Kabul to replace the Soviet-backed Najibullah regime, and on sending 5 million Afghan refugees still sitting in Pakistan back home. In this, a faction of the CIA and the Saudis did come to Pakistan's aid, but it is evident that financial backing for the effort is now drying up fast. Reports indicate that the Afghan Mujahideen are both physically and mentally tired, and although reports of their battlefield successes are circulated from time to time, such reports are meant for the donors in order to keep the funds coming.

The issue has caused bitterness within certain factions of the Pakistani Army and political establishment, and highlights the emergence of an alternate national security strategy in Pakistan. Some in the Army, including Chief of the Armed Services Gen. Mirza Aslam Beg, believe that an Islamic bloc consisting of Pakistan, Iran, Turkey, and Afghanistan, and some of the Islamic republics of the Soviet Union, would form a formidable military and economic entity. The presence of such a bloc, bound together by a common faith, will prevent Soviet or Indian incursions into Pakistan or the

region, and reduce the country's dependence on the United States. They envisage that such a bloc would also be able to maintain peace and stability in the volatile Gulf region and keep outsiders at bay. Beg and his co-thinkers complain that the U.S. appeases this concept for its own geopolitical compulsions, including the desire to appease both the Soviet Union and India. At last one political analyst, writing in *The Muslim*, an Islamabad English-language daily, has accused the U.S. of sabotage in Afghanistan. He claimed that when Kabul was ready to fall in April 1989, the Mujahideen were ordered to attack Jalalabad, a trap, which virtually destroyed the Afghan rebel movement and strengthened Najibullah.

Islamabad is also unhappy with the United States for refusing to back its demand that India hold a plebiscite in the Indian-held part of Kashmir as per the U.N. Resolution of 1947. This ancient dispute between India and Pakistan, a legacy of the partition of the subcontinent, was revived over the past several years with the eruption of a separatist insurgency in the Indian state. Recently, the United States officially declared the Kashmir issue an internal issue of India and has urged both countries not to go to war over it. Specifically, to the chagrin of the Pakistani authorities, the U.S. made it clear that the issue should be settled bilaterally between India and Pakistan and rejected in principle Pakistani efforts to internationalize the issue. For its frustrated client, Pakistan, this is yet another indication that Washington is unwilling to antagonize India and further proof that its professed friendship is mere lip service.

Economic embarrassment

Pakistani proponents of the American connection like to point out that the country's per capita income is higher than that in India, but that is not saying much. In fact the state of Pakistan's economy is perhaps the most dramatic reason to question the usefulness of the 40-year-old American connection. Today Pakistan is entrenched in a growing economic crisis, and firmly in the IMF grip. Pakistan has acquired a foreign debt of close to \$19 billion and its debt servicing is now about 28% of exports. Foreign exchange reserves have gone down to \$150 million, and short-term debt liabilities call for immediate payments to the tune of \$250 million. The IMF has held back the last \$248 million tranche of the Structural Adjustment Facility loan for six months now, demanding a fresh set of structural adjustments, which include tax, tariff, and oil and petroleum price hikes and increased railway and electricity rates. The IMF has also demanded drastic austerity measures which are already cutting into Pakistan's scant developmental spending.

The increase in oil and petroleum prices due to the Gulf crisis will put a further \$1-1.5 billion burden on Pakistan's exchequer. This is in addition to Pakistan's annual debt repayment of about \$1.4 billion. The new government has already acceded to the IMF demand for oil and petroleum product price hikes, a move which is sure to bring about

a huge inflation and consequent further devaluation of the Pakistani currency.

The imposition of IMF conditionalities was one of the key reasons why the former ruling party lost so badly in the recent election. By acceding to the IMF demands, the new government has made itself vulnerable to a public outcry. Some Pakistani commentators opine that the U.S. aid cutoff policy was intended to force Pakistan to bite the bullet on IMF conditionalities if it wanted get hold of the \$248 million. It is not unlikely that the IMF will, in turn, tie that last tranche to a "satisfactory" arrangement with the U.S. on the nuclear issue.

Shifting strategic sands

Finally, the Gulf crisis has not worked out as an unmixed blessing for Pakistan and, in fact, there is a growing voice against the large-scale deployment of U.S. troops in the region. Pakistan, which had committed 5,000 troops, has been allowed to send only 2,000 troops so far and these are stationed along the Saudi-Yemeni borders, not protecting the holy shrines of Mecca and Medina as promised by the Saudis earlier. The Saudis, it turns out, do not want Pakistani troops unless they bring their own hardware, which the brass is unwilling to part with. The Saudis are also apparently unwilling to indulge Pakistani political sensibilities, whereby defense of Mecca and Medina is easier to justify than acting as a U.S. gendarme in an intra-Islamic dispute.

Voices against the U.S. deployment of forces in the Gulf, heard from the outset, are now distinctly on the rise. The sharpest complaint is that the United States, goaded by the Zionist-controlled Israel and Zionist-infiltrated House of Saud, is involved in a plan to commit massive slaughter of Muslims. Agha Murtaza Pooya, owner of *The Muslim* and a spokesman for the ruling IJI, recently charged that the U.S. is only trying to save the House of Saud because the House of Saud has guaranteed both the U.S. and Britain that they will never wage war against the Zionists. "Two of the House of Saud that tried to step out of line, Malik Faisal and Malik Khalid, were both eliminated by the United States," Pooya stated in a lengthy and provocative discussion of the background to the Gulf crisis.

While Pooya's allegation is a serious one that goes beyond the scope of U.S.-Pakistan relations per se, his view is significant as a measure of the "breakout" potential of the IJI government. It is in any case obvious that U.S.-Pakistan relations will not get a boost over the Gulf situation. In addition to the extra financial burden that Pakistan will have to bear because of the rise in oil prices, it is evident that as far as the people of the region are concerned the United States has over many years established itself in the primary role of protector of Israel. As one analyst put it: "It is not likely that it [the United States] will succeed in the near future in selling its new image of protector of Islam's holy places to the people of the area."

Salinas-Bush pact: oil for fraud

To seal their pact for mutual survival, a desperate Mexican President received the U.S. President like a "liberator."

President George Bush was greeted in the city of Monterrey, Nuevo León, like a returning conquering hero. His Mexican colleague President Carlos Salinas de Gortari prepared a rally for Bush in the purest tradition of the Mexican ruling party, the PRI, by bringing in paid busloads of Mexicans to cheer—something not even the U.S. Republican Party would have dared to attempt in last November's elections.

In the megalomaniacal style Bush has displayed ever since the Middle East crisis broke out, he called Salinas a "world leader," "architect of economic change," proposed that they "share leadership," and declared that "Mexico is emerging as a giant of the 21st century, greater than ever." Salinas, in his turn, called his alter-ego "sensitive" and "understanding," and ordered the Mexican press to compare Bush with Franklin D. Roosevelt.

Bush had planned this meeting as the public relations phase of his triumphal tour through Ibero-America, during which he will propose the incorporation of South America into his free-trade "Enterprise for the Americas Initiative," of which the pact with Mexico is offered as a model.

But behind the mountain of demagoguery about the incipient Free-Trade Agreement with Mexico, everyone knows that Bush came to celebrate a pact of "mutual survival" with Salinas, in which the Mexican is committed to providing a secure oil supply to the United States, in exchange for Bush's aid in smashing the nationalist opposition to Salinas in the mid-term elections of 1991.

Both points are intimately related, since the U.S. oil companies—especially those controlled by the Rockefellers which were nationalized by President Lázaro Cárdenas in 1938—feel that the only sure means of counting on Mexico's oil is rewriting the Constitution, to allow possession of that oil by foreign companies.

This will be impossible if the ruling PRI loses its majority in Congress in the 1991 parliamentary elections to the political movement headed by Cuauhtémoc Cárdenas, son of Lázaro Cárdenas. It is widely believed that Cuauhtémoc Cárdenas actually won the 1988 presidential election, but had the victory stolen from him by Salinas. A majority of his movement in the Congress could be expected to lead to a genuine investigation into the electoral fraud that put Salinas into power.

The Mexican President preempted questions from journalists by announcing that Bush "did not raise the issue of oil; rather it was I who did so." He proceeded to pledge that "we will not alter what the Constitution establishes." But everything indicates that this is pure demagoguery, and that the two Presidents agreed to proceed de facto on what is not yet possible de jure.

While Bush was in Monterrey, Fernando Sánchez Ugarte, Undersecretary of Industry and Foreign Investment from the Trade Department, declared that "the Foreign Investment Law could be altered as a result of negotiating the Free-Trade Agreement with the United States." On Nov. 28, U.S. Treasury Secretary

Nicholas Brady confirmed that up to \$1.5 billion in Export-Import Bank credit would be extended to Mexico's state oil company Pemex, for "the importing of goods and services" for said company.

Pemex director Francisco Rojas Gutierrez told foreign correspondents Nov. 30 that for the first time in years, the company would hold an international bid for new drilling. He also revealed that nearly 80% of investment for the exploration and exploitation of new Mexican crude would come from foreign credits. The Mexican daily *El Financiero* reported the same day on an interview which President Bush granted to the U.S. Spanish-language television station Univision, where Bush declared that "Mexico is prepared to open up its fields to U.S. oil companies" for "works and public services related to the industry."

Salinas's apparent willingness to permit the eventual opening up of the oil fields was reflected in coverage appearing in the *Los Angeles Times* of Nov. 26, the day of Bush's arrival in Monterrey. The newspaper benevolently viewed the scandalous electoral fraud committed Nov. 11 by the PRI in the strategic state of Mexico: "The shadiness of the recent elections . . . has left one thing clear: free trade, not free elections, is what Mexico needs most."

Riordan Roett of Johns Hopkins University told *El Financiero* that Salinas would wait until after the 1991 elections to make "the necessary constitutional amendments." In an outburst of Olympian cynicism, Roett described Cárdenas as "the most serious challenge to the PRI's control of the presidency," but one who would not be permitted to win until he had become more moderate, so that the United States no longer felt "its interests threatened."

Bush orders another invasion

In an increasingly unstable situation, U.S. troops intervene to put down a coup attempt.

In the largest mass demonstration staged in Panama since last year's bloody invasion, 100,000 people marched on Dec. 4 through the streets of Panama City to defend the "right to life"—which to Panamanians means the right to a job, to housing, to education, to health care, and to all those other things which make a decent life possible, and which have been fast disappearing since George Bush ordered his invasion of Panama on Dec. 20, 1989.

The day before the demonstration, Bush, who was in Brazil, bragged that among his administration's proudest achievements in Ibero-America was the invasion of Panama, to restore democracy. Hours after he made this statement to the Brazilian press, he ordered the U.S. Army to again invade Panama City.

The pretext was a supposed attempt to overthrow the U.S.-installed drug-connected government of Guillermo "Porky" Endara. The purported coup was headed by an admitted CIA agent, former police chief Col. Eduardo Herrera, who is also an agent of the Israeli intelligence agency, the Mossad.

Herrera, who had been imprisoned on the island of Naos in Panama Bay on prior charges of conspiring against the government, was spirited from his jail cell on the island by a chartered helicopter soon after the demonstration ended peacefully at dusk on Dec. 4.

Following the U.S. invasion last year, Herrera was appointed head of the Public Force, the whistle-and-nightstick police force that replaced

the former Panamanian Defense Forces. Previously he had joined with the U.S. CIA in a plot to overthrow Gen. Manuel Noriega. A cache of Israeli weapons obtained by Gen. Pinchas Shajar (ret.), Col. Yair Klein (ret.), and other agents of the Israeli military industry and the Mossad for Herrera's anti-Noriega operation, instead went into the hands of Medellín cocaine cartel kingpin Gonzalo Rodríguez Gacha.

