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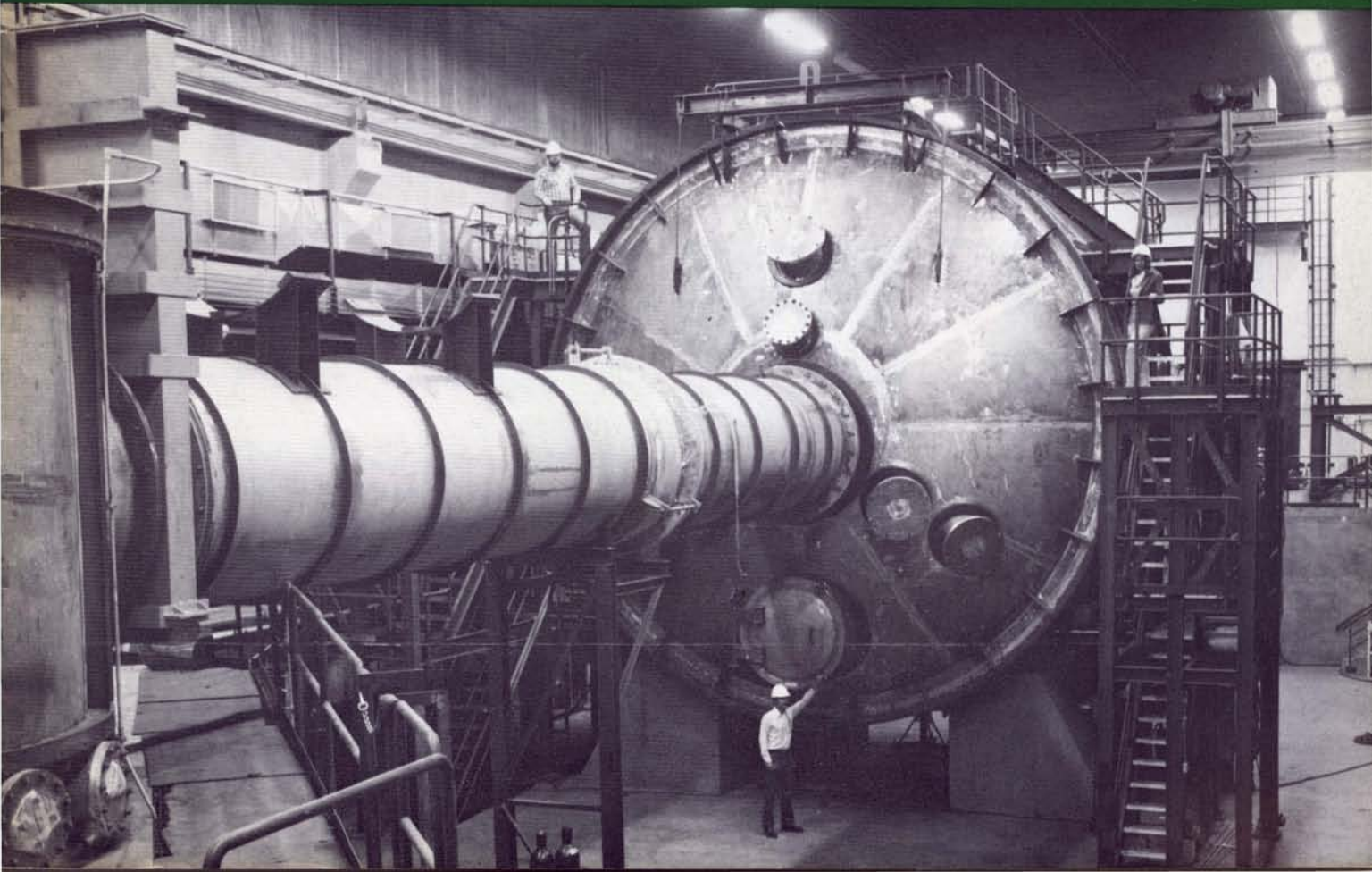
Executive Intelligence Review

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Intelligence debacle in National Security Council

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No to decoupling of Europe!**

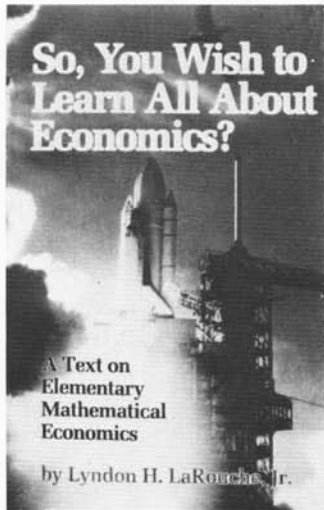


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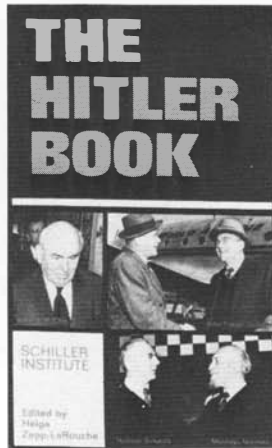
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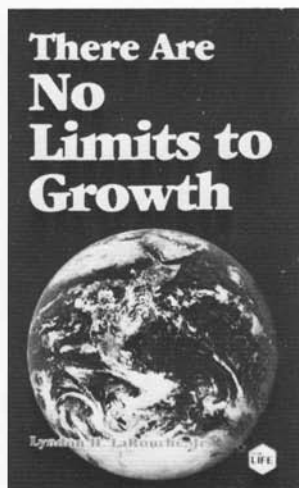
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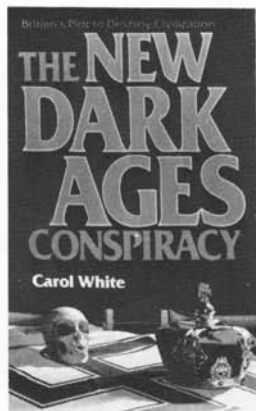
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EIR

From the Managing Editor

This week's *Special Report* provides our readers with answers to any questions they might have had concerning the strategic implications of so-called "Star Wars" technology: a complete, on-the-scene report from the Erice, Sicily conference of U.S., European, and Soviet scientists on beam weapons. Interviews with Dr. Lowell Wood of the American delegation—the father of the x-ray laser—and Prof. A. A. Vasilyev of the Soviet delegation, cover virtually every objection ever posed to the technology and the accompanying doctrine of Mutually Assured Survival—all raised by the Soviet side—and the American delegation's clear responses.

The architect of this strategic doctrine, which President Reagan adopted on March 23, 1983, is *EIR* founder Lyndon H. LaRouche, Jr. As our *National* section reports, LaRouche has now made it official: He is running for President as an Independent Democrat, and appeared on a nationwide television broadcast Sept. 3 to warn Americans that the nation faces severe food shortages as early as before the November elections—thanks to the policies of the Swiss-based grain cartel typified by the Cargill firm, owners of Walter Mondale.

The first phase of this "Food Shock of 1984" is already under way, as milk shortages and milk price rises strike the southeastern United States, and are threatening all parts of the nation. The story appears in *Economics*.

With this issue, *EIR* inaugurates a new column, "Northern Flank." As our Stockholm-based correspondent, "A. Borealis," asserts, the column has one purpose: to destroy Soviet asset Olof Palme, unfortunate Sweden's current prime minister.

Next week: The first in a multipart series by Paris correspondent Katherine Kanter exposing the origins and control of the Basque ETA terrorists. Founded by Benedictine priests, these cult-killers are a model of not only how the oligarchical families of Europe control and deploy international terrorism in league with the "Third Rome" cultists in the Kremlin, but by exemplification, the true nature and goals of organized evil in the world today.

Vin Berg

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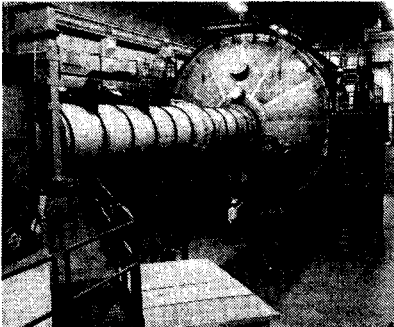
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Correction: The name of Venezuela's Justice Minister is José Manzo González, not López Manzo, as was incorrectly reported in EIR of Sept. 4, 1984 on page 30.

IMF's De Larosière demands: Slash budgets, raise taxes

by Richard Freeman

Speaking on Aug. 27 in Innsbruck, International Monetary Fund czar Jacques De Larosière called for an immediate "consensus" to halt the growth of domestic public debt of Western countries. De Larosière put his finger on the major weakness in the industrial nations, the explosive growth of public as well as other industrial sector debt, which could fissure the world monetary system. By presenting a generalized debt crisis in the industrial sector, De Larosière emphasized that this crisis is every bit as severe, and perhaps more so, than the Third World debt crisis, a point that *EIR* founding editor Lyndon LaRouche has stated in these pages more than once this year.

Holding out the threat of a blow-out of all Western nations' government debt, De Larosière warned that if they don't behave, the leading industrial nations in the Group of Seven—Canada, United Kingdom, France, Germany, Italy, Japan, and especially the United States—will be hit with adverse "psychological reactions" which will bring on a short-selling of Treasury securities—a breakdown of the Treasury market which these governments will be hit with anyway.

"Nothing untouchable"

The IMF chieftain said that growth in federal government debt is unsustainable in the long run. Warning that later it would be "politically difficult" for governments to implement the necessary steps, he urged in substance that all expenditures be cut drastically now; "nothing can be considered untouchable, including social and welfare payments," he

added. "No group should be insulated" from such a policy. Either the growth of public debt is stopped now through drastic austerity or "it will be stopped, as in the past, by a new burst of inflation with all the social, political, economic disarray that accompanies it. What is at stake here is monetary stability and the soundness of institutions."

Like some predatory animal closing in on its prey, De Larosière senses that the advanced sector has worked itself into a debt corner that nothing short of a fundamental transformation of monetary relations can get it out of. Therefore, he is ready to grasp the advanced sector in his "conditionality" claw.

Few who heard De Larosière's speech at the International Institute of Public Finance in Innsbruck, could fail to miss the timeliness of his utterances, especially with regard to the United States. At the end of August, the largest savings and loan association in America, the Financial Corporation of America, blew apart, despite its hasty reorganization by the government over the previous weekend. It had to be stitched together with a \$2 billion infusion of cash from the Federal Home Loan Bank Board and Freddie Mac.

The fourth largest commercial bank, Manufacturers Hanover, started doing a credible imitation of the beleaguered Continental Illinois, and sucked up to \$3 or \$4 billion from the Federal Reserve's emergency discount window (see *Banking*). The \$5.3 trillion public, corporate, and consumer debt structure of the United States began rocking to and fro like an old dried out tree ready to snap in the wind.

De Larosière sketched the dilemma the Western governments find themselves in: The mercurial growth of debt service, fed by Federal Reserve Board chairman Paul Volcker's five-year diet of double-digit interest rates, causes budget deficits to spiral out of control. Even were revenues and expenditures to remain the same and be in balance, budgets would still be in deficit because of swelling interest costs.

Of course, De Larosière makes scant mention of the Federal Reserve. Instead, like the dark-souled monetarist that he is, De Larosière puts the blame on too much government spending and "fiscal laxity."

"Over the past two decades, several factors brought about an attitude of fiscal laxity on the part of policymakers of many countries.

". . . The prevailing mood of the time created high expectations of the role that governments should play with respect to income maintenance, job creation, and income distribution. . . . Increasing subsidization of public services made them cheap to the users, thus raising the demand for them. Governments were led to spend progressively more to prevent a deterioration of their quality."

De Larosière has plans to reduce everything to chaos. "So-called entitlements must be scrutinized"; "[inflation]-indexation or other mechanisms cannot continue" for social security or the elderly; taxes and the cost of services must go up.

This, of course, is the same blast Walter Mondale is delivering against President Reagan, in conjunction with Swiss financial interests. One would think that "De Larosière for Mondale" bumper stickers will soon appear.

De Larosière, who would have been happy serving as a cost-accountant at Auschwitz, archly opines: "People came to feel that they had almost a natural right to cheap or free health care, transportation, communications, and so forth."

What is otherwise most obvious is that the "medicine" De Larosière prescribes is in fact the cause of the disease in the first place: Exorbitant interest rates and the implementation in the Western nations of precisely the austerity that De Larosière has recommended—the indiscriminate cutting of infrastructure, and contraction of industry and agriculture—are the twin causes of the budget deficits eviscerating the advanced sector.

But ideology aside, De Larosière does pinpoint the dynamic of the danger *inherent* in the leapfrog of government debt. Two tables of the several De Larosière presents in his speech were most revealing. One of them showed that in most countries, the ratio of central government debt to GNP/GDP is 200 to 400% higher than it was a decade ago. For example, in 1972, West Germany's central government debt to GNP/GDP ratio was 6.6%, Italy's was 44.3%, Japan's was 12.5%, Denmark's was negative 1.6% and America's was 28.0%. By 1983, West Germany's ratio was 20.4%, Italy's 78.9%, Japan's 52.5%, Denmark's 68.7%, and

America's 35.5%. Since both government debt and GNP are increasing, this means that public debt is growing many times as fast.

The United States alone has \$1.4 trillion of the approximately \$3 trillion treasury debt obligations of the advanced sector. (These figures exclude state and local government debt, which is at least another \$1 trillion.) The U.S. Treasury debt outstanding was \$600 billion, or less than half its current amount, only five years ago. Think back and recall what happened then: Paul Volcker was appointed Federal Reserve Board chairman.

A second table presented by the International Monetary Fund chief showed the interest on the public debt as a percent of total federal government debt. In 1972, the interest payments as a percent of federal government expenditures for West Germany, Japan, Italy, and the United States, were 2.5%, 4.2%, 4.8%, and 7.1%, respectively. In 1983, for the same countries, the ratios were 10.8%, 18.0%, 17.3%, and 14.6%.

Interest on federal government debt has taken on a life of its own, enlarging both itself and the budget deficit. As De Larosière put it:

"We are at a juncture where fiscal deficits are feeding upon themselves through the interest component of government expenditure. As the relative size of the debt increases, interest expenditure also grows. Furthermore, that growth can be accelerated by a rise in real interest rates or by a reduction in the rate of growth of the economy."

In the United States, the interest on the public debt for fiscal year 1985 will be roughly \$115 billion. To put this interest payment in perspective: The entire cost of one Space Shuttle mission, which many budget-cutters would eliminate, is \$150 million, which amounts to less than a half-day of U.S. government debt-service costs.

De Larosière acknowledges that he has pinioned the United States and other advanced sector countries under the weight of interest rates, from which position they cannot extricate themselves. He then applies the bone-cruncher in his neat formulation:

"These are sobering results because they indicate that if taxes *remain* at the same share of GNP, and expenditures other than interest payments also *remain* at the same share of GNP, fiscal deficits and the financing requirements of governments would grow [because of rising interest on the public debt—ed.] Only if taxes can be *increased* and/or *noninterest expenditures can be cut* by amounts that *exceed the increase in interest expenditures*, can the debt explosion be contained and the fiscal deficit reduced."

Further, he says:

"The larger the increase in interest payments, the larger must be the cuts in other expenditures, by a magnitude large enough to accommodate the interest payments."

What remain uniquely sacred are interest payments. Cut

anything and everything to pay the interest.

It's called usury, and will make Credit Suisse and other bondholders of U.S. government debt happy. The United States would have to close a \$175 billion budget deficit plus run a \$20 billion budget surplus, through sharp tax increases and budget-cutting, to effect a balanced budget.

To do this would require dictatorship conditions.

De Larosière warns of financial panic. He speaks of "psychological reactions," wherein, "if those who hold public debt came to feel that the monetary authorities might give in to pressures to expand the money supply [bail out government debt and the banks—ed.] . . . the holders of bonds might attempt to unload them." De Larosière is sardonically aware of his power and quotability as head of the International Monetary Fund, that his public warning *may instigate the markets to panic in that direction.*

The moment the U.S. government debt market even appears to be going under, the viability of the U.S. banking and credit system has ceased to function. All the benefit of such a collapse accrues to the Soviets, the Swiss, and the IMF itself. The tip of the iceberg

Yet, the rash of bank failures this year, which has put more than 200 institutions on the government "watch" list, attests to the rotten nature of corporate, consumer, and farm loans. The U.S. economy has built a credit bubble over the past 15 months that resembles the 1929 stock market bubble.

Consider some of the stunning rates of growth of debt taken from the Federal Reserve Board of Governors' Flow of Funds for the first quarter of 1984 (second quarter figures are yet to be released). Short-term corporate borrowing occurred in the first quarter at a \$161.7 billion annual rate. This is more than \$100 billion greater than the level of such credit for all of 1983.

Consumer credit grew at a \$78.5 billion rate in the first quarter, more than two and one half times its average rate for the last five years.

The extent of short-term lending was extraordinary. Many car loans had four-year maturities, and one New York bank began offering five-year car loans. More than half the car owners hold cars for less than three years, so the loan is longer than the time the car is held. The ratio of cash sales of cars is now no more than 15-20% of all such sales, an all-time low. On trade-in sales, many dealerships are giving inflated values for the trade-in car, which is in effect giving a discount on the price of the new car. Plus, car finance companies are paying low double-digit interest rates on the commercial paper market to then lend the credit to customers at sometimes below 10%. The finance companies take the loss to move the cars. This has led the commercial paper market to grow at an explosive 20%-plus rate for the first six months of 1984.

Home mortgages were lent at a spectacular per annum rate of \$145.7 billion in the first quarter, versus an \$86.2

billion rate in the first quarter of 1983. But this is just the first level of hypothecation. Home-owners have once again started using their homes as speculative entities. Borrowing against home equity, which totaled less than \$8 billion in 1982, rose at a rate of \$40 billion per year in the second half of 1983 and continued to rise at that rate in the beginning of the year. This practice is what added to the speculative blow-out in housing in late 1980.

Shelter wars

But the gross figures can only convey half of the true picture of the level of credit expansion, and sheer bubble activities now ongoing in the United States. For example, during the first half of 1984, corporations used \$75 billion in borrowings to simply buy back their own stocks. They then promptly declared higher dividends per share, by virtue of having fewer shares outstanding, and engaged in various games to increase profits through selling divisions, leasing them back, and counting the capital gains from the division's sale as profits.

Thus, the stock-market rise was based on inflated profits, which rose higher as a result of the stock market bubble. The reverse-leverage on this process will be devastating.

On top of this, a good percentage of all real-estate deals concluded this year were tax-shelters, in which the individual investor put up a minimal amount of, say, \$25,000 and realized two to six times that amount in tax benefits. This, of course, spurred the multi-family housing market boom, but cut perhaps \$25 to \$50 billion from corporate and individual tax payments.

So, the U.S. economy and profit structure in 1984 became in reality a "paper tiger"—most of the gains were registered on paper only. But farming, many basic industries, and infrastructure continued their collapse. Corporations, which borrowed so much short-term, never corrected their balance sheets to fund out into long-term debt. This is a most unusual act of neglect during a "recovery." According to the Farm Home Administration, 40% of its mortgages, worth \$150 billion, could default this year.

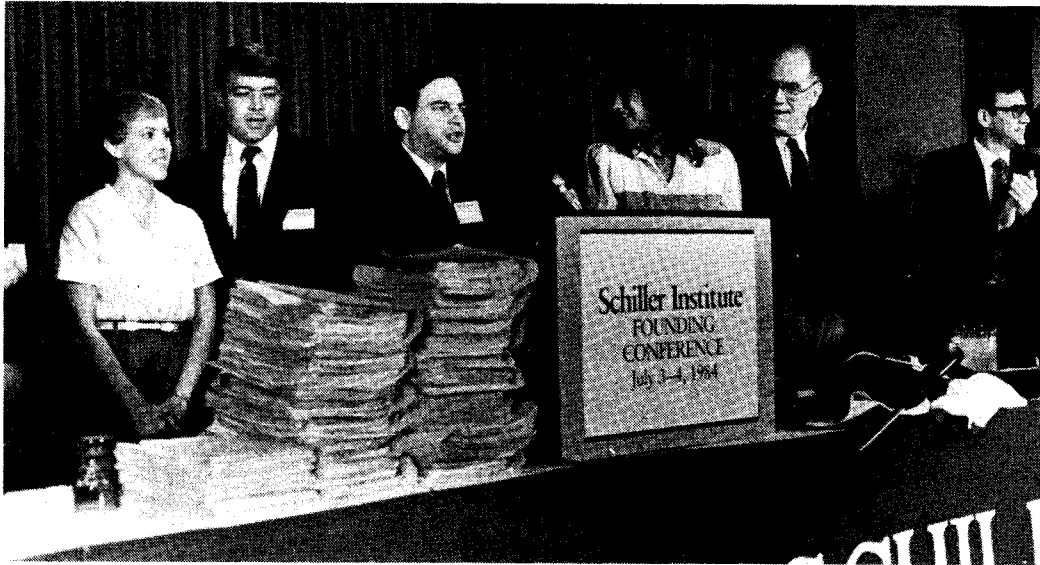
The reams of credit extended during the first half of this year, on top of an already-bloated consumer and corporate debt load in the United States—exceeding \$3 trillion—has put the banking system at the straining point, especially since so little of the money went for sound investments.

The end result can be seen in the current fate of the Financial Corporation of America, the Continental Illinois Bank, Manufacturers Hanover, and many other institutions. The recent two-month downturn in housing, the downturn in retail sales and other critical parameters, indicate not a long-sought cooling off period. Rather, they represent the end of credit-generated speculative "boomlets," which will leave banks with even more worthless and vulnerable paper on their hands.

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Milk shortages loom as schools open; rationing threatened in Georgia

by Marcia Merry

The food shortages that *EIR* has been warning would occur in the United States before year's end are now beginning to hit the supermarkets and the family dinner table. As schools prepared to open in the United States in late August, the reality of milk shortages hit home with a bang. The Georgia secretary of agriculture sent an emergency telegram to U.S. Agriculture Secretary John Block calling for special milk shipments into the state to avert rationing. Five dairies serving Atlanta announced that milk rationing may have to start in September because of the severe production shortfalls in the state, where farm milk output has dropped 25% in one year. The public was warned to expect a 16¢ a gallon rise in milk prices.

Forrest Davenport, executive vice-president of Atlanta Dairies, called the situation "critical." "Hopefully, we won't be in a rationing situation, but given the shortage, we don't know."

The dairy shortages are the first round in a full-scale "food shock of 1984," paralleling the 1973 oil shock. The milk shortages have been brought about not by merely ignorant and incompetent policy makers; they were deliberately planned by the food cartels.

One of the cartel associates, economist Richard Lyng, currently USDA deputy secretary, spoke of the Atlanta milk crisis: "We are a little surprised, however, at the magnitude of the Southeast milk shortage. We weren't expecting such cutbacks in that region when the support program was changed by Congress last year. However, we feel that enough milk will move into the region when the price is high enough to offer that incentive."

The destruction of an industry

The fact that shortages are first hitting the dairy industry is not surprising, since milk herds have the longest cycle of production of all animal protein food supplies. The milk valve can't simply be turned "on and off."

Milk shortages are worst in the Southeastern states, but supply problems have emerged in many parts of the country. Milk output has fallen over the last year in every state but California. As early as July, the Oakhurst Dairy in Portland,

Maine, wrote to its customers telling them to "be patient . . . there will be shortages."

The effects of U.S. milk shortages are also being felt abroad. Milk prices in Venezuela doubled Aug. 27, a price rise coordinated through the international dairy cartel companies (Nestles, Unilever, the New Zealand Dairy Board), which support production cutbacks as "good for business."

The milk decline in the United States is the predictable result of the recent government milk-reduction programs, in which the lie was promoted over several years that "overproduction" was depressing dairy farm income, and that underproduction would straighten out "supply and demand."

Last fall, a production tax was levied on dairy farmers, who since then have paid 50¢ for every hundred pounds of milk they market a month. Then in January, the milk "Payment-In-Kind" (PIK) program went into effect, in which farmers who agree to sign up for the plan get \$10 for every hundred pounds they do not market for the next 15 months. In other words, the government is paying farmers to kill milk cows. In the last year the national dairy herd has shrunk by over 300,000 cows. In economically depressed regions where the most dairy farmers signed up for the PIK program, milk output has plunged the steepest. In Georgia, for example, 200 out of a total of 1,000 dairy farmers have gone out of operation altogether.

Consumer milk prices are climbing, and will go way above \$3.00 a gallon. A spot-check in Atlanta supermarkets recently showed milk on sale for between \$1.98 a gallon up to \$2.98 a gallon, depending on where the milk came from. Prices are up in North Carolina. Milk is being "imported" into Georgia from Wisconsin, the nation's top dairy state, by interstate tractor trailer, at significant expense.

Shortages will worsen

National milk production is down from 12,273 million pounds last June to 11,832 million pounds this June, and falling rapidly.

- In Georgia, Alabama, and western Florida, milk output is down 14-25%.
- In New England, New York, and New Jersey, there is

a 4-15% drop in output.

- In eastern Pennsylvania and the mid-Atlantic region, milk output is down 10%.
- In Iowa, southern Illinois, eastern Kansas, and Missouri, milk output is down 9%.
- In Minnesota, milk output is down 9%.

For the first time ever, the national average milk output per cow has begun to fall, as dairy farmers are unable to afford proper feed and herd care.

U.S. Department of Agriculture dairy program spokesmen predict that at year's end, national overall milk output will be down by about 4.5%. The government plans to add on another 50¢ production tax per hundred pounds of milk next April, if "surplus" milk stocks are still going into government purchase storage at that time. Even without the additional tax burden, most dairy farmers are producing now at a loss. A University of Georgia dairy science department study shows that farmers in the southeastern states are losing \$1.50 per hundred pounds of milk.

Farmers in the southeastern states are combining into a milk pool to raise their prices to processors. Called the Sunland Farmer Federation, the group covers six states (Louisiana, Mississippi, Florida, Georgia, South Carolina, North Carolina, and eastern Tennessee) and intends to exercise control over 95% of the milk produced in the region. Congressional hearings on milk prices are set for Sept. 19.

Milk now arriving in Florida or Georgia from Wisconsin costs an additional \$6.50 per hundredweight for the transportation and handling costs, and an additional mark-up for "give-up" costs of diverting the milk from local processing into out-of-state fluid use. Instead of a national average cost of \$12.50 a hundred pounds, the milk costs at least \$18.70 on arrival in Georgia or Jacksonville.

Georgia Agriculture Commissioner Tommy Irvin appealed to Secretary Block to "stop this rape of the south"—the shortages, the high cost milk "imports." Virginia State Milk Marketing Board officials say that higher prices to southern dairy farmers will encourage more production, but will take place only six months or more down the road. However, this perspective is wishful thinking, when seen in the context of the general farm crisis.

The 1983 PIK program sent feedgrain costs soaring. Farm credit has been all but turned off this year, and farmland values are plunging. In Minnesota, where milk output is down 9%, the assessed value of the state dairy herd is down by 15%. Cows which could be producing 12,000 to 16,000 pounds of milk a year are being sold to the slaughterhouses for \$450 each.

Because of the milk reduction, co-op or independently owned manufacturing and processing plants have been forced to declare Chapter 11 bankruptcy, or to close out or sell out to the domestic cartels—Borden, Kraftco, Beatrice Foods, and others. In Georgia, for example, 100 dairy plants have shut down over the last two years.

The same milk reduction plan is in effect in Western Europe, implemented through a mandatory quota. Shortages of milk for powder have already emerged in Holland and France. Together, the United States and Europe account for 40% of all world milk produced. This will rapidly fall under the cartel program. There are eight more months to go under the U.S. milk "PIK." If this suicidal program is not stopped, the most productive dairy structure ever built in the world will be destroyed.

Top dairy states targeted next

Operations are under way to reduce milk prices in the six top dairy states (New York, Pennsylvania, Michigan, Wisconsin, Minnesota, and California), threatening to gut U.S. dairy output infrastructure irreversibly. These states produce over 54% of national milk output.

There are 60 federal Milk Marketing Order districts in the country, by which milk price levels are set for both farmers and consumers, in order to prevent chaos in food supplies. Milk from each region goes into a regional "pool" and is allocated for 1) processing of daily fresh fluid supplies; and 2) manufacturing of commercial cheese, powder, butter, and other products. Any reserve milk then goes into manufactured products bought by the government for Commodity Credit Corporation (CCC) storage—cheese, butter, and powder. Farmers receive the highest milk price for the fresh milk processing. The rate of CCC stockpiling is now falling drastically. Last June, 1,846.6 million pounds of milk equivalent was manufactured and bought by the government. This June, 706.5 million pounds of milk equivalent was stockpiled. At this time there is no "reserve" milk anywhere on the East Coast going into CCC product storage.

Also under fire are the state milk marketing boards, which also set price levels:

New York: A campaign is under way to pressure the New York State Milk Marketing Board to allow New Jersey milk into the New York City marketing district in the name of "competition," and thus to lower prices to the consumer.

Pennsylvania: Some state milk marketing board officials tried earlier this year to lower milk prices paid to the farmer in the name of "consumer interests." This was defeated. But now this will be introduced in the legislature to mandate the board to cut prices to farmers.

Wisconsin: Board officials are under pressure to cut the price paid for manufactured dairy products, to undercut milk output overall, and to prevent reserve milk from flowing out of the state. In addition, an anti-production act was passed in the state last year, making farmers liable for "animal wastes."

California: The national "consumer lobby" is mobilized to demand reducing milk prices to farmers. GOP Rep. Tom Rich, from western Pennsylvania, sent out a letter complaining: "There is too much production in California. . . . This is causing CCC problems. . . . The evil is the state marketing boards. . . . The farm price must come down."

Seminar explores new theories on the formation of planets and stars

by Carol White

Almost 400 years ago, astronomer Johannes Kepler laid the basis for modern astronomy. While he is best known for his three laws of planetary motion, his primary interest was to develop a theory to account for the creation of the planets. In neither respect has his work been qualitatively superseded to this day. The reason for this is that scientists have been diverted from Kepler's path into the sterile direction of Newtonian physics.

Recently a three-day science seminar was held in Virginia, with presidential candidate Lyndon H. LaRouche, Jr. The topic was a modern approach to astronomy from the point of view of Kepler. Present were the well-known Mexican astronomer, Dr. Luis Carrasco, and members of the editorial board of the *International Journal of Fusion Energy*, Drs. Tennenbaum, Moon, Bostick and Parpart, myself, and members of the Fusion Energy Foundation staff. The major subject under discussion was astronomy.

For almost two decades, Dr. Carrasco has been studying the process of structure formation in the universe. The most exciting feature of his work is his acknowledged debt to Johannes Kepler (1571-1630). Only recently has mainstream astronomy recognized just how correct Kepler was in identifying the crucial role of the magnetic field in the process of planet and star formation as well as in governing planetary orbits.

Carrasco has generalized this method to apply to the formation of galaxies and clusters of galaxies as well. Kepler's Third Law, which relates the period of revolution of the planets to their distance from the sun, has been generalized by astronomers to estimate the relative mass of the Sun and Earth. The comparison is made between the orbit of the Moon around the Earth at a given distance, and the predicted period of a body around the sun at the same distance.

This is represented in the equation $R^3/T^2 = M$, where R is the mean radius of the orbit, T is the time of revolution, and M is the mass.

Carrasco has generalized this as a relationship between what he calls specific angular momentum and the mass of the structure in question. The correlation he finds can be expressed as:

ωR^2 is correlated to $M^{2/3}$, where ω is the orbital angular velocity.

