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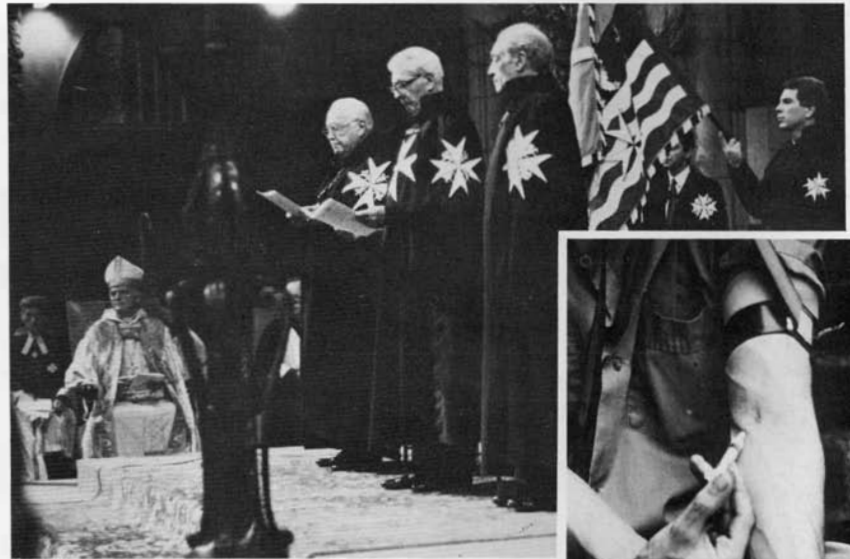
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EIR

From the Managing Editor

In the wake of the Oct. 31 assassination of Indira Gandhi, India might easily have been torn apart, effectively ceasing to exist as a sovereign nation-state with unpredictable consequences internationally. But, perhaps to the unhappy astonishment of oligarchies East and West, in a moment of tragedy and crisis, the Indian population tossed aside the traditional calculus of caste, section, religion, and communalism to rally behind a new leader, Rajiv Gandhi, who promised them unity and progress. This week's *Special Report* was prepared by Susan Maitra in New Delhi.

This week's *National* lead story covers an unprecedented event in the nation's capital, a march of 10,000 people on Martin Luther King's birthday. The demonstrators, most of them black civil rights activists, but including farmers from the midwest and south and even labor leaders from South America, called on President Reagan to implement his Strategic Defense Initiative and use the SDI's economic impact to feed, and develop, the starving African continent, and re-develop the U.S.A. Next week, *EIR* will begin its coverage of the Fourth International Conference of the Schiller Institute, which sponsored the march, featuring some of the many policy papers presented at the conference.

Carol White's book review in the *National* section touches upon the role of anthropologists Margaret Mead and Gregory Bateson in celebrating the bestiality of "primitive" cultures in order to impose similar "values" on civilization at large. The *International* feature on Jacques Soustelle elaborates the point: Anthropology is not a legitimate science, but an international political campaign—intimately linked to the Nazi International—to promote savage "separatist" terrorism against nation-states, leading to their destruction and that of the "indigenous peoples" so organized by the anthropologists.

Vin Berg

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IMF meeting plans to loot Western economies

by Kathy Wolfe and David Goldman

The International Monetary Fund's Group of Five finance ministers, composed of Britain, France, Germany, the United States, and Japan, met in Washington on Jan. 15-16 to plan this April's IMF Interim Committee meeting. The news topic was British and French demands that the United States "rein in" the U.S. dollar under an IMF-controlled currency regime and impose austerity on this country.

The meeting issued a statement committing the United States to intervention against the dollar and also committing the United States to an IMF-run "convergence of economic performance" in the West.

Administration sources close to Henry Kissinger say that as treasury secretary, Trilateral Commission member James Baker will be open to Kissinger's plan to use the dollar to put the United States on an IMF leash. Kissinger's speech at the September 1984 Mocatta Metals birthday luncheon, billed as the "secret keynote" of the September IMF annual meeting, stated that a new currency regime will halt "unilateral American decisions" and enforce "coordinated economic policies."

At the meeting Jan. 16, British Chancellor of the Exchequer Nigel Lawson and French Finance Minister Jacques Delor, the Swiss agent, stated that Europe must "persuade the United States to introduce the internal discipline to make for stability in foreign exchange."