In August of this year, Endara dismissed him from the police. In October, following an earlier labor protest against the government, Herrera was accused of conspiring with the protesters in a plot to overthrow the Endara government, and imprisoned at Naos.

The island from which Herrera staged his dramatic helicopter escape, is located within the security perimeter of Fort Amador, which includes, among other sensitive U.S. military installations, U.S. Navy headquarters in Panama and the residences of many high-ranking U.S. military officers. "If a private helicopter can breach U.S. security that easily, then I shudder to think what will happen to American troops when they have to face Saddam Hussein in Iraq," said one Panamanian.

After the escape, Endara said he was not worried about a military coup, because Panama no longer has a military, just a disarmed police force. The government also said that it was not requesting a U.S. intervention because it was unnecessary.

But, at 1:00 a.m. on Dec. 5, U.S. troops surrounded Panama's police

headquarters, and the U.S. Embassy issued a communiqué announcing that at the "request" of the Endara government, it was providing "military assistance" to put down the uprising and to help preserve democracy in Panama. By mid-morning on Dec. 5, Herrera surrendered to the U.S. forces without putting up a fight. He later said that his followers did not even have their weapons loaded.

Reportedly two police officers died in the rebellion. One, a lieutenant, was allegedly killed in cold blood by a U.S. soldier. Thirty-six other officers were arrested. The leaders of the "right to life" march were all fired, and arrest orders have been issued for more than 100 labor leaders.

"Herrera might be playing games, but the Panamanian people are not," said an eyewitness, who reported that as soon as the U.S. troops started arresting the Panamanian policemen who had been lured by Herrera, the crowds staged demonstrations demanding that the "Yankees go home" and stop interfering in Panama's internal affairs.

The protest also quickly became probably the first pro-Iraqi demonstration in the Western Hemisphere, as the people chanted "Saddam! Saddam!"

As this publication has been saying all along, the U.S.-installed government nominally headed by "Porky" Endara and other members of the local "comprador" class, all of whom are connected to drug banking, cannot rule without the U.S. military. Panama faces an increasingly unstable situation, akin to the succession of coups and the chaos that has prevailed in the Philippines since Corazon Aquino came to power in that country in 1986. That means that Americans are in Panama for the long haul, in an environment that is likely to turn more hostile—and bloodier.

International Intelligence

No threat from Iraqi 'nuclear bomb'

A delegation of inspectors from the International Atomic Energy Agency (IAEA) returned from a tour of Iraq at the end of November, announcing that there is "no evidence" that the nuclear fuel that Iraq has for civilian purposes is being diverted to build an atomic bomb.

The announcement, reported by the BBC on Nov. 27, flies in the face of claims by U.S. Secretary of State James Baker about "extraordinary efforts" by Iraq to develop a nuclear bomb.

Two IAEA inspectors said that Iraq is, at the very minimum, at least two years away from having such a capability, and might be as many as 10 years away. The inspectors said that all fissionable material has been accounted for.

Iraq is a signer of the Nuclear Non-Proliferation Treaty. Israel is not.

The *Financial Times* of London commented that the Bush administration is deliberately "exaggerating the immediate dangers" posed by an Iraqi nuclear threat, because that "threat" is the "most acceptable" explanation for the American public as to why there should be a military conflict with Iraq, according to new opinion polls released in the United States.

Walesa says Tyminski has ties to KGB

Solidarnosc leader and Polish presidential candidate Lech Walesa blasted his opponent Stanislaw Tyminski for "working together with members of the former secret police" to destabilize Poland. In a press conference on Dec. 3, Walesa termed the outcome of the first round of voting on Nov. 25, where Tyminski unexpectedly came in second, beating Prime Minister Tadeusz Mazowiecki, "an accident on the way to democracy." Walesa came in first but without a majority, and the two will face a runoff election on Dec. 9.

Also speaking at the press conference,

Tyminski said that he possesses "a lot of secret personal material" on Walesa, thus giving credence to Walesa's charge that he is collaborating with intelligence services against Poland's national interests.

The Walesa camp, the Center Alliance, had already started the week before to mount a well-targeted broadside against Tyminski, calling him a "Trojan Horse for discredited communists." This was elaborated on in a statement by Center Alliance head Jaroslaw Kaczynski: "The faces around Tyminski are the faces of the old system. The genuine threat to democracy comes from the remnants of communism, and it is in precisely these waters that Tyminski is fishing."

Tyminski, an emigré stalwart of the Canadian Libertarian Party, claims to have made millions in business activities in Toronto and the jungles of Peru. According to Polish reports, his businesses were set up for intelligence purposes by Urząd Bezpieczeństwa (UB), until recently the Polish adjunct of the KGB. Tyminski is known to have frequently traveled to Libya, where he reportedly met with Gen. Tadeusz Chupałowski, a special envoy of President Wojciech Jaruzelski. His business partner in Peru, in the center of the Amazon's cocaine smuggling region, was the former Mexico City correspondent of the Polish communist daily, *Trybuna Ludu*.

Japan sends medical supplies to Iraq

Japan will send nearly \$2 million worth of medical supplies to Iraq, it was announced at the end of November. The move continues the recent trend on the part of Japan to play a more active international foreign policy role, not always at the behest of the Anglo-Americans.

The decision to allow Japanese companies to ship the medical supplies—for which Iraq had already paid \$1.9 million—came in response to requests from Iraq going back to September. "We formed our own interpretations of U.N. resolutions," said a spokesman for the Japanese Foreign Ministry.

Japan's ruling Liberal Democratic Party

(LDP) also invited Iraqi legislators to Tokyo in December to discuss a peaceful resolution of the Gulf crisis. The invitation represents the first by any government since Iraq invaded Kuwait on Aug. 2. Japanese media quoted LDP sources as saying the invitation was intended to find a way to free the 233 Japanese civilians who remain trapped in Iraq.

Colombian pleads for amnesty for narcos

One of 10 Colombian journalists presumably held captive by the Medellín cocaine cartel as "bargaining chips" in their negotiations for an amnesty from the César Gaviria government was released Nov. 26, and immediately called on the government to meet the drug traffickers' demands, including giving them amnesty.

In a letter to former Medellín mayor and amnesty advocate Juan Gómez Méndez, *Hoy por Hoy* magazine reporter Juan Vitta expressed his gratitude for the mayor's mediation in winning his release, urged his intervention with President Gaviria to force a positive response from the government, and said, "I am certain that the Extraditables [drug lords] are prepared to continue demonstrating to Colombia their ready willingness to crown the global peace process with success."

Vitta called on the journalists still being held to get from drug chieftain Pablo Escobar the documentation of his charges that his human rights have been violated by the Colombian police and military, so that they can be published in full. It is the "human rights" appeal of these, the most brutal drug traffickers in the world, which has served to disarm the Colombian anti-narcotics police in what had previously been a successful campaign of repression against the drug traffickers.

In a nationally televised interview following his release, Vitta revealed that during his captivity, he spent most of his time discussing the satanic practice of "Santería" with one of the kidnapers. Vitta claims to be an expert in Santería, stemming from his

knowledge of the practice as an employee of the Colombian Embassy in Cuba. Colombia's drug traffickers regularly employ the worship of Satan and black magic in hope of winning "protection" for their multibillion-dollar smuggling operations.

British Gulf commander sees heavy casualties

The commander of Britain's armored brigade in Saudi Arabia broke from the "quick and clean" war propaganda of Her Majesty's Government and told the British population to prepare for heavy casualties if conflict ensues.

"It is going to be the sort of warfare people never realized, or could have expected," said Brig. Patrick Cordingley. "Modern equipment and the effect it has are much more powerful than in any previous war. The results are going to be fairly terrific when they are used, and I have no doubts they will be used." Cordingley told reporters in Jubail, Saudi Arabia that "the public is not prepared for what is about to happen out here."

His chief of staff added that a head-on attack against Iraqi defensive positions in Kuwait would produce casualties of 15% in his estimate. The figures were confirmed by officials in London.

Gulf war would be 'crime against humanity'

"To unleash a war today means to commit a crime against humanity," wrote the official Jesuit magazine *Civiltà Cattolica*, in an editorial published on Nov. 17. The magazine's editorials are approved by the Vatican.

The U.S. military deployment gives the impression, the editorial charged, that Washington wants to eliminate the Iraqi regime, in part because Iraq is the biggest military threat to Israel.

In recent years, "there have been very serious violations of international rights and

ethics with the invasion of independent countries by other countries," including the cases of Tibet, Afghanistan, Panama, Lebanon, and the West Bank. In these cases, there have been no massive military mobilizations to correct the situation, and U.N. declarations have not been observed.

"All this leads one to believe that the Western intervention in the Gulf, supported by some Arab countries, may indeed have a juridical and ethical motive but most of all has an economic and political one."

Romania's leaders join fascist at mass rally

The Romanian government of President Ion Iliescu is giving open support to the mass fascist movement known as Vatra Romanesca. Both Iliescu and Prime Minister Petre Roman, who are backed by the Soviet Union, joined national chauvinist leader Radu Ciontea at the podium in a mass rally on Dec. 1.

The occasion was Romania's new national holiday, which commemorates Dec. 1, 1918, when Transylvania, Bessarabia (currently Soviet Moldavia), and Bukovina (the northern part of which was annexed by Moscow in 1940) became part of Romania.

For the occasion, a rally of 50,000 in the Transylvanian city of Alba Iulia was addressed by Iliescu, Roman, and Radu Ciontea.

Iliescu played the role of "conciliator," appealing to Romanians to overcome "ethnic, social, and political strife," but then gave the cue for the fascist-chauvinist harangue that followed from Ciontea, by stressing that "history will find a way of correcting the unjust loss of Romanian territories."

Ciontea called for a "Greater Romania": "We all carry in our hearts two Romanias—a smaller one, that is present-day Romania—and a Greater Romania, which must be the Romania of tomorrow." Ciontea got the biggest applause of any speaker, followed by chants of "Iliescu, Roman, concern yourselves with Transylvania, and don't forget that your country goes to the Dniestr River."

● **BULGARIA'S** socialist government resigned on Nov. 29, following a wave of protests that included a four-day general strike and demonstrations by tens of thousands of people in the capital city, Sofia. The demonstrators were protesting against food and energy shortages, and against the socialist ties of Prime Minister Andrei Lukanov.

● **SCANDALS** are going to be unleashed soon by the Bush administration against German leaders, intelligence sources report, in retaliation for what Bush regards as his humiliation by Chancellor Helmut Kohl, when Kohl insisted on a peaceful solution to the Gulf crisis during Bush's Nov. 18 stopover in Germany. These sources say that the CIA is picking up lot of juicy stories about German politicians from "former" operatives of the Stasi, East Germany's secret service.

● **CARDINAL CASAROLI** resigned as the Vatican secretary of state on Dec. 1 and will be replaced by Msgr. Angelo Sodano.

● **YUGOSLAV** Defense Minister Veljko Kadijevic said on Dec. 2 that there was a "real possibility" that civil war could break out, and warned that the Army would use force if necessary to prevent the breakup of the federation.

● **THE NEW ZEALAND** government of National Party leader Jim Bolger, elected in October, will send two transport aircraft and a medical team to the Gulf, reversing the policy of the previous Labour government.

● **TURKISH** Armed Forces chief Gen. Necip Torumtay resigned on Dec. 3. Speculation in Ankara has it that the resignation reflected displeasure with President Turgut Özal's support for the U.S. deployment in the Gulf, and the belief that Turkey acted too hastily in joining the U.S. against Iraq.