The Carrasco law implies a lawful relationship between

the radius of a planet and its mass. Such indeed was also asserted by Kepler. Empirically, he has found that the specific angular momentum does correlate with a value of mass—which implies the relationship between mass and radius implied above.

Carrasco's theory

Carrasco has discovered this relationship as a byproduct of his study over the past 17 years of the connection between the reduction of angular momentum and the formation of planets, stars, galaxies, and clusters of galaxies. He began this work by studying the activity of sunspots which provide a means of measuring the spin angular momentum of stars.

He contends that these sunspots are intimately connected to the generation of solar flares. Synchrotron radiation from solar flares provides a means of detecting them. These solar flares are the vehicle, according to Carrasco, through which the sun sheds angular momentum, partly by losing mass, but mainly by the interaction of the magnetic field carried out of the star and the plasma gas disk surrounding the star. This magnetic field of the flare remains connected to the star, and therefore transfers angular momentum to the plasma gas disk as it is dragged through this disk by the rotation of the star.

As is well known, the angular momentum of a rotating body determines its stability. Therefore, for a star to form, there is a maximum angular momentum which it will tolerate. If the angular momentum of the gas from which the star is to be formed is too great, then centrifugal force will prevent its formation. Carrasco has determined that the angular momentum does not operate as a maximum allowing star formation to occur at any point below that maximum. On the contrary, star formation seems to occur only at preferred bands of angular momentum—such that there is also a minimum angular momentum necessary to allow for star formation.

This result is not predicted by mechanical theory. This being the case, Carrasco has looked for a process by which angular momentum is shed which will then correlate to a rate of star formation. This implies, for stars like the Sun, a time in which they had a far greater angular momentum than at present. In the early period of the Sun's life, it would have been rotating at a far greater speed than currently and would have been experiencing a great deal more flaring. This process appears to be important to understanding the morphol-

ogy of all stars. Carrasco predicted that high levels of solar flaring should be seen in the case of young stars. This was corroborated within the past few years when the Einstein x-ray detecting satellite observed such high levels of solar flaring in young stars.

In 1958, Winston Bostick predicted that the plasma effects which he was observing in a laboratory situation, with his plasma focus experiment, would be discovered in the activity of stars and galaxies. In particular he singled out the development of vortex filamentary structure. Recent observations seem to corroborate his hypothesis. Bostick argues that phenomena such as sunspots are like the plasmoids which he has observed in the laboratory. He hypothesizes that flaring on a large scale occurs when two such vortices come together so that their magnetic field lines coalesce and are transformed into flares. The shock wave created by this flaring in turn detonates smaller flaring over the surface of the star.

Carrasco has observed a correlation between the mass of stars and the degree of angular momentum. He finds a linear relationship between, on the one hand, the logarithm of the ratio between angular momentum per unit mass, and, on the other, the logarithm of mass per se. In other words, both *exponential* functions—of the angular momentum and the mass—are correlated. He has also found that this correlation differentiates stars according to their age. That is, for the older stars with the same mass, their trend line will occur at an overall reduced angular momentum. The significance of this is that stars, regardless of their age, will tend to shed mass in a uniform manner over time.

The most massive stars have the largest angular momentum because they are not convective. Large stars have large stellar winds, but they are not magnetized, and therefore do not shed angular momentum to the same degree. Small stars shed angular momentum with great efficiency without the same degree of loss of mass. With this model, it is possible to predict the age of stars by criteria other than those currently used. This analysis has also been extended to binary stars, which also store angular momentum. Most stars are part of binary systems, even if one of the pair is no longer observable.

A step function graph of these logarithmic categories extends from the formation of planets and asteroids to the formation of clusters of galaxies. For each category of cosmic mass, there is a rising step, or line, crossing a diagonal linear trend line. The step indicates the relationship within a given category, while the trend line shows the interrelationship between categories. These steps are discrete quantizations. He has found a higher continuous function which makes the function continuous by introducing the mean density of cosmic mass into his equation.

Kepler's law extended

Except in the case of spiral galaxies which vary by a different law (the three-fourths power of mass) these cosmic structures vary according to the two-thirds power of the

mass—which is a direct extension of the method of Kepler. Carrasco has accounted for the dissimilarity of spiral galaxies by a corrective factor. In general, spiral galaxies are less dense than elliptical galaxies. Star formation seems to occur in their arms, where a mean magnetic field has been located running through them. While it is clear that there is rotational action in the spiral arms, it has not yet been possible to locate vortex filaments along the lines discovered by Bostick, although Carrasco thought that these would most likely be present. In fact, the shape of the galaxies which he describes are similar to “barred” spiral formations seen by Bostick in his experiments.

The “mass” which Carrasco is addressing from the point of view of galaxies and clusters of galaxies indicates the process of star and galaxy formation. A galaxy with high mass has formed many stars. The relationship of the mass of a stable structure to its angular momentum, is not unique to Carrasco but follows well known mechanical “laws.” What is unique is that he has found that these structures actually exist within narrow quantum bands, rather than within arbitrarily chosen “permissible” values which otherwise occur over broad bands. Furthermore, he hypothesizes that the formation of new structures can be directly connected to the rate at which the parent body sheds angular momentum. The present direction of his work is to get beneath the mass-momentum relationship to the magnetic field structure which is more basic to the process through which the universe creates itself.

Galaxies, as such, are divided into two main categories—spiral galaxies such as our own—and elliptical galaxies. The elliptical galaxies—ellipsoids with three different axes—are far more dense than spiral galaxies, yet they have less angular momentum than spiral galaxies by a factor of 20. Carrasco presumes that they have down-shifted by some law which is independent of their mass, in which the change of angular momentum per unit of angular momentum is a constant fraction related to time.

In a sense, stars keep a “memory” of the condition of their formation, maintaining themselves in relation to each other in galaxies. Elliptical galaxies have stopped the process of star formation. They have very little surrounding gas left, and this is ionized and therefore too “hot” to support continued star formation. Their lower angular momentum means that they accomplished their star formation at an earlier period. This is not the case with spiral galaxies which are still forming new stars. This offers another possible approach to the question of the red-shift. Rather than the usual interpretation that the observed red-shift represents an expansionary process in the universe, it may be due to a down-shift of frequency directly related to the work of star formation.

Carrasco has discovered another Keplerian relationship. Within galaxies there are peaks and valleys of angular momentum which occur at discrete intervals along radial distances from the center of the galaxy. Sharp peaks of star formation correlate with these valleys. In spiral galaxies these

discrete nodes of star formation occur within the spiral arms. The radial patterning suggests that the universe is structured in magnetic "sheets." This may indicate a global filamentary structure of the universe rotating as a whole.

In the discussion which followed Carrasco's presentation, Lyndon LaRouche emphasized the necessity of throwing out the so-called laws of physics and approaching the subject afresh from the point of view of Kepler. But for Kepler's method to be understandable to a modern audience, it is necessary to rework Kepler from the standpoint of Gauss's conical work functions.

LaRouche emphasized the falseness of Newton's notion of gravitational force. Gravity is merely the measure of the work done by an object when it moves out of a Keplerian, force-free orbit. In this sense it registers work done upon the universe. Newton's treatment of gravity as the pairwise interaction between masses was a deliberate attempt to stifle the advance of science. The practically useful calibration of the inverse square law was in any case first introduced by Kepler himself with regard to optics, and was only later applied by the secretary of the Royal Society, Robert Hooke, to transform Kepler's laws into the form of "Newton's" so-called law.

The approach by Dr. Carrasco is not only a fruitful application of Kepler's method, but very useful pedagogically. Therefore, LaRouche suggested that it would be very useful to present a morphology of cosmic species to help the student. He urged that such a classification of these different "animal" species be made available to as broad an audience as possible as quickly as possible.

The LaRouche hypothesis

LaRouche suggested his hypothesis that nuclear fusion can only occur as a polarized process for Carrasco's consideration. This would imply that the present assumption by astrophysicists that fusion in the Sun could not produce the heavy elements found on earth, *sui generis*, is incorrect, since a polarized plasma would raise the efficiency of the fusion process by as much as one order of magnitude.

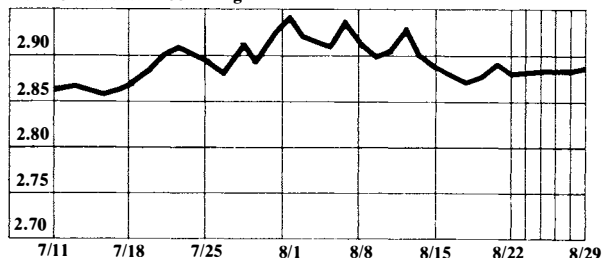
LaRouche also suggested that the gaseous disk surrounding the Sun was polarized and that the creation of heavy elements occurred there. This would have been part of the process of planet formation. Carrasco noted that there are very short-lived isotopes formed on the surface of stars, elements like technetium, which could not have been formed at their center and traveled to the surface because they are too short-lived.

While this is suggestive of corroboration of the LaRouche hypothesis, the isotopes are also too short-lived to have been cannibalized in the process of planet formation. Carrasco also noted that certain stars have a high metallic content. These stars have very high magnetic fields. In the same connection, he remarked that the spiral arms of galaxies emit polarized radiation which is diffracted through dust which has been aligned by the magnetic fields within the arms of the spiral.

Currency Rates

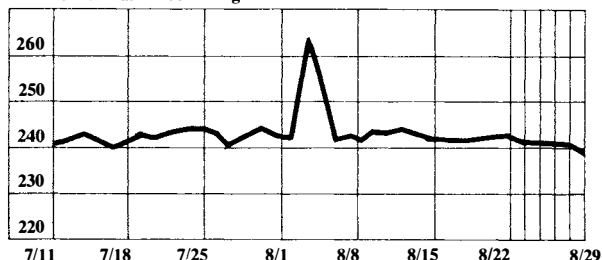
The dollar in deutschemarks

New York late afternoon fixing



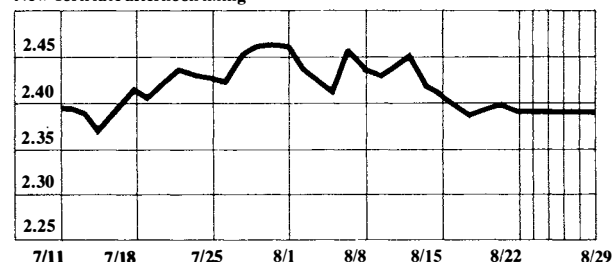
The dollar in yen

New York late afternoon fixing



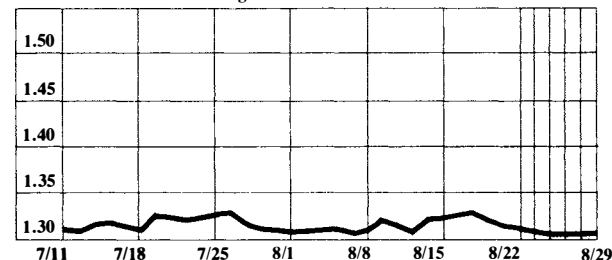
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



IMF turns screws on the Philippines

by Gail G. Kay

A new phase opened in the bankers' campaign to bring down President Ferdinand Marcos when, earlier this month, Philippines Central Bank head José Fernandez announced measures to loot the domestic banking system in order to pay the country's outstanding foreign debt.

Coming on the eve of a visit from an IMF delegation, the announcement was a gesture toward resolving the stalemate in debt negotiations which has kept the country in a state of economic limbo since October 1983.

The Philippines economy was put through the wringer by its creditors, led by the IMF and the World Bank, in the six-week period following the Aug. 21, 1983 assassination of opposition leader Benigno Aquino, an event that triggered the country's worst political crisis since World War II. By October 1983, foreign credit had evaporated, loans were being called in on short notice or canceled outright, and flight-capital was pouring out of the country to the tune of hundreds of millions of dollars. The government suspended payment on the principal of its outstanding \$25 billion in foreign debt to 483 lending banks. Nothing has changed today.

If phase one of the bankers' campaign against Marcos involved starving the victim, central banker Fernandez's phase two promises to put the victim out of its misery. Says Fernandez, "We think we are pragmatic enough to realize that the international financial markets will not be as easy to tap in the future as they have been in the past. More and more of the investible funds must come from domestic savings." Fernandez also proposes to turn over prosecution of banks for fraud and mismanagement to the recently created Office of Special Investigations, an offshoot of a scandal over the central bank's bookkeeping that helped put Fernandez in office, to the IMF's delight.

Banco Filipino, the country's largest savings bank, has been the first target. The bank was forced to close its doors July 23, after a run by depositors amid charges by Fernandez of irregularities and a pledge not to bail out the bank. President Marcos intervened, ordering emergency credits of up to \$160 million to rescue the deposits of some 3.7 million Filipinos. Fernandez retaliated on the eve of the IMF delegation's arrival Aug. 14, implying that bail-outs hurt his "targets" for cutting back on liquidity in the economy, and that failure to meet such goals means no loan from the IMF.

Widespread food shortages, increasing layoffs, 50% inflation, and a freeze on foreign exchange except for essential

commodity imports are the main causes of the popular protests against Marcos. It is the uncertainty surrounding Marcos's response that has the IMF's allies in the State Department and U.S. Treasury worried.

Washington 'reconsiders' commitment

Preliminary readings suggest that the Reagan White House is in the process of moving from what Senator Melcher described last April as "benign neglect," to something less than "benign." The Philippines is "another Vietnam waiting to happen," and the administration may be preparing to "cut its losses" early, even though the political forces do not now exist to take Marcos' place.

Last month the Reagan administration launched an inter-agency review on the Philippines to define "a unified U.S. strategy at least for 1985." The findings are to be released after the November election. The policy review was prompted by two reports submitted in mid-June, one by U.S. Pacific commander Adm. William J. Crowe, and the other by the U.S. embassy in Manila, now under the firm control of long-time Kissinger associate Barry Bosworth. Both reports focus on the radicalization of the Philippines population, as seen in the growing strength of the guerrilla insurgency led by the New People's Army, the military wing of the outlawed Communist Party of the Philippines.

The NPA now operates as a national insurgency, in 53 out of 73 provinces, and controls one-fifth of the "barrios," the smallest political unit in the country. They collect taxes, provide "protection" for local businesses, and "administer" justice. Some sources estimate that half of the Philippines 160,000 troops are committed to operations in the southern island of Mindanao, where the NPA has joined forces with the Muslim Moro National Liberation Front (MNLF).

KGB Democrat Rep. Stephen Solarz (D.-N.Y.) has asked the Reagan White House to "seek alternatives" to Marcos, while linking continued U.S. economic assistance to satisfying the IMF. The first taste of this came Aug. 7, when the U.S. Treasury overrode the State Department to quash a proposed \$150 million World Bank loan, to give Marcos no leeway in IMF negotiations the following week.

Solarz's "alternative" is now taking shape under the auspices of the most radically anti-U.S. Filipino opposition leaders. Former Foreign Minister Raul Manglapus reported recently on a meeting in Hong Kong in April 1984 to discuss creation of a "transitional government." Attending were Jose Diokno, Lorenzo Tanada, Jovito Salonga, Agapito Aquino, brother of the murdered Benigno, and Abraham Sarmiento, the latter a representative of former President Diosdado Macapagal.

Diokno and Tanada lead the movement to oust the U.S. from the Philippines, starting with the facilities at Clark Air Field and Subic Bay, central to the drive to turn the Pacific into a "nuclear-free zone." They work with the pro-Khomeini Ramsey Clark and Richard Falk in the United States, and are leaders of the political support apparatus for the NPA.

Space Shuttle flight tests new medicines

by Marsha Freeman

The current maiden flight of the Space Shuttle orbiter Discovery carries a potentially life-saving payload. The continuous flow electrophoresis experiment (CFES) module making its fourth flight this mission will produce a biological hormone difficult to manufacture on Earth. The hormone will be tested over the next year in the treatment of chronic disease.

Although the industry partners engaged in the CFES experiment, McDonnell Douglas Astronautics and Johnson and Johnson, will not divulge the exact content of the CFES biological materials for proprietary reasons, the federal Food and Drug Administration plans to begin testing the material on animals and humans over the next year. Candidate biologicals that have been mentioned include insulin-producing beta cells to cure diabetes, and kidney cortex cells which produce urokinase, which dissolves life-threatening blood clots.

In previous flights, the CFES module has demonstrated that it can separate these substances with a four-fold increase in purity compared to Earth systems, and at a rate 500 times faster than gravity-inhibited ground technology. The much larger volume of such materials that will result will bring the cost of using these biologicals down to a level at which their administration in the treatment of chronic diseases could become medically routine.

More broadly, the feasibility of entire new processing industries based in space will be established by the successful demonstration of the electrophoresis technology on the Shuttle.

Why launches are delayed

The importance of flying this particular payload underlines the need to ensure that the entire Shuttle orbiter fleet is in good health. But as things now stand, the underfunding of the Space Shuttle program from its inception has led to a situation in which the slightest problem can result in inter-

minably long delays and even cancellation of flights.

This twelfth Shuttle mission, for example, has suffered three launch delays. The U.S. space agency has been forced to combine two flights into one to avoid disruption of the schedule for the rest of the year. The length of delay was partially caused by the fact that the National Aeronautics and Space Administration has never had enough money to buy spare parts for the Shuttle orbiters.

Discovery's first flight was originally scheduled for early June. The launch was delayed due to problems with one of its engines. Rather than being able to go to a warehouse and "unpack" a new one, an engine had to be pulled from the Space Shuttle Challenger and installed in Discovery.

On June 25, nine minutes before blast-off, problems with one of Discovery's on-board computers resulted in a one-day postponement. Once again, engineers had to cannibalize the Challenger for a part.

The next day, the abort on the launch pad caused because of a valve problem in an engine forced NASA to borrow yet another engine from another orbiter.

The orbiter Challenger, from which parts have been taken, is scheduled to fly in October. Now NASA will have to re-fit Challenger with the missing parts, because they do not have a supply of spares from which to replace problem components.

Throughout the development and construction of the orbiter fleet, cost-cutting has led to reduced engine testing and the unavailability of spares for easy recycling. While the news media continue to complain about delays in the Shuttle schedule, NASA has still not secured funding for an extra orbiter or a supply of spare parts, about which the news media have notably *not* complained.

Large structure to be tested

Next-generation space technology, from the space station to advanced communications satellite systems, will depend upon the ability to use and deploy large structures in space. The current Shuttle mission will do crucial dynamics and control tests on a 102-foot solar panel which will be a first step forward in this new capability.

The Solar Array Experiment, built by Lockheed, is a prototype for future solar panel designs that could deliver from 300 kilowatts to a megawatt of electrical power to space systems. During launch, the folded solar panels are stored in a small box, wrapped around a retractable mast which is stowed in a cylindrical canister.

During the experiment, Mission Specialist Judith Resnik will deploy the array. The extension or retraction rate of the mast is about 1.5 inches per second, requiring about 14 minutes for full extension. NASA has predicted the motions that should be seen in the array from orbiter thruster firings. The on-board experiments will verify these vibrations, and lay the basis for designing large space structures for the Shuttle and space station.

Contingency plans for dollar collapse

The Treasury is riding a bicycle it must keep moving continuously, but the Swiss are making plans for the rider's fall.

From Continental Illinois in the spring to Financial Corporation of America in the summer, the U.S. banking system is cracking at the seams, whatever the day-to-day ebbs and flows. The desperate attempts by the U.S. Treasury to pump yet more money into financing the Treasury debt and U.S. banks' liabilities—lifting of the withholding tax on foreign purchasers of Treasury bonds, discussion around issuance of anonymous "bearer bonds," and a few more tricks under review for their efficacy in attracting predominantly dirty-money flight capital—underscore the dilemma in Washington: The Treasury and the Fed are riding a bicycle they must keep moving continuously, lest they lose their balance.

A recent speech by IMF head Jacques de Larosière, who warned of the possibility of an "explosion" of public debt in the industrial nations and advanced a drastic set of recommendations for fiscal policies, created some waves: one year after *EIR* documented this, his speech documented the stupendous increase in the ratio of central government debt to GDP/GNP (+209% for Germany, +320% for Japan, +26.8% for the U.S.A., +98% for Belgium, +88% for the Netherlands, +213% for Sweden) as well as the increase in interest payments to total government expenditures (332% in Germany, 328% in Japan, 105.5% in the United States, etc.).

As the *Financial Times* was quick to point out in its Aug. 29 editorial, the warning was mainly directed at the United States, whose ballooning budget and trade deficits are draining the rest of the world's liquidity, making the other countries' debt plight all the harder to tackle. The United States will have to increase its interest rates to attract increasingly scarce funds. Either it will succeed in doing so—at the price of U.S. industry, implying even greater deficits—or it will give in, and what the interest-rate mechanism will not be able to withstand will be shouldered by the parity of the currency: The dollar will collapse.

Recent talks I had in Switzerland indicate the following view as predominant among leading Swiss financiers: They expect, very privately, of course, that the dollar will collapse after the presidential elections, from the present Swiss franc 2.40 level to 2.00, and then by leaps and bounds, to a dollar/Swiss franc parity of one for one—at which point U.S. assets would be the cheapest available.

This, of course, is not the only implication. As one of my contacts put it, "no major international bank—save our 'Big Three' in Zürich and Basel—must be considered viable," nor are their deposits, either direct or on the interbank market, to be considered safe.

As a result, I was told, Swiss finance already has the following contingency plan: In case of a severe alert

on the Euromarkets, they will repudiate their Euromarket liabilities and waive any responsibility of their head offices for offshore deposits. It is already the case that the banks in question require purchasers of certificates of deposit with offshore subsidiaries to sign a document that exonerates the banks from any liability!

When the storm comes in international finance, whether provoked by a debt default in Ibero-America or a bank panic in North America, the prospect is for capital controls to be slapped on very quickly, borders to be closed financially speaking, and offshore money to be repudiated entirely.

Of course, this leaves very little leeway to international investors. The major fortunes of Europe have been systematically chasing high-technology corporations, mining ventures, and related real-asset investment in the United States: The perspective of a "monetary Pearl Harbor" is pressing. The abolition of the West German *Couponsteuer* (withholding tax), and consideration of doing the same in Japan, both in response to the U.S. move, are only the first stages in the coming war to capture "real values." A drain on bank deposits, shifts from deposits, stocks, and bonds to Treasury bills, in short, all the "flight to quality" phenomena typical of a liquidity crisis, will not be long in coming.

As *EIR* reported one year ago, the world's leading insurance companies have been operating since at least the spring/summer of 1983 on the assumption that the OECD nations' debt structure would start to blow to pieces by the end of 1984 or the beginning of 1985. At present, only politics—the "fix" maintained until Ronald Reagan gets reelected—are propping up the dollar. After the first week of November, it will be open season on the U.S. currency.

Run on U.S. banks continuing?

Now Manufacturers Hanover is reportedly suffering a deposit run and has been forced to borrow from the Fed.

European depositors may be fleeing Manufacturers Hanover as they did Continental Illinois in May. *EIR* has heard from several reliable market sources in New York and from bankers in Texas and throughout the South that Manufacturers Hanover has needed help from the Fed, as much as \$3 to \$4 billion.

"Manufacturers Hanover of New York, which like Continental Illinois doesn't have a large consumer deposit base, also has been borrowing from the Fed," reported *Chicago Tribune* columnist Bill Neikirk on Aug. 27.

If Manny Hanny has borrowed, it can only mean that it, like Continental Illinois and Financial Corporation of America (FCA), is having a run on deposits.

As Neikirk pointed out, Manny Hanny, like Conti, is heavily dependent on large certificates of deposit borrowed, not from local folks, but from large European and other international banks in the offshore Euro-dollar market. Continental went under when these depositors pulled out.

The Fed's published figures on New York District banks' Fed discount borrowings bear out the story. At the end of the two-week reporting period on Aug. 15, there was over \$4 billion in discount window borrowings outstanding from the New York district banks as a whole—compared to the average 1984 figure of below \$1 billion.

By the Aug. 29 Fed report, the \$4 billion had apparently been repaid to the Fed, but only because resorting to the Fed had already given Manufac-

turers a bad name.

The run on Continental Illinois is continuing despite the U.S. government takeover last month, an action which has apparently not impressed foreign depositors. The Chicago Federal Reserve reports that banks in its district—i.e., Continental Illinois—still have over \$7 billion outstanding in Fed discount-window borrowings.

The problem for Manufacturers Hanover revolves around Sept. 15, by which date Argentina must make a \$750 million payment. As a top Chase Manhattan source said Aug. 28, it's not clear that Argentina can make that payment.

Manufacturers Hanover took a \$21 million loss at the end of June when it had to declare almost half its Argentine loans non-performing.

Meanwhile, Manny Hanny is planning some major personnel layoffs in a bid to cut costs on its domestic U.S. consumer operations and maintain its challenge to Citibank for the domestic consumer market. NCR Corporation reported on Aug. 28 that Manufacturers Hanover has made a \$7.1 million order for branch automation equipment and mainframe computers, and noted that the bank is planning to "automate most of its branches," i.e., make layoffs.

The bid is probably doomed to fail, and the new expenditures will likely mean more red ink for the bank, which could hurt its stock and depositor standing.

The deposit drain also continues at FCA, the largest American thrift organization with \$33 billion in assets.

Major institutional depositors, including European ones, with \$15 billion in FCA paper coming due at the end of September, are demanding a guarantee on deposits from the regulators.

But the regulators have not yet agreed, and it is likely that they will not. FCA's entire management, including Chairman Charles Knapp, was replaced on Aug. 28 in what looks like another Federal takeover on the Continental model. A top administration official, who in mid-August said regulators would let FCA collapse, said on Aug. 30 that the regulators have just taken over the S&L.

New management includes three S&L executives who "are also former presidents of Freddie Mac," the Federal National Mortgage Association, he noted. Even the *New York Times* noted on Aug. 29 that the appointment of one of the three, William J. Popejoy, to head FCA, was "strongly endorsed by the Federal Home Loan Bank Board."

In fact, the FHLBB issued a statement saying, "We are assured to our satisfaction" that Popejoy would direct FCA "with operating strategies that are consistent with sound management principles," i.e., as the government directs.

"However," said the administration official, the run on FCA isn't over yet. "The real problem is not the regulators [i.e., whether the government will bail out the bank or not] but the depositors."

If there is more trouble at Manufacturers Hanover, say, or at other commercial banks, a general fall in bank confidence "could mean that the depositors won't roll over" the \$15 billion in deposits at FCA which are due for rollover Sept. 30.

Meanwhile, Swiss financial sources consider the likelihood of a general U.S. banking crisis quite grave (see *Foreign Exchange*).

The plan to destroy Argentina

Mexico, Brazil, and Venezuela are getting breaks on debt, so that Buenos Aires can be isolated.

A top Chase Manhattan source close to Henry Kissinger revealed on Aug. 30 that the generous 14-year loan stretch-out just granted to Mexico by major banks is part of a plan to isolate and crush Argentina. Once Mexico, Brazil, and Venezuela are "out of the way," he said, "we can tackle Argentina," declare it in default, and drive it toward Moscow.

The architects of the strategy are Henry Kissinger and Federal Reserve Chairman Paul Volcker.

Citibank sources announced on Aug. 29 that Mexico had received a 14-year stretch-out of debt principal due during the next five years, which will not have to be paid until 1998. There will be a grace period in 1985, during which Mexico pays no principal. Interest rates have also been marginally lowered, from almost 2% above the current 12% London Interbank Rate, or 14%, to an average of 1½% above, or 13½%.

In effect, Mexico will be paying only \$3 or \$4 billion in principal a year, starting in 1986. On top of that, of course, Mexico will have a \$12-13 billion annual interest bill, which will be paid from its export surplus.

On Aug. 28 Brazil also announced a new accord with the International Monetary Fund which bankers say will soon mean a principal stretch-out.

With the stretch-outs, however, are some painful conditions—if the debtors carry them out. Mexico has pledged to grant the private banks direct inspection over Mexico's internal financial affairs, "and the right to call the

country back to the negotiating table if they don't like what they see," one banker told the *Wall Street Journal* Aug. 30.

Brazil's new IMF program would require it to slash the budget and cut credit to the depressed economy.

In part, Mexico and Brazil, which have cooperated thus far with IMF austerity, are being "cleaned up" just before their own loan agreements collapse. "Everybody knows that Mexico will be in default as far as the IMF, that is, it will not be living up to its IMF dictates, by the end of the year, and of course, neither is Brazil, neither are any of 'em," said the Chase source. "So there's quite a bit of pressure on the majority of the banks to stretch out and lower the interest by year-end."

If this is not done, "the banks might have to take a big hit" on all the debtors going bankrupt, he said, and "no one in Washington in a political year wants a crisis."

But the main point is that Federal Reserve Chairman Paul Volcker wants to settle Mexico, Brazil, and Venezuela in order to "isolate, . . . tackle" and crush Argentina, he said. "There's a lot of internal pressure coming from the Fed to settle Mexico, Brazil, and Venezuela . . . in order to tackle the Argentine problem, which is unique and distinct, alone and by itself, before the end of the year."

"There is not a lot of good feeling for Argentina. The Argentines have serious problems. They may have to be dealt with a whole new way. . . .

Alfonsín has made up his mind that he won't squeeze down now. . . . The other three countries have bit the bullet, gone quite far down the road, restricting imports, fighting inflation, doing nasty, politically unpopular things. But Alfonsín has just not. . . .

"If you take a little bit of poison every year for six years, are you dead?" he asked. Alfonsín is balking at "taking a little bit more poison the first year and improving the situation."

"We can't stretch them out like the others if they won't deal with their own debt problems," he stated. "We want to let the situation get to the point where the other three are all settled, Argentina is by itself, with no IMF agreement, and at that point, the situation will have gotten so bad that they'll be forced to take action, external and internal."

At that point the banks intend to force Argentina into default. "Nobody can make them do it, other than shut off the money. That's not an arbitrary statement, to say that 'You've not been good boys, so we won't buy you a sucker'; that's just a fact of life. Nobody's going to give them any more money unless they take steps to cure their own acne. . . ."

The banks plan to simply force Argentina to pay up all debts or be declared in default, and force them into the Soviet camp. "If for some reason they can't pay their debts, ultimately their only trading partner will be Russia," he said, "The law is the law. Once the loans are 90 days past due, you have to write them down. . . . There's been quite a bit of Argentine loans written off already.

"Ultimately, Argentina is going to be in kind of a bad position. It takes foreign credit to handle foreign trade. They won't feed themselves as well as they have been living. Ultimately they will face a crunch. Their standards of living will have to change. . . ."

Business Briefs

Banking

Hungary initiates 'Swiss style' banking

Westerners will now be given "tax shelter" secret banking facilities through a group of four Hungarian banks, according to reports in the Swedish and Danish press at the end of August. The four banks are effectively headed by Janos Fekete of the Hungarian National Bank, who himself has ties to the Club of Rome and the Aspen Institute and has served as a key link between certain Swiss-Venetian interests and Moscow. The president of the OTP Bank, Beszedes, told the *Danish Berlingske Weekendavis*, "Our conditions will be much better than the Swiss for accounts of foreigners. In Switzerland, there is a 30% tax on interest. We will have no tax." He added that whereas Switzerland has an agreement with the United States to provide private-account disclosure in some cases, Hungary has no such agreement.