More serious, however, than any schemes to rig the dollar down or up, are the real economic consequences planned for Third World, European, and U.S. economies by this "Gang of Five." Led by Federal Reserve Chairman Paul Volcker and IMF Managing Director Jacques de Larosière, the thieves, who had just looted over \$360 billion out of the Third World, are plotting continued looting and orderly redistribution of the loot to the "fence," namely the United States.

No matter how the British, French, or German finance

ministers may whine about the dollar, the banking oligarchies of those European nations have been profiting handsomely in real terms from the high dollar because it enhances their terms of trade vis-à-vis the famished nations of Asia, Africa, and Latin America. The high dollar has not only bought European bankers, who finance trade in dollars, more and more volumes of Third World raw material production, but has also caused a worldwide deflation of commodity prices which has added to Europe's ability to buy goods cheaply from underdeveloped nations.

Highway robbery

The most obvious question is, why did the European economy not collapse in the course of 1984, given its enormous currency collapse? The answer is twofold. Germany exported like a bandit, dumping cheap goods on the rest of Europe while all Europe dumped cheap goods on the United States. Second, import prices for Europe, which might have risen and hit European industry and oil consumers hard, collapsed globally because of Volcker's deflation.

The German Bundesbank, in particular, did not really object to the dollar's rise at all, and in fact financed West German trade by dumping cheap deutschmarks on the market. The Bundesbank also encouraged West German banks to lend to Germany's European trading partners during 1984, financing a 7.5% rise in West German exports.

The West German central bank even encouraged foreigners to borrow marks by permitting interest rates to fall starting in early summer. In response, West German banks' total foreign loans rose by about DM 25 billion (from DM 196.9 billion to DM 221.8 billion) during the year from October 1983 to October 1984; almost DM 13 billion of this represented loans to other European banks. The other European

banks promptly converted these marks into dollars, mainly to pay their debt service in dollars, driving the German mark down further.

Worst of all, however, it was the developing sector which paid the real difference by bailing out Europe with cheap imports, in the form of reduced prices for their own exports. According to the International Monetary Fund, Third World export prices fell by 15% between 1980 and 1983. Third World commodity prices measured in dollars collapsed a full 10% during 1984 (according to the Moody index), which indicates how large the deterioration of the Third World's terms of trade was during 1984. Even the drastic reduction of commodity prices does not adequately reflect the utter collapse of terms of trade when the massive devaluation of developing-sector currencies is taken into account.

Judging from preliminary data, the non-oil developing countries exported about \$360 billion during 1984, a 12% rise in dollar terms, and (probably) more than 25% in volume terms. The world's poorest nations, and Ibero-America in particular, therefore provided an enormous subsidy to the industrial world, in the form of cut-price goods exported at a record pace.

However, the general collapse of commodity prices represented a net transfer of wealth to the rest of the industrial world as well. While the Moody's commodity index, calculated in dollars, fell by 10%, the Reuters' commodity index fell by 7% during 1984.

The Europeans, being subsidized by the Third World, in turn subsidized the United States to a vast degree. In effect, what Europe looted from the Third World in cheap unprocessed commodities, it sold to the United States, virtually a tenth of whose consumption of physical goods last year consisted of net imports, that is, the trade deficit. The U.S. economy would be in ruins without the trade deficit, which provides every sort of input to the U.S. economy, including capital goods (a net import for the first time ever) and semi-finished goods, as well as consumer goods.

No recovery anywhere

To top it off, the entire scheme utterly failed to create a West German recovery: Unemployment rose on an official basis from 9.1% in 1983 to 9.2% in 1984, and the real numbers are much higher.

Europe's economic results overall were miserable. European unemployment, at an officially estimated 5.1% in 1979, rose to 9.8% in 1983 and 11.8% during 1984. In West Germany, as noted, the count rose from 9.1% to 9.2% for the year averages, and December unemployment was at the year's high point. The rest of Europe was correspondingly worse. Even these data do not take into account (in the case of West Germany) the huge number of unemployed who do not report to the Federal labor offices; with 28% of the unemployed officially out of work for a year or more, another large contingent of uncounted unemployed have exhausted their insurance and are now on welfare.

There was no talk of ending this thievery at the meeting, nor of bashing the dollar, which has become a very convenient vehicle for bashing *real economies*. The Gang of Five discussed how to use rigging the currency markets to better continue this process, by imposing IMF supranational policy on every economy, including that of the United States.