Inside the perfidious Col. Oleg Gordievsky

by Jeffrey Steinberg

KGB: The Inside Story

by Oleg Gordievsky and Christopher Andrew
HarperCollins, New York, 1990
776 pages, hardbound, \$29.95

In November 1981, the American statesman and intellectual author of the Reagan administration's Strategic Defense Initiative (SDI), Lyndon H. LaRouche, Jr., wrote a memorandum to a select group of American and Soviet officials. In the memo, LaRouche warned that a malthusian, world-federalist faction, centered in the City of London, was out to destabilize both the United States and the Soviet Union through a variety of cultural and psychological warfare tricks. The logic behind the malthusians' campaign was that it would be impossible to impose a "new world order" to replace the nation-state unless the world's two superpowers were both subverted.

LaRouche wrote that in the nuclear era, the option of a manipulated Third World War was considered too radical a solution, and that the late Lord Bertrand Russell had proposed an alternative course of action, emphasizing cultural subversion. In the West, particularly the United States, that subversion was associated with the rock-drug-sex counterculture and with the absurd "post-industrial society" paradigm. In the Soviet Union, the scheme was principally associated with the zero growth Club of Rome, its offshoot, the International Institute for Applied Systems Analysis, and with the penetration of Edgar Bronfman's so-called "cosmopolitan" friends within the international apparatus of the communist movement.

As an antidote to this Russellite subversion, LaRouche

proposed that the United States and the Soviet Union collaborate to defeat their common adversary through a series of joint projects aimed at advancing the scientific, industrial, agricultural, and infrastructural development of all nations. The November 1981 memorandum made specific reference to directed energy technologies, foreshadowing LaRouche's later focus upon joint U.S.-Soviet Strategic Defense Initiative deployment.

The memorandum also warned that both American and Soviet policy-shaping institutions had been deeply penetrated by agents of the malthusian world-federalist cause and that such agents would go to great lengths to subvert the cause of better Soviet-American relations, strengthening a system of stable nation-states based on economic progress.

It was from the vantage point of this prescient document and a fairly detailed knowledge of the subsequent role of Lyndon LaRouche as an unofficial back channel between the Reagan White House and the Soviets on SDI and related matters, that this reviewer read Oleg Gordievsky's history of the KGB as told to British intelligence historian Christopher Andrew.

Prior to the publication of *KGB—The Inside Story*, Gordievsky had already achieved notoriety as one of the highest-ranking KGB field agents to successfully defect to the West. By his own accounts, Gordievsky first began working for the British Secret Intelligence Service (SIS) in 1973, while posted as a KGB agent at the Soviet Embassy in Oslo. In June 1985, at the time of his arrest by Soviet authorities, Gordievsky had been named the KGB's chief resident at the critical London base. He was ostensibly summoned back to Moscow from London for his final clearances and briefings before taking charge of the London station at the time of his detention. Somehow (Gordievsky refuses to disclose any

details) the top KGB field hand, with the aid of British SIS networks inside the Soviet Union, managed to escape to England in November 1985. He has been since put forward by British intelligence as an authoritative eyewitness on KGB and Soviet government actions throughout the Reagan era. Indeed, Gordievsky has been described as one of former British Prime Minister Margaret Thatcher's most crucial sources of information and advice on Soviet matters.

A more accurate description might be that Oleg Gordievsky has functioned as one of British intelligence's most useful tools in subverting the potential of Soviet-American anti-malthusian collaboration envisioned in Lyndon LaRouche's 1981 memo, as well as in a number of published locations.

In this context, Gordievsky's book only bears reading from the perspective that it is a classic piece of British disinformation aimed at concealing Perfidious Albion's leading role in subverting the SDI.

Oleg Gordievsky first grabbed headlines several years ago when he surfaced in London with the hair-raising claim that in the autumn of 1983, the Soviet Union was about to launch a preemptive nuclear strike against the United States. According to Gordievsky, the Andropov leadership was so paranoid and misinformed about the Reagan administration, that it had erroneously concluded that the United States was about to uncork its nuclear arsenal against Moscow. Rather than wait for an American first strike, the U.S.S.R. would launch first.

By Gordievsky's account, the Andropov regime had reached these false apocalyptic conclusions on the basis of President Reagan's March 23, 1983 televised address in which he announced the SDI policy—including the offer to jointly develop and deploy a strategic defense shield with the Soviet Union. Hardly a *casus belli*. In fact, as early as December 1981, while Andropov was running the KGB and Leonid Brezhnev was still ruling the Kremlin, both the KGB and Red Army's intelligence units were ordered to place top priority on Operation RYAN, a technical intelligence program aimed at detecting early warning signs of an American preemptive attack, according to Gordievsky.

Torpedoing the SDI

According to several former White House sources, in October 1983, Oleg Gordievsky—still a British double-agent in place within the London KGB base—delivered a 50-page memo to his SIS controllers sounding the alarm that Andropov was about to push the nuclear button. The memo shortly followed the Soviet downing of Korean Airlines flight 007. The Gordievsky memo found its way directly into President Reagan's hands: Its purpose was to scare the President into backing off from his SDI proposal.

At the time these events were playing out, Judge William Clark was in the process of leaving his post as national security adviser to President Reagan. Ever mindful that the President was a continuous target of political manipulation, lob-

bing, and disinformation—especially with respect to U.S.-Soviet military relations—Clark had set up a National Security Council staff screening system to provide Reagan with background information, biographical material, and commentaries on all sensitive papers. For reasons and by route unknown, the Gordievsky document bypassed this screen and landed in President Reagan's lap without comment or accompanying warning about the dubious profile of its author.

At about the same time that the Gordievsky scare story reached President Reagan's desk, a series of letters from Margaret Thatcher also argued for the President to either abandon or drastically scale down the SDI.

It is not clear precisely what impact the Gordievsky hoax had on President Reagan. By his own accounts in his recently published autobiography (*An American Life*, Simon and Schuster, New York) Reagan took Gordievsky's claim, that Andropov believed the United States was about to launch a war, at face value—but proceeded to reassure Andropov personally that the U.S. had no such plans or intentions.

It is in the very essence of psychological warfare that effective operations are not always measurable with landmarks, but rather by nuances and tilts. Combined with other efforts aimed at undercutting President Reagan's resolve to end the era of Mutually Assured Destruction, the Gordievsky caper may have been a key contributing piece.

Regardless of the ultimate impact on President Reagan's future negotiating posture toward Moscow, certain things are clear. Gordievsky's characterization of the Andropov leadership as a collection of paranoids ready to push the button at the drop of a phrase was intentionally misleading. In the autumn of 1983, the Soviet Union was not in a position to fight and win an all-out thermonuclear exchange with the United States. And without an assurance of victory, within an acceptable level of casualties, the Soviets would not have gone to war.

Psy-war made in London

Gordievsky's portrait served the interests of precisely those London-centered malthusian world-federalist circles who stood to lose the most by Soviet-American SDI collaboration and the consequent joint economic development. Whether or not Operation RYAN ever existed, Oleg Gordievsky's rendition of events was a made-in-London piece of strategic psy-war. As such it offers a useful piece of clinical documentation for the serious student of intelligence-world methods and procedures. Gordievsky's *KGB: The Inside Story* is not real history—at least with respect to some of the crucial events of recent decades in which the author was a player.

Gordievsky's fairy tale of imminent nuclear holocaust had necessarily to be draped in a certain amount of truth. It is unlikely, however, that the other "bombshell" in the Gordievsky-Andrew effort, the identification of the "Fifth

Man” in the Kim Philby spy ring, is any more accurate than the Operation RYAN story.

It may very well be that John Cairncross was, as Oleg Gordievsky reports, recruited as a Soviet spy by Guy Burgess, while the widely traveled British government senior official was an undergraduate at Cambridge. Cairncross, now in his eighties and living in retirement in France, was not, however, the last of the Philbyite recruits. By offering up the authoritative identification of Cairncross as the “Fifth Man,” Gordievsky with equal “authority” cleared such top British figures as Lord Victor Rothschild and former MI-5 head Roger Hollis of long-held suspicions that they too were working for Moscow as part of the Philbyite cell. Gordievsky’s unequivocal statement that the KGB had no agents inside British intelligence or anywhere else in the British government bureaucracy during his entire time in London base, defies credibility.

Whether the readers of this review decide to plow through the 700-plus pages of this fictionalized account of the KGB and its Chekist antecedents or not, they will be well advised to take note of Gordievsky.

He claims the dubious distinction of having advised both Margaret Thatcher and Mikhail Gorbachov on each other’s peccadillos prior to their first fateful meeting in December 1984, on the eve of Gorbachov’s coming to power in Moscow. British intelligence has by no means worn out this tool, and we will be no doubt hearing from Oleg Gordievsky again.

When ‘family’ comes before country

by Pamela Lowry

The Lees of Virginia: Seven Generations of an American Family

by Paul C. Nagel
Oxford University Press, New York, 1990
332 pages, hardcover, \$24.95

There are moments, in the midst of burgeoning personal details provided about scores of members of Virginia’s Lee family, over hundreds of years, when the reader is prompted to ask: “What is the point of all this?” Although the Lees were major figures in many of the nation’s crucial events,

the author states in his foreword, “The family’s public experiences . . . must serve mainly as a backdrop since my emphasis is on what the Lees meant to one another.” Ironically, with all the sometimes tedious detail, what keeps this book from being just another interesting family story is that the author, in focusing on the Lees’ overriding concern with family and family aggrandizement, gives us a valuable clue as to why a well-meaning and talented family suffered what they themselves viewed as devastating reverses.

The Lees, although now regarded as one of the “first families” of Virginia, were not always so, and it was their very success at emulating some of the less-endearing characteristics of the leading British oligarchical families of the colonial period that led to many of their subsequent problems.

The Lees of 17th-century Virginia were fairly successful planters who rightfully opposed, along with George Washington’s ancestor John, the 1676 rebellion of Nathaniel Bacon. Bacon, under the cover of attacking Royal Governor Berkeley, burned Jamestown and tried to wipe out the friendly Indians who served as a screen to protect the colony’s frontiers. Bacon’s supposedly local rebellion was actually run from London, which feared the expansion of the American colonies from a looting ground to an actual productive nation. The fight for agricultural and industrial development instead of British looting policies runs as a major theme throughout the history of Virginia. Arrayed against any development but raw materials production, were the “great” feudalist families of the Carters, Byrds and Ludwells. Royal decrees allowed them to own hundreds of thousands of acres, and they paid no taxes as long as the lands were left fallow (rather like the way wealthy people in Virginia utilize use valuation taxes today).

Pro-Independence movement

On the other side were Gov. Alexander Spotswood and his faction, which included the Washingtons and Lees, and which formed the core of the future Virginia pro-Independence movement. The Spotswood group, against fierce opposition, was able to transform the colony of Virginia from a sluggish, single-crop backwater hugging the coast, to an optimistic westward-looking territory that fostered iron production, agricultural expansion, and the building of towns and cities.

In 1747, Lawrence Washington, George Washington’s older half-brother and close collaborator of Governor Spotswood, laid the basis for the founding of the Ohio Company. A third-generation Lee, Thomas, served as its first president, but not, as the author says, as its founder. The efforts of the Ohio Company to colonize and farm the Ohio Valley led to the establishment of Pittsburgh and the subsequent expansion of American development to the Great Lakes and Mississippi River.

In these exciting events, the Lees were sympathetic sup-

porters, but were primarily concerned with expanding their own land holdings and functioning, as the author says, as a “well-knit family power bloc.”

This outlook led some Lees into land-accurring marriages with families from the feudalist faction—the Ludwells and Carters, for example. Richard Henry Lee and Francis Lightfoot Lee (for whom Leesburg is named) were both delegates to the Continental Congress and signers of the Declaration of Independence. In fact, it was Richard Henry who introduced the motion in Congress for American independence.

Yet, when their brothers William and Arthur were recalled from service in Europe when they accused Silas Deane of being a British agent, Richard Henry and Francis resigned from the Continental Congress. They did so because of the “affront” to the Lee family, but what they perceived as a family insult was actually a conscious British gambit to split the American delegation in Paris, and create factions on this side of the Atlantic.