The four Hungarian banks are the Hungarian National Bank, the Hungarian National Savings Bank, the Central European Bank, and the Hungarian Foreign Trade Bank. The new Hungarian banking haven obviously introduces yet another link between the Central European oligarchy and the Russian Empire.

International Trade

Peru repays Soviet debt through barter

The governments of Peru and the Soviet Union have signed a barter agreement whereby Peru will repay a \$1 billion debt to the Soviets through the export of manufactured goods—largely textiles—plus some commodities. At a time when Peru is under ferocious pressure from the International Monetary Fund, and the collapse of world trade has dramatically affected its exports

abroad, government officials see this arrangement as a godsend, "a creative approach" to the continent's debt crisis.

According to the *Washington Post*, the Soviet-Peru debt-barter arrangement started in mid-1983 and a definitive agreement was signed in November 1983, allowing for Peruvian exports valued at \$220 million. Since then, Czechoslovakia and Romania have signed similar debt renegotiation agreements with Peru, and talks are taking place with the governments of Hungary and Yugoslavia. Thus far, Peru has signed contracts for delivery of \$12 million, 90% of which are textiles.

Peruvian government officials insist that this type of arrangement has kept the country's textile industry alive in the middle of the worst domestic recession in history. Jesus Maria Hume, the president of Peru's export agency, goes further. He told the *Washington Post*: "The U.S. lost its chance. We would negotiate to remove one trade barrier, and another one would be put in its place." In mid-1982, the United States imposed countervailing duties and quotas on three Peruvian textile products because the government used subsidies to promote exports of manufactured goods.

International Credit

London cool on Mexican bank deal

The much-heralded "deal" whereby Mexico's debt falling due between 1984 and 1990 will be rescheduled to 1984-98 at apparently better terms than hitherto has received a cool reception in London, outside those bankers directly involved in the negotiations, London sources indicated in late August.

The deal, calculated to take wind out of the Cartagena debtor-group's sails before the Mar del Plata meeting, derives from Margaret Thatcher's policy of offering "rewards" and meting out "punishments" to debtor nations according to their degree of

subservience to the IMF and the creditors' cartel. "Why should we take any commitments to Mexico that exceed the term of President de la Madrid?" a City of London source said. "Who knows what kind of radicalization might occur there?"

Creditors are, however, compelled to dangle such "rewards" in front of debtors' noses, for fear of radicalizing them now. The Mexican deal, which extends the maturities of loans by stretching repayment over more years, also implies an increase of net debt repayment, as interest accumulates over the years.

Technology

Reagan supports long-term space goals

According to a UPI release of Aug. 28, "President Reagan has approved a new space strategy . . . that could lead to a Moon base and a manned flight to Mars." The UPI report is based on an article from the most recent issue of *Aviation Week & Space Technology*.

The UPI report notes that "the Reagan administration's emphasis on new rocket boosters reflects an awareness of new civil and military space requirements. . . ." The report notes that this could take the form of development of a new, heavy-lift space shuttle and resurrection of Saturn-5 class boosters used in the Apollo moon program.

Simultaneously, there was a report in the Aug. 29 *Chicago Tribune* that the official word from administration sources, speaking privately off-the-record, is that President Reagan intends to delay a major drive for his Strategic Defense Initiative (SDI) program until after the U.S. presidential elections in November. While Reagan considers the Strategic Defense Initiative a "moral imperative," the *Tribune* reports, he will tactically backpedal away from pushing the program in the face of the opposition to the program from leading anti-"Star Wars" or-

ganizations in the United States.

The paper claims that the administration is discussing the SDI with defense contractors in private, "to foster development of a national commitment to the SDI." Several high-technology companies are "participating in the conceptual design" for the SDI, says the *Tribune*, and spending for the SDI is expected to "increase dramatically through the decade"—but this process will only take off after the November elections.

Ibero-America

SELA officials moot 'Bank of the South'

Officials from the Latin American Economic Organization (SELA) met with President Munoz Ledo of the Group of 77, an organization of Third World nations (G-77), to discuss the creation of a "Bank of the South." The purpose of the new financial entity would be to facilitate South-South trade, and would be based on a "Third World dollar"—a new currency. Each member nation (whether from SELA or G-77 or both) would provide an initial contribution of \$12.5 million, and the bank's global assets would be originally \$500 million. The report implies that the final decision to set up the bank has already been made, and that its creation will end some difficulties created by the existing debt crisis and the lack of foreign exchange.

Agriculture

Farmland prices fall; credit triage underway

"In the Midwest, farm land values have fallen between 25% and 40%" since their peak in 1981, according to a leading agriculture expert.

In Minnesota, land values have officially fallen 22%, but land which sold for \$1400/

acre in 1981 was offered for sale recently at \$700/acre and no bids were received. In Illinois, where the U.S. Department of Agriculture estimates an 18% decline, and the Federal Reserve Bank of Chicago a 22% drop, a local professor and auctioneer places the drop between 25% and 30%. However, in specific cases, especially in the southern areas of the state, the drop is from 33% to 50%.

Other examples abound throughout the Midwestern states. Meanwhile, the federal government has moved to tighten credit and to triage those farmers who attempt to expand. The Farmers Home Administration, the official "lender of last resort" for the farm sector, is unable and/or unwilling to keep up with the demand. In Kansas, 40-50% of the non-disaster loan requests were denied this year.

Economic Theory

Amstutz: The price of freedom. . . .

Daniel Amstutz, an undersecretary in the USDA and formerly with Cargill of Minneapolis, told NSIPS on Aug. 30 that the administration "favors farm policies that allow farmers the freedom to use productive resources as they see fit. In other words, we oppose any programs which force reductions in production, but for this approach to be economically viable, the price of freedom is a more market-oriented approach. We have to take note of areas where this will create disruption, and I think that can be addressed meaningfully, fairly and adequately."

When asked about the stranglehold which the cartel of Cargill, Continental, and Armand Hammer have on the productive capability of the American farmer, Amstutz responded, "These supply balances are being replenished. They are now generous, more than adequate for our own needs. I don't know what you mean with your comments on a stranglehold."

Briefly

● **SEBASTIAN** Alegrett, secretary general of SELA, gave a press conference on Aug. 29 in which he supported the decision of the Bolivian government to suspend debt payments. He says it was "realistic, serious, and quite responsible," given that Bolivia did not have the resources to pay for the debt.

● **CHARLES** Manatt, Democratic Party chairman and a native of Iowa, has increased his ownership of Iowa farmland from 1,000 to 2,000 acres. Banks are putting property up at auction after foreclosing on farmers, but the going price for land is often below the amount of the loan. According to local reports, Manatt finds out how much the bank needs to recover on the land and sends his lawyers and friends to bid for it. The bankrupt farmer gets nothing, the bank recoups its investment, and other farmers who might be able to buy the land at the extremely low market price are unable to compete.

● **PRESIDENT** Reagan, speaking at the Goddard Space Flight Center on Aug. 30, attacked Mondale's proposed tax increases. "We support high-tech, not high taxes," Reagan said. The space program, he added, "has given us benefits far more valuable than our original investments." Mondale opposes the space program.

● **GPU** Nuclear, according to unofficial sources, is considering shutting down both TMI 1, where there are no problems, and TMI 2, the accident-damaged plant. The company apparently cannot afford to maintain the plants in their present non-functional condition.

● **CARNEGIE** Corporation announced an award of \$250,000 to the Institute for Global Conflict and Cooperation of San Diego, California. The Institute was founded at the University of California in July 1983, and is headed by Herbert York, a leading anti-defense, anti-nuclear, sometime top-level adviser to the Pentagon.

U.S. beam-weapon scientists: No to decoupling

by Giuseppe Filippini and Webster G. Tarpley

At an international scientific conference just concluded in Erice, Sicily, a group of American laser scientists from the Lawrence Livermore National Laboratory utterly demolished the contention of Henry Kissinger's "decoupling" lobby that President Reagan's Strategic Defense Initiative will sever the defense of Europe and the Pacific Basin from an isolationist "Fortress America." The American laser scientists, associates of Dr. Edward Teller of Livermore, demonstrated conclusively that the successful development and operation of strategic defense systems, especially space-based laser defenses, will depend upon increased cooperation between the United States and its European and Pacific Basin allies. In so doing, the Livermore group reflected the point of view developed at a series of scientific conferences held during last autumn and winter under the auspices of *EIR* and the Fusion Energy Foundation in Bonn, Rome, Paris, Brussels, Oslo, Milan, and other European centers.

As a result of the arguments of the American group, the chairman of the symposium, Prof. Antonino Zichichi, director of the Centre Européen de Recherche Nucleaires of Geneva and of the Centro Ettore Majorana of Erice, rejected the contention of the Soviet representative, Prof. A. A. Vasilyev of Georgii Arbatov's U.S.A. and Canada Institute in Moscow that beam defense would inherently destabilize the world strategic situation. Zichichi called at the end of the conference for "10 years of guaranteed peace for humanity" through strategic defense in a joint effort by the United States, the Soviet Union, China, and Europe. "These shields to intercept the vehicles that carry certain death cannot be destabilizing," commented Zichichi. "They will serve to stop some Nero of the year 2000 from pushing the apocalypse button."

Zichichi's evolution during the conference was a matter of some interest. In his proslution, he had balanced between the proponents of Mutually Assured Destruction (MAD), on the one hand, and the supporters of Mutually Assured Survival (MAS) on the other. He read a message to the conference from Italian President Sandro Pertini, in which that para-communist statesman lamented the "discouraging phase in the relationship between the superpowers, at a moment



NSIPS



Dr. Lawrence Wood of Lawrence Livermore Laboratory (lower right) and Dr. Vladimir Aleksandrov of the Soviet Academy of Sciences speaking at Erice, Sicily. Wood called for a crash program of beam-weapon defense while the Soviet delegation peddled propaganda about a "nuclear winter."

when the planning, and development, of ever more destructive weapons, and science fiction-like devices, which would leave no hope of survival, are causing increasing alarm." Zichichi's tilt against Reagan's Strategic Defense Initiative (SDI) at the outset was clear, but later the wind would be seen to be blowing in another direction.

The Livermore group, led by Drs. Lowell Wood, John Nuckolls, and Arthur Broyles, swept away the confusion and disinformation on the real implications of beam defense which had led the British, French, Italian, and, until recently, West German governments to advance reservations against the Strategic Defense Initiative. "Both superpowers," said Wood, "have a compelling interest in seeing their allies fully protected by evolving strategic defense capabilities," also as a "hedge against the Finlandization of the alliances' members." Wood warned against the growth of an isolationist mentality in the United States: "From a U.S. perspective, neither NATO nor the Pacific Basin alliances could survive United States motion toward a 'Fortress America' stance."

A laser shield for all the allies

Dr. Wood stressed that maximum effectiveness will be obtained from space-based x-ray lasers if they neutralize enemy ballistic missiles during their boost phase, during the first three to five minutes, before MIRVed warheads can separate. During this phase, Wood explained, it is impossible to determine where the missiles are heading. "The missiles must be destroyed before we know whether the target is Paris, Bonn, New York, or Tokyo, or, for that matter, a target inside the U.S.S.R. They must be destroyed with indiffer-

ence to where they are heading. Even if the United States were indifferent to its allies, we would have to give a leak-proof coat to all of them."

Wood pointed to sensor and communication technologies as areas vital to laser defense in which the Western Europeans are equal or superior to the United States, and where their contribution could thus be decisive in production and deployment. He identified digital data-processing as an area in which cooperation with Japan would be vital. Concerning mid-course and low-level (point) defense, Wood stated that these could be "employed every bit as aptly by democracies on the European continent as they could on the American continent." Wood also voiced the expectation that the United States would "make available the technology and perhaps even the turnkey systems to its allies in Europe and the Pacific Basin."

An x-ray laser costing \$30 million could easily destroy 30 ICBMs, IRBMs, or SLBMs each costing between \$30 million and \$300 million dollars, Wood declared, yielding a cost efficiency advantage for the defense of between 30 and 300 to 1. He contrasted this with the total U.S. spending of \$10,000 billion under the MAD regime, which cannot protect the life of a single citizen against nuclear missiles and which thus has miserably failed to respond to the constitutional imperative of providing for the common defense. Wood refuted claims that such countermeasures as the proliferation of the offense, the hardening of ICBMs, or the use of decoys could hope to overwhelm beam defense.

Analyzing the present strategic confrontation, Wood showed how both superpowers are pushed, under the current

MAD arrangement, closer and closer to a "launch-on-warning" response, placing the world on a hair-trigger to nuclear war. The posture of the U.S.S.R., he said, is one of "pre-emptive strike," in contrast to the United States' "massive retaliatory blow" configuration. He pointed to the "ever-shortening strategic time-lines due to extreme forward-basing of strike forces" and the "possibly crucial advantages deriving to both sides from launch-on-warning and launch-under-attack." The result, he concluded, is a "geopolitical stability in crisis which is highly doubtful," with "both sides strongly impelled to early salvo-launch."

Wood detailed the multiple orders of magnitude advances in telecommunications, digital data-processing, pulsed power, and directed energy that now make laser defense possible. Strategic defense, he said, will lead to a new strategic configuration, in which attacks will be warded off by their utter futility, rather than by a balance of terror. He looked forward to "'full-up' testing of non-nuclear defense systems against small-scale 'launch-against-self dud attacks'" in the future. He attributed assertions of the impossibility of laser defense to "fantasies—almost always pessimistic—which arise from limited technical background and from confusing engineering challenges with the barriers of fundamental physical laws."

Wood was adamant that a Soviet anti-tactical ballistic-missile defense system is now in operation, and is the only one of its kind in the world. In addition to the system around Moscow allowed by the ABM treaty, this is a system capable of defending the western part of the U.S.S.R. against land-based medium-range missiles such as the Pershing II and also against submarine-launched ballistic missiles. The Soviets have built radar facilities bigger and more numerous than those permitted by the ABM treaty. The missile used by the Russians is the SA-X-12, which can carry a nuclear warhead and whose operating range is very large. "Strategic defense is alive and well and living in the U.S.S.R.," Wood concluded.

Wood predicted that a serious program on the Apollo project model (which he distinguished from a crash program of the Manhattan District Project of World War II variety) could defend vital military targets against an echeloned ICBM attack in 4 to 6 years, could destroy 90% of an incoming strike after 8 to 12 years, and could provide a "leakproof umbrella in a downpour" after 10 to 15 years.

Kissinger under fire

Dr. John Nuckolls elaborated the implications of beam defense for strategic doctrine and the defense of Europe. There has been an erosion, he said, in European confidence in the likelihood that a U.S. President would order an all-out strategic attack on the U.S.S.R. in case of a successful Soviet attack on Western Europe. "It was Henry Kissinger who told the Europeans that they had reason to worry about the American response," said Nuckolls. Later, President Carter told several foreign statesmen the same thing. But even if the

United States were to intervene, the "best" Europe could hope for would be to become a thermonuclear battlefield! Thus, "there is no good outcome for Europe" under the MAD strategic concepts.

Nuckolls called on the "young geniuses of the Lawrence Livermore Laboratory" to go find ways of "going beyond tactical nuclear war in Europe." Referring to Wood's thesis that boost-phase neutralization must attack all launchers, Nuckolls advised, "Europeans should go for strategic defense."

He showed that the Soviet Union has heavily weighted its strategic forces in favor of a rapidly growing first-strike potential, even at the expense of Soviet second-strike forces. He demonstrated the fallacies of both Vasilyev and Stanford Prof. Sidney Drell when they predict that the x-ray laser will lack sufficient range to be an effective anti-missile weapon, specifying that Drell had been warned of his blunder before his work on the topic was published, but chose to publish anyway.

Professor Arthur Broyles then elaborated the role of civil defense in a strategic defense program for the alliance as a whole. The United States, he argued, needs methods of defense to make it credible to Europe that the United States will come to Europe's aid and be able to continue to fight. Citing Teller's recommendation that "we should tell what we know about strategic defense to our allies," Broyles underlined that the Western alliance must be maintained and strengthened. "When we look at Europe, we see a great industrial potential and large numbers of very highly trained people, who believe in democracy and in our form of government. You are allies that we could not find anywhere else in the world. That is why Europe is of critical importance to us."

Soviet strategic deception

One year ago, world attention was focussed on Erice by the signing of a tripartite U.S.-U.S.S.R.-Europe agreement to explore possibilities of war avoidance through beam defense. This document, bearing the signatures of Teller, Zichichi, and Soviet Academician Yevgenii Velikhov, also proposed joint computer simulation of climate and weather changes in the wake of a nuclear exchange—the so-called "nuclear winter" thesis. In his opening statement, Zichichi made no reference to the beam-defense part of that agreement—a deficiency which was pointed out by *EIR* correspondent Tarpley in an intervention in the first day's plenary session.

The basis of the 1983 agreement had been a generous offer, relayed from the White House to Moscow by Dr. Teller, for managing the transition from Mutually Assured Destruction to Mutually Assured Survival. That Erice declaration was issued just a week before the Soviet downing of Korean Airlines Flight 007 in the Far East, which showed the U.S.S.R.'s true intentions.

Moscow's absolute refusal to seriously discuss strategic defense for war avoidance, made abundantly clear in the interim, was underlined by the absence of Velikhov and his replacement as leader of the Soviet delegation by A. A. Vasilyev, a party hack and intellectual thug from the Arbatov-KGB gang who disgusted those present by presenting a crude spectacle of lies and duplicity.

Vasilyev submitted a paper on "Space-Based Anti-Missile Systems with Directed-Energy Weapons: Strategic, Legal, and Political Implications," produced by the Committee of Soviet Scientists for Peace, Against the Nuclear Threat. This tissue of prevarication and strategic deception asserts, among other things, that the maximum effective range of an x-ray laser is about 3 km., not much more than the nuclear charge that does the pumping. Wood later described the elementary blunder underlying this calculation as unworthy of an undergraduate student, and the document as "fundamentally flawed."

Vasilyev insulted the intelligence of his audience by asserting that, on the one hand, strategic defense is impossible, too expensive, not suitable for the defense of Europe, but on the other hand violates the spirit of the ABM treaty, increases tensions, adds instability, and makes the strategic situation "assymetrical." "Even the discussion of strategic defense in the West adds to international tensions," said Vasilyev.

Vasilyev claimed, incredibly, that the U.S.S.R. has no program to build beam defenses. "If I tell you that we are not building space-based antiballistic-missile systems, you will not believe me," Vasilyev correctly remarked. To prove his point, he then lied that Lt. Gen. James Abrahamson, head of the American SDI, had testified to a congressional committee that there were no signs of a Soviet program in this direction. Vasilyev later reversed himself, denying that the Soviet government ("at the level of the Central Committee") had ever denied the feasibility of beam defense.

Vasilyev had high praise for Henry Kissinger, citing the former Secretary of State's refusal to ban MIRVed warheads in SALT I and his later lament that this was the biggest mistake of United States foreign policy during his tenure in office. "Our dispute now is a prelude to a new chapter of lost possibilities just like these," stated Vasilyev.

Vasilyev's superior at the U.S.A. and Canada Institute, Georgii Arbatov, had just written a half-page article in the Soviet daily *Pravda* on August 13th, boosting Kissinger as a "venerable specialist" in diplomacy.

Among Vasilyev's few honest evaluations was the remark that the strategic role of Europe has increased, not decreased. "Europe right now is the hottest point of the globe, the biggest concentration of nuclear weapons, and the most populated part of the earth," he stated, and then warned against any "claims of territory" in Europe. The reference to the Soviet threat to Europe and the current anti-German "revanchism" campaign in the Moscow media was transparent.

In the evening of the first day of the conference, Wood and Vasilyev became embroiled in acrimonious exchanges. Vasilyev announced that he had objections to make to each and every feature of Wood's speech, but that he would have to limit his critiques because of time reasons. The scientific issue, said Vasilyev, is not whether ultraviolet radiation can be propagated in the atmosphere, but whether infrared radiation can be propagated. American tempers rose in response to this fresh evidence that Vasilyev was a scientific illiterate. Wood had accused those who label beam defense impossible of being "either disingenuous or naive." "I am one of those you call disingenuous or naive," stated Vasilyev.

Vasilyev then alleged that the United States has long possessed an anti-satellite system, which charge Wood promptly denied. Vasilyev cited a 1963 statement by then-President Lyndon B. Johnson that the United States already had an ASAT capability. "Johnson, like Khrushchev, had a big mouth," retorted Wood. "You had an ASAT system then, and this was how you discovered the electromagnetic pulse," countered Vasilyev. "The British discovered EMP," was the comeback from Wood. Vasilyev then raved that the U.S. ASAT system exists, is operational, and is part of a first-strike strategy, according to the *Bulletin of the Atomic Scientists* and various publications of the Union of Concerned Scientists. "Some people in my country, whose views I do not share," shot back Wood, "consider those sources as pro-Soviet propaganda!"

The next day, after Nuckolls had thoroughly confuted the crass blunders of physics and mathematics speckled through the Soviet position paper, Wood turned to the Soviet delegation and appealed to them to discuss openly the differences of scientific evaluation between the two countries so as to leave Erice with a shared technical data base. The Livermore delegation had privately asked some participants on the Soviet side if they could not have found a more suitable spokesman than Vasilyev, whose lack of scientific training was an embarrassment to all. They had then been assured by the Soviets that Vasilyev was indeed a qualified scientist, a doctor of physics. Now, in response to the appeal from Wood, Dr. Vladimir Aleksandrov answered for the Soviet delegation that they could make no reply, since Comrade Vasilyev was out of the room and he, not they, was the expert on anti-missile defense.

The 'nuclear winter' hoax

Reporting on the conference, the Italian newspaper *Il Secolo XIX* on Aug. 23 pointed out that the principal clash was not, indeed, between the U.S. and Soviet delegations, but between the two factions of American scientists from Lawrence Livermore Laboratory.

The titular head of the U.S. delegation was Livermore Prof. Joseph B. Knox, who was trotted out by Zichichi to comment on U.S.-Soviet science exchanges on the first day

of the conference. Knox avoided the subject of strategic defense, limiting himself to the "nuclear winter" systems analysis computer simulations being conducted by U.S. and U.S.S.R. computer centers. He said that he had just been part of a group of five U.S. scientists to visit Moscow, at the insistence of Zichichi, to consult with the Russians on further simulations. "We visited Kiev, we visited Zagorsk, the center of the Russian Orthodox Church," said Knox. "It was a grand visit. We are building the basis for a working relation," he enthused.

The Soviet delegation gave full support to the arbitrary and tendentious hypothesis that nuclear war would result in a devastating planetary ice age, locking the northern hemisphere in glaciers and reaching into the southern hemisphere in the immediate aftermath of an all-out thermonuclear exchange (see "Defeating the nuclear war scare: Beam weapons versus appeasement," *EIR*, Dec. 6, 1983). The Russians view the "nuclear winter" hoax as an instrument for duping those Western gulls who imagine nuclear war to be the unthinkable, ultimate holocaust—precisely as prescribed by Kissinger's MAD doctrine. The strategic-defense and civil-defense policies of the Soviet state are not premised on any such "nuclear winter" assumptions.

Professor Vladimir Aleksandrov of the Soviet Academy of Sciences is a world-renowned student of systems analysis and cybernetics. He presented models showing a fall in temperature of 40, 50, or 60 degrees centigrade in Eurasia, and of 20 or 30 degrees centigrade over North America, on the 40th day after a nuclear exchange.

The Russians once had "General Winter." Now they are conducting psychological warfare with General Nuclear Winter.

On the American side, the nuclear-winter simulations have become the refuge for unemployed charlatans. More than one volunteered the confession that, although the computer models predict a nuclear winter, what would actually happen in the earth's climate and meteorology is a totally separate question. The badge of factional allegiance for the nuclear-winter systems analysts is Freeman Dyson of the Princeton Institute for Advanced Study, whose drivellings were repeatedly cited from the podium during the paralyzing boredom of this panel.

Professor Paul J. Crutzen, director of the Air Chemistry Division of the Max Planck Institute for Chemistry in Mainz, opened his remarks with the rather original gambit: "I am a professional pyromaniac," who chases fire engines and dedicates special attention to urban fires, especially at refineries.

Professor Alan D. Hecht, director of the National Climate Program of the United States, made clear how the American taxpayers' money is being spent for pseudoscientific boondoggles that benefit only the KGB. "I've only been in this field for a few months, so I really don't know that much about it. You are really the experts, and not me," he declared, and

then proceeded to show slides of burning material in laboratories, including burning beds and furniture, to see what kinds of aerosols are thus produced.

Hecht pointed out that in addition to funding from the Soviet Academy of Sciences and the Royal Swedish Academy, he was looking for money for nuclear-winter simulations from the White House. A decision on this application by President Reagan's Science Advisor George Keyworth is now imminent. If there were ever an appropriation deserving to be suppressed to contain the Federal deficit, this is it.

The failure of systems analysis

The division in the U.S. delegation was presented in stark relief in the reply made by Robert Budwine of Lawrence Livermore to the simulations offered by Aleksandrov. Budwine stated that Livermore has vast experience in the numerical modelling of a great variety of phenomena, including nuclear explosions. This experience has taught that without experimental test data it is difficult, if not impossible, to obtain reliable quantitative results. "Short of experimental data, which we don't have, I doubt we will ever be able to say that there will be a temperature drop of 10, 15, or 20 degrees at any given point on the globe," Budwine said. A heating of the atmosphere is just as plausible as a cooling, he reported. "I am very skeptical."

Professor Enzo Boschi, President of the Italian National Institute of Geophysics, commented that "in reality, it is not clear how much dust a nuclear conflict would throw into the atmosphere, and the uncertainty about these parameters makes any results of the simulations dubious." Or, as one Italian journalist summed up, "*Molto fumo e poco arrosto.*" (A lot of smoke, but no meat.) Another Italian journalist recalled during this part of the proceedings that Erice is named in honor of Eryx, son of Venus, and is mentioned by Homer, Thucydides, Virgil, Horace, Polybius, and other authors of antiquity as one of the celebrated brothels of the ancient world.

The final communiqué of the session was a dubious compromise, reflecting above all Zichichi's exertions to avoid a total break between the two superpower delegations. The communiqué recommends, first, further studies of the climatic effects of nuclear war (the nuclear winter); second, studies of natural catastrophes; third, exchange of information between East and West on the consequences of a nuclear conflict, especially on psychological and social consequences; and fourth, continued exchanges regarding the possibility and effects of laser and other anti-missile defense, under conditions of less and less secrecy. During the coming months a Soviet delegation will visit Lawrence Livermore for contacts under this heading. At the close of the proceedings, Professor Zichichi told a small group of journalists that he intended personally to assemble a group of European scientists to study the feasibility of beam weapons.



Will the Alliance adopt a crash program for beam-weapon defense?

Dr. Lowell Wood is the head of a Special Studies Group at Lawrence Livermore National Laboratory. An astrophysicist and expert in laser research, he has been aptly described by Dr. Edward Teller as playing the same role in the development of beam weapons to defend against nuclear missile attack that Teller himself played in the development of the hydrogen bomb. When Teller, in an Oct. 27, 1983 speech to the National Press Club, first came out in favor of a strategic defense system, he attributed his shift to the persuasive arguments of "several of my young colleagues." Dr. Wood was certainly one of those he had in mind. EIR conducted this interview with Dr. Wood on Aug. 21 in Erice.

EIR: Many opponents of strategic defense in Europe have advanced the thesis that strategic defense would lead to a separation of European defense from American defense, that beam defense could lead to a Fortress America less interested in defending Europe. You have advanced the idea that it is part of the logic of the scientific techniques involved that the defense would be common defense. Could you comment on this?

Wood: Strategic defense involving boost-phase intercept of ballistic missiles will necessarily be interested in intercepting these ballistic missiles before their destinations are known. That is to say that a truly effective boost-phase strategic defense will defend everybody from the ballistic missiles, wherever they are headed. This is inescapable as far as the techniques and technologies involved in boost-phase defense are concerned. You will fire on the boosters before their destinations are well pinned down.

EIR: Would the same thing apply for the mid-course and the low-level, or point-defense, phases?

Wood: That, of course, should be geographically specialized. But there's no reason whatsoever to believe that specialization could not include Europe, could not include the Pacific Basin allies, etc. That is to say, mid-course defenses, terminal phase defenses could be employed every bit as aptly by democracies on the European continent as they could on the American continent. I would expect, although this is a

policy matter and not a technical one, that the United States would make that technology and perhaps even the turnkey systems available to its allies in Europe and the Pacific Basin.

EIR: You also mentioned that some European allies are just as advanced in certain areas of technology as the United States, and that the Europeans could therefore contribute to the development of these defensive systems. Could you elaborate on that?

Wood: I said that the allies in Europe as well as in the Pacific Basin had a great deal to potentially contribute, not only in respect to sharing the burden of developing, deploying, and operating strategic defenses as far as resources were concerned, but also in respect to talent and technology. The

The allies in Europe as well as in the Pacific Basin have a great deal to potentially contribute, not only in respect to sharing the burden of developing, deploying, and operating strategic defenses as far as resources are concerned, but also in respect to talent and technology.

population of the allied states is substantially greater than that of the U.S. Talent levels are most assuredly comparable, so that a pan-alliance development of strategic defense would involve bringing two or three times the amount of talent to bear.

It would also involve bringing technologies to bear in which the U.S. is perhaps inferior relative to some of its allies. Examples include some sensor and telecommunications technologies, in which the European allies are incom-

parably advanced or perhaps somewhat in advance of the United States. For instance, digital data processing technologies for which the Japanese are rather certainly in advance over the United States. In other words, there is a set of technologies needed for strategic defense and the U.S. does not have a monopoly on these, [the U.S.] is, indeed, not preeminent in all of them. The eminence is shared among the Western Alliance, specifically the European members.

EIR: Your colleague Dr. Nuckolls also pointed out that the availability of beam defense would also tend to remove doubts about the United States' response to an attack on the allies. Do you share that view?

Wood: Certainly. At the present time, there necessarily has to be some doubt among reasonable people as to whether the

The Soviet strategic document has flaws which any competent undergraduate in the United States—or anywhere else for that matter—could point out. These are extremely fundamental flaws; they are seemingly of both a conceptual and an algebraic nature.

United States would risk its civilization in order to defend European civilization. The challenge could be posed sufficiently sharply by the Soviet Union, so that at least I am sure there would be some bodies of thought in the United States to say that "we would certainly like to defend the Europeans but we put our own lives and our own civilization at great risk in doing this, so let's try and get by with something less." That, of course, would severely compromise the territorial integrity and independence of the Western Alliance's European members.

Strategic defense, not necessarily involving directed-energy beams exclusively, but strategic defense as a concept, certainly points in the direction of people everywhere being uniformly defended by technology rather than by policy or politics. That is to say that if you have the hardware and the means of employing it, you can guarantee your own defense, and you don't need to be dependent on someone else and the vagaries of domestic and international politics for your physical safety.

EIR: The Soviet delegation here has distributed a report of the Soviet Academy of Sciences which tends on the whole to assert that strategic defense is impossible. What do you think of this document?

Wood: The document I've seen, which has been extensively

circulated at this conference, is distributed by a Soviet Committee of Scientists for Peace and Against Nuclear War, which is chaired by Soviet Academician Yevgenii Velikhov, and which includes, among members listed on the first page of the report, a number of other distinguished Soviet scientists, some of whom are academicians and at least one of whom is present at this conference.

