

National News

Resolution against U.S. purchases of Iranian oil

Congressman Floyd Fithian, an Indiana Democrat running for the Senate, introduced House Concurrent Resolution 333 on May 6 "expressing the sense of Congress—and the outrage of the American people—against the resumption of U.S. oil purchases from Iran." The resolution was introduced after the federal government purchased 1.8 million barrels of oil for the Strategic Petroleum Reserve for \$53.2 million during the week of April 24, effectively ending the ban on oil imports from Iran imposed when the Khomeini regime seized U.S. hostages.

"It is not difficult to understand why the revolutionary Iranian government would want to make its peace with what it used to call 'the great Satan,'" Fithian charged; "the Iranian economy is in shambles and it desperately needs foreign currency to support its war effort against Iraq.

"At the same time we are telling Libya that its support for terrorism and its contempt for the rule of law in world affairs warrants tough economic sanctions," Fithian said, "we are telling the revolutionary Iranians that all is forgiven . . . that is not the message that the people I represent want our government to send to Khomeini and Qaddafi."

EIR seminars launched in New York

A May 13 *EIR* seminar on "The Malvinas Crisis: Strategic and Financial Implications" attended by 40 people launched a regular series of *EIR* policy seminars in New York, as already exists in Washington, D.C. Diplomats from 19 countries attended, weighted toward Latin America, Africa, Eastern Europe, and Asia.

Keynote speaker Criton Zoakos, *EIR* Editor-in-Chief, outlined how institutions are deploying in expectation of a financial collapse, noting the hasty deci-

sion of the New York Federal Reserve to hold a closed briefing on the same theme, at the same time, as the present *EIR* event. Zoakos started by asking for "the true objective" behind Britain's diplomatic and military deployment, way out of proportion to the purported objective of the Malvinas. He identified it in the transformation of NATO for military operations in the developing sector, and the related goal set by the Bank for International Settlements, of turning LDC governments into debt-collecting agencies.

Zoakos posed the strategic necessity for other nations to assess accurately the British grip on Washington and act to break it.

EIR Economics Editor David Goldman reported, from the perspective of his just-ended tour of Europe, on the scope of the potential financial blow-out. *EIR* Latin America Editor Dennis Small showed, country-by-country, how the United States has surpassed even Jimmy Carter in wrecking U.S. relations with Latin America. The panel answered questions for another hour after the speeches.

Allen says Malvinas will hurt inter-American ties

Richard Allen, the former national security adviser to the Reagan administration, said May 13 that the conflict over the Malvinas Islands has "profound and long-lasting implications" which could damage U.S. national interests. Allen told a reporter that "The Reagan administration's emphasis on hemispheric relationships was one of the most important and positive aspects of its foreign policy," but that the current crisis could undo everything the administration has so far accomplished with its southern neighbors.

Allen also said that Henry Kissinger's speech May 10 to the Royal Institute of International Affairs boasting how he subordinated the U.S. State Department to the dictates of the British Foreign Office, is being widely played up in the

Argentine press. "A friend of mine from Argentina called me today and read me some quotes from the speech in Spanish from the newspapers. If anyone thinks that he can give a speech in some remote part of the globe [London—ed.] and that it won't be heard in other places, this should show how wrong they are."

New York City verging on new budget crisis

New York City is facing a new round of crippling work-force reductions and budget cuts in the fiscal year beginning in July, with education to bear the brunt of the austerity. Mayor Edward Koch's \$15.5 billion budget has at least a \$520 million deficit, and it is unlikely that the state legislature will approve a combination of new taxes and increased state aid in this election year.

The state's extra-legal Financial Control Board, which has oversight jurisdiction over the city's finances, is for the first time threatening to veto the budget if Koch does not make sufficient cut-backs.

Frank Macchiarola, the city's superintendent of schools, estimates that the failure of the state to provide \$125 million in increased education aid, plus the loss of \$156 million in federal funds, will result in 4,448 teacher layoffs, or four per school, and the termination of many school programs. If Macchiarola follows through on his threat to sue the city, Koch might well respond by firing police, fire, and other vital personnel.

Koch to introduce work camps in New York

New York City Mayor Edward Koch has announced that in August his administration will begin setting up work camps for "quality of life" offenders.

Within one year, the camps will house 123 prisoners on Hart and Rikers Islands, which could then be quickly ex-

panded to 700 or more, and recycle tens of thousands. "Quality of life" offenders are those sentenced for up to 15 days, and range from three-card monte players to traffic light violators.