Instead of saying, “The world seems crazy” and retiring to his home, it would have better befitted the talented Francis Lightfoot Lee to have stayed in Congress and continued the battle for American sovereignty.

Richard Henry, fortunately, did return to Congress later and became its president, presiding over the passage of the Northwest Ordinance of 1787. The settlement of the Midwest had been planned by George Washington and his officers of the Continental Army during the long winters at Valley Forge, Morristown, and Newburgh, and was concretized when Revolutionary War veterans formed the Ohio Company of Massachusetts. When news of the passage of the Northwest Ordinance reached the Constitutional Convention at Philadelphia, with the immediate prospect of a group of organized settlers leaving for Ohio, the deadlock which had paralyzed the Convention was broken, and the Constitution was swiftly passed.

Reverses and scandals

After the Revolution, the Lees suffered a series of reverses and scandals which greatly saddened the family. The brilliant but erratic military commander, “Light-horse Harry” Lee, plunged his estate into ruin through wild speculation, and brought down with him his brother Richard Bland Lee, who lost his large Sully Plantation to pay off his creditors. Then Light-horse Harry’s son Henry seduced his ward, who was also his sister-in-law, and squandered her fortune. Henry’s half-brother, son of Light-horse Harry’s second wife, Ann Carter, was Robert E. Lee.

Although Robert grew up in comparative poverty, due to his father’s speculative mania, he maintained the Lee tradition of paramount devotion to family and perhaps, judging from his stated intention of purchasing Stratford, the family’s ancestral mansion, a longing for the “good old days.”

But having served with distinction in the U.S. Army

and as Superintendent of West Point, Robert was actually opposed to secession. When he was asked to assume command of the Union forces and turned it down, Robert E. Lee must have known that even if the Confederacy were victorious its dependency on raw materials production would make it a client state of the British Empire, and a base for further operations against the diminished United States.

Although some Lees did stay with the Union, Robert declared that he could not fight against his family and friends, and turned his back on the American development policies for which generations of Lees had battled the British. This does raise the question of what family Robert was fighting for—the patriot Lees or the feudal Ludwells and Carters—as commander of “the Army of Northern Virginia.”

In the book’s last chapter, the author adds an interesting insight about the growth of the myth of Robert E. Lee. Although Lee was much admired in the South after the Civil War, the North had basically ignored him until the 1905-07 period, when two admirers of the British Empire, Henry James and Charles Francis Adams II, began eulogizing him as a paragon of patient and noble suffering, worthy of national emulation.

Considering the suffering and subversion that the Teddy Roosevelt administration had already begun to unleash on behalf of British looting operations worldwide, it is not surprising that America’s enduring enemy would cynically choose a tragic figure as a model for what they hoped would be a “kinder, gentler” and more submissive America.

The dream of decent black education

by Denise Henderson

Initiative, Paternalism, and Race Relations: Charleston’s Avery Normal Institute

by Edmund L. Drago

University of Georgia Press, Athens, 1990
402 pages, hardbound, \$45

Dr. Edmund Drago’s history of the Avery Normal Institute, a secondary school for African-Americans established in Charleston, South Carolina, in 1865, begins in a promising manner. Dr. Drago quotes the racist secessionist John C.

Calhoun, who said, "Show me a negro who knows Greek syntax and I will believe that he is a human being and he should be treated like a man." "Avery produced such persons," ironically points out Dr. Drago.

Thus, it is unfortunate that Dr. Drago's book does not quite live up to its potential. He does catalogue the "facts" of history (some of which are themselves questionable); but in the manner of the value-free historian, he makes no distinction between the noble ideals of Avery's first principal, Francis L. Cardozo, who founded Avery with the classical curriculum of Wilhelm von Humboldt, and the later Pestalozzi- and John Dewey-oriented curriculum of the American Missionary Association.

'Knowledge is power'

Cardozo bluntly stated on the floor of the South Carolina Constitutional Convention following the Civil War, that for blacks, "knowledge is power." But the later American Missionary Association curriculum kept blacks "in their place," giving them mechanical or "vocational skills," but not the knowledge of Greek syntax, and the intellectual power that represented, and which Francis Cardozo himself had mastered.

Nor is any distinction made between those who fought for a classical music tradition (in 1942, Avery students performed "opera, grand and light," and Handel's "Hallelujah, Amen!" and Schubert's "Ave Maria,") and the fact that teachers invited students to their homes to play jazz.

Put simply, the story of this book is how Charleston's black community fought tooth and nail to make Avery Normal Institute a school which could do two things: First, during the Reconstruction years, Avery graduates became teachers in many outlying areas of South Carolina, under extremely difficult conditions. Over the decades, as Avery continued its tradition of providing teachers to the rural areas and the islands of South Carolina, a second goal was met: preparing Avery graduates for a college education.

This occurred despite the Jim Crow segregation laws, despite the desire of the American Missionary Association to downgrade the school into an "industrial school," and despite the racism of Southern society.

Core of modern civil rights movement

What makes this a powerful story is that the dream of Francis L. Cardozo was so strong it could not die, or be killed. Avery Normal Institute lives on today, in the form of the civil rights movement: Avery graduates and Avery teachers were part of the core group of the 1960s' civil rights movement.

The weakness in Dr. Drago's telling of the story is that he decided to proceed from the false historical premise that history is relative; that the education which was acceptable in one age, might not be in the next; and that Avery, because of its insistence on a standard of education which was *univer-*

sal in character, should be classified as an "elitist" institution. It was elitist, but only in the sense that it produced the elite that founded the civil rights movement.

Initiative, Paternalism, and Race Relations provided this reader with useful background on the fact that the fight for the idea that all men are created equal was continued from one generation to the next. For that reason, I recommend this book. But readers should read between the lines, and realize that the destruction of classical education in the United States was a conscious effort directed by many of those whom Dr. Drago implicates in his study; and that their efforts were directed against both black and white, as Francis Cardozo had warned they would be.

Books Received

General of the Army, George C. Marshall, Soldier and Statesman, by Ed Cray, W.W. Norton, New York, 1990, 847 pages, hardbound, \$35.

Saddam Hussein and the Crisis in the Gulf, by Judith Miller and Laurie Mylroie, Random House, New York, 1990, 268 pages, paperback, \$5.95.

Our Man in Panama: How General Noriega Fooled the United States and Made Millions in Drugs and Arms, by John Dinges, Random House, New York, 1990, 416 pages, \$21.95.

All the Best, Letters from a Feisty Mayor, by Edward I. Koch and Leland T. Jones, Simon and Schuster, New York, 1990, 286 pages, hardbound, \$19.95.

Hunger and Public Action, by Jean Dreze and Amartya Sen, Oxford University Press, New York, 1990, 373 pages, hardbound, \$25.

Stalin's Apologist, Walter Duranty—The New York Times Man in Moscow, by S.J. Taylor, Oxford University Press, New York, 1990, 416 pages, hardbound, \$24.95.

Blood, Class, and Nostalgia, Anglo-American Ironies, by Christopher Hitchens, Farrar, Straus, and Giroux, New York, 1990, 398 pages, hardbound, \$22.95.

The Gift of Healing, by Beatrice C. Engstrand, Wynwood Publishing, Old Tappan, N.J., 1990, 223 pages, hardbound, \$16.95.

Against the Grain: An Autobiography by Boris Yeltsin, trans. by Michael Glenny, Summit, New York, 1990, 263 pages, hardbound, \$19.95.

History shows that war-winning defense doctrine is necessary

by Dean Andromidas

The Western Way of War Infantry Battle in Classical Greece

by Victor Davis Hanson

Alfred A. Knopf, New York, 1989

272 pages, hardbound, \$19.95

Victor Davis Hanson states that his purpose was to rigorously examine the experience of the individual Greek soldier from the moment he entered the field of battle until the point he left that field, victorious or defeated, dead or alive. He has studied all the principal texts to draw out the physical conditions confronting the Greek infantryman, including his weapons and armor, their great weight, tremendous discomfort, ability to protect, and vulnerabilities. He speaks of his condition within the phalanx, including closeness to his comrades, discomforts, and the smell of sweat. He speaks of the infantryman's potential wounds, blood, gore, and death. All this is very useful information and once again confirms that "war is hell."

Hanson asserts that his study has shown that the fundamental nature of Greek warfare of this period was the "pitched battle," the desire to simply get the dirty business over with in one episodic battle so that the soldier may go back to work his farm. He concludes that this concept has left a dangerous legacy today: the idea that war is winnable, or that a nation should have a war-winning defense doctrine. We again hear the refrain that nuclear weapons have made a total warfare doctrine impossible. The conclusion is seconded in an introduction by John Keegan, British writer of popular war history and defense correspondent for the *London Daily Telegraph*.

Hanson fails to present any historical evidence to make such an assertion, but his principal failure is the central premise of his work, that is, taking the immediate experience of the individual soldier in its narrowest terms. This demonstrates a failure to appreciate one of the decisive contributions which Greece made to the art of war—the ability of individual soldiers of Greek armies to fight as one coordinated and coherent battle formation, a cooperative effort, not born of coercive discipline, but an almost totally voluntary effort.

What was Greek warfare?

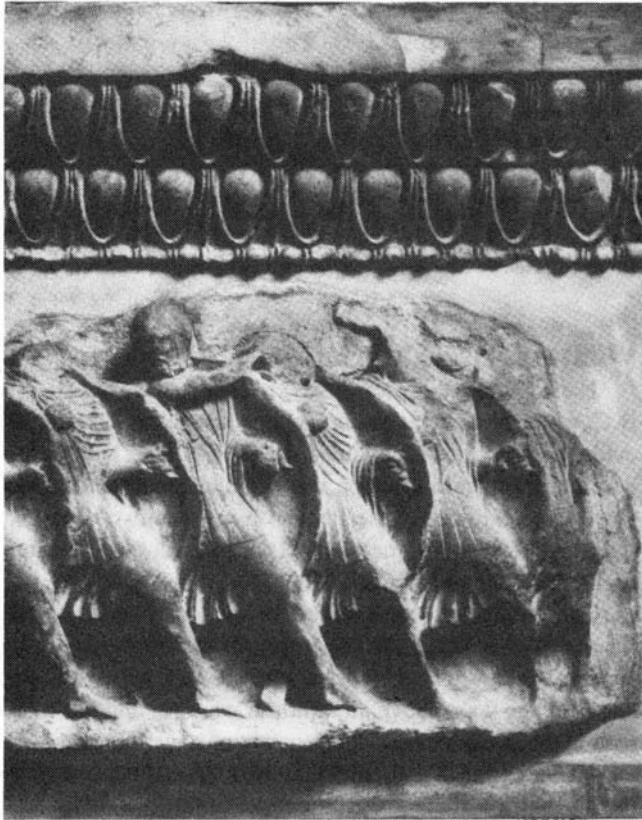
Hanson states that his sources cover the period of 650-380 B. C. which he treats as one homogeneous period. Despite his evident reading of Thucydides, he fails to note how Greek warfare degenerated from a war-winning doctrine that enabled Greece to defeat the Persian Empire in two wars and three great battles, to, for the most part, the set-piece warfare of the Peloponnesian Wars.

The significant contribution of ancient Greece to the science of war does not lie simply in the development of tactics, strategy, or its *ethos*, as such. Greek warfare of the classical age was, above all, cultural warfare, and has to be seen in the context of the development of a war-winning strategy and doctrine of a superior culture opposed to the predominantly inferior, if not evil, cultures prevailing in the Mediterranean and West Asian world as well as within Greece itself. These inferior cultures were typified by that of the Persian Empire and its spiritual foundations as represented by the cult of Isis, known from its Biblical reference as the Whore of Babylon, and similar currents. In Greece itself, these currents were identified with the deities of Apollo and Diana.