It is very difficult to believe that this document has been written or even carefully reviewed by these scientists, because they are, indeed, not only some of the most eminent scientists in the Soviet Union, but they are world-class scientists, while the document is of distinctly mediocre quality. There are some grave technical errors and it speaks to some matters of a legal, political, diplomatic, ethical, etc. nature in which its authors cannot be considered experts in any sense. They are not diplomats, they are not politicians, they are not ethicists. By their training and by their contributions to international science and technology, they are manifestly scientists and technologists. But sticking just to the area I can very confidently speak of, namely the scientific and engineering content of this document, it is gravely flawed, and it is flawed in a fashion that any objective observer could point out. I just happened to be the one who emphasized its very serious flaws. So I suspect that this, although it is very widely circulated in the West, must have the character of a draft document. It simply cannot be taken seriously as a finished product. It's far too gravely flawed.

EIR: The Soviet representative here of the U.S.A. and Canada Institute, Vasilyev, said, among other things, that the x-ray laser can't work because its range would tend to be less than 10 kilometers. Do you think that is correct?

Wood: He quoted from this document which, as I said, has flaws which any competent undergraduate in the United States—or anywhere else for that matter—could point out. These are extremely fundamental flaws; they are seemingly of both a conceptual and an algebraic nature. So I think that as soon as Dr. Vasilyev reviews this matter, as he assured the conference yesterday that he would do, he will realize that the apparent basis for the Soviet assessment of strategic defense as far as its technical feasibility is concerned, if the document constitutes that basis, then that basis has very fundamental flaws, which I hope will result in a Soviet reassessment of the technical feasibility of strategic defense. If this document represents the level or the sophistication of Soviet thinking in this area at the present time, we can hope for very, very substantial improvements. There is essentially no way to go but up.

EIR: Vasilyev also indirectly asserted that the Soviet Union has no program involving strategic defense, beam weapons, or anything of the kind. Many people believe that the Soviets do have these programs and that indeed they are ahead. Do you think they have these programs? How do you think it looks between the United States and the Soviet Union?

Wood: I don't believe that there is any doubt on the part of anybody in the West that the Soviets have very extensive programs in the development of beam technology, charged-particle technology, neutral-beam technology, laser technology of various sorts, ranging from the infrared to the ultraviolet. These are all extensively documented in the open Soviet and international literature. So there can be no doubt that the Soviets have a large program in these areas.

These programs are generally assessed in the West to be substantially larger in size, in number of people working, in resources being expended, and so forth than comparable programs in the West, but that's more a matter of judgment. It is undeniable that these programs all exist and exist in an unclassifiable fashion, that is, they are known and assessment of them is available to anyone who studies the open literature. As to what the Soviets have on ballistic-missile-defense programs, I think that it's very widely agreed in the West that the systems around Moscow and in European Russia are not just anti-aircraft defense capabilities, but represent substantial capabilities against tactical ballistic missiles and intermediate-range ballistic missiles. Furthermore, these programs are the only ones in the world—the Soviet Union is unique in having a deployed anti-ballistic-missile system of some level of capability. This system is capable of being advanced because of the Soviet operational experience with it. Because of its production-line capability, it is capable of being advanced relatively very rapidly, compared to anything that could be advanced in the West, to a full-scale robust antiballistic-missile system, that is to say, one which can be effective against intercontinental ballistic missiles as well as intermediate-range ones.

EIR: You indicated in your talk a time-frame for various kinds of U.S. strategic defense, and you distinguished between a serious program on the one hand and a crash program on the other. What would be a serious program and what would a crash program look like?

Wood: Actually I spoke of three levels of programs. The first one is the one the U.S. is engaged in at the present time—research only. This is rather undeniably the case. It is not oriented toward a system that could be deployed and operated, but it is simply research. The second level, as I said, would be a serious program of the type that characterized the Apollo effort to put a man on the moon in a decade in the '60s. There were definite goals, definite timetables, definite national commitments to go out and do it.

A crash program is the intensity level of the program that existed for example, in the United States during the Second World War to realize nuclear weapons—the Manhattan Project.

These are the three kinds of programs that can possibly exist. The United States is in the first phase program—no goals, no timetables, no anything, except a commitment to spend modest amounts of resources on research to explore what might be technically possible.

Interview: Prof. A. A. Vasilyev

'We do not want a technical discussion'

EIR interviewed Prof. A. A. Vasilyev, department head, U.S.A. and Canada Institute, U.S.S.R. Academy of Sciences, at Erice on Aug. 22.

EIR: One year ago, the Soviet delegation here at Erice was prepared to talk about international cooperation for war avoidance and peaceful coexistence through anti-missile defense, as shown in the "troika" declaration of Academician Velikhov, Professor Teller, and Professor Zichichi. Now the Soviet delegation is not willing to talk about that. Why?

Vasilyev: That is really not an honest question. We are ready to talk to American scientists—to the Union of Concerned Scientists and to the American Federation of Scientists, for example. We have met with them. The Americans here are only from the x-ray laser group, and so they are a very partial representation. They want to involve us in a purely technical discussion. We cannot accept this. We want to discuss with all American scientists and not just about technical questions. Anyone who says that strategic defense will end the arms race is not right. We have distributed a study and the Americans disagree. Then let them say that in addition to the 10 points we make there, that there is another, an 11th point, that changes the whole result. But not just in a technical discussion. They claim that defense, on the one side, will be made cheaper. But that will not end the arms race. When one side builds defense, the other side will resort to anti-defense, leading to anti-anti-defense, and so forth. The arms race would go on. Special weapons would be developed to stop cruise missiles and other low-flying objects. You know what Soviet proposals have been in this area. We want to stop the militarization of space. We also want mutual reductions in the numbers of nuclear weapons.

EIR: Your Marshal Ogarkov in his speech on May 8 said that weapons systems based on new physical principles are a reality of the immediate future. Doesn't this mean that the Soviet Union is also building lasers and beams for anti-missile defense?

Vasilyev: I don't know. But when you start an arms race, then you get the dynamic of an arms race! I can only repeat what I said before: We want to stop the militarization of space and reduce the number of nuclear weapons on both sides. Thank you and good-bye!

Italian press reports confrontation over beams, 'nuclear winter' at Erice meeting

We excerpt here a sampling of the Italian press coverage of the Aug. 20-23 Ettore Majorana Seminar on nuclear war, held in Erice, Sicily.

La Stampa, Aug. 22, "Soviets say that the U.S. x-ray laser is not effective against ballistic missiles," by Ettore Bianucci.

Lowell Wood, the father of the x-ray laser, is very calm when he introduces a new economic unit, a trillion dollars. According to Wood, this is the level of investment the U.S. will require to build an impenetrable shield against Soviet nuclear missiles during this century. . . .

At the Erice symposium, these revolutionary weapons provoked a great technological, economic, and political debate.

Vasilyev of the Soviet Academy of Sciences distributed a 50-page photocopied document. Laser weapons of every type (x-ray, infrared ray, ultraviolet ray) are analyzed through complicated mathematical formulas. The conclusion is that they are technologically improbable, too expensive, and strategically destabilizing. These are also Vasilyev's arguments in his brief intervention. Wood responds bluntly: "Nobody who is scientifically trained can deny the feasibility of these weapons." . . . Vasilyev counterattacks: "The United States is aiming at the militarization of space, and wants to destabilize the present balance between the superpowers. Our studies show that the x-ray laser has a range of only 3 km."

This time it is John Nuckolls, head of the Physics Department at the Lawrence Livermore Laboratory, who answers: "Three km. is the range of the gamma rays of an atomic blast: In the case of the x-ray laser, this range has to be multiplied by 10,000, and the Soviets know it very well, because they are working on the same type of weapon, with twice the investment of the United States. . . . A space station," explains Nuckolls, "costs \$30 million, but can destroy nuclear missiles worth from \$300 million to \$3,000 million. It would be crazy to continue to build missiles when it is at

least 10 times more convenient to defend ourselves from enemy missiles."

General Umberto Capuzzo, Chief of Staff of the Italian Army, tries to mediate: "Deterrence should not be achieved only with instruments of war, but also with diplomatic and political actions." He expresses the concern that these new weapons, by erecting an impenetrable defense of the U.S., would induce the White House to give up its commitment to Europe and go for a new isolationism.

To this objection, Wood and Nuckolls have a ready answer: "The x-ray laser has to strike as soon as the enemy missile is launched, before it is known whether the nuclear warheads are directed against Europe or the United States. Therefore, the shield also protects Europe, whatever the political choice may be concerning the alliance, commitments, etc. . . .

La Repubblica, Aug. 21, "To stop atomic death: The star weapons are feasible," by Vladimiro Odinzov.

. . . Professor Robert Budwine of the California research laboratory said that the aim of the experts is to build defense systems capable of destroying 99.99% of incoming warheads. And it seems that this level of efficiency is technically feasible.

Il Popolo, Aug. 24, "Peace only through cooperation," interview with U.S. conference participant Dr. Lowell Wood, by Luca Lauriola.

Q: Do you think that Euro-American cooperation in the development of a system of anti-nuclear defense is possible?

A: Strategic defense implies that you hit missiles in the boost phase. It is therefore in America's interest to destroy them wherever they are directed, at the U.S.A. or Europe. Many American and European technological resources are at the same level. The U.S. does not have a monopoly over tech-

nologies. In fields such as sensors and telecommunications, Europe is very advanced. In some of these fields the U.S. is even inferior, and therefore cooperation is indispensable.

La Nazione, Aug. 23, "It would be nice if we could develop the atomic shield together," by Rosario Poma.

"It is time for the old continent to wake up," commented Professor Zichichi. "Let's give humanity 10 years of certain peace. Let's study, together with the Americans, the Soviets, and the Chinese, defense systems against deadly weapons. Then let's stop. If these shields can be planned in cooperation among the U.S.A., U.S.S.R., Europe, and China, the shields will not be destabilizing. They will help to prevent a Nero of the year 2000 from pushing the apocalypse button."

Il Secolo XIX, Aug. 23.

. . . The divisions emerge among the U.S. scientists, above all within the group coming from Livermore Laboratory, of the University of California, the most important U.S. research center concerned with military questions. Even at Livermore there are "hawks" and "doves." The leaders of the former are Robert Budwine and Lowell Wood, the inventor of the x-ray laser, the lethal weapon the Americans are counting on to construct an impenetrable anti-missile umbrella out in space. The chief of the "doves" is Joseph Knox, the director of the Physics Department at Livermore, and an expert in climatology.

The disagreement involves one fundamental question: the usefulness of producing and propagandizing "post-nuclear" predictions which, according to Budwine, would be completely unreliable, given that there are too many variables at play, and too many elements needing to be analyzed and subjected to elaboration by computer: "Besides, there is no possibility whatever to obtain experimental data, since it is not possible, for this purpose, to make an H-bomb explode over a big city just to see what will happen."

The position of the "two" can only be understood if the political motivations are clarified. And these are expressed, in a very clear way, by a magazine called *Fusion*, put out by an extreme pro-American group, which is circulating among conference participants. The basic hypothesis is that the "nuclear winter" would be a psychological warfare operation conducted by the KGB, and that it would be based on unreliable and unprovable hypotheses, useful only for arousing panic in the West, feeding the American and European pacifist groups. Even the noted film "The Day After," according to this logic, would be a masterful operation conducted by the Soviet espionage system.

Edward Teller sent greetings from the U.S.A. He also maintains that the consequences of a nuclear war would be quite different than the Soviets say: The temperature of the

planet would not be lowered by more than 2° to 3°, contrary to the Soviet projection of a decrease of 40°.

Il Secolo XIX, Aug. 25, "I fear that laser," an interview with Soviet conference participant Dr. Alexei Vasilyev, by Enrico Pedemonte.

Q: At the Erice conference, the Americans described their projects and you just listened. Then they attacked you: You know what we are doing, but you keep a firm "top secret" on what you are doing.

A: The American accusations on this point are very contradictory. On the one side, they tell us that we are ahead of them in the weapons field in general; on the other side, they pretend they don't know what we are doing. How is this ambivalence possible? Where is the trick?

Q: Where is it, Professor Vasilyev?

A: It is a myth which must be destroyed that we know all of the American programs. We know what the mass media say, what scientists publish in scientific magazines. That's all. But we don't know anything about the real state of American research.

Q: What do you think of this program of beam defense? Is it really impossible to realize it?

A: This is not the main point. The most important point is political, not technological. What worries us are the political consequences. The realization of such a system will launch a new arms race. More and more powerful weapons will be invented, capable of breaking the beam defense. And there is a second point which worries us: This system is too expensive. . . .

Q: The Americans say that you are ahead in the study of these systems.

A: This is an odd slogan. Every time an American government wants to pass a strategic (or non-strategic) program to produce new weapons, it turns out that the Soviet Union is far ahead. This has always been the case, under every administration from the time of Kennedy.

Q: Wood was very aggressive toward you. What do you think of his behavior?

A: Wood is a bit too nervous a gentleman. Such behavior is not normal in scientific meetings. . . . Anyway, Wood does not represent all American scientists; many think differently.

Q: Do you really think that there is a deep split among American scientists?

A: I really do think so. Represented here in Erice is mainly that group coming from the Livermore Laboratory known as the Teller group. But I am convinced that there are many contradictions in the U.S. scientific community.

Intelligence debacle in National Security Council

by Criton Zoakos

A crisis in national intelligence evaluations exists inside the U.S. government at this time, a crisis so big that it can best be characterized as a debacle. It has to do with what Washington believes is going on inside the Soviet Union over the last 12 months. To the thoughtful observer who is not blessed (or encumbered) with a "Top Secret" security clearance, this debacle has not gone over entirely unobserved.

It has registered in the public's attention in the form of a massive discrepancy between two sets of reported facts: on the one side, the facts of *growing Russian military might* in all directions, on the other, the evidence of internal political turns and twists in the East bloc to which our official intelligence agencies point to assure us that we are witnessing a fabled "*crumbling of the Soviet Empire*."

Are we to assume that this Soviet Empire is "crumbling" exactly at the height of its greatest military/strategic prosperity ever?

The National Security Council, the State Department, the CIA, the USIA, and the various think-tanks—Harvard, Columbia, Georgetown CSIS, the Hoover and Heritage Foundations, and the American Enterprise Institute—say, "Yes." *EIR* says, "No, not in the way you mean."

Inside the National Security Council (NSC), there is a group of analysts centered around the Soviet and East European desk who believe that, because communist ideological appeal within the Soviet bloc is crumbling, therefore the "Soviet Empire is crumbling." This group and its immediate collaborators include **Dr. John Lenczowski**, **Ambassador Jack Matlock**, a Kissinger appointee from the Foreign Service; NSC consultant **Jan Nowak**, a Brzezinski-era leftover; Constantine Menges; and **Robert C. McFarlane** himself. Allied to this grouping are persons from other government

agencies and services: **Richard Burt**, **Mark Palmer**, and, earlier, **Lawrence Eagleburger** at the State Department; **Fred Ikle** and **Richard Perle** at the Defense Department; **James Buckley** who runs Radio Liberty and Radio Free Europe from Munich; and others. They and numerous others in government and academia insist that U.S. policy should proceed from the axiomatic assumption that the U.S.S.R. is "crumbling." All of them are associated with specific policy projects which are based on this assumption. One such is "Project Democracy," which involves **Lane Kirkland**, **Ben Wattenberg**, **Lawrence Eagleburger** (now from Kissinger Associates, Inc.), Sen. **Orrin Hatch** (D-Ga.), and others.

Project Democracy was initially conceived as an ideological offensive against communism and communist ideology per se, rather than as an offensive against the Soviet state per se. The original inspirers of "Project Democracy" argued that under the special circumstances of the nuclear era, more emphasis should be placed on the war of ideas rather than on military strength.

The original presentation of the "Project Democracy" approach was made out of Lawrence Eagleburger's State Department office in late 1981. An aide to Eagleburger at the time, Dr. John Lenczowski, wrote an article titled "A Foreign Policy For Reaganauts," published in *Policy Review*, the magazine of the **Heritage Foundation**. It appears that the ideas in that article were the fruit of Dr. Lenczowski's collaboration not only with Kissinger-ally Eagleburger but also with another Eagleburger aide at that time, **Mr. Mark Palmer**. Palmer today is deputy assistant secretary of state for European affairs, working under his old friend, Richard Burt, formerly of the *New York Times*. Lenczowski is the second ranking officer in the National Security Council Soviet desk

under Kissinger appointee Jack Matlock.

Project Democracy is now administration policy. As Lenczowski explained its purposes back in his 1981 article, both liberals and conservatives were wrong in their approach to the Soviets. The *liberals* because they are "intellectually incapable" of envisaging an "ideological offensive against the communists for our ideals of freedom, growth, social mobility, and popularly based legitimacy"; the *conservatives*, for giving primacy to building U.S. defenses, providing military and economic aid to anti-communist allies, and seeking more reciprocity in U.S.-Soviet relations. Thus, he proposed a third alternative: "In a dangerous world [of nuclear weapons], the ideological offensive is a non-military weapon which we can use to prevent ever having to use our military weapons."

Much more can be said about the flaws of the "Project Democracy" idea. Its principal and most strategically dangerous flaw is that it counterposes itself to the need for building U.S. defenses. The subsequent history of this proposal bears out the fact that it has been used as a palliative to cover up the neglect and undermining, even during the Reagan administration, of U.S. defenses.

Where the 'crumbling' thesis fails

The "crumbling empire" theorists at the NSC fail to address the fact that during the past year, the Soviet Union did not content itself with merely maintaining its earlier military growth rates.

Quite the contrary, in the past year, Moscow has: terminated all "arms control" talks; unilaterally suspended every meaningful restriction of the SALT agreements; proceeded with the development of three new, prohibited types of land-based strategic missiles, five new types of intermediate-range nuclear missiles, and two new types of cruise missiles; it has increased production and deployment of prohibited anti-missile missiles to nearly 100,000 per year; it has completed preparations for the launching of a mammoth space station, the "Cosmograd," to be used for military purposes, sometime during 1985; it has revealed a new ambitious program of naval construction which goes beyond the wildest fears of Western specialists; it has increased the annual rate of growth of production of conventional weapons systems to levels never before attained by any power in peacetime.

Moreover, in the last year, Moscow has increased dramatically the number of SS-20s threatening Western Europe; introduced SS-20s on a large scale into Asia; deployed into Eastern Europe additional short- and medium-range nuclear missiles; and covered both coasts of the continental United States with nuclear missile submarines about six minutes from their coastal targets and about eight minutes from their inland targets.

Since last year, Moscow has also deployed seasoned combat units into jump-off positions in East Germany, ready for a blitz assault against the Federal Republic of Germany either through the North German Plain, the Fulda Gap, or

points further south; it has positioned overwhelming forces opposite Norway ready to overwhelm that NATO ally's defenses within hours; it has trained and positioned forces capable of a rapid sweep of the entire Balkan Peninsula, including the territory of continental Greece and Turkey's Bosphorus and Dardanelles straits; it has doubled the number of its combatants in Afghanistan and has trained them against Pakistan; it has deployed combat-ready forces capable of making a quick sweep of northern Iran; it has significantly increased its military presence in Southeast Asia; it has pinned the United States down in an otherwise nonsensical diversion by creating apparently credible military challenges in Central America.

During these past 12 months, Moscow has also shown, by means of the most awesome naval maneuvers ever conducted, its capability of totally surprising and disrupting NATO's naval defenses in the North Atlantic and thereby cutting Europe off from the United States.

Compare this ominous global deployment of Russian military might today with what it was on Aug. 31, 1983, and there is no doubt that the KAL incident was indeed a "watershed," a dramatic signpost marking the beginning of a qualitatively distinct era in Russian strategic deployments. The principle which arrays these post-KAL deployments is no mere "projection of power."

If these Russian military deployments are studied together with the dramatic shifts in resource allocation within the Warsaw Pact economies, and if these two are correlated with the dramatic cumulative changes of domestic propaganda policies within the Warsaw Pact, the conclusion becomes evident: All the conceivable resources of the Russian empire have been compacted into a giant steel coil ready to spring into global military action.

All this is ignored by the National Security Council when it puts forward the operative intelligence estimate that Moscow is displaying symptoms of "crumbling empire." Moreover, this NSC estimate quietly omits the fact that despite great talk, the Reagan administration has spent about \$7 billion less on defense than the Carter administration had in the same period of time.

Historical illiteracy and the 'Great Game'

Ironically, the "brilliant idea" of a U.S.-led ideological offensive against communism was put forward and encouraged by Kissinger, Eagleburger, and the Heritage Foundation not only at a time in which communist ideology, within the Soviet bloc, had become the object of derision and ridicule even within government circles, but also at a time when the leading agencies of the Soviet government itself had been effecting changes to enable them to govern their populations without reliance on "communist ideology" per se.

As of early spring 1983, in all fundamental matters of state policy, the leading elite of the *nomenklatura*, or imperial civil-service list of the Russian Empire, had resolved to move forward as a Russian Imperial power rather than as an ideo-

logical communist movement. Arguably, the Soviet state, at least since the death of Lenin, has acted in world affairs more like the Empire of Holy Mother Rus than an ideological communist state, though the distinction between the two is much smaller than people imagine. After the secret 1936 pact between Stalin and the Russian Orthodox Metropolitan of Moscow, the trend became more evident. Stalin's 1941 open deal with Patriarch Alexii made matters more obvious. The collaboration between the Russian Orthodox Patriarchate and Marshal Zhukov's general staff opened up a new phase. The resurgence of the militant-chauvinist cult of Saint Sergii of Radonezh at Zagorsk outside Moscow during the late 1970s, accompanied the new preeminence of the Russian military establishment which emerged during that SALT period. One week before Leonid Brezhnev died, certain critical internal developments known to the NSC signaled the complete takeover of the Soviet state by an alliance between the military leaders and the non-uniformed *nomenklatura*, i.e., the Communist Party Central Committee organization. This alliance was led by Marshal Nikolai V. Ogarkov, chief of the General Staff.

By January 1982, it was becoming evident that the powerful men at the helm of the Soviet state, already at the apogee of their military power, were animated not by any idiotic ideological communist pap, but instead by a grandiose vision of world imperial dominance. A cult of power runs the Soviet state, which draws for inspiration from ancient Russian imperial traditions and legends: Filofei of Pskov, Saint Sergii of Radonezh, and, above all, Fyodor Dostoevski. The current rulers in the Kremlin believe themselves to be and are the heirs and executors of classical imperial statecraft as it was handed down to them from the Imperial Russia of Pobedonostsev and as it was handed to Moscow from its model and paradigm, the Byzantine Empire. The references are explicit and direct, and they abound in contemporary Soviet political and fictional literature. Beyond reasonable doubt, evidence shows that both the military elite under Marshal Ogarkov, which is leading the war mobilization in Russia, and the popular masses underneath, which are responding to this mobilization, are animated by the Russian-Byzantine cultural matrix and not by "communist ideology" per se.

When, amid such a shift in the cultural orientation of a large society, some of its institutions, practices, and personalities are changed, broken up, replaced, or discarded, what occurs is not a "crumbling empire" as the NSC contends, but merely "growing pains." This does not mean that "communist ideology" and its institutional props will be abandoned or smashed or hounded by the chauvinism of Holy Mother Rus. The cultural contents of "communism" and "Byzantine imperialism" are not basically very different.

This is a very important fact in modern political and strategic intelligence, and was first observed in 1925 by none other than Arnold Toynbee in his capacity as chief of the British Intelligence Service for the Balkans and the Middle East. By contrast to the gentlemen at the NSC, the CIA, and

the President's Foreign Intelligence Advisory Board, Toynbee was a true intelligence officer, albeit of the evil, imperial variety. He was an accomplished student of imperial practices and policies going back to the first Mesopotamian Empires, and had helped not only research and write, but also deliberately distort the writing of history before he assumed major intelligence tasks. In that capacity, Toynbee opined after Lenin's death that the Soviet state, in terms of its essential cultural and ideological outlook, was a direct continuation of its predecessor Russian-Byzantine state, albeit in a militant form. Toynbee arrived at this conclusion by arguing that the fundamental axiomatic assumptions respecting the nature of man and the universe which controlled social processes in Soviet society and in its imperial predecessor were identical, as the Marxist "material conception of man" is in no significant way distinguishable from the Eastern Orthodox denial of the *filioque*, i.e., denial of the theological form of the argument that man is primarily a creative intellect. In Byzantine imperial culture and in "communist society," individual men are soulless cattle, instruments and servants of the state. Moreover, as those who have perused the Dumbarton Oaks collection know, Byzantium, just like "communism," was based on "state ownership of the means of production." Only the Emperor and his oligarchical Senate, composed of the leading *families* of the empire, through decrees could grant to individual persons temporary grants of land ownership or commercial concessions. In the Byzantine Empire, as in the U.S.S.R., "socialist forms of property ownership" was the scheme of corporate organization of the oligarchy.

Toynbee argued, and his argument was accepted as state policy, that ultimately, sometime during this century, an imperial arrangement ought to be made between the "Eastern Empire," Russia, and the "Western Empire," the oligarchical faction within the West. Toynbee's scheme did not allow for the continuation of democratic-republican forms of self-government.

Where his planning went wrong is that the Russian Imperial impulse emerged during the 1980s fully armed with the most formidable thermonuclear and conventional military machine ever seen in world history. Not interested in "deals," it is pushing ahead for world conquest. "Communism" is only one, tertiary at that, instrument in the service of that conquest.

The NSC and other responsible agencies, by arguing that "communism" is crumbling, simply divert our attention from the more ominous enemy lurking beneath—and this to the peril of the United States and the democratic-republican political system for which it stands. However, the operative question is: Was Eagleburger's and Lane Kirkland's "Project Democracy" created in order to sustain an intelligence bureaucracy with a built-in career interest to argue the "crumbling Russian empire" thesis to the detriment of the U.S. military buildup? Let the plain military facts and figures of the last 12 months speak for themselves.

Warsaw Pact deploys in Czechoslovakia

by Luba George

In the first week of September, the combined forces of the Soviet Union, Czechoslovakia, Poland, East Germany, Hungary, and Bulgaria launched maneuvers in Czechoslovakia, code-named "Shield-84." West German observers are calling them "the most important of all Warsaw Pact maneuvers." On Aug. 16, East bloc news agencies announced that the maneuvers would officially involve 60,000 troops, deployed across the length of Czechoslovakia, which borders on West Germany and Austria.

"Not since 1968 has there been such concentration of Warsaw Pact troops," wrote the West Berlin daily, *Tagespiegel*. That, of course, was the year Soviet-led Warsaw Pact forces invaded Czechoslovakia. The exercises will involve troop units of the First Army of the Czech armed forces as the main contingent, and one "Central Group" division of Soviet forces stationed in Czechoslovakia since 1968. (Six Soviet divisions comprise the "Central Group" of the Soviet forces.) The Polish People's Army will provide ground and airborne units. Units from two Hungarian divisions will participate, as well as the East German and Bulgarian Armed Forces. Romania is sending only "staff" units to the exercises.

High mobilization

Shield-84 coincides with NATO's Autumn Forge exercises, meaning that the forces of each side will face each other in a state of high mobilization throughout September.

Soviet Defense Minister Dmitrii Ustinov personally arrived in Prague on Aug. 28 for preliminaries. In a speech at a rally of 100,000 gathered for the 40th anniversary of anti-fascist uprisings in Slovakia, Ustinov denounced West Germany in the harshest terms to date. The Soviet press has been attacking West German "revanchist and militarist circles" for some time now, charging that such "circles" intend to "re-establish a united German state within the old 1937 borders." The added significance of Ustinov's diatribe, broadcast widely throughout the East bloc, is not only that it comes directly from a senior, uniformed member of the Politburo on the eve of the Warsaw Pact's "biggest and most important" maneuvers. The speech also contained the direct, official charge that *the West German government itself* is deliberately "fomenting revanchism and militarism," rather than "reac-

tionary circles" and the like. On the eve of the first anniversary of the KAL massacre, Ustinov has signalled a new phase in Moscow's strategy of *Schrecklichkeit* (strategic terror).

Invasion option open

Tagespiegel reported on Aug. 28 that on Sunday, Aug. 26, Czechoslovak TV showed film clips of Polish tanks entering the country. On Friday, Aug. 24, Hungarian tanks were shown rolling in for the exercises. Citing military experts, the daily said that the "premature" arrival of the troops for the maneuvers, officially to start Sept. 4, takes on added significance, since they follow the "biggest ever" Soviet military exercises (conducted in June-July of this year), which tested the Soviet capability for a blitzkrieg into West Germany.

Czechoslovakia also borders on Austria. On Aug. 27, *Pravda* accused Bonn of carrying out an "economic *Anschluss*" (annexation) of Austria—evoking the image of Hitler's annexation of Austria in 1938! Never mind that high-ranking economic delegations from Warsaw Pact members Hungary and East Germany were in Austria this summer to finalize long-term economic deals. *Pravda* accused West Germany of "causing unemployment and serious damage to Austria's industry" because West German businesses are "swamping Austria with exports" and "infiltrating its economy . . . taking over hundreds of local companies . . . a quiet economic *Anschluss*."

The Soviets have regularly invoked the Potsdam accords of 1945, giving them the right to intervene in Germany in the event of a "revival of Nazism." By invoking Hitler's 1938 *Anschluss*, the Kremlin is now preparing the way for a future Soviet *demarche* to Bonn that would "charge" violation of the 1955 state treaty which ended the Allied four-power occupation and established Austria as a neutral country—a "legal" pretext for the occupation of Austria.

Soviet military moves, over and above the large-scale publicized maneuvers, have been constant and ubiquitous:

- On Aug. 4, according to the Swedish government, a Soviet jet pursued a Swedish civilian airliner over Gotland, the Baltic Sea island where Sweden's major military base is located—as if to remind the world of the KAL 007 massacre one year ago (see *Northern Flank*). This is the kind of harassment to which they earlier subjected civilian air traffic in the corridors leading to Berlin.

- On Aug. 14, a Soviet submarine became entangled in the nets of a British fishing trawler in the English channel—not the usual passageway for the Soviet fleet going into the Atlantic.

- On Aug. 15, the Soviet ship *Semyon Chelyushkin* was spotted 60 miles from the mouth of the Columbia River in Washington state, near where Trident submarines are built.

- On Aug. 26, the London *Sunday Express* reported the sighting of a Soviet submarine one mile off Scalia, Italy, near a NATO radar base. On that day, too, the U.S.S.R.'s newest battle cruiser, the *Frunze*, sailed through the Danish straits into the North Atlantic.

Andean anti-drug fighters smoke out the pushers in continental crackdown

by Susan Welsh

The governments of South America's Andean region are stepping up their drive against the "narco-terrorism" which is threatening to turn the continent into a drug plantation. Seven foreign ministers will meet in Santa Cruz, Bolivia, Sept. 11-12 to implement the Front Against Narcotics Trafficking which was inaugurated at a summit conference Aug. 11 in Quito, Ecuador. The communiqué issued from that meeting denounced drug trafficking as "a crime against humanity."

Backing up these official moves are the political educational activities of the Andean Labor Party (PLAN) in Colombia, Venezuela, and Peru. The PLAN is known as the continent's most ferocious opponent of the drug mafia, and its Colombian branch created an international sensation in August when it smoked out the role of former Colombian President Alfonso López Michelsen in fronting for the drug-runners (PLAN investigators helped prepare *EIR*'s Aug. 14 cover story, "New 'Patty Hearst' abduction tied to Colombian ex-President.")