According to the Criminal Justice Co-ordinating Department, the ultimate goal is to include virtually all prisoners in city prisons who are not violent criminals, and have them work in city jobs. This would be coordinated with an expanded program of the State Department of Corrections to have longer-term felons engage in public works and municipal jobs throughout the state—following the planned election this fall of Koch as Governor.

The creation of work camps in New York City and State is the prelude for forced labor to replace government workers. It represents the next step in the city's austerity plan, introduced in 1975 under Felix Rohatyn's Municipal Assistance Corporation (Big MAC). Workers in these camps would be given "incentive pay" of 50 cents an hour, at a time when the city and state budgets are being drastically slashed.

Rickover disappoints nuclear-freeze advocates

Admiral Hyman Rickover, the founder of the U.S. nuclear navy and one of the initiators of civilian nuclear reactors, delivered a statement May 9 to an audience of New York's anglophile elite gathered at the Cathedral of St. John the Divine.

The 82-year-old admiral had expressed some pro-disarmament sentiments when he was fired last January. However, in his speech at the cathedral, he disappointed his pro-nuclear freeze audience by refusing to address the issue of "the nuclear debate." Instead, he spoke to the undermining of the moral purpose of the American republic (a deterioration many of those in the audience had been responsible for) which has forced it into the present economic and strategic crisis.

"To work, to create, to excel, is the human purpose in life," he stated. "Re-

sponsibility is the principle which forces a man to become involved. Too many people abrogate their own responsibility for events by subordinating themselves to institutions. . . .

"Ignorance is the source of most of our national misfortunes. . . . We must develop the powers of language and thought of our population, and the written word is the way to advance both. . . .

"We are living on the accumulated moral capital of previous generations. . . . I believe that it is the duty of each of us to act as if the fate of the whole world depended on us alone."

Rickover refused to sit on a panel with Morehead Kennedy and other "peace movement" advocates, and left the cathedral after delivering his speech.

Justice Department target wins election by landslide

William Musto, the Democratic Mayor of Union City, New Jersey, was reelected in a landslide May 11, one day after being sentenced to seven years in prison after a Justice Department frame-up. Musto is one of the last long-time political machine leaders in New Jersey.

The Justice Department operation in New Jersey has been totally enmeshed with Resorts International, Meyer Lansky and David Rockefeller's casino conglomerate. In 1965, two current New Jersey federal judges, Herbert Stern and Frederick Lacey, were deployed by the DOJ as U.S. Attorneys to investigate and prosecute political corruption and white-collar crime in the state.

Stern's immediate superiors at the time, Robert Pelouquin and William Hurdley, have since left the department, to work directly for Resorts International as legal consultants under a \$1 million contract.

Musto has been a leader in Union City politics since 1946. He has a strong record of opposing drug use and trafficking, and has been effective in keeping municipal services and education functioning in the city, in the face of industrial collapse.

Briefly

● **THE SOCIETY** for International Development, an organization committed to zero growth, is hoping to get President Reagan and Mexican President López Portillo to speak at its July 18-22 Baltimore conference on "The Emerging Global Village." Appearing at the event are Club of Rome Chairman, Aurelio Peccei, the British Colonial Office's Dudley Sears, the Council on Foreign Relations' James Grant, who is also Chairman of the SID, and Club of Rome member Elisabeth Mann Borgese.

● **GEN. JOHN W. VESSEY**, President Reagan's unanimously approved nominee for Chairman of the Joint Chiefs of Staff, told the Senate Armed Services Committee May 11 that he did not believe the U.S. should get militarily involved in the Falklands war.

● **SUN MYUNG MOON** is supplying the funds and the core personnel to set up the *Washington Times*. Katherine Graham's *Washington Post* has expressed outrage at the appearance of its new competitor. Apparently Mrs. Graham believes that Washington is only big enough for one cult.

● **ALEXANDER HAIG'S** speeches around the nation's capital currently remind many political veterans here of former President Jimmy Carter. Since it is illegal to laugh within 100 meters of General Haig, many political veterans are relieving their tension with Carter jokes.

● **LAWRENCE Eagleburger** has borrowed a special task force from the FBI, to attempt to discover who arranged simultaneous English translations for Washington journalists at a May 13 press conference addressed by Secretary of State Haig.