Military commanders were poets

A study of Greek literature and history beginning with Homer's *Iliad* and *Odyssey*, through the conquest of the Persian Empire by Alexander the Great, is the only way to understand the development of Greek warfare. Homer, set in song, is Greece's first constitution. In ancient Greek society, as the great German educator Wilhelm von Humboldt wrote, the poets were the arbiters of society. They were the military commanders as well.

The ancient Greeks submitted warfare to the laws of nature and beauty which governed their development of other arts such as literature, music, architecture, and the plastic arts. This is not to be confused with the "artful" commander, nor is it to say that the acts of violence that accompany war can be described as a thing of beauty. But art, as it was defined in classical Greece, was a celebration of man in the image of God, or the "great composer," as God is referred to in Plato's dialogue the *Timaeus*. Hanson indirectly attacks this conception when he points to what he sees as the dangerous legacy left by the ancient Greeks in their desire for decisive engagements and early decisions in war. But Greek



This fourth century B.C. frieze of a phalanx from the British Museum is part of the Nereid Monument from Xanthus.

warfare was at its height when commanders and states developed doctrines that led to the most rapid conclusions with the least loss in human life.

Homer's *Iliad* is one of the first such examples. Set in heroic hexameter verse and sung by minstrels throughout the Hellenic world, the *Iliad* yet bears comparison to Clausewitz's *On War* as an examination of the nature of war and the state. One cannot be unmoved by the statement of King Alcinous at the feast in honor of Odysseus, who, when he discovers Odysseus weeping upon hearing a verse from the *Iliad*, says, "All this the gods have fashioned and have woven the skein of death for men, that there might be a song in the ears even of the folk of after time." The primary god who is the patron of the Achaeans or Greeks is Athena, goddess of wisdom, who, unlike many of the other gods and goddesses born from the sordid adventures of the Olympian gods, sprang from the head of Zeus. Depicted as a warrior and goddess of knowledge and wisdom, Athena is the image of liberty for whose defense the ancient heroes would lay down their lives. By contrast, the Trojans were shielded by Apollo and Aphrodite, equivalents of the evil Isis and Osiris of the Eastern cults. (For example, in Virgil's *Aeneid*, the *Iliad* of the Roman Empire, Aeneas is a refugee from Troy whose personal patrons are Apollo and Aphrodite.)

This great poem had profound impact on the art of war which, between the 8th and 6th century B.C., led to the development of the Greek phalanx, where men fought shoulder to shoulder with technically superior weapons and tactics. The phalanx first introduced the concepts we call firepower, mobility, and capabilities in depth. The phalanx took the "firepower" of the Greek sword, spear, and armor—which were superior to the bowman, peltast, and cavalry of the Asiatic horde—and enhanced it with superior mobility. The metal-working industries of Greece produced better weaponry and at a lower per capita cost than in Persia. A larger number of citizens could become fully armed infantrymen.

Military organized to music

Tyrtaeus was a crippled Athenian poet and teacher whom the Athenians sent as a general to aid the Spartans in their war with the Messenians for supremacy over the Peloponnese in the 7th century B.C. In a series of poems on war and citizenship, he "composed" a battle plan for victory. These poems, sung in the hours prior to battle, made Greek warfare an exercise of poetry, music, and dance. At the hour of attack, they would march in battle formation to the sound of flutes. The music had the practical purpose of aiding this mass of men to advance—in lines six-ranks deep whose fronts stretched for 1-3 kilometers—in perfect unison in a demonstration that was awe-inspiring.

Although Hanson enumerates all the conditions of battle found in Tyrtaeus, he overlooks the significance of poetry. Concerned with the fact that, in the terrifying moment of engagement, the soldiers did not break and run for their lives, Hanson attempts to answer by pointing out that the Greek of the classical age was the citizen-soldier and free landholder and farmer. Although an extremely relevant fact, in itself it does not explain the Greek armies' efficacy.

The second striking failing in Hanson's book is that he looks at the Greek phalanx as static and divorced from historical reality. Not only did the phalanx differ widely in form and execution throughout the Hellenic world (although the most effective doctrines were developed in Sparta and Athens, the two primary powers), but Hanson drew his conclusions about it by looking at the Peloponnesian Wars, which marked a disaster for Greece. To base such far-reaching conclusions on a study of the art of Greek warfare in this period is like basing a study of "the American way of war," on the Vietnam War.

In an earlier and better era, the defeat of the Persians at Marathon and Solimnus proved the superiority of not only a war-winning strategy but the cultural direction initiated by Homer and advanced by such philosophers as Parmenides and Zeno. Then the poet Aeschylus, a veteran of Marathon, sharpened the issues of justice, scientific thought, and national mission in his great dramas, particularly *Prometheus Bound* and the *Agamemnon Trilogy*. His political defeat and departure from Athens led to a kind of "Yalta agreement"

with the evil Persian Empire, and the rise of what had been called the Athenian empire and Sparta's hegemony over the Peloponnese. This in turn led to a stagnation in the military art, and the hideous Peloponnesian Wars.

Socrates and war-winning doctrine

It fell to an Athenian stone-cutter, Socrates, to rescue Greece from this evil. Plato's dialogues between Socrates and many of the key players in the Peloponnesian Wars, which were raging at that time, offer insight into what was going awry with Greek military art. Socrates himself had fought in the battle of Delium, but the key military theorist of his circle was Xenophon, the first to develop a war-winning doctrine and operational plan that would be later taken up by Alexander the Great and lead to the defeat of the Persian Empire.

Xenophon's plans for conquest of the Persian Empire are embodied in his *Anabasis*, or the *Persian Expedition*, and in his *Cyropaedia*, or *Education of Cyrus*. *Anabasis* is a personal account of his role in leading 10,000 Greek mercenaries in the employ of Cyrus II, pretender to the Persian throne, through nearly the entirety of the Persian Empire. In defeating several Persian armies, the mercenaries proved how weak the empire was. The latter book, perhaps even more important, is written as a fanciful biography of Cyrus, the builder of the Persian Empire. B.H. Liddell Hart, the well-known British military writer, called it the most important military work of ancient times.

Xenophon develops the concepts of firepower, mobility, and depth of capabilities by demonstrating how Cyrus transforms the despotic Asiatic army into a war-winning, republican-like military formation. Here we see Cyrus taking his mercenaries and common soldiers such as archers, peltasts, and slingers, and arming them with swords, spears, and armor, the same as his own peers, who were from the nobility. These commoners also received the same rights and privileges as the nobles. The phalanx is discussed as a more efficient delivery of the firepower of the times. Cyrus, of course, did not stop with simply forming the phalanx but brought in other types of arms, most particularly cavalry. But most remarkable of all, is that the ordering principle of Cyrus's army is the quest for virtue and perfection. The reader finds many Socratic-like dialogues held in Cyrus's dining tent between himself and his soldiers regarding the training and development of his army. Xenophon then has Cyrus creating his "empire," not on the concept of universal empire, but on the concept of a community of principle.

Although Xenophon was an Athenian, he put his trust in the Spartan King Agesilaus and his attempt to mobilize Greece to free the captured nations of the Persian Empire. Although he had liberated many of the Ionian states from the Persian yoke, he did not succeed in uniting Greece or even Sparta fully behind this task. Greek city-states continued to fight among themselves, manipulated by Persian gold.

Alexander the Great

The liberation of Ionia and the captured nations of the Persian Empire was left to Alexander the Great. The British school of history would quickly protest Alexander was not Greek but "Macedonian." Nonsense! Macedonian claims to being part of "Greater Greece" are just as strong as any other city-state, much stronger than those of Thebes, which was, in fact, founded by Phoenicians. The establishment of the Macedonian state was a project of Socrates and, later, of Plato's circle, to found not simply a city-state, but a territorially unified state which could be militarily defended and independent. While the Athenian army could put in the field no more than 10-15,000 men, the norm was closer to 5,000. The Macedonian army stood at no fewer than 50,000 men. These were free men, citizens of the kingdom of Macedonia.

Another typical assertion by modern historians was that Macedonia was a "younger, more vibrant" society than the rest of Greece. This is also nonsense. Macedonia maintained a very long relationship with Athens. It was the timber of the Macedonian forests from which the ships of the Athenian navy were built. Too much emphasis has been put on the role of Aristotle as one of Alexander's teachers, while little is said of the impact of other great Athenian cultural figures, such as the tragic poet Euripides and Agathon, the host in Plato's *Symposium*, who spent their last days in the Macedonian court at a time when the kingdom was becoming consolidated. The archaeological evidence of sculptured figures of Socrates, Plato, and the famous Greek poets found throughout Macedonia at the time of Alexander, has shown the popularity of their works. Alexander himself was first to admit that his military capabilities were developed through reading the *Iliad* and Xenophon's works, all of which he took with him on his campaigns.

Alexander's army was formed directly on the model developed by Xenophon. Alexander's army is the model for great generals, such as the 17th-century's Gustavus Adolphus, and for today's modern military structure. Comprised of light and heavy cavalry, light and heavy infantry, artillery, an engineering corps, and an extensive supply service, these diversified arms acted in a coordinated fashion to create a devastating capability. In fundamental conception, it is the foundation of modern combined teams of armor-infantry, artillery, and air power. Most important, Alexander took this army and marched through the Persian Empire as a liberator, not as a conqueror in quest of empire.

Hanson's book serves the somewhat useful purpose of describing the conditions of the individual Greek infantryman. But any conclusions or commentary by Hanson on the nature of Greek warfare and war in general, this reviewer finds highly dubious. The crucial sources of information utilized by Hanson do not number more than a dozen ancient texts. If one is interested in Greek warfare, I would recommend reading these texts as a better investment of one's time and effort.

Bush pushes war, prepares to override Constitution

by Joseph Brewda

Testimony by Defense Secretary Richard Cheney before the Senate Armed Services Committee on Dec. 3 leaves no doubt that a major objective of the Bush administration's drive for war in the Persian Gulf is to bury the U.S. Constitution. The destruction of the national sovereignty of the U.S. along with that of the nations of the Third World, is what Bush's so-called "New World Order" is all about. Cheney was the first top administration figure to speak before the Congress on the Gulf crisis since the U.S. rammed a resolution through the United Nations Security Council on Nov. 29, which authorized the use of force against Iraq after Jan. 15.

Apparently sensing that Bush hoped to use that "authorization" to evade the sole constitutional authority of the Congress to declare war, Sen. Edward Kennedy (D-Mass.) asked the defense secretary if he would advise the President that he must refrain from attacking Iraq (barring self-defense) unless there is a congressional declaration of war. Cheney, himself a former senator, imperiously replied that the "President is not required to get a declaration of war."

Article I, Section 8, Clause 11 of the U.S. Constitution expressly states that only Congress can declare war.

Kennedy incredulously asked if Cheney believed that "he [the President] and he alone can bring this country to war." Cheney claimed, "Under Title II Section 2 of the Constitution the President has the authority." That provision merely states that the President is commander-in-chief. Cheney also elevated the desires of foreign governments and supranational institutions above that of the Congress. "Acting under a request for defense from the Saudi government, and a request from the legitimate government of Kuwait, and within the terms of the U.N. vote," he asserted, "the President is within

his authority to carry out our national objectives."

Shortly following the U.S. invasion of Panama in December 1989—which was done without congressional consent and without a declaration of war—Cheney had similarly told a Federalist Society gathering that there are no prior restraints upon the President going to war. The President, he claimed, "has the authority to use strategic force at a moment's notice," i.e., up to and including nuclear war. "The limit [to his power to act without consideration of Congress] turns upon the willingness of Congress and the American people to support his actions. They can always express disapproval by refusing to allocate the funds and terminating an operation."