Now the PLAN has drawn blood in Peru, as its current electoral registration effort is being publicly opposed by the drug lobby's top political protectors. Senate President and former Prime Minister Manuel Ulloa on Aug. 27 ordered news media under his control to unleash an all-out attack on the PLAN-Peru. Ulloa, known as a "Rockefeller man," is also an intimate of Henry A. Kissinger. Channel 5 television and Radio Programas de Peru, both under his personal control, and the pornographic magazine *Caretas*, run by an in-law of acknowledged drug-runner Luis Malpartida Flores—one of Ulloa's closest associates—simultaneously issued denunciations of the PLAN's electoral registration drive. Wrote *Caretas*: "The fanatical followers of the eccentric politician Lyndon LaRouche, or Lyn Marcus, have set up tables with the object of surprising passersby. They force them to sign papers rejecting drugs which, in fact, are electoral petitions for the Andean Labor Party, a fraud through which they intend to enter into national political life." The magazine urged the government to take action against the PLAN-Peru.

At the same time, the law for registry of new parties was suddenly changed—in the middle of the registration period. The number of signatures required was more than doubled, to 100,000, and the deadline moved up two months, to Oct. 14. The sole purpose of the shift was to prevent the PLAN-

Peru from gaining official status.

Why should Ulloa and company react so strenuously to the PLAN-Peru's war on drugs? A clue is provided by an interview which the Senate president gave earlier this year with the magazine *Debate* lauding the alleged medicinal and hygienic potential of the coca plant (from which cocaine is derived), and expressing the hope that, from the standpoint of revenues, it "could perhaps come to have a similar importance to tea and coffee." This, he said, might open up "unsuspected horizons and allow for the channeling of the greater part of coca production to a legal market."

Peru on the brink

The fight between Ulloa and the PLAN-Peru comes at a desperate time for the nation, as the government is under siege by the Shining Path (*Sendero Luminoso*) narco-terrorist guerrilla group and its defenders from the *New York Times*, Amnesty International, and the Peruvian left. The Shining Path has frequently demonstrated its capability to paralyze the country by knocking out the electric power grid, and it perpetrates wanton massacres as a matter of routine. Early in August, a group of the terrorists assaulted a town in Huanta province, murdering more than 50 residents, including women and children. Two children who survived the massacre told the press that seven terrorists ran through the town screaming: "Miserable traitors to the cause. Everybody will die like gutless sheep." They stabbed their victims' bodies repeatedly, eviscerated them, then bashed in their heads with rocks.

Such horrible scenes are recounted every day in the Peruvian press. Shining Path seizes a town, appoints new local governors, and sets up "popular courts" to "judge" the victims. The Peruvian government says that 4,000 have died since the guerrillas launched their bloody anti-government activities three years ago.

The effort by the government and the military to crack down on the terrorists has triggered a great international hue and cry about "violation of human rights," spearheaded by *New York Times* correspondent Marlise Simons and Amnesty International.

Peruvian President Fernando Belaunde Terry denounced this as an "international conspiracy" against Peru in a speech Aug. 31. He accused foreign journalists of building a "pub-

'Shining Path' threatens Argentine parliamentarians

The "narco-terrorist" group Shining Path (*Sendero Luminoso*) is extending its reach outside Peru and has recently sent death threats to three prominent Peronist deputies in Buenos Aires, warning them to abandon their defense of Argentina's nuclear program, singling out the agreements for cooperation in the nuclear field which Argentina has signed with Peru. The three targeted deputies are outspoken defenders of Argentina's vanguard nuclear program.

The letter, addressed to Cesar Araoz, Mario Gurioli, and Carlos Basualdo, states: "Enough of the nuclear program, the defense budget, the arms industry, enough of talks on sovereignty, and of nuclear agreements." The letter concludes with the threat, "Shut up or we will shut you up," and is signed "F.A.L.—Sendero Luminoso."

The letter appeared several weeks before a scheduled visit to Argentina by the corpulent Henry Kissinger (a.k.a. "*Sendero Voluminoso*"), who is notorious among developing sector countries for his heavy-handed threats against leaders who presume to develop an independent nuclear-power capability. Kissinger once warned former Pakistani President Ali Bhutto on this account: "We will make a horrible example of you"—and some years later Bhutto was executed.

Shining Path guerrillas have reportedly infiltrated the northern part of Argentina and are bringing in arms. It is also expanding its operations into Chile via Bolivia, planning to blow up aqueducts and incite chaos during Chilean protest demonstrations planned for Sept. 4-5. The Peruvian interior ministry reports that pro-Sendero propaganda is now being circulated in Spain, France, and England.

licity machine" to slander the government and the country. These "pseudo-reporters," he said, are "the accomplices of terrorism with jackets and ties." They ask for meetings at the presidential palace, not to record authentic statements, but "to turn them upside down and damage the republic." Alongside this propaganda of the foreign press, Belaunde said, is the introduction of counterfeit money to debilitate the national economy—the same techniques the Nazis used to try to destroy Great Britain during World War II.

With such foreign support, a vital threat to the Belaunde government and to the institutions of civilian rule in Peru is now being mounted. Two thousand leftist demonstrators clashed with riot police in Lima Aug. 24 in a protest against

alleged abuses by the military, defying a government order that had placed the city under military control for the day.

Army Gen. Adrian Huamán, the officer in charge of the emergency zone in the Andes where the guerrillas operate, was ousted Aug. 27, amid a growing climate of left-right confrontation. The general had been handling the problem in the right way, by insisting on the need for an economic development strategy for the region, in defiance of the austerity demands of the International Monetary Fund. Just before he was sacked, Huamán told journalists: "If defeating the subversion were a purely military matter, I would solve it in minutes. If it were a question of killing, Ayacucho would not exist in half an hour, and neither would Huancavelica [guerrilla strongholds]. We are speaking of human beings, of forgotten villages which have been crying out for 160 years, and nobody has listened, and now we are reaping the result." If this backwardness persists, he said, the region will become "another Nicaragua."

Quito resolution gains ground

Every country in the Andean region is now locked in battle with the narco-terrorists, as the joint presidential declaration of the Quito summit attests.

In Venezuela, Foreign Minister Isidro Morales Paul has revealed the text of the government's anti-drug resolution that will shortly be presented to the United Nations and the Organization of American States for universal adoption. The document affirms that "drug trafficking is a serious crime against humanity," and calls for "international legislative action capable of directing effective action against the trafficking and consumption of drugs," including tough extradition laws and the creation of an international fund to provide developing countries with the resources to combat and defeat the causes of the drug traffic.

The Andean Labor Party of Venezuela has received extensive press coverage for its demand that the government investigate the role of the Gnostic Church of Venezuela in promoting narco-terrorism. The PLAN-Venezuela pointed to the role of Walter Márquez, a member of the congressional Anti-Drug Commission, who is also a high official in the Gnostic Church. Márquez was elected to Congress as an independent on the slate of Venezuela's leading left-wing "green" party, the MAS.

In Bolivia, the most impoverished country in South America and also the greatest raw-cocaine producer, the government has sent the army to smash up the cocaine labs north of Santa Cruz and is spurning the mob's cynical offers of "cooperation." "Cocaine King" Roberto Suárez is offering a multi-million dollar credit to the government in return for a guarantee that he would never be extradicted to face cocaine trafficking indictments in the United States. The Quito summit has designated Bolivia as the first country to receive financial assistance once an anti-drug fund has been established.

Venezuelan government exposes plot by anthropologists, separatists in Amazonas

by Gretchen Small in New York, Carlos Méndez in Caracas

On Aug. 8 and 9, two confidential government documents denouncing an international conspiracy of ecologists and “action anthropologists” to turn more than one-quarter of Venezuela’s national territory over to foreign interests were run in full in the pages of the Caracas paper *El Universal*. The cover for the separatist plot, the government charged, is “Indian national liberation” and defense of the “ecology” of Venezuela’s tropical forests in the Federal Territory of the Amazonas.

No public response has yet come from the named international associations, but their Venezuelan collaborators have sprung to action to defeat the government’s defense of national sovereignty. And what an assortment of defenders it turned out to be: from Jesuits to Gnostics, to anthropologists, and the friends of Qaddafi in Venezuela!

Among those foreign agencies named by the Venezuelan government:

- Survival International, headquartered in London;
- Anthropology Resource Center, based in Boston;
- Cultural Survival, of Cambridge, Massachusetts;
- International Workgroup for Indigenous Affairs, based in Denmark;
- International Committee for the Defense of the Amazon, of Paris;
- International Indigenist Institute of the Organization of American States;
- World Council of Churches;
- the Berne-Geneva Ethnology Institute;
- U.N. Environment Program.

Venezuela is but one target of the separatist plot, charge the documents, prepared by the Borders Division of the foreign ministry. The intent of these agencies is to force Ibero-American nations to accept the concept of “limited sovereignty,” and the “obvious consequence” of their policies “calls into question the very existence of the Latin American republics.”

Further, the policies advocated by these international groups not only treat the Indians as “living fossils,” to be preserved as “guinea pigs” for social experimentation, but condemn the Indian population to early death, the document

demonstrates. The Indian populations, for whom these anthropologists would further limit access to modern medicine, today enjoy an average life expectancy of only 30 years, compared to the national average of 60 years of life!

Separatism: weapon of narcoterrorism

Coming as the drug mafias are challenging the state power of governments throughout the Andes, using as their instrument narcoterrorist groups such as Peru’s Shining Path (Sendero Luminoso) guerrillas, the Venezuelan government’s documentation opens a new flank in an international war to defend the existence of sovereign nation-states. A year ago, Peru’s government identified members of the same anthropological associations as the “intellectual authors” behind Shining Path, but retreated from that inquiry under international fire.

The Venezuelan Foreign Ministry has hit at the command centers for the new face of international terrorism, the so-called “separatist,” or “nationalist” movements that are the joint property of the Nazi International and the Soviet Union, as *EIR* has documented over the past two years, including in a special dossier issued in early 1984. At the highest level, the foreign interests deploying these terrorist assets are the oligarchic families, of East and West, committed to returning the world to a feudal past.

In *EIR*’s cover story of July 20, 1982, “Old Nazis Play the Soviet Card,” Lyndon LaRouche explained:

The objective of the powerful (aristocratic and financier) forces behind the deployment of this anthropologists’ nightmare of “separatist movements” is to generate throughout the planet a protracted condition of chaos—economic depression, regional wars, dionysiac orgies of assassination, rioting and insurrection in many nations. This process is intended to obliterate the institution of the sovereign nation-state and to bring forth out of chaos a Malthusian world-federalist order.

As *EIR* has documented, the German-based *Society for Endangered Peoples* exemplifies the centralized structure deploying the seemingly disparate separatist operations in-

South America's Amazon Countries



ternationally. Headed by the queen of Denmark, the Society for Endangered Peoples brings together activists from the neo-Nazi movement with funding and activists from Libya, offering its support to separatist operations ranging from the Basque ETA to the Sendero Luminoso-supporting South American Indian Council.

Survival International is the English-speaking branch of the Endangered Peoples Society, and *Cultural Survival* a corresponding association—two of the groups charged by the Venezuelan Foreign Ministry.

The Amazon: a narcoterrorist zoo?

Isolated and underpopulated, with few border controls, the Amazon center of South America has become one of the major routes for South American drug-running, exemplified by the leading role played by the Hong Kong-modeled “free port” in the Brazilian Amazon, Manaus, in the distribution of Colombian cocaine. Clandestine airstrips cover the Amazon in every country, used equally for gold-smuggling, drug-running, and contraband.

As in other Amazon countries, competing “anthropological missions” of both right and left ideologies have carved out “their” Indian populations to “defend” in Venezuela’s Amazonas Territory, making up the majority of the “population” in the area. In the Amazonas, it has been the fundamentalist “New Tribes” pitted against “Theology of Liberation” projects led by Basque Jesuit, Rev. José Maria Korta, and the Movimiento Al Socialismo Party. All equally agree that the Indians must be “protected” from modernization.

Now, the international agencies of terrorism are making their bid to “internationalize” major chunks of the Amazon region—thus removing all threat of government action against the expanding outlaw activities.

In the Venezuelan case, government preemptive action against the separatist plot was provoked by the revival of two separate, but converging, proposals for declaring the Ama-

zonas Territory a “World Heritage Site,” establishing a Yanomami National Park—a sort of internationally controlled human zoo from which Venezuelan armed forces and police activity would be restricted or excluded entirely. One proposal came from the Anthropology Department of the Instituto Venezolano de Investigaciones Científicas (IVIC), which proposed the creation of a Yanomami Biosphere Reserve extending over 40,000 square kilometers in which some 8,000 Yanomami Indians—and their “protectors”—would be the only inhabitants allowed. Similar in scope was the proposal for a Yanomami Indian Reserve by the La Salle Foundation, the Catholic order which has cooperated with the Jesuits in anthropological projects in the region for some 30 years.

When charges that the Amazonas had become a haven for drug-running and subversion broke this summer, the government named a multi-sectoral Commission to investigate the situation. Joining in the outcry against the government investigation were:

The Society of Jesus: the Order sprang to the defense of one of its most radical members, the Basque Jesuit Father Korta, accused of deploying his Indian association against any “non-Indian” colonizers in the area. Korta, the spitting image of Nicaragua’s Ernesto Cardenal, had formed an “Indian rights” association called the Union Makiritare of Alto Ventuari (UMAV) in 1972. It claims ancestral rights over all the territory.

Libya’s Friends: Several members of the Organizing Committee for the 1981 *Green Book* Conference in Caracas, financed by Libya’s Qaddafi and bringing together terrorists from around the world, have attacked the Amazonas investigation. Co-chairman of the Green Book Conference Domingo Alberto Rangel launched a campaign attacking the imposition of “progress as capitalist civilization understands it” in the Amazonas as “genocide” against the Indians.

With Rangel in the Green Book Organizing Committee was *Esteban Emilio Mosonyi*, one of the anthropologists cited in the foreign ministry document. Mosonyi, a member of the *Société des Americanistes*, is a fanatic proponent of the creation of separate Indian nations, arguing that “the movement of oppressed minorities towards their self-determination constitutes a universal phenomenon,” as demonstrated with such European “independence” movements as the Basques and the Corsicans.

The Gnostic Church of Venezuela: Walter Márquez, a Congressman for the MAS party and leading member of the Venezuelan Gnostic Church, argued Aug. 20 before a parliamentary commission that the Indians have primordial rights over the Amazonas region, charging the issue of “sovereignty” was simply an effort to “distract” public opinion. Márquez’s role on the Anti-Drug Commission in Congress was recently questioned by the Andean Labor Party of Venezuela, due to Márquez’s connections with the Universal Gnostic Movement of Colombia, implicated in drug-running and kidnapping.

Selections from: "Distortions of the Indian Problem Present in Some Projects," published on Aug. 8 in El Universal.

1) At the international level, a constantly accelerating movement is gaining strength which seeks to apply to the Amazon area principles which, on the one hand, reflect the doctrine of "limited sovereignty" and, on the other, attempt to internationalize the Amazon as the "Common Patrimony of Humanity." This strategy shows itself through indirect pressures, which are aimed primarily at the themes of protection of the Indians and of the tropical forests.

To this end, the weakening of the signatory states of the Amazon Cooperation Treaty is sought, inducing them to accept mechanisms which permit certain international organisms, governmental and non-governmental, to interfere in the sovereign decisions of those states on questions of population, territory and resources. . . .

These policies, induced from abroad, require for their success the collaboration of people who, within each country, actively support them in their objectives. . . .

The proliferation of activities by certain anthropologists, ecologists, and sociologists promoting the presentation of "projects for the creation of Indian or ecological reserves" is not accidental, but rather causal, whose final outcome is to gain the acceptance on the part of the Venezuelan state of the criteria of "limited sovereignty" and "Common Patrimony of Mankind." Also not to be overlooked is the interest of groups tied to the international left in carrying out campaigns on behalf of the "human rights of the Indians". . . .

2) a) Protection of the tropical forests . . . constitutes an important element in the process of internationalizing the Amazon. . . . This movement has had such success that, under the concept of "ecological protection," within Venezuela "territorial parentheses" (parks, reserves) have been created covering more than one-quarter of the total land surface of the country. . . . The consequence has been that the Venezuelan state has limited its capacity for full exercise of its sovereignty in the areas thus affected. . . .

b) Protection of the Indians: Without real concern for their integral development and incorporation in the rest of the nation (Art. 77 of the National Constitution), but instead with the purpose of recognizing "autonomous Indian nationalities," which should enjoy the "right to self-determination," and with whom the State should "negotiate" the exercise of sovereignty over territory, population, and natural resources. This brings as a consequence the weakening and eventual dismemberment of the State, increasing its vulnerability to manipulation by interests foreign to its own. . . .

It becomes interesting to study the coincidence of interests active around natural resources and the strategic importance of countries like Venezuela. In this regard, we observed that, in January of 1971, the World Council of Churches and the Institute of Ethnology of Berne-Geneva concocted a "Symposium on Inter-Ethnic Friction in South America"

which took place in Barbados.

If indeed the title and organizers call attention to themselves, even greater doubts are raised by the text of the "Declaration of Barbados for the Liberation of the Indian." It states, in effect:

The Indians of America continue to be subjected to a colonial relationship of domination . . . a position which negates the possibility that the Indians can free themselves of colonial domination and decide their own future. . . .

In the declarative section, we observe the section which defines "the responsibility of Anthropology":

The anthropology which today is required in Latin America is not that which takes the Indians as mere objects of study, but that which sees them as a colonized people and commits itself to their liberation struggle. . . .

[The First Technical Meeting on the Problems of the Indian Populations of the Amazon Region, in Puyo, Ecuador in July 1981 and the VIII Interamerican Indigenist Congress in Mexico, 1980, produced] recommendations and resolutions which threaten directly, clearly and unequivocally:

a) *National Unity*, an essential element for the states involved, through demands for recognition of the "Indian nationalities" and their "right to self-determination";

b) the *territorial integrity* of the Latin American states, as a consequence of the recognition of "exclusive territorial rights" of these "nationalities" over territories which are drawn up on the basis of criteria of "historical occupation," without taking into account existing national borders;

c) the *sovereignty of the state* over national resources, by establishing the necessity of signing "accords between the governments and indian peoples for the prospecting and exploiting of hydrocarbons and minerals." In addition, the fruits of these exploitations should directly benefit the "Indian nationalities" and be administered directly by them, and not by the State to the collective benefit of the nation;

d) the *policy of integration, consolidation, and populating* of national territory, through the paralyzing and eliminating policies and projects for populating and the socio-economic development of these areas, particularly in the border areas;

e) the *Latin American identity*, as a product of a fusion of races and cultures, through the attempt to establish forms of ethnic segregation. . . .

3) It is evident that such recommendations cannot but affect, directly and negatively, the existing elements of the State: nation and territory—one, indivisible and sovereign. The obvious consequence would be to call into question the existence itself of the Latin American republics, inasmuch as in the end the latter would tend to fragment into multiple

“nations” and eventually confederations of Indian republics would arise.”

Selections from: “An Analysis of the Proposals for the Creation of a Yanomami Reservation in the Amazonas Federal Territory”

The most recent expressions of these policies are crystallized in the projects for the creation of Indian reserves along the length and breadth of the Venezuelan border, areas of concentration for the different tribes and where the presence of the State is extremely precarious. . . .

The proposed Reservation would cover approximately 40,000 square kilometers and would include a population of about 8,000 Yanomami Indians, which would represent a population density of 0.2 inhabitants per square kilometer. . . . The reserve would border on Brazil for an extension of 850 kilometers. . . .

The . . . Project suffers from a double constitutional fault: First, it wrongly, and in a biased manner, interprets some of the constitutional guidelines, and secondly, contains principles clearly violating the letter and spirit of the basic guidelines of the Constitution:

a) Integrity and Unity of National Territory: It is not accidental that, in its preamble, the Constitution states among its objectives the maintenance of the independence and territorial integrity of the Nation, and the strengthening of its unity.

a. 1) It is important to point out that this initiative tends to further weaken the already weak and precarious presence of Venezuela at its borders, through the creation of a territorial and juridical parenthesis which tends to pull the Yanomami out from national jurisdiction. To this end, they attempt to submit them, in some manner, to international guardianship through the application of the concept of “Patrimony of Mankind”. . . (“World Heritage Site” in the language of UNESCO). . . .

a. 2) Upon examining the section, “Aspects of Security and Defense” of the Project, it is equally notable that it poses:

—the necessity of exercising “strict vigilance and control over the policies which the Venezuelan State establishes for this culture in order to guarantee its self-managed existence.”

—That “. . .the Security and Control Organisms of the Reservation [evacuate] all persons foreign to the Yanomami ethnic without due authorization from the zone.”

—“. . .That the zone contiguous with the border with the Republic of Brazil be common territory of the Yanomami people. . . .”

The juridical implications of the term “autogestion” and its derivation to “self-determination” are as obvious as the proposal for the creation of a supranational entity, superimposed over the borders of Venezuela and Brazil.

If we combine this with the evacuation of all those foreign to the Yanomami ethnic group, we would be falling into the creation of Bantustans like those of South Africa. . . .

b) The Constitution, by including in both its preamble and in Article 61 the prohibitions [against discriminations for race, sex, creed or social condition] is doing nothing other than registering one of the principles which make up the national identity as *mestizaje*, which . . . accelerated in this century, has resulted in the full fusion of races and cultures into a nation, one and indivisible.

b. 1) It is paradoxical that the evident consequence of projects such as these is the introduction into Venezuela of a policy of ethnic discrimination, a national version of South African apartheid. . . . The result of isolating the Yanomami from all direct, personal, social, economic, and cultural contact with the rest of the nation would be to segregate them in fact and in law. In this regard we observe that the [Yanomami Reserve] Project in its “Suggestions for the Regulation of the Reservation” and in the aspects relating to “Security and Defense,” states that:

—For those not belonging to the Yanomami culture, the only activities allowed within the restricted zone are those of patrol and border control, those of scientific investigation, and those of medical assistance for emergency situations. . . .

—“The National Guard will avoid within the realm of possibilities contact with the Yanomami population.”

b. 2) The practical results of the application of the concepts embedded in the Project is tantamount to forgetting that the Venezuelan Indians enjoy full juridical rights, and to submit them to a caretaker regime, which in the final analysis would place them among the incompetent: minors, outcasts, and prodigals.

In this way, far from helping the Yanomami to incorporate themselves as full citizens, it removes from them any possibility of enjoying the benefits of scientific and technological advances which the rest of humanity enjoys. It assigns them the role of *living fossils* and treats them like guinea pigs in a scientific research laboratory [emphasis in original].

Symptomatic are the regulations which limit the access of the Yanomami to medical attention, particularly when it is taken into account that the average lifespan of the Indians is 30 years, in sad contrast to the national average of approximately 60 years. . . .

Another expression of the State’s sovereignty is precisely its exclusive jurisdiction over the natural resources of its territory. As already indicated, one of the objectives which certain international circles pursue is to weaken the sovereignty and State Control over the resources which it has been given by Nature. . . .

From this listing it can be seen that the objective is to impede the possibility of exercising effective control over the zone.

Will Israel become a new Weimar republic?

by Thierry Lalevée

Only the deployment of some 1,000 policemen around the Galilean village of Oum el Faham on Aug. 29 prevented the first battle in what may become Israel's civil war.

A key figure in provoking the crisis is the new Member of the Knesset and former FBI-informant, Rabbi Meir Kahane (a.k.a. Michael King), who was elected on a racist, anti-Arab electoral platform. And the Arab village of Oum el Faham is becoming a kind of national symbol of Israel's crisis. It is there that Kahane decided to open, several weeks ago, an "Office for the Emigration of the Arabs," announcing that the 750,000 Israeli Arabs—"those snakes," as he called them—had to leave Israel. By Aug. 29, he declared, he would enter the village to begin collecting names, voluntarily or *manu militari*. On Aug. 28, members of Kahane's fascist party, the Kach, distributed leaflets in the town of 25,000 inhabitants, reading: "Accept a good solution: Leave! You will be indemnified. Call Kach's central office in Jerusalem, give your name, identity card number, and telephone number."

The leaflet provoked outrage among the citizens and the few hundred Jewish and Arab supporters who poured into the village to keep out Kahane and his goons.

Although the confrontation finally fizzled, the events threw a spotlight on the behavior of Interior Minister Josef Burg, who first refused to send police to protect the village, then changed his mind and specified that the police deployment was aimed "at preventing disorder." As for Kahane, Burg told the village mayor, "he is a Member of the Knesset and has the right to go wherever he wants." As a result, Kahane was later politely told by the police not to enter the village, and the day ended in battles between the police and the local population, mostly the children.

That such an incident can take place at all underlines the dramatic change in Israel's atmosphere since the Lebanese war and the July parliamentary elections, which have left the country politically paralyzed. Officially, no one supports Kahane. His extremism is denounced day after day in all the main newspapers. However, there is little doubt that Kahane is seen as a key asset to manipulate the policies of whatever government comes in. Members of the Likud who think they should form the next government have not hidden the fact that they are ready to do their utmost to sabotage the efforts of Shimon Peres to put a new coalition together, even a National Unity government.

Everyone accepts the principle of such a government, but the Likud wants quondam Prime Minister Yitzhak Shamir, not Peres, to lead, and the Likud negotiating team has taken up the most hardline policy toward Labor, for example, on Jewish settlement and negotiations with Jordan. The aim is to force Labor to compromise on such issues, thereby leading toward a split between Labor and its main left-wing component, the Mapam, which would leave Labor in a definitive minority position.

The Sharon gamble for power

On other occasions, the Likud has directly sided with Kahane. For example, on Aug. 26, four Members of the Knesset (MK) from the left-wing Shinui party wanted to visit the jail where Israeli terrorists are held, to investigate reports that the terrorists are receiving preferential treatment, including extensive telephone privileges. As they reached the gate of the jail, not only were the guards instructed not to allow the MKs to enter, but they were greeted by a mob of fanatics from Kahane's Kach. The MKs were severely beaten while the guards watched. The police arrived much later, though Burg had been made aware of the events from the outset.

Burg is not alone to blame for this situation. In its evident desire to lead the next government at any price, the Labor Party of Shimon Peres has shown more than political weakness. In this game, not only the Likud and Labor, but Israel's population will be the ultimate loser.

Ariel Sharon, who was dumped as Israel's defense minister after an inquiry blamed him for massacres in Lebanon, has reimposed himself on the political scene. No one talks any more about his handling of the Lebanese war or of his potential connections to the Israeli underground terrorists. He is even a key Likud negotiator with the Labor Party for a national unity government.

Emboldened, Sharon told Labor on Aug. 24 that he considered that "ultimately Jordan will be ours in the same way that east Jerusalem belonged to us even before 1967." This declaration, broadly disseminated in the Israeli press, coincided—not so strangely—with a death threat sent to King Hussein in early August by the Israeli "TNT" (Terror-against-Terror) group advising the Jordanian King to "leave the territories occupied by your ridiculously small kingdom." Sharon's statement is particularly ominous in the light of his repeated trips to Switzerland during the summer to negotiate a Lebanon settlement with Syria's Rifaat al Assad.

Did they decide to share Jordan as they have planned sharing Lebanon? As in the past, such deals need more wars to be implemented. A new war coupled with an internal political collapse is just what Sharon and his backers want to impose his dictatorship, whatever form it may take. Kahane's job is to create such conditions, even at the price of civil war. It will be important to watch his visit to the United States which began on Aug. 30.

International drug lobby rears head in Germany

by Paolo Serri

Late in the evening of Friday, Aug. 24, Dr. Rolf Pauls, president of the West German Anti-Drug Coalition, received a call at his place of work, a city hospital in Frankfurt. The caller coldly stated: "Dr. Pauls, we have given you four years to mend your ways, but your fanaticism has not abated. Now we will get you one by one."

An immediate investigation revealed that the call was no joke, but a serious threat.

The death threat against Dr. Pauls came in the midst of an international campaign of threats, intimidation, and severe physical assaults by mafia and Kissinger-linked political circles against the Anti-Drug Coalition movement, founded in 1979 at the initiative of the American politician Lyndon LaRouche, and now operational on three continents.

The most severe of these attacks took place in Bogotá, Colombia, where an Anti-Drug Coalition leader and wife of the vice-president of the coalition, Patricia Paredes de Londoño, was kidnapped and held for six days, during which she was subjected to drugging and attempted "Patty Hearst"-style brainwashing.

Only an international mobilization of the Anti-Drug Coalition, which created headlines in Ibero-America, Europe, and the United States, attacking the higher financial, political, and cult-control structure behind the Colombian mafia, succeeded in rescuing Mrs. Londoño from her torturers.

The Michelsen brothers

In particular, the Anti-Drug Coalition exposed the role of the political godfather of the Colombian mafia, former President Alfonso López Michelsen, whose family provides legal services for United Brands, the shipping firm that dominates both licit and illicit trade in Central and South America. Henry Kissinger is closely associated with Max Fisher, the former chairman of United Brands. In the final report of Kissinger's Bipartisan Commission on Central America, United Brands is cited as a model company doing business in the region.

Alfonso's cousin, Jaime Michelsen Uribe, is also reported to have connections to Kissinger. Jaime was the czar of the Colombian banking system in the period of the presidency of his cousin, between 1974 and 1978, later resettling in Miami to avoid legal problems. On Aug. 23, in the midst of the Anti-Drug Coalition's mobilization around the Patricia Londoño affair and the raging battle being fought by Ibero-

American leaders against the drug traffic in general, an arrest warrant was issued for Jaime Michelson Uribe. A Bogotá judge issued the warrant for a series of financial crimes.

According to U.S. intelligence sources, some of this grouping had been planning a vendetta against the Anti-Drug Coalition, not necessarily in Colombia, but in Mexico, Peru, or elsewhere. This "elsewhere" obviously includes Europe, the continent which López Michelsen and cousin Jaime are now touring. The third week in August, they were reported to be in Copenhagen, where they had a secret family planning session with Alfonso's brother, Pedro López Michelsen, who is the current Colombian ambassador to Denmark.

The Gnostics

The other component of the mafia kidnapping of Patricia Londoño proved to be the Colombian Universal Gnostic Church, in particular, the person of Vincente Marquez, responsible for labor questions in the parliament and a member of the North Korea-Colombian Friendship Society. Gnosticism is the all-but-official state religion of Bulgaria, and like the North Korea connection, represents a direct KGB tie into the Colombian cocaine mob.

It was this same drug- and cult-linked track which was detected in Europe around the death threat to Dr. Pauls. Just days before the Aug. 24 threat to the president of the West German Anti-Drug Coalition, a pamphlet against the organization had been printed in West Germany and had begun to circulate across Europe. The pamphlet was a translation of a Goebbels-like piece by the New York drug-lobby journalist, Dennis King, called "Nazis without Swastikas." Currently a defendant in a \$60 million slander suit Lyndon LaRouche's presidential campaign has filed against NBC, King, who has previously been arrested for fraud, has acted as a key instrument of the mafia in concocting and disseminating lies and slanders against the Anti-Drug Coalition internationally. The Anti-Drug Coalition long ago documented how the drug families of New York City control King.

The German translation of the pamphlet was organized and published by two organizations: the Aktion Psychokultgefahren (Action on the Dangers of Psychic Cults) in Düsseldorf, and the Arbeitsgemeinschaft fuer Religions und Weltanschauungsfragen (Working Group on Religious and Philosophical Questions) in Munich. Both organizations interlock with one Father Haack, a protestant "expert" on cults

whom the Anti-Drug Coalition has attacked in the past for his connections with the New York State-based Rabbi Maurice Davis. Davis, who purports to be an anti-cult "deprogrammer," has been linked to both the famous Jim Jones suicide cult, and the "Son of Sam" murders by a member of a Satan cult.

Haack and his associates were reportedly enraged at the Anti-Drug Coalition's exposure of the connection between drug trafficking and cult ideologies and practices—not surprising in light of their own activities. As an exposé in the West German newspaper *Rhein-Weser Zeitung* in January of 1983 described it, the Düsseldorf Aktion Psychokultgefahren is a "kind of sect itself."

The same is true of the Munich-based Arbeitsgemeinschaft, which advertises such publications as *Linsam Yoni* or *the Mysteries of Sex Cults*; *Secret Doctrines and Secret Principles of the Templars*; *Gnostic Mysteries*; and *The Practical Introduction to Arian-Christian Mystics*, all by Joerg Lanz von Liebenfels. Liebenfels was the first cultist influence on Adolf Hitler.

The investigation around the death threat also led to another network, thought to be connected to the one just mentioned. A caller on the same Friday, pretending to be a journalist from the German national press agency, made numerous calls into the Anti-Drug Coalition office and into Pauls's hospital inquiring about a supposed move by the German Society for Human Dying (DGHS) to have Dr. Pauls removed from his job at the hospital because of his campaign against the right-to-die organization's euthanasia policies.

Pauls, who is also a member of the anti-Malthusian Club of Life, had signed a petition to protest the widely publicized euthanasia case in which an elderly woman was induced to commit "suicide" by the well-known cult professor, Dr. Julius Hackethal. In the case, the Club of Life had determined that Dr. Hackethal had acted in collaboration with the head of the DGHS, Hans-Henning Atrott, and had recommended that both be charged with "criminal conspiracy." The case, which is now being pursued by a Bavarian attorney, made headline news in the major West German media.

During the month of August, it was learned that the DGHS was sending a document to all doctors and personalities that had signed the anti-euthanasia petition: The package contained an "expert exposé" by Father Haack against the Club of Life and LaRouche, plus an accompanying letter, full of threats, warning the receivers to distance themselves from the Club of Life. It was signed by Anita Atrott, wife of the DGHS president and herself treasurer of the euthanasia organization.

Mrs. Atrott later acknowledged that she had telephoned the chief of staff at the hospital where Pauls was employed, but did not say whether or not she had requested that he be removed from his position.

While this remains to be clarified, one thing is clear: Mrs. Atrott and the anonymous caller who threatened Dr. Pauls proceeded on parallel lines.

The subcontinent in a 'superpower

by Linda de Hoyos

"Pakistan is being put into a superpower nutcracker," an influential Indian editor recently wrote in the *Hindustan Times*. The same can be said for India. Rumors are now rife throughout the world's capitals that war will break out on the Indian subcontinent, rumors being fed by a coordinated operation being run by Moscow and its game partners in Washington to break up and destroy the nations of the subcontinent. War, the continuing conflagrations in the Middle East have demonstrated, is the most efficient route to that end.

On Aug. 9, *Red Star*, the Soviet armed forces daily, charged that Pakistan is functioning as a "center of terrorism" on behalf of the United States against India. The week before, Tass had reported that it possessed "conclusive proof" that Pakistan is preparing a military strike against India, targeting Kashmir.

The Kremlin's view has been reflected in the left-oriented press in India, but not in the statements of its government. Speaking to the parliament on Aug. 21, Mrs. Gandhi stated that the government sees no reason to change its own nuclear policy or take other action in response to the Pakistani acquisition of a nuclear capability—which has been considered a tripwire for India's military. It is not relevant, nor serious, she stated, in answer to questions from parliamentarians.

This is a signal that India does not, at this moment, on the eve of national elections and with continuing foreign-fueled destabilizations in Punjab, Tamil Nadu, and other states, see it in its national interests to militarily answer the increasing provocations coming from Pakistan.

That is not stopping Moscow from attempting to either demand a war or to heighten the perception that war is imminent. On Aug. 28, Soviet vice-president Ryutel, visiting New Delhi, told reporters that Pakistan's newly acquired capability to make a nuclear bomb posed a dire threat to India's security. He and Indian leaders President Zail Singh and Prime Minister Indira Gandhi, he said, are in full agreement on this and the threat posed by foreign powers to India.

Squeeze play on Pakistan

The United States plays a similar role toward Pakistan, but more brutally. The point of pressure is Afghanistan. Since the Soviets rolled into Kabul at the end of 1979, Pakistan has

is caught nutcracker'

been the refuge of 3 million refugees, who are severely straining an already impoverished and backward Pakistani economy.

The orders to Pakistan are not being delivered from the White House, but by Zbigniew Brzezinski, who now operates out of Henry Kissinger's Georgetown Center for Strategic and International Studies (CSIS). According to a defense journal published in Karachi, "a former U.S. National Security Adviser"—that is Brzezinski, who frequents Islamabad—told Pakistani leader Zia ul-Haq that Pakistan has two choices on Afghanistan. It can escalate the war being carried out by the Afghan rebels. Or, it can de-escalate, in which case Pakistan will likely face a cut-off of funds from both the U.S. and Saudi Arabia.

Brzezinski has likely been the coordinate point for military contacts between Pakistan and Peking. It has been reported that a Pakistani bomb has been tested in China, and that the Chinese had originally helped the Pakistanis acquire the nuclear capability. In mid-August, Pakistan hosted a 12-man delegation from the Chinese air force, and U.S. Naval Secretary John Lehman followed his recent trip to Peking with a stop in Islamabad.

Demands from the Senate Foreign Relations Committee and Sen. Alan Cranston (D-Calif.) that funds be denied Pakistan is Brzezinski's blackmail chip.

The Soviets are also handing their terms to Pakistan. If the Zia regime accedes to Soviet occupation of Afghanistan, then Moscow is ready to send in a flotilla of engineers and funds to construct a huge steel complex near Karachi. Otherwise, Pakistan will face military bombardment and political disintegration. Since Aug. 20, the Soviets have launched four air attacks on Pakistani villages adjacent to the Afghan border, and Afghan artillery has been shelling across the border, hitting areas only 150 miles from Islamabad. Previous to that, terrorist attacks on the Afghan *mujahiddin* living in Peshawar had forced the Pakistanis to order the rebels to evacuate the city, in order to prevent it being considered a target.

The Soviets are also keeping the Pakistani ethnic pots bubbling. The Soviet Oriental Institute, headed by Yevgenii Primakov, Brzezinski and company's crisis-management

partner, has endorsed the demand for the independence of Baluchistan. In February, Baluch separatist leaders declared that under certain circumstances they would call in the Soviets for military help in their "freedom struggle."

Moscow, through Afghanistan and Libya, also has significant influence over the Movement for the Restoration of Democracy, which mobilized mass action against the Zia regime last fall. The Soviets are the sponsors especially of those in the MRD who agitate for a separate Sind, the MRD base. Sind and Baluchistan are Pakistan's two coastal provinces, not an irrelevant factor for the Russians and their centuries-long desire for a warm-water port on the Indian Ocean.

Presently, as of Aug. 29, the Soviets have moved 40,000 fresh Soviet troops right up to the Pakistani border, ostensibly to cut off the Afghan rebels. That is Moscow's blackmail chip.

End of the Great Game?

In Afghanistan itself, the Soviets are moving to conclusion the destruction of that country which has been the center of the imperialists' geopolitical "Great Game" for control of the Asian land mass. Although the Afghan rebels are fighting the Soviets on three fronts, they are no match for the high-altitude bombing the Soviets are now employing. The \$100 million allocated by Congress to the Afghan rebels in early August is too little, too late. Throughout the spring and early summer, supplies were cut to the rebels as part of the deal struck between Primakov and his CSIS negotiating partners for agreement on superpower non-intervention in the Persian Gulf war.

According to the *Daily Express* of London, the Soviets are on target for completion of the "Brezhnev" plan:

Stage one: Scorch the earth "to drain the ocean and kill the fish" of the resistance.

Stage two: Close the *mujahiddin's* supply routes from Pakistan.

Stage three: Annex the eight northern provinces close to Russia, leaving the remaining provinces in the south as a buffer state to be named "Pushtunistan" after the tribes living there.

That is a policy designed to extend to the disintegration of Pakistan. Pushtuns are the dominant ethnic grouping in Pakistan's Northwest Frontier Province, and this month dissident Pushtuns from there visited Kabul. The Baluchis also stride the Afghan-Pakistan border.

This is the Pakistani side of the agreement the Soviets are working on with Brzezinski, Kissinger, and company, while the same parties can be found up to their dirty necks in the Sikh destabilization of India's Punjab. The result of this "Great Game"—unless brought to a halt with a changed U.S. policy toward both India and Pakistan—will be the return of the Indian subcontinent to the helpless and divided state that prevailed under British imperialism, but with the difference that this time Moscow will rule the roost.

Iran's Revolutionary Guards in power bid

by Thierry Lalevée

On Aug. 21, Mohsen Rafik-Dust, minister of the *Pasdarans* or Revolutionary Guards, announced that Iran would soon relaunch a military offensive against Iraq. In the following days, the Iranian media gave much publicity to the sending to the front of some 200,000 new volunteers.

These announcements were generally ignored as so much bluster, consistent with the general view that Iran is currently incapable of an offensive and that a diplomatic settlement may be at hand. The announcements were viewed as merely another step in the now-public fight for Khomeini's succession. The problem is, a new offensive could also occur as part of that faction fight.

Behind the declaration is an attempt by the leadership of the *Pasdarans* to take power. This implies not merely a tough political struggle between warring factions, but also a deadly fight between the highly fanatical *Pasdarans* and the nation's army. Some newspapers have compared this to the struggle between the German Wehrmacht and the hardcore Nazis of the Waffen SS during the last years of Hitler's regime.

The *Pasdaran's* objectives are twofold.

First, they wish to achieve military independence from the regular armed forces. They have been busily engaged in a project aimed at beefing up its own military capabilities to rival those of the regular army. Military hardware including tanks, cobra-type helicopters, as well as airplanes have been secretly bought in Ibero-America with the complicity of leading Swiss arms manufacturers, and apparently shipped directly to Iran by the German company Lufthansa. The latest reports indicate that after months of technical training with specialists, the *Pasdarans* may already possess their own air-fleet. This notably includes some 80 of the "PC-57 Pilatus" Swiss training planes which were transformed in Milan into fighting planes and are now in use against Kurdish rebels.

Second, they intend a phase-two dismantling of the regular armed forces, which fought well when it came to freeing Iranian territory from Iraqi occupation, but was dragged down as soon as Iraqi territory was entered. A new offensive, in that regard, could discredit if not destroy the regular army for good.

The fight for the government

The *Pasdarans* have quite a few allies within Iran. This was strongly underlined during the Aug. 15 parliamentary

crisis when several government ministers were rejected by the Majlis or parliament, including Dr. Marafi, the minister of health, who is close to Khomeini. Only a last minute intervention by Ayatollah Khomeini, who told the parliament, in effect, "I am dying, and I want the institutions to be stable to die in peace," caused the next round of ministers to be approved.

At the roots of the crisis was the hard core fundamentalist lobby led by Hojatessalam Azari-Ghomi. They want more mullahs in the government to ensure that the clergy, which already controls the *Pasdarans*, the justice apparatus, and a part of the leadership of the army, will have full control of the country. Hence, while four lay ministers were rejected, the parliament immediately approved the appointment of Hojatessalam Mohammed Mohammedi Reyshahri as minister of intelligence.

Reshahri is the third mullah to enter the government, joining Ayatollah Nateq-Nuri, the minister of interior, and Ayatollah Khatemi of the ministry of Islamic guidance. He becomes the first head of a ministry created a year ago to centralize the activities of all the intelligence services: the Savama, until then controlled by the prime minister, and the intelligence services of the *Pasdarans* and of the foreign ministry. Reyshahri is thus a super-intelligence czar, whose appointment may not be accidentally related to the bomb which exploded Aug. 23 in central Teheran, killing 20 and tilting the national mood in favor of the hardliners.

War or peace?

Supporting the *Pasdarans* in their bid for power are the Hezbollahi (Party of God) which, together with the Guards, have launched a new wave of activism abroad. This has been seen in recent weeks in the demonstrations organized by Iranian pilgrims in Mecca as well as the Aug. 22 ransacking of the Saudi Arabian embassy in Beirut.

However, a major obstacle for the *Pasdarans* and their friends is their inability to gain total control of the Supreme Defense Council, which can alone decide on war or peace. Presiding over the Council is Iran's President, Hojatessalam Khamenei, who primarily represents Moscow's interest within the country. If Moscow decides that a new *Pasdaran*-led offensive against Iraq is the best card to hasten the collapse of Iran and its takeover—the Kremlin's ultimate aim—Khamenei will ally with the *Pasdarans*.

Counterbalancing such influences is the speaker of the parliament, Hojatessalam Hashemi-Rafsanjani, the personal representative of Khomeini within the Council, a position with much weight. Rafsanjani together with former Prime Minister Ayatollah Madhavi-Kani have been busy sending out feelers to the Iraqis on a potential settlement. This may lead nowhere, but together, Madhavi-Kani and Rafsanjani have the backing of the army and of several paramilitary factions, as well as an important theological weight which the *Pasdaran* fanatics cannot ignore.

Pacific nuclear-free zone would oust U.S.

by Linda de Hoyos

Steadily, and now not so slowly, the United States is being backed out of the Pacific. This process was advanced in a major way with the Aug. 27 announcement that 14 countries of the South Pacific—including Australia and New Zealand—have unanimously agreed to create a so-called “nuclear-free zone” in the Pacific. The decision came at a meeting of Pacific island nations in Funagui, Tuvalu. The group designated a working committee to prepare a draft treaty for such a zone for final consideration at next year’s meeting.

The proposal adopted by the Tuvalu 14 was put forward by Australia’s Labour Prime Minister Bob Hawke. Hawke’s proposal bans the production, storage, and testing of nuclear weapons in the Pacific and opposes the dumping of nuclear waste. However, each country is permitted to decide for itself the question of access to ports by nuclear-carrying or nuclear-fueled ships.

Hawke won national elections in 1983 on a platform to ban U.S. nuclear-carrying or nuclear-fueled ships from ports of call in Australia, but was subsequently forced to back down on the proposal. Last month, in New Zealand, the Labour Party’s David Lange ousted National Party conservative Robert Muldoon on the same platform. He has so far refused to back down and is demanding the renegotiation of the ANZUS treaty between Australia, New Zealand, and the United States.

No one is happier about the creation of a “nuclear-free zone” than the Soviet leadership in Moscow, which introduced the concept to begin with—while carrying out an unprecedented military build-up from Eastern Europe to Vietnam.

The names of many of the island-nations involved in this decision will not be familiar to Americans. Nevertheless, the entire area of the Pacific running south and west from the Philippines toward New Zealand constitutes the ports and bases that provide the military-strategic bridge between the United States and its allies in Asia, and the bloody battles in the Pacific during World War II are a bitter reminder of their importance. Furthermore, under the domination of American foreign policy by Henry A. Kissinger, the United States has smugly abused many of its allies—notably the Philippines, home for the crucial Clark Field and Subic Bay bases—with the idea that “we can always pull back to Guam, Palau, and the other islands and still maintain a logistical base for the

U.S. Pacific fleet.”

That kind of U.S. policy making has now been exposed as bankrupt. Take the case of the newly emerging Republic of Palau, the island-country that lies right off the Philippines and has been suggested as an alternative site for the Philippine bases. Last year, Palau, which has been under U.S. trusteeship, voted to become a republic, with the United States retaining absolute military domain in return for financial assistance. But Palau also voted not to allow any nuclear ships in port. The country’s supreme court adjudged the votes to be contradictory, and Palau will vote again in September.

Inaction from Washington

The response coming from Washington to these developments provides no clear-cut alternative policy. The Australian press has protested that the Republican Party platform gives Australia and New Zealand “a cold shoulder.” The Australian *Financial Times* angrily noted on Aug. 29 that the GOP campaign platform does not mention the ANZUS defense alliance. Then, in a briefing to foreign reporters, former National Security Adviser Richard Allen bluntly declared that recent election trends in the two countries toward the left meant “the United States had less sympathy toward them.”

On the other side, State Department spokesman John Hughes said Aug. 29 that the administration had not yet decided whether it would “endorse or oppose” the creation of a nuclear-free zone in South Pacific, “pending an opportunity to consider a formal zone proposal.”

Both these reactions boil down to one: disregard for any actions taken by America’s South Pacific allies.

The acting force on the scene is the Soviet Union, whose assets and agents have been leading the “environmentalist” movement in both countries and have been touring the South Pacific islands campaigning for a “nuclear free zone.” Hawke and Lange are playing the same role as the Socialist International in Western Europe—leading the stampede of appeasement before Soviet power. In a statement two weeks ago, Australian Foreign Minister Bill Hayden proclaimed that if the United States did not take action to improve superpower relations, then Australia would consider kicking the United States out of its major defense facilities at Ponce Gap and the North West Cape. The implicit notion behind this threat is that by doing so, Australia will no longer be a target for Soviet missiles.

Likewise, the New Zealand Labour government is threatening that if the State Department hardballs it on the question of port rights for nuclear-carrying or fueled ships, then New Zealand will remove itself altogether from the ANZUS treaty, and cease to function as an ally of the United States.

These threats are Pacific mirror-images of the “decoupling” process in Western Europe. Conversely, stopping the Kissinger decoupling of NATO would be the most efficient way for the Reagan administration to halt the same process that is losing it Asia.

In league with the devil

U.S. envoy Gavin flaunts meeting with the clergy and the PAN—a party about to lose its registration!

Antonio Riva Palacio López, the secretary general of the Mexican Senate, announced on Aug. 30 that the Senate will carry out a probe into links between the U.S. Republican Party and the National Action Party (PAN) of Mexico. The results of the probe will be presented to the Federal Election Commission of the Secretary of the Interior, which must give a final ruling on the PAN's registration as an official party.

That very same day, Fidel Velázquez, the venerable leader of the powerful CTM labor confederation, reiterated his demand that Interior should remove the PAN's registration because its relationship with the Republican Party smacks of *contubernio*, constitutionally illegal foreign association. The Republicans, Velázquez said, "are the most conservative group in the United States and the one which has contributed the most to attacks on Mexico," and he gave the example of the elections in Chihuahua, where the PAN, he indicated, "was aided by U.S. advisers."

The PAN, founded in 1939 as the Mexican branch of the Nazi International, has been fomenting an insurrection to seize power from the ruling Revolutionary Institutional Party (PRI). The PAN makes no bones about its "tactical" alliances with the KGB-run PSUM, formerly called the Communist Party of Mexico; nor is it any secret in the northern border states that the PAN leadership is identical with the heads of the mafia running drugs

into the United States.

One of the PAN's major objectives now is to grab the governorship of the key northern state of Sonora. The PAN candidate for governor, Adalberto Rosas, has been jailed for vote fraud, but says he intends to win the election in 1985 anyway.

Both Sen. Riva Palacio and Velázquez were referring to the scandal stirred up in Mexico when it became known that the PAN was an invited guest at the Dallas Convention of the Republican Party, and that it is being offered backing by the "International Republican Cooperation Fund," set up to topple sovereign governments in the name of "free enterprise." Since Mexico's law covering political parties and electoral processes prohibits any party from having relations of dependency or subordination to foreign organizations, the chances are now considerable that the PAN may be outlawed for good in Mexico.

This demand was no sooner put out than American Ambassador John Gavin appeared in person in Hermosillo, Sonora, to confer unabashedly with PAN leader Carlos Amaya Rivera and the PAN mayor, Casimiro Navarro. He also met with the city's bishop, Carlos Quintero Arce.

Gavin's visit was reported in the national press as "scandalous," since in 1982 these meetings in the U.S. consulate were secret, but now he conducts them publicly, defying the Mexican government. Moreover it is known that Gavin's family came from

Ciudad Obregón, another city in Sonora, and that he has many ties to the landholding aristocracy there.

With this visit, Gavin put himself on the firing line of most of the political parties, risking being declared *persona non grata* by the government of Mexico and further straining relations between the two countries. It is of interest that the local television newscaster who reported the news of his visit showed images of slogans painted on the walls by the Mexican Labor Party that said, "John Loves Rosas [the incarcerated PAN candidate], Gavin Loves the PSUM, Gavin Loves Kissinger."

The print media also reacted. The newspaper *El Sonorense* reported on the flyer distributed by the Mexican Labor Party, charging that "The PAN is in alliance with Kissinger and the FBI."

Tribuna del Yaqui, another local paper, jumped into the fray and reported that no less a personage was present at the Republican convention than the godfather of Mexican organized crime, Manuel Clouthier—who was denounced by former President José López Portillo himself in his latest book as the author of the destabilization attempt against Mexico, in league with the United States.

With the presence at the Dallas convention of Clouthier, two top-level PAN representatives, and the Nazi ideologue José Angel Conchello (also in the PAN but invited in his own right!), and the subsequent visit by Gavin to Sonora to "give the line for the 1985 elections," the picture of what Kissinger has planned for Mexico by no later than 1985 is totally clear: to impose a Nazi government headed by the PAN, in overt alliance with the dope traffickers who facilitate looting in order to pay the foreign debt; or to promote a coup d'état which will make it easier to send U.S. troops south of the border.

Egypt comes under new pressures

Qaddafi's meddling in the Maghreb and the Sudan is posing serious threats to national security.

When many Egyptian leaders come back from their holidays in Alexandria, where they thought they could escape from the heat of Cairo and of the last months of political campaigning, the regional situation may fall on them like a cold shower. At the very point that Egypt is enjoying some domestic stability, it is surrounded by crises threatening to spill over the border.

First, there is the mining of the Red Sea which, while not putting Egyptian security immediately at risk, raises a few questions for the future. The claim by al Jihad al Islami that its frogmen operated from Egyptian territory, has had little credibility. However, there are hundreds, perhaps thousands, of bunkers built during the Nasser period along the coast of the Red Sea to protect the Aswan Dam against an Israeli raid. Most have been totally abandoned by the Egyptian army, but are reported to be quite useful as depots to smugglers in arms and drugs. Their use in the mining operation cannot be ruled out.

A second major shock came as the wires announced the "merger" of Morocco and Qaddafi's Libya. Morocco was the country which, despite the opposition of Libya and of Syria (and more discreetly, of Saudi Arabia), campaigned for the reintegration of Egypt into the Organization of Islamic Countries at the last Casablanca conference.

That such an ally could merge with Cairo's arch-enemy, Colonel Qaddafi, is quite difficult for Cairo to understand. Cautiously, the Egyptian leaders have refrained from reacting too

quickly, but signs of anger were allowed to filter into the media. *October*, the major pro-government weekly, came out on Aug. 18 with a denunciation of Rabat for having betrayed anti-Qaddafi opposition groups. Morocco, said the article, had allowed the Libyans to hijack the Moroccan plane of a leading opponent, Omar al Meshishy, as he was on his way to Saudi Arabia. Nothing has been heard of him since.

Indeed, coming as the Egyptian President and military authorities were presenting growing evidence of Libyan involvement in the mining of the Red Sea, the Moroccan move can only be termed a slap in the face or even direct betrayal of the Egyptians. Knowing the Libyan colonel, few in Cairo share the illusions of Rabat that Morocco will prove to be stronger than Libya or that Qaddafi may change politically. Ultimately, Morocco will realize that it has shot itself in the foot.

Closer than the crisis in the Maghreb is Egypt's concern for the Sudanese situation—another very concrete reason for not appreciating the Morocco-Libya merger. Libya, which plays the Islamic fundamentalist card against Algeria, Tunisia, and Egypt, plays the "Christian card" in the Sudan, and makes no secret that it considers the overthrow of Julius Numeiry a first step toward the export of the "Libyan revolution" to Egypt.

Cairo's problem is that it cannot support Numeiry's policies—his decision to appoint himself "Caliph" of the Muslims as soon as possible. To do so, Numeiry has been wildly imposing the use of the *Sharia* or Islamic

law throughout the country, despite earlier promises that this would not affect non-Muslim Christians or animists in the South. Desperately attempting to quell the internal political crisis resulting from IMF-imposed austerity measures, Numeiry has inadvertently reactivated the old ghost of the 1970s: a Sudanese civil war between the Muslim north and Christian south.

While some may be tempted to let Sudan fall into a new dark age, as it is already being called, this has an impact on its northern neighbor. Numeiry's Islamic campaign has encouraged fundamentalists in Egypt to do likewise. As a result, most political parties had to compromise with them during the national elections. The Muslim Brotherhood can even spare themselves the cost of a newspaper, as all parties are competing to open their columns to them—a very dangerous course to follow, with very heavy consequences.

Indicative was a series of articles in *Le Monde* by former Egyptian communist Eric Rouleau, who concluded with quotes predicting that within two years, Egypt would either fall to a "uniformed Islamic dictatorship," or would face a "Lebanese-type situation of confessional civil war between Christians and Muslims."

Rouleau, the man who denounced the Shah for violation of human rights, and then supported successively Khomeini, Bani-Sadr, and now the "Islamic-Marxist" Mujahedeen-khalq, is a spokesman for those Anglo-American forces ready to sacrifice Egypt to Islamic fundamentalism and the Soviets, just as they have pushed Morocco into Qaddafi's arms. As an Egyptian watcher commented, Rouleau "writes what he wishes to see realized."

Now that the Alexandrian vacations are over, the Egyptian leaders have a few tasks to face.

A great moment mocked

Rock music, light shows, and Marilyn Monroe were featured in a perversion of the anniversary of Paris's liberation from the Nazis.

The 40th anniversary of the liberation of Paris from Hitler and the memory of Gen. Charles de Gaulle were mocked by Paris Mayor Jacques Chirac.

Instead of the "gala spectacular" promised by announcements posted throughout the city, the official celebration completely twisted the history of the actions which de Gaulle had said had enabled the nation of France to regain a measure of self-respect and, instead, demoralized the veterans who attended the events.

It was on Aug. 24, 1944 that the Second Armored Division of the Free French Army under Gen. Jean Leclerc first entered Paris, following several days of street fighting and skirmishes between the FFI (Forces Françaises de L'Interieur—the French Resistance movement) and the German occupation forces. The fighting had been intense enough to convince Gen. Dwight D. Eisenhower to abandon his original plan of surrounding but not entering Paris, and he deployed Leclerc's forces into the city.

On Aug. 25, Gen. Dietrich von Choltitz surrendered to Leclerc. That evening, de Gaulle made his triumphant return. Paris had been liberated by the combined forces of the FFI, the Free French Army, and American troops.

The celebration of these events presented a great opportunity for France—a chance to honor those who had refused to surrender, who had refused to collaborate with Hitler under Vichy, a chance to reflect on the political and strategic weaknesses of the

last regimes of the Third Republic, weaknesses which had facilitated Hitler's advances, and an opportunity to rally the nation out of its slumber, to reverse the present 1930s-style collapse of institutions, to face the danger of the present Soviet threats to move militarily against West Germany.

Instead, the celebrations were characterized by, at best, banal, distorted conceptions, and at times were outright pornographic. Chirac, who organized the events to showcase "his Paris," in order to further his own political ambitions, made a fool of himself when he addressed a packed house of almost 6,000 people at the Hotel de Ville, the site of de Gaulle's famous speech upon his return to Paris. Most of those in attendance were veterans, and the regimental flags of the units who had fought in North Africa and in Europe were carried proudly.

Not once did Chirac mention the heroism of the soldiers, not once did he praise their sacrifice or comment on the lessons to be learned from the failures of the past. Instead, in a voice lacking any emotion, he offered his greetings, spoke of how Paris had again been revitalized, and then reached the high-light of his speech—he announced there was a buffet and champagne available in the salons of the Hotel de Ville.

Many of the vets present were shocked by this strange performance and expressed their disappointment. What was to come was even worse.

Chirac presented a "light show" on the facade of the Hotel de Ville. With a crowd of more than 10,000

filling the plaza in front of the building, the spectacle began, combining rock music and Moog synthesizers with a collage of battle scenes and a background narration. The show featured a montage of Andy Warhol's pop-art work of Marilyn Monroe's "Lips" and scenes from World War II battles, and included the cabaret songs of Nazi-collaborator Maurice Chevalier with scenes from the degenerate "Cafe Society" of Moulin Rouge, as though this had been part of the liberation, rather than part of the cause for the collapse, of France.

The conclusion was a cultish sequence of praise to Paris, "Paris de Montmartre, Paris de Notre Dame, Paris de Pigalle." With spotlights crisscrossing the sky, much like the rallies of Nuremberg of the Nazi Party in the 1930s, the narrator finished by saying, "The world has changed greatly since 1944, but Paris will always be Paris."

This closing statement exemplifies the fundamental political problem in Paris today. The fundamental institutions of society are again collapsing, unable to address reality. Politicians are preoccupied with tedious debate over meaningless issues, while the Soviets are bearing down menacingly on Western Europe. As Chirac, as well as the entire "opposition" and Mitterrand, console themselves with their lustful fantasies of "Paris eternelle," the population is restless and growing angry.

Despite Chirac's attempt to dull the crowd with his "high-tech" distortion of history, the only applause and enthusiasm of the evening was reserved for pictures of de Gaulle, Leclerc, and their American collaborators. A nation is still waiting to be rallied—but there is not time to wait for Jacques Chirac to rise to the challenge.

Palme covers up Soviet threat

The recent Soviet tailing of a Swedish airliner may signal that Sweden is heading for its own "Berlin crisis."

The latest shocking instance of Swedish Prime Minister Olof Palme's appeasement of the Soviet Union has compelled this Resistance fighter to take pen in hand. I inaugurate this column with the vow that I shall not rest until "Red Olof" is removed from office, and Sweden assumes its rightful place in the Western alliance.

It is, of course, no particular surprise that Palme hushed up for more than two weeks a Soviet incursion into Sweden's airspace that could have ended in a tragedy like the shootdown of the Korean Airlines flight last year. Palme is, after all, one of Moscow's top Western assets. Until recently he was the protector of Arne Treholt, the Russian spy who joined the Norwegian foreign ministry in order to conduit the KGB's plan for a European "nuclear-free zone" into the West—via Palme's Independent Commission on Disarmament and Security Issues.

A descendent of Latvian and Finnish noble families, Palme comes from a long line of scoundrels. His uncle, Johann August von Knieriem, headed I.G. Farben operations at the Auschwitz concentration camp. Palme's cousin was British Communist Party chief R. Palme-Dutt.

In the spirit of the Radio Free Sweden program which has recently begun weekly broadcasts to the population of Stockholm, telling the inside story of Palme's crimes, I report to you now the new military threat facing Sweden as a result of the treachery of its prime minister.

On Aug. 25, the Swedish press

exposed a gross violation of Swedish airspace by a Soviet jet fighter. The Sukhoi (Su-15) combat plane tailed a Scanair civilian airliner, en route from Crete via Warsaw to Stockholm, for about five minutes, or 20 miles into Swedish airspace over the large island of Gotland in the Baltic Sea. The incident occurred on Aug. 9, more than two weeks before it became known to the public.