On Dec. 4, Sen. Claiborne Pell (D-R.I.), chairman of the Senate Foreign Relations Committee, opened hearings on the Gulf crisis with a direct attack on Cheney's assertion, and similar remarks by other Bush spokesmen. Pell warned the White House that the U.N. resolution is "an authorization and not a mandate. Prior to employing military forces pursuant to this authorization, the administration has a constitutional obligation to seek and obtain the approval of the United States Congress."

Two days after Cheney's assertions, the House Democratic Caucus passed a non-binding resolution by a vote of 177-37, upholding the constitutional provision that only Congress can declare war.

Meanwhile, arguments began on Dec. 4 in a federal suit that 54 Democratic members of Congress brought against the President on the same issue. The President is represented by Stuart M. Gerson, an assistant attorney general, who claimed that the President could order troops into combat and then

seek a declaration of war.

Secretary of State James Baker provided support for this undermining of the Constitution in an interview on NBC's "Meet the Press" on Dec. 2. Baker said that the reconvening of Congress and a congressional debate on war or peace now would harm the U.S. because "there is an excellent chance that Saddam Hussein will withdraw if he sees the U.S. as a whole determined not to do anything to undercut the U.N. resolution."

Covert actions

In yet another little-noticed subversion of the Constitution, President Bush vetoed the FY 1991 Intelligence Authorization act on Nov. 31, saying that he could not accept a provision requiring him to notify Congress when other countries or private citizens are to be used to carry out U.S. covert actions. Covert funding by "third countries"—such as Saudi funding for U.S. arms smuggling to Iran, or private funding of U.S. operations such as those run by Lt. Col. Oliver North—had raised controversy, among other reasons, because they violated constitutional prerogatives of the Congress to exercise its "power of the purse."

The administration took the position, after vetoing the bill, that the U.S. intelligence agencies could keep spending money allocated to them, without authorization for that spending, by being reallocated covert actions funds hidden in the Defense Authorization Bill.

Soon after the Bush administration deployed its armada to the Gulf, its representatives fanned the globe extorting funds from several countries for hardware and intelligence operations. Now, it seems, the White House claims it can fund itself independently of Congress and do what it wants.

Of course, Bush's confrontation with the Congress is not solely over constitutional powers. The U.S. Congress may be full of hypocrites, but, as an institution, it has a major saving grace: Actions of members of Congress must reflect the mood of their constituency to some extent or they will not politically survive reelection. It is clear that even the badly informed U.S. electorate is not so stupid as to enthusiastically support an unnecessary war.

In part to allay the public's concerns, Bush announced on Nov. 30—one day after the U.N. vote—that he would dispatch Baker to Baghdad to "run the extra mile for peace" through delivering a personal ultimatum to Saddam Hussein. Previously, the administration had shunned such high-level contact and the possibility that actual negotiations might occur. For such reasons, Henry Kissinger appeared on ABC News's "Nightline" the next day to condemn the initiative as "highly inappropriate."

For his part, Iraqi President Saddam Hussein told French TV on Dec. 3 that the exact purpose of Bush's proposal was unclear. "If this meeting is to be a true path to dialogue, then we are closer to peace. But if this meeting is to be nothing more than a formal exhibition for the American Congress,

the American people, and for international public opinion . . . then we are closer to war," he stated.

Threat of the 'breakaway ally'

One way Bush might evade Congress in triggering a Gulf war, is through having the supposedly "out of control" Israeli government of Prime Minister Yitzhak Shamir provoke one, for example, by launching a strike into Jordan. The Bush administration, and previous U.S. administrations, have long engaged in a public-relations effort to portray Israel as unyieldingly defiant of U.S. pressure. Israel, various U.S. intelligence disinformation artists claim, even possesses vast and secret powers within the U.S. State Department, the Congress, and the media through its "Zionist lobby."

Actually, the Zionist lobby, which existed long before the Anglo-Americans invented Israel, runs Israel, not vice versa. Israel is run by psychotics—of that there can be no doubt—but its psychotics are well-managed Anglo-American assets.

The advantages of such disinformation is apparent: If Israel triggers a Mideast war, a sanctimonious Bush could claim innocence for the war that he and his allies in Britain secretly and wittingly unleashed, in the same way that they enticed Iraq to invade Kuwait.

Signaling that such a scenario is a near-term possibility, a spokesman for Shamir proclaimed on Dec. 3 that various bloody knifings and shootouts with Palestinians that have occurred over the last weeks are part of a "wave of terrorism linked to the Gulf crisis," and were the product of "Islamic fervor whipped up by Saddam Hussein." That same day, Housing Minister Ariel Sharon—the U.S. puppet who actually dominates the Shamir cabinet—and Deputy Foreign Minister Benjamin Netanyahu, another made-in-Washington politician, publicly threatened that Iraq must not be allowed to retain its Armed Forces intact.

On Dec. 5, the Israeli daily *Ha'aretz* reported that Israeli Foreign Minister David Levy, who has long been groomed by certain CIA circles as a potential prime minister, held a meeting with U.S. Ambassador to Israel William Brown where Levy "threatened" Brown that Israel's "low profile" on the Gulf crisis was "contingent" on an American undertaking to "remove Saddam Hussein," a never-before officially declared war aim. The paper also leaked that Levy had also told a group of visiting European parliamentarians that Israel would not hesitate to act against Saddam Hussein if necessary, because, he said, "if Saddam Hussein emerges victorious from the current confrontation, there will be no end to his aggression."

In an interview with Israeli TV later that day, Levy glowered, "Whoever thinks that if Israel alone has to stand up against this danger, that Israel will continue with a low profile, is making a mistake. In order to defend herself, like in the past, Israel will not call on anyone to fight its war or anyone else's soldiers, but will reply with all its might."

Gulf military stance doubted in hearings

The following are excerpts from the Dec. 4 congressional testimonies on Persian Gulf policy by Harvard Prof. John Kenneth Galbraith before the Senate Foreign Relations Committee, and by former U.S. Ambassador to Saudi Arabia James E. Akins before the House Armed Services Committee. Both call the question on certain lines being put out by the Bush administration to justify aggressive military action.

John Kenneth Galbraith

... With others I welcome the decision by the President to invite talks on the Middle East crisis. And with others I yearn to believe that this is not a design for justifying armed action next January. I shall speak in this connection of the economic aspects of the present situation. I will urge that these are most decisive, will not be centrally important unless we resort to armed conflict. They would then be extremely damaging.

This has not been the administration view. In a phrasing that he may regret, Secretary of State Baker recently said that "to bring it down to the level of the average American citizens," the issue in the Middle East is jobs; "if you want to sum it up in one word, it's jobs." The President, among his more diverse justifications and threats, has said that our policy is to protect "our jobs and our way of life." Let us be very clear. As matters now stand, economics and employment are not the issue, and with intelligent restraint in our policy they will not be the issue.

The American economy is presently weak, quite possibly in recession, whatever that may be taken to mean. This is not the result of anything that has happened in the Middle East. Nor, to repeat, does the continuation of the present policy there pose a serious economic threat.

The economy is presently showing depressive tendencies because we had through the 1980s a period of intense securities speculation which, in the manner of all such speculation, came suddenly to an end, and with adverse effects on investment and employment. And we have come also to the end of an era of financial excess—of mergers and acquisitions, leveraged buyouts and junk bonds, all with resulting heavy corporate debt accumulation and also with a strongly depressive effect. Some of our great department stores have had trouble finding the money to buy the goods they sell.

Most important, we have had a major episode of real estate speculation, which has now collapsed with strong, even devastating, consequences for the construction industry, extending on to the solvency and thus to the lending ability of the commercial banks. To all of this has been added the collapse of the savings and loan associations following an unprecedented period of manic lending and outright larceny. This, with much else, has left a large overhang of commercial and residential property to be disposed of by the government with a further adverse effect on property values. All of this happened before the takeover of Kuwait as, among others, Chairman Alan Greenspan surely knows.

Against this background the further effect of past developments in the Gulf has been slight. A modest increase, in the range of 2 to 2.5%, has been added to the consumer prices in general. This is at a time when the Congress has, I think wisely, concluded that our gasoline prices are too low, as indeed they are in comparison with those of other countries. They are not appreciably higher than in past years when corrected for general inflation.

Higher oil prices do divert substantial sums from Americans into foreign hands. However, some of this is offset by returned expenditure and investment and rather more by increased output and investment in our own oil-producing industry.

In sum, the effect of the oil price increases on the economy, we may safely conclude, has been minor. Any damage here, is not from what happened; it is from the warlike rhetoric telling of what might happen in the future.

In the past, let us all be aware, we have regularly used oil prices in a bipartisan way as a cover for errors and shortcomings in our economic policy and performance. Better when things go badly here to blame the Arabs rather than Americans. In this mentally reductive practice, the phrase "oil shock" came into play when things seemed to go wrong. It was always cover for other causes nearer home.

I do not, to repeat, regard the present economic outlook as especially bright. It is, however, not the higher oil prices, it is not an oil shock, that is responsible. It is the culmination of a decade of speculative excess here at home. Can anyone suppose that the S&L disaster or the ending of the real estate boom or the now perilous position of Donald Trump and his supporting banks was caused by Saddam Hussein? Most of the loss of Kuwaiti and Iraqi oil production under the embargo is being made up by Saudi Arabia, the Emirates, the other OPEC countries and by the oil-producing world at large.

The economic situation that would be serious is that which would come from full-scale conflict in the Middle East, conflict that would disrupt the flow of all or most of the oil from there. This would be to impose on ourselves the sanctions that we seek to place on Iraq. As far as oil is concerned, this is truly the economic danger. It is of this that the markets are cognizant; it is to hear of this that they must.

It will be held by some that an economically adverse

result is unlikely. The war would quickly be over. Oil installations and transport would escape. Let no one be fooled. Let all remember, from a world of past experience, that everything in war is uncertain. Those who speak with greatest certainty about a military action show only how little they are aware of their own limitations.

Like many others, I am reluctant, in any case, to trade blood (always that of other people) for jobs and economic advantage, even were the latter the present issue. But jobs and economic advantage will only be seriously at risk if, recklessly, we enlarge the conflict in the Middle East. . . .

James E. Akins

Conclusion

War is not inevitable. We are not living in a Greek tragedy where the gods have placed forces in motion which we cannot alter. Saddam Hussein has done a terrible thing and he must be allowed no profit. He will have none. I have said frequently here and elsewhere that he is not suicidal and I am sure that he is not seeking death. . . .

It would be gratifying to humiliate Saddam but I hope that is not the design of our policy. Equally, our policy should not be to save his face. I *hope* our policy is to avoid war, and if Saddam is able to leave Kuwait with a small measure of dignity, so be it.

Some of those who have testified recently in Congress and many who have spoken on television talk-shows oppose the current Bush initiative because they fear issues other than unconditional Iraqi withdrawal from Kuwait might be discussed in Baghdad. My main fear has been that these "other issues" might *not* be discussed. My fear, however, has been almost completely laid to rest. It appears that Secretary Baker in Baghdad will repeat the Security Council Resolution, will assure Saddam we do not have a hidden agenda which includes an attack on Iraq after he is safely out of Kuwait. The Arab consensus is that the combined threat of war and offer of regional peace *will* be made and that Saddam, dignity intact, will accept. . . .

Still, the Middle East being the Middle East, it is too early to relax. It is both uncustomary and unwise to end a discussion of the Middle East on a positive note. While we can be certain that no further provocation will come from Saddam, there is no guarantee that there will be no terrible incident somewhere in Israel or in Saudi Arabia in the next six weeks that will lead us or the Israelis to conclude we have been stabbed in the back. This incident, if it were sufficiently ghastly, could result in an immediate attack on Iraq. Several groups in the Middle East—as here—do not want a peaceful solution. They advocate war and the destruction of Iraq—by us, of course. Arranging an "incident" would not be beyond their technical abilities. This may not happen, but we should be prepared for it. And before we respond with a blistering attack on Baghdad, we should be completely sure that the crime originated there.