The two Swedish interceptor jets sent up to meet the intruder approached the scene only after the Soviet jet had returned unchallenged to the East: The Swedish Draken fighters had to be sent all the way from the airbase of Aengelholm in the southwest of Sweden—some 200 miles away—a consequence of the low levels of readiness that have resulted from Palme's appeasement policy.

The Soviet pilot was therefore free to set the Sukhoi's guided-missile sights on the airliner with its 274 passengers. No warning or indication was ever given to the pilot of the civilian airliner.

For eight days, Palme did nothing. Finally on Aug. 17, the government meekly asked the Soviet chargé d'affaires in Stockholm, Yevgenii Rymko, to visit the foreign ministry for "explanations." Needless to say, no explanations were given, and my sources in Stockholm tell me that an anti-appeasement faction of the foreign ministry decided to reveal the incident to the press, in order to slow down the "normalization of Swedish-Soviet relations" that Palme is working toward,

after the scandal that has broken out over Soviet submarine incursions into Sweden's territorial waters.

The incident followed several other revelations or warnings of the Soviet threat. On Aug. 22, the authoritative defense yearbook *Jane's Fighting Ships* revealed that no fewer than 150 covert missions have been carried out by Soviet spetsnaz commando units inside Sweden since 1962: "The equipment of this elite group, trained in the techniques of raiding, sabotage, reconnaissance and political murder, includes small submarines and each group has its quota of assault swimmers, some of whom are defecting nationals of the country being visited."

On Aug. 20, the military commandant of Stockholm, Col. Hadder Stjernsward, warned in the daily *Svenska Dagbladet* of the vulnerability of the nation's capital to a Soviet surprise strike: "The understanding of the capital as a prime target of a surprise attack has now been recognized in a wider circle."

Colonel Stjernsward also attacked "the scandalous plots" of the Palme regime against "our armored brigades [which] form the core of the defense of southern Sweden," as an "ongoing, unprecedented self-destruction. . . . We have to realize," he said, "that right now there are operations being carried out against our country."

High-level Swedish military sources reached on Aug. 23—after the airspace violation but before that incident was known to the public—said that Sweden's entire Air Force now had been put in full readiness. Referring to the vulnerable situation of the island of Gotland far out in the Baltic, one observer familiar with recent Soviet moves against West Germany commented that "now Sweden has its own emerging Berlin crisis."

Yalta and civil war

Papandreou's plan to take Greece into the Warsaw Pact is being met with the first signs of nationalist opposition—a portent of civil war.

Little noticed at the State Department and the Pentagon was the fact that when Andreas Papandreou suddenly cancelled, “in perpetuity,” the joint Greek-American annual military exercises, he also launched a denunciation of the Yalta Agreements of 1945, and also announced an entire package of further policies designed to nullify the Yalta Agreements and open the way for the “New Yalta” negotiations which Lord Carrington is now pursuing and Henry Kissinger is preparing to launch early in the projected “second Reagan administration.”

The State Department remained silent on the subject of Papandreou's attack against the “old” Yalta Agreements because Papandreou is carrying out State Department policy. The Pentagon remained silent because it doesn't dare “buck” what passes for “civilian authority” these days, and also because it finds itself in a losing bureaucratic battle against the White House Palace Guard.

As a result, when Russian intelligence asset Papandreou proceeds to transfer his nation, against its will, to the Warsaw Pact, no one is left to defend that nation but the remnants of its own national resources. This column has warned since last May that implementation of the Kissinger-Carrington plan for a “New Yalta” will inevitably involve the eruption of a bloody civil war, which is likely to occur before the scheduled October 1985 election. Thus Papandreou and his accomp-

lices, when they challenged the “old Yalta” which recognizes Greece to be part of the Western Alliance, also took a series of internal measures designed to stifle the nationalist opposition.

Paramount among these measures was a legislative bill, not yet passed, which calls for the reorganization of all law enforcement agencies into one centralized political police with functions very similar to the Russian KGB's domestic chores. Until now, Greek law-enforcement agencies—the Urban Police, the Gendarmerie, the Rural Guard, Coast Guard, etc.—had been functioning as completely separate units with a good measure of internal decentralization. Papandreou's Minister of Public Order, who authored the bill, has left no doubt that the fusion of all these organizations into one super-police is meant to be an instrument to crush domestic political opposition to joining the Warsaw Pact.

What resulted from the publication of the bill is a virtual revolt among the members and officers of law-enforcement organizations. Within days, thousands of clandestine leaflets and communiqués began circulating throughout the country, calling for mutiny and vowing not to “surrender without a fight.” Below are excerpts from two such communiqués. First, from the “Democratic Organization of Gendarmerie Personnel”:

“Proclamation: Long Live the Greek Gendarme Corps! Brother Officers, for 2.5 years we have suffered the purges and humiliations of [Pa-

pandreou's] Red/Green fascism with bent spine. The hour to fight has finally arrived. United we are rising to give battle again, to sacrifice again and preserve the honor and ideals of our Corps. . . . We say *No* to those who destroy what the nation built with blood and sacrifices. *No* to those who insult your honorable, bloodstained history. The hour to preserve your historic inheritance, the hour to prove yourself worthy of your predecessors, this hour is now. . . .”

A second proclamation, issued by a clandestine coordination center of gendarmes and policemen, states:

“We call on all law enforcement personnel to be on continuous political alert until we issue instructions for mass demonstrations in Athens. . . . The government and its controlled press should be aware that we are neither terrorists nor masons, but we represent the popular masses which you are attempting to divide into left and right for the benefit of masonry. Your plans will not succeed and the ultimate victor will prove to be the *Republic* and not masonry. . . .” And so on.

These are the first documented, organized stirrings of nationalist opposition against the socialist Papandreou's project to implement Lord Carrington's and Henry Kissinger's “New Yalta” deal. The intriguing references to “masonry” in the second document are inspired by the fact that at least three members of the Papandreou government are reputed to belong to the notorious Propaganda-2 Freemasonic lodge of Licio Gelli (and Henry Kissinger), under investigation in Italy. One, Justice Minister Mangakis, unceremoniously kicked CIA Director William Casey out of Greece two months ago and declared the Athens CIA station chief *persona non grata*. Mangakis's legal representative in the United States is terrorist attorney Leonard Boudin.

What makes a nation?

The Punjab destabilization and recent communal outbreaks have brought this vital question to the fore.

Midway through her speech from the ramparts of the Red Fort on Aug. 15 celebrating the 34th anniversary of India's independence, Prime Minister Indira Gandhi directly posed the question which underlay the entire content of her speech. "What does a nation mean?" Mrs. Gandhi asked. "It is not the land," she continued, "but each one of you, wheresoever you may be living."

In the past month the Prime Minister has repeatedly emphasized that *a nation is its citizens*, a view she is directly counterposing to the land- and religion-based chauvinism of the Hindu extremists and the leftists who have both capitulated to communalism.

The communal outbursts in Bombay and Bhiwandi and the emergence of the so-called Sikh nation have undoubtedly prompted the Prime Minister's initiative.

In early August, Mrs. Gandhi intervened in the parliamentary debate on the Punjab to respond directly to apparently incidental remarks from the opposition to the effect that India is many nations. "I strongly deplore the remarks," Mrs. Gandhi stated. "India is one nation; it was one nation; and it will remain one nation." But the opposition MP persisted: "How can you object when that is the view of so many political parties in India?"

"The word *nationality* may have many meanings, but I am afraid it is a dangerous word to use," the Prime Minister responded. "The word I use is *community*, never *nation*." Mrs.

Gandhi went on to note that in some communist countries, and in Marxist parlance generally, the word *nationalities* is used, but in India, the Prime Minister insisted, "There is no question of there being different nationalities. We are all one nation; we are all Indian citizens, and, as I understand it, the word *nationality* means different citizenship."

"How can a foreign national become a citizen?" came the opposition rejoinder, and the following exchange culminated the discussion:

Prime Minister Gandhi: "Why not? You take Indian nationality, then you become part of the Indian nation."

Member of Parliament: "He becomes an Indian citizen; he does not become an Indian national."

Prime Minister Gandhi: "He *does* become an Indian national. . . ."

Two weeks later, in an interview with the news agency Tanjug on the eve of Yugoslavian President Djuranovic's state visit, Prime Minister Gandhi was prompted to explain that India was not "multi-national" in the sense that that was understood in Yugoslavia.

The discussion on "national integration" is not new in India. But recent events have given the matter new urgency. Just what is the basis for India's "unity in diversity," the content of the secularism to which the Congress Party and Union Government has been committed since independence.

There are, broadly, two schools of thought. The one argues that India's

unity is chimerical and arbitrary, something imposed by British colonialism. The chauvinists of every community can be counted in this group. The Hindu extremists, who claim hegemony by virtue of their majority status, are but one stripe.

The counterpole has been articulated historically by the Indian left, with the Soviet Union's solution of the "national question" the model of reference. Like the Soviet Union, this argument goes: India is made up of many "nations" or "nationalities" and, as in Soviet Russia, this need be no obstacle to consolidation of a unified secular state, which is paramount.

While the evil fraud of the first viewpoint is blatant and obvious, recent events have begun to bring the more subtle bankruptcy of its left counterpart to light.

It is not just that the Indian left parties' posture of support for secularism includes the assertion that Muslims and other forms of minority communalism are "not as dangerous" as the Hindu variety. As the self-serving argument goes, the Muslims, being a minority, cannot achieve political power in the country. Ultimately, of course, the nation must take second place to the "class struggle," the "liberation" of the "oppressed minorities," and so on in the Marxist scheme.

In fact, today, the Marxist concept of *nation* is scarcely distinguishable from tribes; it is essentially racial, devoid of any universalizing content, and therefore necessarily opportunistic.

Thus, while probably not a surprise to top government officials here, the indications of extensive involvement of several varieties of left elements in on-the-ground destabilization of Punjab—in defense of the "Sikh nation" against oppression by the "Hindu-majority government" at the center—have undoubtedly provoked serious thought.

International Intelligence

London Economist calls for dumping Mrs. Gandhi

The London *Economist* has come out with a garish attack on Indian Prime Minister Indira Gandhi, complete with a cover caricature of her as the Goddess Kali, the goddess of death. The story appears in the Aug. 25-Sept. 1 issue.

"A ruler who regards opponents as demons is liable to start behaving in a demonic way," scribble the *Economist* editors in their long lament over the fact that Mrs. Gandhi has cracked down on the Sikh separatist problem in the Punjab and worked to have the Congress-I party take over states which are tending toward separatism.

"With a general election in India only months away, even a fragmented opposition evidently posed an unacceptable risk," the *Economist* continues. "So, like the warrior goddess Kali, she set out to smite all centres of opposition power, starting in Sikkim, moving on to terror-ridden Punjab, and then to Kashmir and Andhra Pradesh."

The *Economist* ends its article by stating that "the manipulation of India has gone too far"—an incredible line coming from the magazine of the East India Company. The *Economist* calls upon Indian voters to turn out the "corrupt" Congress-I. This is a call not only for getting rid of Mrs. Gandhi, but for destroying India's ruling institutions.

UNICEF: 7 million Ethiopians may starve

The lives of 7 million Ethiopians are threatened by a combination of drought and famine, according to a report released by the international agency UNICEF on Aug. 21. The figures are based on the assessment of the Ethiopian government agency, the Relief and Rehabilitation Commission, that 5.2 million inhabitants of Ethiopia itself, plus over 2 million refugees and others from Djibouti, Somalia, and Sudan, are in jeopardy.

The agency reports that many of the people affected by the famine and the drought,

which has lasted from 3 to 11 years in different parts of the country, live in regions which are inaccessible to the efforts of relief agencies. These are the mountainous northern regions of Tigre, Eritrea, Gonder, and Wollo, among others.

The Ethiopian crisis is the leading edge of the disaster in sub-Saharan Africa as a whole. For the last several years, the continent has been shut off from credits, in a blockade coordinated by the International Monetary Fund.

Swedish air force beefs up Baltic defenses

The Swedish Defense Staff announced the last week in August that it will henceforth base interceptor aircraft and anti-aircraft missiles on the Baltic island of Gotland. Although there are airfields on Gotland, which lies less than 200 kilometers from the Soviet Union, the Swedes have no permanently based air force units there. The forward-basing measures were decided upon in response to an incident on Aug. 9 when a Soviet Sukhoi-15 fighter, equipped with heat-seeking missiles, trailed a Swedish civilian airliner with 276 passengers nearly 30 kilometers into Swedish airspace over Gotland.

The Swedish air force also announced the stationing of an additional squadron of Viggen fighter planes at its northernmost F21 airbase. In an interview in the Stockholm daily *Svenska Dagbladet* on Aug. 25, base commander Brig. Gen. Bert Stenfeldt stated: "Those of us who fly up here in the North realize that the strategic situation is becoming more and more exposed. . . . The expansion of airfields in both the Soviet Union and Finland and the stationing of modern commando units [in the North] indicate the importance that especially the Soviet Union attributes to its Murmansk [naval] base and other military facilities on the Kola Peninsula."

Simultaneously, to increase the survivability of aircraft based in the North, the Swedes will begin to disperse planes at

smaller, hidden airstrips and have begun to dig tunnels for protection of aircraft. Tunnels have already been built for 10 Viggen fighters at one base.

The importance of Northern Europe in any Soviet war plan has been underlined increasingly in the European press in recent weeks. The West German daily *Frankfurter Allgemeine Zeitung* reported Aug. 20 that, in the context of the large Soviet naval maneuvers off the Norwegian coast in April, the Chief of the Soviet Navy, Admiral Sergei Gorshkov, "asserted that the control of the sea would be made significantly easier by seizing control of the adjacent land areas. That the neutrality of Finland and Sweden would be respected in such a takeover is improbable," the paper added.

Islamic Nazis step up campaign against America

Ahmed Ben Bella, the former Algerian President and an asset of Swiss banker François Genoud's Nazi International for the last 30 years, has launched a new attack against Christopher Columbus and the discovery of America.

In the latest edition of his magazine, *Al Badiil*, Ben Bella argues that the colonization of the Americas led to the large-scale implementation of a policy of "ethnocide" against Indian populations which, "like the Mexicans [the Aztecs—ed.], often had a culture far superior to those of Europe [sic]."

A companion article in the same magazine by French ethnologue Claude Levi-Strauss continues the theme upon which Ben Bella is building his political movement. Levi-Strauss stresses that this policy of "ethnocide" has been embodied within Western Judeo-Christian civilization since the very beginning!

A similar attack on America and the bankruptcy of the "melting pot" conception has been launched throughout the Islamic fundamentalist press. Another person spearheading these attacks is Najmuddin Bamate, who is a Ben Bella associate, a former deputy director of UNESCO, and intimately

Briefly

● **CHAD'S** government is on an emergency mobilization to relieve the "catastrophic" famine that has struck the south of the country, traditionally the breadbasket of the region. More than 75,000 people are living on daily handouts of porridge made from flour, milk, and soymilk.

● **THE SCHILLER** Institute's fight to prevent the "decoupling" of West Germany from the Atlantic Alliance, was covered in the July 23 international edition of *Newsweek*. The article, headlined "West Germany: NATO's Handicapped Ally," by Bonn bureau chief Theodore Stanger, quotes Michael Weissbach of the Schiller Institute on the growing danger to the alliance, describing the Schiller Institute as "a new conservative think tank created in part to halt West Germany's *Abkopplung*, or decoupling, from the NATO alliance. The article concludes: "There is no evidence yet that West Germany's missile-induced drift away from NATO is irreversible and that Bonn will not learn to live with the bomb."

● **NORWAY** has released a photograph taken of the "most advanced Soviet submarine destroyer," the P. Bjarne Lundgard, which shows it to be a significant "improvement" over the Soviets' 1976 model nuclear-propelled Victor III. The vessel is 104 meters in length, 6,000 tons (displacement weight), with a maximum velocity of 30 knots. It has a deep-water capacity of 400 meters and is equipped with a 3,000-kilometer range missile.

● **BRITISH** defense ministry sources say that they are "watching and praying" that the current dockers' strike does not spread to the militarily vital ports of Dover and Felixstone on the east coast. If it did, it would sabotage Exercise Lionheart, the three-stage British component of NATO's upcoming Autumn Forge maneuvers.

associated with the Houston, Texas Rothko Chapel that promotes Muslim fundamentalism in the United States.

Bammate told the French magazine *l'Idiot International* how satisfied he was that the "melting pot" conception was finally failing in the United States. Bammate himself comes from a Caucasus family which emigrated to Afghanistan and was closely associated with the intelligence service of the Nazi SS during the war.

Ben Bella was the chairman of a July 1982 meeting in Paris where a group of predominantly North African Muslims met, ostensibly to formulate a plan for a pilgrimage to Mecca. On the walls of the room was the familiar poster of Ayatollah Khomeini, but in a much more dominating position was a strange portrait—a likeness of the Grand Mufti of Jerusalem, Haj Amin el Husseini, Hitler's closest ally in the Muslim world. The actual aim of the conference was to prepare for the festivities commemorating the 50th anniversary of Hitler's rise to power.

Mafia burial creates uproar in Bogota

A funeral march was held by the Andean Labor Party (PLAN) on Aug. 23 in the crowded streets and plazas of Bogota, Colombia, to "mourn" the passing of the dope mafia. The mob is being hounded to death by President Belisario Betancur's war on drugs and by the PLAN's exposés of the top-level political protectors of the drug pushers.

The large, ornately designed casket, with a special window through which the body could be viewed, was followed by mourners who stopped in front of the bank owned by the family of former President Alfonso López Michelsen, the Banco de Bogota, its political mouthpiece *El Tiempo*, and its think tank ANIF. Followed by television cameras, the mourners pleaded that these institutions—in spite of the fact that the mafia in Colombia is now dying—continue their undying loyalty to their "mother."

"Don't turn your backs on us now, now that López Michelsen's blisters are being

stepped on by the arrest order against his prominent cousin, now that President Betancur is increasingly isolating and destroying us," the mourners wailed.

ANIF is the foremost lobby for legalizing dope in the country; *El Tiempo* is the pro-drug equivalent of the *New York Times*; El Banco de Colombia is Colombia's leading drug-laundering bank, the bank of Jamie Michelsen, who is the cousin of López Michelsen. Jamie Michelsen is now a fugitive in Miami; a warrant was recently issued for his arrest.

The procession drew large crowds wherever it went. The crowd was asked to guess who was in the coffin—many of the guesses were right. Sometimes the mock occupant was López Michelsen, sometimes it was Henry Kissinger. One onlooker chimed in: "You've got to make it bigger. López Michelsen is a big man."

East German Gnostics move into United States

A leading East German Gnostic "scholar," Kurt Rudolph of Leipzig, has recently defected and will shortly be arriving in the United States to take up a distinguished professorship at the University of California at Santa Barbara. The leader of the East German school of Gnostic scholars, Hans-Martin Schenke, is scheduled to be working out of the Pierpont Morgan Library in New York City next spring, though he is reportedly seeking to extend his U.S. visit for at least a year. According to a leading U.S. Gnostic scholar with close ties to the East Germans, the goal is to obtain a fellowship for Schenke at the Princeton Institute for Advanced Studies.

"All modern Gnostic movements come from Europe. . . . The Mexican movement came from Germany." He describes the religious cult as basically a revolt against the prevailing social order—whatever that social order may be. "You're familiar with the 1960s saying, 'It's the system that's the problem.' Well that's the hardcore of Gnosticism. The system has to be destroyed."

LaRouche in new election campaign as crisis deepens

by Warren Hamerman

The 1984 U.S. presidential campaign is now a three-way race, thereby eliminating the traditional rationalization that Americans must cast their ballot for "the lesser evil." In stark contrast to the outright treasonous program of the Mondale-Ferraro ticket and the dangerous and inept policies of the Reagan-Bush campaign, Independent Democratic presidential candidate Lyndon H. LaRouche, Jr., and his vice-presidential running mate Billy Davis appeared in a special national half-hour paid NBC-TV political broadcast on Sept. 3 entitled *Food Shock of 1984—the Mondale-Kissinger-Soviet Connections to the World Food Crisis*.

The LaRouche-Davis ticket has already been officially certified on the presidential ballot as an alternative to Walter Mondale and Ronald Reagan in the states of Texas, Virginia, Kentucky, Hawaii, Washington, and Louisiana; ballot status in numerous other states is anticipated.

The fact that American voters will be able to cast their ballots against the Kissinger policies hegemonic in *both* the Mondale and Reagan campaigns now provides millions of patriotic Democrats and other voters the actual means to avoid wasting their vote on whether the United States should take the high road or the low road at the same accelerating speed over the edge of the cliff.

The proverbial political wisdom is that Ronald Reagan will demolish the Mondale-Ferraro ticket in a landslide worse than that which befell the McGovern-Eagleton show. However, with Henry Kissinger as the inside coordinator, when the *Washington Post* and Watergate were through with the "big Winner" Richard Nixon, the very institution of the presidency itself was mortally wounded.

Today, in the depths of a far greater global crisis, the

acute danger is underscored by the emergence of a veritable "industry" promoting Kissinger, from Georgii Arbatov in the Soviet press to Ted Koppel in *New York Magazine*, to a special interview with Kissinger in the September issue of *Washington Dossier*.

Simultaneously, as LaRouche has charged, Walter Mondale is running around campaigning as a "Soviet agent of influence," using a sloganized four-point version of the same Kissinger program: 1) to submit to Soviet demands on U.S. defense and strategic doctrine; 2) to raise tax-rates substantially; 3) to collapse agriculture much more than has already occurred; 4) to cut \$15 billions from health-care allotments, a measure which would reduce health care murderously for senior citizens and others.

In the *Washington Dossier* interview with Kissinger, Georgie Anne Geyer openly mused on his ulterior design: "If Reagan gets re-elected, he has a historic opportunity to reshape the international system." Kissinger, a business partner of NATO head Lord Carrington, lulls all who would believe him into fantasizing that the coming period will be one for appeasement of the Soviets "when the negotiations start—as seems to me inevitable." Kissinger proposes peace through weakness, or, in other words, surrender. The U.S. decline in world dominance, he asserts, "is symbolized by the debt problem, which will soon be out of control." And furthermore, "We're heading for more" debacles and "The crisis of confidence [in the United States] will accelerate because we will look incapable of mastering events. And then the question is, who will emerge—a serious leader or a demagogue."

Georgie Anne Geyer commented on her subject:

"Clearly, Kissinger is not only far from exhausted, but

looking for another epoch in which to exercise his considerable and searching talents. At the same time, I am struck by his suggestions that, given the vagaries of our structure as it exists today, even *he* could not do a great deal. That idea is particularly startling in light of what I have heard from some in the White House—some very close to President Reagan—who think Kissinger is the only hope for restoring a focus to our foreign policy.”

Why LaRouche is running

The LaRouche-Davis ticket is running on *An Independent Democrat's Platform* to address the five principal crises facing the next President of the United States:

- 1) Moscow's Commitment to World Domination
- 2) The Present, Worldwide Monetary Collapse
- 3) The Collapse of U.S. Agro-Industrial Output
- 4) The Erupting Worldwide Food Shortage; and
- 5) The Crisis of Western Cultural Values.

To explain his motivation, LaRouche is circulating a personal statement—“Why I am Running for President”—as the opening statement in *An Independent Democrat's Platform*. He begins his statement as a declaration of candidacy:

“The administration of President Ronald Reagan has been, so far, far from perfect.

“Ronald Reagan has been personally the most likeable President we have had in 20 years. He is unquestionably a patriot; there is no doubt of his sincere desire for a U.S. economic recovery; and, he has demonstrated commendable personal principles in his policies and practice on such issues as fighting the international drug-traffickers and respect for the sacredness of individual human life.

“On other leading issues, his administration's performance has been either much poorer, or even terrible.

“President Reagan is not entirely to blame for the many failures of his administration. Our Federal government is such a complex organism, that a President may have great difficulty controlling the policies of some parts of his government. Our Presidents are elected with the support of coalitions. The elected President rewards his campaign coalition with selected appointments to government. These appointees have significant differences in philosophy with one another, and many of them will also disagree with the President's philosophy. The resulting confusion and contradictions in philosophy within the departments of government and the White House staffs is a source of great difficulties for the President. Also, an incoming President's appointments to some key Executive Department posts replace only a small fraction of the Federal bureaucracy as a whole. Our Federal bureaucracy has become a monster, which rules with almost arrogant indifference to the policies of the President.

“There is no comparison between the experience of being the governor of even a very large state, and the duties of a President of the United States. There is no doubt, that President Reagan's administration has sometimes carried out policies contrary to the President's intention. Therefore, it would

“Much of the support contributing to Ronald Reagan's 1980 election-victory was fostered by popular anger against the Carter-Mondale administration's appointment of Paul A. Volcker as Federal Reserve chairman. Yet, President Reagan has repeatedly capitulated to Volcker's policies. . . .”

be foolish to say that President Reagan personally created each and all of the mistakes of which his administration is to be blamed.

“If this were a personal matter, we would give President Reagan the benefit of the doubt. It is not a personal matter; whoever's fault it was, President Reagan has to take the blame for the failures. Taking the blame goes with the job of being President. On economic issues, so far, the performance of his administration has been terrible:

“1) Much of the support contributing to Ronald Reagan's 1980 election-victory was fostered by popular anger against the Carter-Mondale administration's appointment of Paul A. Volcker as Federal Reserve chairman. Yet, President Reagan has repeatedly capitulated to Volcker's policies. He has reappointed Volcker.

“2) Ronald Reagan's leadership of the movement which carried him into office has been identified with his pledge never to bring Henry A. Kissinger and Kissinger's brand of diplomatic practices into the Federal government. Yet, beginning about October 1982, Kissinger was brought informally into making of U.S. policy toward Mexico, and Central and South America, and Kissinger and his crew have taken over increasing areas of U.S. monetary policy and foreign policy, beginning with the Scowcroft Commission report of April 1983.

“3) The administration as a whole has been a failure in handling the economy and crucial issues of foreign policy. Under the Reagan administration to date, the monetary and economic policies of practice of the Federal Reserve, of the Treasury Department, and of the State Department, have continued much of the policy of the Carter administration.

“4) On the issues of the domestic U.S. economy: The administration's worst failures have been in the area of agriculture. The administration has continued the ruinous ‘supply management’ policies which have dominated the Agriculture Department since Orville Freeman headed that Department, like the farm policies of the Carter-Mondale administration. However, although the administration has merely continued the policies which Walter F. Mondale supports, over the

period 1981–84, U.S. agriculture has been plunged into drought-ridden and spreading bankruptcy. There may be food shortages in the United States farms' production even as early as late 1984, and if present trends continue, certainly by 1985–86.

"5) On foreign policy, the same general policies introduced by Kissinger under Nixon and Ford have prevailed, although, admittedly, with some visible opposition to these policies from the White House and other parts of the Executive Branch.

"6) In social-welfare policy generally, and trade-union policy in particular, the results of the administration's policies have been a general failure in effect.

"For these reasons, the Democratic Party should have selected the kind of 1984 presidential ticket qualified to correct these continuing failures of the present and previous administrations. It was most desirable that such a ticket win the November 1984 election. It was indispensable that, in the case President Reagan were reelected, the policies of the Democratic presidential campaign would have caused appropriate changes in the second Reagan administration.

"Instead, the Democratic Party's bosses chose Walter Mondale as the 1984 presidential candidate. Mondale's policy-commitments, and the combination of forces which orchestrated the rigged nomination of the Mondale-Ferraro ticket, ensure that a Mondale administration would be a national disaster, even far worse in its effects on the condition of our nation than the Carter-Mondale catastrophe."

The September 3rd address

Lyndon LaRouche, who ran in 15 Democratic primaries and led a slate of candidates who garnered well over two million votes in those primaries, had announced from the Democratic Convention in San Francisco last month that he would continue his campaign for the White House as an independent Democrat. The Sept. 3 NBC broadcast—produced by *Independent Democrats for LaRouche* chaired by Debra Hanania Freeman—was the 11th national television address by LaRouche during 1984 (See box).

In his Sept. 3 network television address, LaRouche documented the complicity of the Soviet government, the international grain cartel, Democratic presidential nominee Walter Mondale, and Mondale policy directors Orville Freeman and Henry Kissinger, in creating and manipulating the deepening world food crisis. The men behind this impending disaster include former Agriculture Department head Orville Freeman, Dr. Armand Hammer, and companies and families operating from Geneva, Switzerland and other food-trade cartel cities in Europe, including Bulgaria and the Soviet Union.

The principals of the grain cartel are: **Cargill, Inc.** of Geneva, Switzerland and Minnetonka, Minnesota; **Continental** of Geneva; **Louis Dreyfus** of Zürich; **Bunge** of Zürich; and **André** of Lausanne. Policies are in motion by which

Lyndon LaRouche's 1984 television broadcasts

Listed below are the 10 nationally televised half-hour broadcasts made by Lyndon H. LaRouche during his spring 1984 campaign for the presidential nomination of the Democratic Party.

Jan. 21

LaRouche Calls for National Defense Mobilization

Feb. 4

Stopping the Worldwide Economic Collapse

March 17

Great Projects versus Kissinger Genocide

March 26

Henry A. Kissinger: Soviet Agent of Influence

April 27

While Washington's Politicians Are Sleeping

May 10

The United States Under President Reagan's "Hoover" Recovery

May 31

The Ominous Crisis in U.S. Defense Policy

June 1

Stopping the Present Spiral of Worldwide Financial Collapse

June 2

Ending the Catastrophe in U.S. Foreign Policy

June 11

A Sane and Effective U.S. Defense Policy

a "food shock" like the 1973 oil shock, could result in food shortages in U.S. supermarkets well before the November elections. One of the principal centers of operation for this network is Minneapolis, Minnesota. Mondale's home base is the site where the Cargill Corporation grain conglomerate, in league with the Soviets, created the Hubert Humphrey Institute of Public Affairs, a nexus point for Mondale, Kissinger, Lane Kirkland, Orville Freeman, and the Soviet KGB.

The campaign's objective

In his book-length campaign platform, LaRouche explains that the independent Democratic campaign has an objective at this hour of great peril for the nation and world:

"The point is, a LaRouche-Davis Independent Democrat's ticket has more than enough sympathy among Democratic voters to deliver a crushing defeat to the Mondale-Ferraro 'Corn-Porn' ticket. Equally important, if President Reagan were to win reelection, and if a significant percentile of Democratic voters repudiated Mondale-Ferraro to vote for the LaRouche-Davis ticket, the impact of the LaRouche-Davis vote on the Reagan administration would be significant and certainly beneficial. A showing of anti-Kissinger, anti-Volcker votes for the Independent Democrat's ticket, combined with the strong anti-Kissinger, anti-Volcker impulses among the President's traditional supporters, would establish a political force in national policy-shaping which no administration would overlook.

"The LaRouche-Davis campaign is also a campaign to rebuild the shattered, almost ruined Democratic Party, a campaign to give the Party back to that majority of traditionally Democratic voters who have been more or less disenfranchised by the radicals who took over the party during the past dozen years. However they vote in the November election, many of the Democrats who supported Senator Hart or Reverend Jackson during the primary campaigns share the same general objectives as those who voted for the 'LaRouche slate.'

They told us so during the period, when many Hart supporters said that they were supporting Hart as a tactic for 'stopping Mondale,' and Jackson supporters who indicated that a LaRouche nomination would have been their second choice. That pattern was seen in the more than 200 delegates to the San Francisco convention who signed a petition to have my name placed in nomination. However these persons may vote in the November election, after a humiliating defeat for the Mondale-Ferraro ticket, we shall rally together to rebuild the Democratic Party by taking the leadership of the Party out of the discredited hands of the radicals."

Thinking citizen's ticket

The political temperature in the United States will rapidly increase during the months of September and October. This year the LaRouche-Davis ticket will directly challenge the usual pandering to unreality that tends to dominate the presidential campaign season. For this reason, LaRouche has designed a unique platform which will circulate in the form of a full book. As LaRouche himself describes:

"This is a 'thinking citizen's' campaign. Our campaign does use slogans. We do use some of the public relations techniques which you, the citizenry of our republic, demand of all candidates today. Slogans aside, we ask you to be 'thinking citizens.'"

"Our country, and the world, is in a terrible and dangerous condition. You, the citizens, blame many people in high places for the perilous strategic situation, for the economic conditions which exist, for the growth of crime, and for various and numerous injustices. Often, there is much justifi-

fication in the blame you place at the doors of these powerful persons and institutions. Yet, you are also to blame. Most of our citizens are moral and rational in most of their dealings in their employment, in their homes, and in their local communities. Yet, in judging which policies and which candidates to send to Washington, most of you have not behaved rationally.

"For example, many citizens voted for Richard Nixon because they were angered by the Johnson administration or frightened by McGovern's radicalism and lack of executive qualities of leadership. Many of the same citizens voted for Carter because of 'Watergate,' and next voted for Ronald Reagan because of justified disgust with the Carter-Mondale administration. Now, many of the same citizens have considered voting for even Mondale-Ferraro, because of resentments against the Reagan administration. Many of you never vote for the future, but vote only against the most recent past. On matters of national policy, you don't vote for anything or anyone; you vote against your own previous choices!

"That's no way to run a railroad. It's no way to run a democratic republic, either.

"You seldom do any serious thinking about the candidates or policies for which you vote. It is not unfair to say, that many voters chose their candidates with less care than they select a new brand of toothpaste or breakfast cereal at the supermarket. Yet, you are not much worse than most populations have been most of the time throughout history. . . ."

"A nation, a people, can be no greater than that grandeur of intellect and spirit which the individual citizens muster in dealing with matters of public policy. During the last World War, our people aroused from the moral and material abyss of a prolonged Great Depression, to astonish the world with our economic and military exploits in rescuing humanity from the blight of Nazism. During that time, we, individually and as a nation, had many faults urgently to correct, but we were nonetheless a people greatly to be respected around the world, because we were united in our exertions by a great and perilous effort to accomplish an urgent and good deed. Since the close of that war, we have shrunk into smallness of intellect and purpose.

"Whoever might be President in 1985, he could accomplish nothing of durable worth in that office unless he were representative of some great reawakening of the kind of grandeur most of our individual citizens shared during the periods of greatest enterprise in our nation's past.

"The question of who is President in 1985 is of more than considerable importance. It is of the utmost importance that that President not be Walter Mondale, and that the President be committed to expelling from government those influences typified by Kissinger and Volcker. Yet, it is of far greater importance that the election-campaign itself bring forth in our people a movement of reawakening to the grandeur of the best moments of our national past. . . ."



'With the Western alliance at stake, everything and everybody is political'

On Aug. 28, EIR interviewed John Sigerson, President of the Schiller Institute, Inc.

EIR: At the founding conference of the Schiller Institute last July 4 in Arlington, Virginia, its founder Helga Zepp-LaRouche said that it was "five minutes to midnight" for the Western Alliance. What time is it now?

Sigerson: Midnight struck sometime during late July or early August. All our information indicates that the "New Yalta" deal between Moscow and the Kissinger-Carrington grouping is now in effect. According to that deal, it is now only a question of time whether a Mondale administration will hand Western Europe over to Moscow on a silver platter, or Reagan's administration will be guided into the same result.

EIR: And things have gotten even worse since then?

Sigerson: Considerably worse. On the one hand, the Soviet Union has intensified its efforts to prepare its armed forces and its population for war. Their propaganda about an alleged "neo-Nazi," "revanchist" revival in the West has become so monstrous that I can only marvel at the American media's ability to black it out. On the other hand, the level of deception and self-consoling fantasy in White House circles is nothing short of breathtaking. President Reagan is by and large acting according to profile. He is buying his re-election at the price of a suicidal compromise with Henry Kissinger and his pro-Moscow, Pugwash-allied circles.

EIR: The Kissinger circles have quite a lot of power. Does a brand-new institution like the Schiller Institute have any chance of standing up to them?

Sigerson: I can only report to you what numerous people in leading positions, both in the United States and in Western Europe, have been telling the Institute's founder, Helga Zepp-LaRouche, and her associates. In their estimation, the Schiller Institute and its policies represent the only chance the Western Alliance has to pull through this crisis. They have advised us to build the Institute into a powerful institution as fast as possible, and to apply that power as effectively as we know how.

We have proceeded accordingly, creating a nationwide debate on the question of defending Europe and the cultural tradition it represents. We have launched a campaign to reach the leaderships of every patriotic, civic, military, political, and ethnic organization in the country and have them endorse resolutions to save the Western Alliance, get rid of Kissinger's crowd around the administration, and immediately build and deploy defensive beam-weapon devices both here and in Europe. At the moment, we have about 2,000 such endorsements. Over the past two weeks, we have held over a dozen public events in cities across the country, which in turn will mobilize many thousands to shift the course of events.

We are building a delegation of at least 100 Americans to attend the Second International Conference of the Schiller Institute in Wiesbaden, West Germany. Many, many eyes in both Western and Eastern Europe are watching to see if at least that many Americans will make such a commitment.

We have also taken our international Advisory Board, which numbers about 300, and have formed "steering committees" in the four areas of work outlined at the July 4 founding conference, namely: military-strategic, cultural, economic and political, and scientific. Given the pressing nature of the immediate crisis, the work of these committees will overlap, but in some areas—advanced scientific research and agricultural policy—we already have some detailed work under way.

EIR: It sounds like the Schiller Institute is really a political campaign, not a cultural foundation.

Sigerson: Nothing makes me more tired than when someone we talk to says something like, "I can't work with you, because you're political; my organization can't get involved in politics." Here we are, in the midst of probably the greatest crisis in the history of mankind. The decisions facing humanity at this moment will determine whether the cherished accomplishments of 2,500 years of heroic human endeavor will be passed on to future generations, or will be erased in a replay of the bestial Roman Empire—or worse. And someone comes up to me and says, "I'm not political"—that's a highly political statement! Everybody and everything is "po-

litical” right now; the only question is, are they political cowards or will they rise to their responsibilities as citizens?

EIR: Aren’t you bucking a tide of isolationism in the U.S.A., with your call to defend Western Europe?

Sigerson: Most Americans are not “isolationist”—outside of the kooks, that is. Most Americans have some sort of vague sense that what happens here will determine what happens in the rest of the world. They, or their parents, fought a world war to get rid of the hideous Nazi regime, and (except for the kooks) they don’t regret that.

The bigger problem is ignorance, and what Friedrich Schiller called moral “littleness.” Take the example of what happened at the just-ended national convention of the Veterans of Foreign Wars in Chicago. Over 1,100 veterans at the convention signed the Schiller Institute’s petition, which attacked Henry Kissinger by name for his proposals to “decouple” the United States from Western Europe. One of our activists spotted the intrepid Gen. William Westmoreland on the floor, went up to him and outlined the serious threat to the security of Western Europe, asking the general to set an example by endorsing the resolution. And what did our hero say? “I can’t do that; I’m not here in a political capacity.” Our activist then turned to the crowd that had gathered, saying, “So, he doesn’t have any guts. How about you?” And more veterans began to sign.

Now, I ask you: Who would follow a general like that into battle? And this came only a few days after the head of NATO, Gen. Bernard Rogers, for his own reasons had publicly attacked Henry Kissinger in the pages of the West German weekly *Stern*. You don’t even have to read the works of Friedrich Schiller himself to understand the problem here. Just go to the opera and hear Mozart’s *Magic Flute*, and think hard about the difference in moral quality between the hero, Tamino, and his cowardly sidekick Papageno, who looks somewhat human, except for all the feathers sticking out of him. Unfortunately, our leading military echelons are so full of Papagenos that I get an allergic attack just thinking about it.

EIR: So it looks like you will have a hard time shifting the situation by the November election.

Sigerson: It must be shifted, and we have to accomplish this by no later than mid-October. Unless we raise the alarm now, the “palace guard” now surrounding President Reagan will become impenetrable. Already Kissinger’s crony James Baker III is being mooted for a top cabinet post in a new Reagan administration, and Moscow is still urging dirty Henry onto the President. And if that occurs, the Strategic Defense Initiative will go nowhere, while the Soviets watch the terrified West Germans enter into some sort of separate agreement with East Germany. In other words, the “New Yalta” between Moscow and the Pugwash crew will be all but irreversible.

EIR: So far, all you’ve talked about is political work. What about your other work, such as culture?

Sigerson: What I am talking about *is* culture. Think about the moral cowardice and deadness I described above. A population with such an attitude is constitutionally unable to be receptive to true beauty. In his aesthetic writings, Schiller repeatedly makes the point that, although beauty is not morality *per se*, it is only the moral act—something we do because we know it is universally necessary—which makes beauty possible. Otherwise, everything is arbitrariness, and hence not beautiful. The same message is conveyed in all Schiller’s dramatic works, which all deal with the question of whether an individual person is able to rise to the tasks history sets before him. The manner in which that person rises to that task, defines his “culture.”

EIR: What are the medium- and long-range goals of the Schiller Institute?

Sigerson: First, immediately, we are issuing our second book, titled *Rescue the Western Alliance!* which contains the proceedings of our founding conference. By about two months from now, we must have politically destroyed the influence of Henry Kissinger, along with the pernicious cultural influences of the Eastern Establishment, such as the hideous Gnosticism we see cropping up, especially in Ibero-America.

We are planning a true celebration of the 225th anniversary of Friedrich Schiller’s birth this Nov. 10. This will be important in order to counteract East Germany’s idiotic claim to represent the Schiller tradition, just because Weimar is on their side of the border. By then, we should have another film out on Schiller.

In addition, we have begun a grand project to produce beautifully poetic translations of Schiller’s major works into English, Spanish, Italian, French, and Danish, to start with. We will produce these translations in popular editions as soon as possible, because—in the United States at least—right now you cannot walk into any bookstore and expect to find a single work by Schiller.

EIR: Isn’t that because he is part of the German classical tradition, as opposed to the English tradition of Shakespeare?

Sigerson: Partially. You can’t forget the fact that, starting with the turn of this century, the Anglo-American families waged a rabid campaign to eliminate the influence of German classical culture from the United States. But our aim is not to revive “German” culture in America. We must revive culture itself, as I indicated before; we must start a classical renaissance in America. And if you look at how such periods started in the past, you always find that they began by translating the most advanced conceptions from a *foreign* tongue into the vernacular. Indeed, one of the most powerful influences on the creation of the German Classical upswing was the translation into German and performance of the works of Shakespeare!

Dr. K's 'whole new way'

On March 25, 1984, Dr. Henry A. Kissinger shocked a group of journalists at a West Coast press conference by affirming that he would "deal" with Lyndon LaRouche "after the [Democratic presidential] primaries." Many of those present had never seen the unstable bully quake with such rage as he did when he pronounced the name "Lyndon LaRouche," who had just informed America that Kissinger was a Soviet agent-of-influence on a national television broadcast.

As is his style, Kissinger *has* used the period since the end of those primaries to launch an array of dirty tricks and slander campaigns against LaRouche's organization. But in the meantime, LaRouche's influence—on Kissinger's reputation, among other things—has increased dramatically via both additional television broadcasts and statesman-like initiatives primarily relating to economic development and the world financial crisis.

Hence, Henry Kissinger's arrival in Argentina Sept. 12 and his schedule of meetings with representatives of leading debtor nations in Mar del Plata, Argentina on Sept. 12-13. Kissinger was unable to prevent LaRouche's visit with Argentina's political, military, business, and labor leaders in late June of this year, capped off by a meeting with President Raul Alfonsín. The principal focus of their discussions with LaRouche was Argentina's strategy toward the users of the North American and European continents—the people Kissinger works for. So, Henry is now in Argentina, and will attempt to make "an offer you can't refuse" on the debt question.

The Kissinger technique in such matters was described to *EIR* during

the height of the Pennsylvania presidential primary campaign by a street-wise Irish-American political veteran: "Kissinger's the kind of guy who'll smile at you, like this"—his mouth broadening into a big grin—"and then as soon as you step outside the door, he'll stab you right in the back."

So, on the one hand, Kissinger, with ample help from his British, Swiss, and New York banking friends, has spread the rumor that he is the most bitter opponent of IMF conditionalities in Washington. This tripe appeared on July 30 in the *Washington Post* under Hobart Rowen's byline. For months, Kissinger, whose writing talents are none too efficient, has had some of his underlings pen articles for international syndication recommending a "stretch-out" solution to the debt problem and a "soft" approach to the debtor nations. No one takes this very seriously. Its purpose, they know, is to build up his credibility among debt-strapped nations.

The *reality* of the policy content, however, is more of the same famous Kissinger misanthropic rage. A Chase Manhattan source close to Kissinger (Henry serves on the bank's International Advisory Board), told a caller this week that Argentina will have to be "dealt with a whole new way," once it is successfully isolated from Mexico, Brazil, and Venezuela (see *International Credit*).

'A leader or a demagogue?'

But there are other, perhaps more subliminal, images in Dr. K's mind associated with the word "Argentina." Take, for example, the passage from his recent interview with columnist Georgie Ann Geyer, published in the monthly *Washington Dossier*: "I think

we're almost approaching Argentine conditions in foreign policy," Dr. K. pontificated. "By this I mean that, if you look at Argentine history over the last 50 years, every new government had about 53% [of the vote] and then lost it by acting like a government. There has been an inherent tendency toward paralysis because the country was so profoundly divided. I think in the field of foreign policy we're beginning to approach that condition. . . . I think what will surely happen is the crisis of confidence will accelerate because we will look incapable of mastering events. And then the question is, *who will emerge, a serious leader or a demagogue?*"

Knowing as we do the way in which Kissinger's mind works, we can only refer back to the March 25 comments noted in our introductory paragraph. The surfacing of a certain "I.D. format" slander about "Lyndon LaRouche being to the U.S. today what Adolf Hitler was to Germany in 1923" from Kissinger's buddies at the Washington-based Heritage Foundation and in the liberal Eastern Establishment press only gives a further clue to what the code words "Argentina" and "demagogue" are all about.

In any case, there is enough bitterness at Kissinger's policies to go around liberally, and we expect that his stay in Argentina, his private meetings, his scheduled speech before the Argentine Council on Foreign Relations, and so on, will not go off so smoothly. Scandal number one is likely to involve the role of the U.S. ambassador to Argentina, Frank Ortiz. Ortiz expedited "private citizen" Kissinger's visit. Not coincidentally, Ortiz was on 24-hour red alert during LaRouche's visit to Buenos Aires, unsuccessfully attempting to prevent Argentine influentials from meeting the American political leader.

Elephants and Donkeys

by Kathleen Klenetsky

The shape of Reagan's next term?

Various sources now say that a group of administration insiders, who include White House Chief of Staff James Baker III, two of Baker's top lieutenants, Michael Deaver and Richard Darman, and others, are carefully positioning themselves to consolidate their grip over administration policy should Reagan be reelected.

This Palace Guard not only maintains close links to both Henry Kissinger and the Mondale camp (former Democrat Baker, for example, is Democratic Party leader Robert Strauss's self-described "closest friend"), but has consistently functioned as the Eastern Establishment's Trojan Horse within the administration. Among other things, the group has successfully pressured the President into backing off from his previous strong commitment to space-defense, into reappointing Paul Volcker chairman of the Federal Reserve, and so forth.

According to Aug. 27 columns by Evans and Novak, and by *Washington Times* White House correspondent Jeremiah O'Leary, the Kissinger-James Baker III control over administration positions would look as follows:

- Baker plans to elevate himself to a cabinet-level position at Treasury, State, or the Justice Department.
- Reagan loyalist Ed Meese is not expected to win confirmation as Attorney General, and will be forced to withdraw from the administration.
- Baker then intends to extend control over the White House by making Deaver Chief of Staff.
- Baker collaborator Richard Darman has his sights set on becoming director of the Office of Management and Budget, replacing David Stock-

man, who is reportedly anxious to leave government.

"Deaver's rise from glorified errand boy to his present eminence has indeed been based on his making himself indispensable to the first lady," write Evans and Novak, who also report that the conservatives' major choice to replace Deaver, Judge William Clark, is the victim of a Deaver-orchestrated whispering campaign directed to Nancy Reagan. "The task of convincing Nancy Reagan that her husband needs Clark, not Deaver, at his side may be an impossible mission."

Darman is a protégé of Elliot Richardson, an opponent of the administration's beam-weapons program and the probable winner of the U.S. Senate race in Massachusetts.

The most blatant proposal, however, is that former *New York Times* writer and current assistant secretary of state for European affairs, Richard Burt, step in as director of the National Security Council. Burt's confirmation at the State Department post was mysteriously allowed through the Senate, despite the fact that a Senate Intelligence Committee investigation had established that he had done serious damage to U.S. intelligence capabilities by printing sensitive intelligence information in the *Washington Times*.

Surveying the palace intrigue, the *Times's* O'Leary reports that "Deaver could put Mr. Burt" into the National Security Council while "another plus for Mr. Burt is his friendship with Gail Hodges, social secretary to Nancy Reagan." Current NSC director Robert McFarlane "could write his own ticket" to an ambassadorship or a "senior State Department post."

Secretary of Defense Caspar Weinberger, the major backer of beam weapons and opponent of Kissinger's NATO decoupling schemes, O'Leary gives "about even money to leave in

the first year."

Resistance of conservatives to the Deaver and Darman appointments has centered on the pathetic counter-suggestion of Drew Lewis, whom Baker set up as head of the Republican Platform Committee. It's a no-win position. Lewis has been bloodied by the platform skirmishing, and his political star is falling.

More on Ferraro and the mafia

Geraldine Ferraro may have thought that the troubles concerning her mafia connections had blown over, but the Aug. 29 *Philadelphia Inquirer* opens a new chapter.

According to an *Inquirer* investigative team, Ferraro received two campaign contributions from one Michael La Rosa, a man who served eight months in prison for labor racketeering after a 1982 conviction. La Rosa is allegedly the connection between New York's five big mafia bosses and certain U.S. labor union leaders. After he had already been convicted, he gave the Ferraro-for-Congress committee \$500 as a contribution, several weeks before she was nominated as Democratic Party vice-presidential candidate.

Also, a company that *La Rosa* owns, according to the *Inquirer* team, has violated federal campaign law by giving a contribution to her campaign, which is illegal for corporations to do.

La Rosa has a history dating back two decades of financial dealings with P. Zaccaro & Sons, the company that is two-thirds owned by Ferraro's husband John Zaccaro and one-third owned by Geraldine herself. At last report, according to the *Philadelphia* paper, the Zaccaro firm has been managing the real estate operations of La Rosa.

National News

Popular *EIR* talk show forced off the air

The host for a popular daily talk show featuring guests from *Executive Intelligence Review* was forced off the air by KBFK radio station in Sacramento, California Aug. 26. Morton Downey, Jr., whose "Executive Intelligence Reports" included daily interviews with *EIR* editors as the top-rated half-hour of his three-hour morning program, was pressured to resign after the political situation apparently became too hot for the station owners, the McClatchey chain.

A nationally known talk show host, Downey began the KBFK show featuring the *EIR* in May 1984, and it quickly became the leading talk show in the area, with a wide listenership in northern California, southern Oregon, and Nevada. Downey was dubbed "the most controversial talk show host in California" by the *Sacramento Union*.

About 95% of the calls now coming into the station reportedly support Downey and ask the station to put his show back on the air. At a recent demonstration in the capital city against pornography, about half of the picket signs read "Ban child pornography, not Mort Downey."

The ostensible reason for which Downey was forced to resign was a suspicious incident in which a Sacramento city councilman with political ties to Planned Parenthood (one of the organizations Downey had targeted on his show) accused Downey of making a racial slur on the air by using the term "Chinaman." Despite Downey's profuse apologies to the city councilman, and his assurances that the term was not meant as a racial slur, the station suspended him.

Among the recent guests that Downey featured were Contributing Editor Webster Tarpley reporting on the Soviet threat in Europe; Economics Editor David Goldman on the economy; Lyndon LaRouche's independent Democratic running-mate Billy Davis on the farm situation; Ibero-American Editors Dennis Small and Robyn Quijano on the Colombian dope lobby; and United States

Editor Kathy Klenetsky on "the sleaze factor" in the Democratic Party.

The McClatchey chain apparently came under pressure from advertisers who threatened to withdraw their ads from the newspaper unless Downey was fired. The McClatchey paper, the *Sacramento Bee*, noted on its front page that the station manager was in trouble, since stations depend on ratings and the station had lost its highest-rated show.

Davis: 'look beyond your boundary fence'

Billy Davis, the vice-presidential candidate of Lyndon LaRouche and one of the initial founders of the American Agricultural Movement (AAM), addressed 450 farmers at a farm rally in Clarksfield, Minnesota, Aug. 29, challenging those present to "look beyond your own boundary fence. You've got to face that there is no solution to this crisis within the bounds of agriculture as such," Davis told the gathering of people who had largely been pulled together by the remains of the AAM network in the state. A key organizer of the event was Pat O'Reilly, another LaRouche Democrat who is running for the second district congressional seat in Mondale's home state.

Davis was one of 15 speakers at the event. People came with tractors decked out with American flags and slogans protesting the looting of agriculture. The event marked the seventh anniversary of the first AAM tractorcade, held in the same city in 1977. That first tractorcade led to similar rallies and tractorcades around the country and in Washington, D.C. As Davis explains with a laugh: "I think we really believed that all we had to do was to put on a clean pair of overalls, go to Washington and tell them what our problems were and somebody would fix it."

Davis explained that he had been touring the nation's cities as well as the rural areas, and had recently toured Europe, Latin America, and met with Africans as well. He

said that this had confirmed to him the fact that the food crisis is part of a general crisis of the productive economy as a whole. "Your business is the business of the whole country and a question of the survival of mankind," he told them. He warned the farmers not to adopt a "suicide mission" which would allow established powers to portray farmers as the enemy of the population and the cause of the problem.

"We are right now facing the prospect of food shortages within weeks or months. . . . There is a deliberate game-plan being readied by the same people who brought you the energy shock of 1973-74."

Radiation could end deadly disease

The deadly parasitic disease trichinosis could become a historical curiosity, according to Richard Brake, a biophysicist at Los Alamos National Laboratory in New Mexico. Dr. Brake thinks that the disease, which is contracted from eating under-cooked infected pork, can be eradicated through a radiation-treatment process he has developed with Darwin Murrell of the USDA Animal Parasitology Institute.

"Irradiating raw foods is one of the safest processing methods available," according to Brake. "You don't ingest the radiation any more than you eat microwaves from microwave cooked food. . . . Irradiated raw food doesn't lose its original flavor, consistency, or nutritional value."

Large-scale disinfection of meat is necessary because parasite-infected animals often act normally and can go undetected in the meat-packing plant. Currently, the U.S.A. has one of the highest rates of human and swine trichinosis among industrialized nations, and for this reason, many countries will not even allow U.S. pork over their borders.

Radiation-sterilization could also be effective against pork and beef tapeworms and other meat-borne pests, as well as eliminating spoilage, which destroys a quarter of

America's harvested crops annually. This would, in turn, eliminate a major problem for food-relief efforts in both the advanced and developing countries.

New clue in Alzheimer's Disease

Researchers at the Harvard Medical School in Boston have discovered a fundamental defect in people with Alzheimer's Disease, a condition in which early and rapid onset of senility occurs. The researchers found that brains of people dying of Alzheimer's Disease had little more than half the normal amounts of ribonucleic acid (RNA), which is involved in protein production and memory storage.

The disease, which causes serious confusion and forgetfulness in an estimated 2 million Americans, many of whom are now in nursing homes, is estimated by the National Institute on Aging to cost the nation \$25 billion a year.

Dr. Charles Marotta and Dr. Elizabeth Sajdel-Sulkowska found increased activity of an enzyme which breaks down ribonucleic acid in the brains of Alzheimer's Disease victims. In normal brains, a special protein blocks the action of this enzyme.

"It is impossible to predict the ramifications of this at this time," Marotta told UPI Aug. 23. "I think the first fallout from this kind of work will be to introduce other molecular biologists to this field of research. This will open up more avenues of research."

Research of this type is seen as potentially unlocking the mechanisms of aging of tissue in general and significantly enhancing the understanding of normal brain functions.

Ohio paper: DNC line on Scott 'won't wash'

The following is the text of the lead editorial of the Aug. 18 *Springfield News-Sun*, titled,

"Democrat Dilemma: Party Faces Major Fence Mending Job."

"The one thing that political parties don't like to do is lose contact with the voters. That's why, under ordinary circumstances, political leaders make a practice of accepting the outcome of primary elections with whatever good grace they can muster, even when the endorsed candidates lose.

"In the case of Don Scott's seventh congressional win over Dennis Geehan earlier this year, however, the Democratic leadership just couldn't grin and bear the embarrassment. So, with the blessing and or urging of state party leaders, they've dumped Scott in favor of a write-in campaign for long-time Democrat loyalist Peggy Hanna.

"The decision was a mistake, at least in the sense that it can only make things easier for freshman Rep. Mike DeWine in his bid for a second term.

"The explanation that Democrats in the district didn't know who they were voting for when they voted for Don Scott won't wash. Scott never hid his alignment with the doomed-from-the-start candidacy of Lyndon LaRouche. And Geehan, with precious few exceptions, hewed to conventional Democratic principles and policies. He also had the party's full backing.

"Well before the primary, the party hierarchy sought to put miles between it and the LaRouche wing. There simply wasn't any doubt that in official eyes LaRouche and the devil were in league. Logic says that most Democratic voters were aware of how they were voting.

"They may not have been enamored of Scott and his platform—a return to the gold standard, a national 'emergency mobilization' for agriculture and industry, and immediate work on Star Wars defense. But common sense says they were either buying Scott and his program or rejecting Geehan and/or what the Democratic Party today stands for nationally.

"Either way, the Democratic leadership in this area should be taking stock of where it stands with the voters on national issues.

"Scott obviously is an itch who's not about to go away without a lot of scratching."

Briefly

● **WAS SABOTAGE** at work in the crash of a B-1 bomber? Following the recent crash of the prototype of the B-1 bomber at Edwards Air Force Base in California, the U.S. Air Force announced Aug. 31 that "the start of cruise missile testing will be delayed by one year." The bomber was being tested as a delivery vehicle for low-altitude cruise missiles.

● **THE CHARGES** leveled at the Carter administration in *Hostage to Khomeini*, a book written by reporters for *EIR* in 1979, are "grotesque" according to the Soviet Union. The entire preface to a recently released Soviet book on the Iranian hostage crisis is devoted to refuting the charge that the Carter-Mondale administration collaborated with British intelligence in putting Khomeini into power.

● **YUPPIE** hero and ostensible Republican John Anderson Aug. 28 endorsed Mondale, saying the threat of "four more years of Ronald Reagan's foreign policy" has spurred him to campaign nationwide for Mondale. Anderson, who first met Mondale 10 years ago at SALT negotiator Gerard Smith's home, explained he was for the nuclear freeze. Anderson's endorsement was actively sought by Mondale, and brokered by the former head of Americans for Democratic Action, Joe Rauh.

● **GEORGE BUSH** charged in a speech on Aug. 26 that the Mondale-Ferraro duo is advocating a defense policy "with no backbone." "The Soviets have a 3-to-1 lead over us in land-based strategic missiles," said Bush, "But these people want to cancel the MX. The Soviets fly modern Backfire bombers. Our Air Force flies 30-year-old B-52s. But these people want to cancel the B-1 bomber. . . . They talk as if peace and weakness mean the same thing," he said. Bush made the speech to the Disabled Veterans convention held in Washington.

Editorial

How to defend the nation-state

Recent initiatives by the Indian and Venezuelan governments, which *EIR* reports in this issue, show that the long struggle of the republican movement to establish nation-states in order to advance the principle of technological progress is still alive. So, too, are the oligarchist forces which would wreck the nation and impose "one-world government" over scattered tribes, as a means of stamping out such progress.

It is urgent that the so-called advanced Western nations re-learn the principles of the defense of our sovereign nation-states against the same enemies that menace the underdeveloped sector.

In Venezuela, a government report "leaked" to the press on Aug. 8 and 9 exposes the consummately evil networks of anthropologists, "missionaries," United Nations institutes, and Marxist front groups, all of them with strings back to the old Western European ruling oligarchies and monarchies, for plotting to turn over more than a quarter of Venezuela's national territory to foreign interests. The cover for the conspiracy, the Venezuelan government proved in its report, is the "national liberation" of backward Indian tribes living in the Amazon region.

Simultaneously, in a speech given in early August in an Indian state parliament, Prime Minister Indira Gandhi sharply disputed the notion that there can be "nations" with legitimate "national" aspirations within the Indian nation itself. She noted that in some communist countries, and in Marxist parlance generally, the word *nationalities* is used to denote ethnic communities, but in India, the Prime Minister insisted, "There is no question of there being different nationalities. We are all one nation; we are all Indian citizens, and, as I understand it, the word *nationality* means different citizenship."

For India, the issue has been sharpened by the waves of communalist violence aimed at the dismemberment of India—violence which is manipulated with equal cynicism by Soviet and Western oligarchist interests.

The crucial point made by the Venezuelan government report, in evaluating the proposal for a Yanomami Indian Reservation, is that such "separatist" schemes,

concocted by foreign anthropologists and other interested meddlers, go directly contrary to the development, indeed survival, of the targeted ethnic groups. Venezuela rightly compares the proposed reservation to the hideous Bantustans of South Africa, and denounces the practical results of such plans as "removing from them any possibility of enjoying the benefits of scientific and technological advances which the rest of humanity enjoys"—such as a life expectancy of greater than 30 years!

It is most lawful that the fomenters of "separatist" violence have been discovered to get their orders largely from the Swiss financial oligarchy. *EIR* has previously documented Swiss direction of separatist insurrections in India. The Venezuelan report exposes such Swiss-based organizations as the World Council of Churches, the Berne-Geneva Ethnology Institute, and various United Nations agencies.

Now, on behalf of the same Swiss financiers, International Monetary Fund director Jacques De Larosière has demanded that the depression-ridden advanced sector economies must slash public services and raise taxes, imposing the same IMF "conditionalities" that have unleashed genocide in the Third World on the industrialized nations. And the Swiss backers of De Larosière are ready to clean up after the U.S. dollar is bankrupted, a few months down the road.

Urgent measures to reorganize bankrupt international credit and financial institutions, including returning the dollar to a gold-reserve standard, and starting a capital goods export drive, as proposed by Lyndon LaRouche, are the means to avert the collapse of our economies the Swiss are threatening to bring on. We must adopt such measures in conjunction with the nations of Western Europe and Ibero-America, which are the identified targets of the IMF's anti-human usury.

Venezuela and India's leaders have not been afraid to say that there is a conspiracy against human progress, and that the principle of national sovereignty is the key to defeating it. To band together *as sovereign nations* to defeat such foes is the meaning of Friedrich Schiller's self-description, "patriot and world citizen."

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