The ADL hawks war in the Gulf

by Jeffrey Steinberg

When syndicated columnist Pat Buchanan made his famous quip last August that only the state of Israel and its "amen corner" in the United States favor a Gulf war, he may have underestimated the extent to which British Prime Minister Margaret Thatcher and some senior Bush administration officials, including President Bush himself, were also chomping at the bit for a bloody clash. He certainly was not wrong in blasting such outfits as the Anti-Defamation League (ADL) of B'nai B'rith and the ADL-allied *New Republic* magazine, for hawking a showdown with Iraq.

A sampling of some of ADL's recent public comments on the Gulf crisis and U.S.-Israeli relations paints a blood-curdling picture.

Over Oct. 25-27, 1990, the ADL held its annual National Executive Committee session in San Francisco. According to an ADL press release dated Oct. 27, the meeting was addressed by Rear Adm. Abraham Ben-Shoshan, the defense attaché to the Israeli Embassy in Washington. Admiral Ben-Shoshan warned that if "pushed into a corner," Saddam Hussein would attack Israel, and that Israel would answer such an attack with "no hesitation at all, with everything we have," a not-so-veiled reference to Israel's formidable arsenal of nuclear weapons.

Admiral Ben-Shoshan openly attacked the United States for spreading advanced technologies among the Arab states, warning the ADL executives: "The best American technology is going to the Middle East and we have to prepare ourselves to compete—not only against the best Russian, French, and European technology—but against the best American technology."

Barry Rubin, of the American-Israel Public Affairs Committee's (AIPAC) Washington Institute for Near East Policy, told the same gathering that the Bush administration is trashing Israel in an effort to win a "popularity contest with the Arab world."

New Republic editor-in-chief Martin Peretz told the ADL gathering that President Bush is not doing enough for Israel and may back down from taking the necessary military action against Iraq. "These are trying times for friends of Zion and Zionism itself," Peretz lamented. "Bush and Baker tilted

toward Iraq, even though Iraq started the war with Iran, bombed the *USS Stark*, and gassed not only Iranians, but the Kurds and Shi'ites of Iraq itself. When that policy failed, no one in the administration had the decency to repudiate it; there were no apologies, no resignations."

Labeling the Mideast a "rotten neighborhood," Peretz launched into a racist diatribe against Arabs for their "rent-a-crowd" populism and their routine use of "mayhem and murder." An ADL press release quotes the conclusion of the Peretz speech: "These [Arab attributes] are the impediments to the long-term prospects for peace in the Middle East."

What 'low-profile' approach?

The tough war talk at the leadership gathering echoed a widely circulated document written by ADL National Director Abe Foxman and International Relations Director Kenneth Jacobson, titled "The Low-Profile Approach: Is It Worth It?" The two top ADL men questioned the so-called "low-key" approach being imposed on the Israeli government by the Bush administration, and warned that Washington had better remember that Israel is its only truly reliable regional ally. In effect, Foxman and Jacobson argued that Israel should be brought into the center of America's military plans against Saddam Hussein and that, as Reagan's Secretary of State George Shultz proved, a Washington-Jerusalem axis will not undercut U.S.-Arab collaboration:

"George Shultz understood how much Israel meant to the U.S., how American interests in the Arab world are not hurt by our relations with Israel, how so many of the Arab countries need the U.S. It is distressing to see the trends that appear to be undoing so much that was learned. . . .

"In fact, the U.S. insistence on a low profile by Israel is questionable on three levels. First, it rests on the false assumption that we must appease the Arab states; this distorts what has taken place in the Gulf crisis, which is that the U.S. saved the Arab world from the aggressor. Second, it prevents Israel, with all its military and intelligence capabilities, from making the kind of contribution that it could to the effort against Saddam. And finally, it has the effect of the U.S. appeasing the Arab world at Israel's expense."

If there was any doubt as to how ardently the ADL is peddling a desert bloodbath in which American GIs make the region safe for Greater Israel, they were dispelled on Nov. 14, when the ADL scheduled a dinner reception at New York City's Tavern on the Green featuring Henry A. Kissinger as the keynote speaker, addressing "The New World Order: Risks and Opportunities." An ADL spokeswoman told a caller that Kissinger's remarks were for ADL ears only and were not recorded or printed. Judging from Henry Kissinger's recent public displays of rug chewing at the prospect of any outcome to the Gulf crisis other than a war to the death with Saddam Hussein, it is not hard to imagine the kinds of comments he made behind closed doors with his cronies at the ADL.

North gets subpoena in Roanoke trial

by Nora Hamerman

Lt. Col. Oliver North, who is walking away scot-free from his misdeeds in the Iran-Contra affair, will have to answer questions about the U.S. government's misconduct against Lyndon LaRouche and his political movement in the Roanoke, Virginia County Circuit Court. "Ollie" was served with a subpoena on Dec. 6, to give testimony in the trial of Anita Gallagher, Paul Gallagher, and Laurence Hecht, three collaborators of LaRouche who are the latest to be tried on trumped-up "securities violations" charges in Roanoke.

The subpoena to North was served at the request of defense attorneys, who were expected to begin their affirmative defense on Monday, Dec. 10.

Joseph Fernandez, North's business partner and the former CIA station chief in Costa Rica, physically attacked the process server while North was trying to evade service. A criminal complaint for battery and harassment has been sworn out before a Loudoun County, Virginia magistrate against Fernandez.

When a process server went to North's "Guardian Technologies" business in Loudoun County, North refused to come out of his inner office to accept the subpoena. After many hours, Fernandez came out of the building and yelled obscenities and physically menaced the process server. Later, after Sheriff's officers were called to the scene, one officer entered the building and came out and told the process server that North was no longer in the building. As the officers left, North sneaked out the door and got into his car without being served.

The next day, two process servers returned. Virginia law allows a subpoena to be served at a person's regular place of business by giving it to the person in charge of the business. When the process server gave the subpoena to the secretary and told her it was for North, Fernandez took the subpoena off the secretary's desk, shoved it into the jacket pocket of the process server, and pushed him out of the door, all the time shouting hysterically.

Joseph Fernandez was indicted by Independent Counsel Lawrence Walsh for his involvement in the Iran-Contra affair, but his case was thrown out when President George Bush and Attorney General Richard Thornburgh refused to release classified information to Walsh. Fernandez is now

the president, and North the chairman, of Guardian Technologies International. According to press accounts, GTI is negotiating a contract to sell its bulletproof vests to the Israeli army through U.S.-funded aid programs. Before serving the CIA in Costa Rica, Fernandez reportedly was involved in CIA covert operations in Lebanon on behalf of Henry Kissinger.

LaRouche vs. Kissinger in court

On Dec. 3, the jury got a foretaste of the motives for illegal actions by the Iran-Contra crowd against LaRouche, after a prosecution witness testified that she had watched, in her own living-room, the Lyndon LaRouche videotape entitled, "Henry A. Kissinger: Soviet Agent of Influence." Over the objections of the prosecution, the defense was allowed to play to the entire jury and courtroom the last 10-minute portion of that videotape (which had aired on ABC-TV on March 26, 1984).

LaRouche said that the world's most powerful financial institutions had targeted black Africa for mass murder through death and famine; that this targeting had been done in part through agencies such as the Club of Rome, and its evil policies were carried out through institutions such as the International Monetary Fund and the World Bank, and that officials at the highest levels of the Federal Reserve of the United States had endorsed at least some of those policies.

This policy of mass murder was caused by Henry A. Kissinger, and his friends, who were engaged in a movement to impose genocide, not only against black Africa, but to bring that monstrous immorality to the United States by proposing similar genocidal policies against the elderly. Kissinger and his friends were behind policies such as reviving what was a crime at Nuremberg, euthanasia. Codenamed "death with dignity," euthanasia is systematic murder which is proposed by banking institutions, just to keep costs down.

LaRouche spoke of the case of Sen. Harrison Williams, the Abscam-targeted senator as an example of a similar immorality. According to the evidence, Senator Williams refused a bribe, yet he was convicted by a federal judge. At the same time, in New York City, the Establishment and the city government told police that murderers and drug pushers would not wind up in prison.

LaRouche commented that our nation has become a Sodom and Gomorrah. If we awaken in time, we can reverse the error. The 1984 presidential candidate then reiterated his proposal for a new Strategic Defense Initiative (SDI) and referred to the March 23, 1983 speech of President Reagan. LaRouche said that he favored this policy as a way to destroy the rotten, genocidal agreement of Bertrand Russell and Henry A. Kissinger.

It is now approximately 17 years since the April 1967 encyclical of Pope Paul VI against genocide, known as *Populorum progressio*, LaRouche continued in the videotape. Although *Populorum progressio* was a Catholic document, it

embodies something much broader for all mankind. It encapsulates the essence of natural law, that every human life is sacred, and it is the sacred duty of society to protect each human life. It is the sacred duty of society to contribute good and allow that good to be passed on from generation to generation. Because "no man is compelled to go to his grave like a mere beast." Unless institutions of our society defend these sacred values, our nation is doomed. Neither the Russian Empire nor feudalists like Henry A. Kissinger accept this natural law.

Henry Kissinger announced his rejection of natural law in his doctoral dissertation, which was a defense of Metternich and what Metternich represented: the imposition of a slave society like Sparta, the imposition of the empire-values of ancient Rome. Today's ruling elite is imposing policies consistent with those of empire, of Lycurgus, of the reign of a master race, LaRouche charged in the 1984 videotape. We cannot tolerate the injustices against the people of black Africa.

We cannot tolerate, LaRouche told the courtroom through this videotape, the FBI's Gestapo-like frameup of an innocent senator. Let us go back to being a great agro-industrial power. Let us become again what we were once known as at the time of our founding, a "temple of liberty" and "beacon of hope" for all mankind. Let us restore to all the world's people the values and commitments encapsulated in Pope Paul VI's *Populorum progressio*. Let us again have a situation in which the all those frightened around the world look up to the President of the United States and say, "This is an injustice which the President of the United States would not tolerate if he knew about it."

Therefore, LaRouche said, we need a \$200 billion crash program for the first generation of ballistic-missile defense. He concluded, "Let us move Henry A. Kissinger, and what he represents, for once and forever, out of the policy-making processes of government."

Imposter witnesses

The prosecution called eight imposter witnesses—substitutes for the actual individual who had a political or philosophical relationship to one of the projects of the LaRouche movement. Instead, the imposter, usually a lawyer, a bank officer, or a greedy heir, testifies about how he or she didn't get the money for their institution or their family, without knowing the slightest reason the individual in question had committed resources, time, and effort for a political, scientific, or philosophic project.

One typical such imposter witness was a lawyer who did not have an attorney-client privilege waiver from her client. She testified about loans that were made in 1985 and '86, but did not know that the individual in question had continued to make substantial contributions to the very legal defense fund, which was backing the defense of the three defendants—through October 1990!

National News

Columnist raises brutality of sanctions

Columnist George Will, who is often a voice for those neo-conservative networks which have been strong advocates for war against Iraq, questioned in a Dec. 2 column whether the American population is ready to accept the consequences of the sanctions policy which is offered as the "humanitarian" alternative to war against Iraq.

Will quoted from a 1932 study by the Twentieth Century Fund, "the authors of which included Allen Foster Dulles, which assessed food embargoes against nations that import (as Iraq does) significant amounts of foods: '[Food embargoes] are not persuasive measures, but the most savage of war measures. They are particularly difficult to uphold on merely moral grounds, since they bear more heavily on the civilian population than on the army, and more heavily on women and children than on the men. For effectiveness, and for moral standing, a really successful food embargo ranks well in advance of torpedoing hospital ships and is somewhere near the class of gassing maternity hospitals.' "

Drug abuse statistics exposed as sham

The Drug Abuse Warning Network (DAWN), the government's leading indicator of patterns of hard-core drug abuse by Americans, is dysfunctional as the result of cutbacks in funding of hospitals across the country, according to a Department of Justice official.

DAWN, which collates emergency room incidents of drug overdoses, has in the past been one of the more reliable measures of patterns of drug abuse. Over the past year, however, DAWN statistics have been only erratically reported to the Drug Enforcement Administration. An estimated 25-30% of the time, emergency room drug overdose information goes unreported—mainly because scarce resources are prioritized to emergency care rather than statistical analy-

sis and paperwork. Thus, all the statistics showing a decline in drug abuse must be taken as highly unreliable, the official said.

Apple growers sue NRDC, CBS over Alar

A group of 4,700 apple growers has filed suit in Superior Court in Yakima, Washington, against the CBS News program "60 Minutes" and the Natural Resources Defense Council (NRDC) over the Feb. 26, 1989 program discussing the "risks" of using Alar, a chemical growth-regulator which is sprayed on apple trees to improve color and prevent apples from falling off the tree before they are ripe, the Nov. 29 *Richmond Times-Dispatch* reported.

The NRDC, as has been documented in the *Wall Street Journal* and elsewhere, concocted a report called "Intolerable Risk: Pesticides in Our Children's Food" which alleges that Alar causes cancer. Studies of Alar showed that a person would have to eat tens of thousands of apples a day for 70 years in order to get cancer. A vast media campaign, which featured actress Meryl Streep decrying Alar, resulted in the Environmental Protection Agency banning the chemical this year.

In their suit, the apple growers say they have lost over \$100 million since the "60 Minutes" broadcast. Millions of dollars in damages are sought in the suit's charges of unfair business practices and product disparagement.

Steven Berzon, an attorney representing the NRDC, said the lawsuit could have a chilling effect on public activism, claiming the suit violates free speech and "the right of citizens to petition the government on important questions of public policy."

Congress to gut fusion energy budget

The House Appropriations Committee is moving to cut \$50 million from the previously passed \$330 million FY 1991 Magnetic Fusion Energy R&D budget, which

would gut the program, fusion scientists report. This cut is reportedly being backed by the Department of Energy (DoE).

All alternative fusion research approaches and the university programs will be virtually wiped out, while only a few, large main-line tokamak experiments will be continued. At present, plans call for gutting the Los Alamos reversed field pinch ZT-H program in New Mexico, and the Oak Ridge Stellarator program in Tennessee, together with university-based fusion research programs.

"These cuts are purely based on politics," reported one leading scientist. "All the recent technical reviews, like the DoE Fusion Power Advisory Committee review this summer, strongly support maintaining these specific programs along with the main-line experiments, if not expanding them," he said. "Efforts are being made to have DoE look again at how these cuts are being proposed to be applied—since they would virtually destroy the future of fusion in the U.S. by undermining the university programs."

Judge demands funds to pay Noriega's lawyers

The U.S. government was ordered by federal Judge William Hoeweler on Nov. 26 to determine how much of Panamanian Gen. Manuel Noriega's frozen assets may have come from illegal means so some funds can be released for his defense against drug charges. The judge said he would set a hearing on the issue if the government fails to act, UPI reported Nov. 28.

"I am deeply concerned about the image that this case seems to be acquiring . . . that this defendant is not going to get a fair trial," he said.

Noriega's defense lawyers say they have not been paid and have received very little money for his defense since January because the U.S. government requested that the general's assets held in foreign bank accounts be frozen on the premise the money is drug tainted.

Noriega's lawyer, Frank Rubino, said, "My opinion is that Judge Hoeweler thinks the government can do more than it has done to release the funds . . . so he's going to put the fat to the fire."

Bush critic disappears after threats to life

British author Anthony Sutton, who had written such books as *Wall Street and the Bolshevik Revolution* and *Wall Street and the Rise of Hitler*, disappeared a little over a year ago. A spokesman for his former publisher told *EIR* that his disappearance followed death threats after his recent work.

Through his *Phoenix Letter* newsletter and in book form, Sutton had done extensive work on the Yale University group Skull and Bones, which had associated George Bush with the Harriman family's ties to the 120 Broadway Trust network which helped put Adolf Hitler in power.

Sutton's last known work was a book called *The Two Faces of George Bush*. The book had to be published from Australia, and it appears that Sutton's newsletter, which runs these exposés, is forced to keep changing publishers.

LaRouche enemy suing her employer NBC

Pat Lynch, a chief participant in the "Get LaRouche" task force which railroaded Lyndon LaRouche to prison, is a principal in a lawsuit charging NBC with age bias.

The news agency has put 25 of its producers, directors, and news writers, nearly all of them over 40, into a "pool" created to serve all its news broadcasts, not just the high-profile special teams. Of 21 union employees placed in the pool, more than half are over 50, the Nov. 30 *Washington Post* reported.

NBC spokesmen told the *Washington Journalism Review* that the transfers were based strictly on ability. Steve Friedman, executive producer of "NBC Nightly News" told Lynch that her work was "an indulgence that 'Nightly News' can no longer afford" and that he wanted people who could "churn them out."

Lynch, who is identified as an investigative producer "who was sued unsuccessfully by Lyndon LaRouche," said that "Friedman did not respond directly when asked if he felt she could not churn them out at her age."

Presidential closet probed for skeletons

A journalist has reported to *EIR* that he had been a member of a task force, including journalists from Katharine Graham's *Newsweek* magazine, that was investigating the story that George Bush had a mistress. The editors of *Newsweek* and other journals decided to withhold the story two weeks before the 1988 election ostensibly because the burden of proof was too high, he said.

The journalist said that suspicion had been largely narrowed down to a woman who resided in Washington, D.C., whom Bush had signaled he would appoint to a foreign policy post. It was said that the CIA had been concerned about the affair, which dates back to at least 1975-1976, because Bush was using the CIA director's plane, top secret communications systems, and other facilities to further the romance. The woman had lived for a period of time in London, and there was also a fear that this made the director susceptible to counterespionage.

LaRouche's judge frees drug runners

Federal Judge Albert V. Bryan, Jr., who founded Interarms, the gun-running firm, and who presided over the railroad of Lyndon LaRouche to prison, acquitted two Iranians of distributing crack cocaine Nov. 29, "ruling that passing a crack pipe and offering a puff at a party does not constitute drug distribution," the *Washington Post* reported.

The two—a restaurateur named Nasser Zolfaghari and a former World Bank official named Mohammed Saberi—had been charged with one count of conspiring to "buy dozens of ounces of cocaine and manufacturing crack for distribution" in Washington.

The defendants' attorney, Brian P. Gettings, had served as the lawyer for LaRouche associate Michael Billington in a federal trial, and then cooperated with the prosecution, despite attempts by Billington to dismiss him, in a related trial in Virginia courts. Billington received a 77-year sentence.

● **BOB MARTINEZ**, the outgoing governor of Florida, was nominated by President Bush for national drug policy director on Nov. 30. Bush praised Martinez for having "signed more than 130 death warrants." Martinez is close to the drug-running networks exposed in the Iran-Contra scandal (see *EIR*, Dec. 7, 1990).

● **NEIL BUSH** served on the board of Silverado-Elektra Ventures Ltd., a joint land development venture, from 1986 until 1988. Securities and Exchange Commission documents obtained by the *Denver Post* show that the firm served as a "straw buyer" of Houston residential lots from MDC Holdings, thereby helping MDC evade federal securities laws, the Nov. 27 *New York Times* reported.

● **BOSTON HERALD** editorial page editor Rachelle Cohen attacked President Bush's "New World Order" on Dec. 2. "Stop the new world order, I want to get off!" she wrote in an attack on the amorality of Bush's Gulf policy, his deal with Syrian dictator Hafez al-Assad, and his deal with the Red Chinese butchers.

● **ANTI-WAR ACTIVISTS** an estimated 10,000 strong, marched in Boston Dec. 1, calling on President Bush to bring the troops home from the Persian Gulf.

● **THE MAINE** Department of Education rejected a Waldo County school district's proposal to slash its school week to four days. This does not close the door on similar requests by other budget-strapped districts, a state official said Dec. 2.

● **STUDENTS** held a mock execution in front of the Virginia state capitol in Richmond Nov. 27, to protest the death penalty. Julie McConnell, director of the Virginia Association for Abolishing the Death Penalty, presented a cost analysis showing that it is cheaper to keep someone alive for life than to go through the procedures to enforce the penalty.

Editorial

George Bush's 'new world order'

President Bush spoke before the Brazilian Congress on Dec. 3, and he described his vision of the future. No longer, he said, would there be Third World nations or a developing sector. In their place, there would be a New World Order which would impose free trade on every nation. Implied in this, if not explicitly stated, is that this new colonialism is to be policed by an Anglo-American-controlled world-federalist organization, perhaps the United Nations, or perhaps a subsidiary regional body.

This lecture was particularly pointed in Brazil, since that nation is slated to be the recipient of the Iraq treatment, if it refuses to relinquish its sovereignty over the Amazon region. Bush's lecture to the Brazilians on the virtues of environmentalism contained a scarcely veiled threat, when he said: "We envision a hemisphere where a collaborative commitment is shared to protect the environment. There can be no sustained economic growth without protection of the environment."

Despite forthcoming negotiations between Iraq and the United States, and even if these were to lead to some agreement that would apparently cool off the situation, there is no fundamental shift in George Bush's policy: the Anglo-American goal to impose a new imperial world order on the rest of the world. This means that the crisis in the Gulf—and the threat of a devolution in that situation to world war—remains grave.

Even with Great Britain's Margaret Thatcher out of office, insanity continues to govern Anglo-American policy. More to the point, even if the pressure on Bush to back off from war has been sufficient to offer some hope from the upcoming U.S.-Iraq negotiations, there is another factor which is operative. The Israelis are giving every indication that they are prepared to force a war, if the United States appears to be pulling back.

The present Israeli government—which is under the control of Ariel Sharon and his Anglo-American backers, such as Robert Maxwell who owns the Hebrew daily *Ma'ariv* and the Hollinger Corp. which owns the English-language *Jerusalem Post*—is quite prepared to stage some atrocity which would be suffi-

cient to mobilize its own population to accept an Israeli attack on Iraq. In this regard it is well to note that Henry Kissinger sits on the board of Hollinger Corp., along with Peter Lord Carrington, and that Kissinger has been one of the most outrageous proponents of a U.S. military attack on Iraq.

On Dec. 3, former U.S. Ambassador to Saudi Arabia James Akins testified at Sen. Claiborne Pell's Foreign Relations Committee hearings on the Gulf. We fully endorse what he said there. He issued the warning: "While we can be certain that no further provocation will come from Saddam, there is no guarantee that there will be no terrible incident somewhere in Israel or in Saudi Arabia in the next six weeks that will lead us or the Israelis to conclude we have been stabbed in the back. This incident, if it were sufficiently ghastly, could result in an immediate attack on Iraq."

"Several groups in the Middle East—as here—do not want a peaceful solution. They advocate war and the destruction of Iraq—by us of course. Arranging an 'incident' may not be beyond their technical abilities. This may not happen, but we should be prepared for it. And before we respond with a blistering attack on Baghdad, we should be completely sure that the crime originated there."

No doubt, like most Americans, the majority of the Israeli population does not want war, and this most probably includes some members of the establishment. But while George Bush is trying to override the U.S. Constitution, by declaring that he has the independent power to declare war, so the Israeli government is not responsive to the people of that country; in fact, it is controlled from abroad.

Implicit in Bush's New World Order, is the proliferation of wars, in which the malthusian plan to reduce the world's population by billions is put into effect. It is not sufficient merely to contain Bush, and the Anglo-American crowd he represents. They must be stopped. To avert war in the Gulf will not be a victory, if Bush and his backers are allowed to continue their evil policies unchecked.

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