At the meeting, British Chancellor Nigel Lawson and French Finance Minister Delors used the excuse of the collapse of the pound to demand the dollar be tied down somehow to sterling, and to the European Currency Unit (ECU). Lawson said it would be "a political setback" if sterling fell below \$1 and intolerable to Her Majesty's government. Before leaving for the G-5 meeting on the dollar, Delors had called for the ECU to be made into a reserve currency pegged to the dollar, to "share the global burden of monetary management with the dollar."

Last week, an administration source close to Kissinger said that as treasury secretary, James Baker plans to clean out Treasury Deputy Secretary R. T. McNamar and Undersecretary Beryl Sprinkel, Neanderthal free-marketeers who oppose any restraint of the dollar. "Baker will do something about the overvalued dollar, using more intervention where Sprinkel refused, to bring it down gently," he stated.

If the British pound sterling continues to collapse and goes to parity with the dollar, one dollar per pound sterling for the first time in history, this will trigger hysteria in the British oligarchy. At that point, the G-5 and the BIS may call for a currency link.

The G-5 meeting itself issued an explicit statement that they seek "greater exchange market stability and will undertake coordinated interventions in the market as necessary."

The aim is to use the currencies as an excuse to harness the U.S. economy to IMF austerity. The statement also reaffirmed their commitment to "pursue monetary and fiscal policies which promote a convergence of economic performance."

It certainly is the case that the dollar has continued to rise, and may do so for a while. Despite a massive hike in U.K. rates by 1.5% to 12% on Jan. 14, the dollar continued to batter sterling down to \$1.11 and the DM to 3.20 per dollar. Mieczyslaw Karzmar, chief economist of the Société Générale-controlled European American Bank wrote an extensive editorial in the Jan. 17 *Wall Street Journal*, "Hopes Shouldn't Rise for Dollar's Fall." He noted that the dollar has risen nearly 80% in value since mid-1980 against a trade-weighted basket of currencies, a near doubling of its value.

He says, "What the forecasters have failed to recognize is the unique character of the dollar as the pre-eminent world currency." As Karzmar points out, net capital inflow has not been caused as much by the United States sucking funds in, as by the U.S. *halting* the outflow of funds to the Third World. "Between 1982 and 1983, this shift was really significant, from a net lending position of \$45 billion to a net borrowing position of \$24 billion. During 1984, foreign lending by American banks stopped altogether. . . ."

U.S. farmers demand emergency action

by Marcia Merry

Amid forced auctions and land foreclosures across the farm-belt, thousands of farmers are gathering at state capitals and local meetings to protest agriculture's collapse and to call for emergency action. The rate of farm shutdowns has caused a decline in food production which is already approaching the level of a security threat to the United States and its allies.

News reports and Agriculture Department announcements about "surpluses" are a hoax orchestrated by Cargill and the other cartel companies. As of last summer, corn feedgrain stocks were at their lowest level in 17 years. In key states like Nebraska, the fall seeding of winter wheat was down by 19% from last year. Neither farm income nor credit for this spring's corn planting is available to ensure proper stock build-up.

In Shreveport, Louisiana, 20 farm-bankruptcy actions are being filed per day. Throughout the farm belt, land values have dropped by as much as 50%—in some places 75%. Bank examiners have directed that land collateral be devalued, thus precipitating call-ins of farm loans. In Kentucky, Federal Land Bank officials are roving farm to farm to examine collateral. Nine Production Credit Associations—part of the federal farm credit system—have gone bankrupt, an unprecedented development.

Actions of some kind to temporarily halt farmland foreclosures are before seven state legislatures. Tom Olsen, president of a Nebraska farm bank and representative of the Independent Bankers Association, is sounding the alarm and calling for emergency measures.

However, Minnesota's Governor Perpich and Agriculture Commissioner Jim Nicholls are promoting a 120-day moratorium on farm foreclosures. Farmers would get a reprieve of 60 days on debt payment—possibly enough to allow them to plant; the banks would be paid with state tax money. The remaining 60-days debt would be added on to the farmers' principal, adding to the crushing burden. This amounts to a "one last crop" cartel maneuver.

On Inauguration Day, farm rallies will take place in Bismarck, North Dakota, Des Moines, Iowa, Minneapolis, Minnesota, and other cities. A several-day protest action will begin in front of the Chicago Board of Trade. More demonstrations and rallies are planned for Oklahoma, Louisiana,

and Iowa. Earlier this month, 750 farmers and demonstrators rallied at Lincoln, the capital of Nebraska.

There are three outlooks behind the farm protest actions. First, some farmers are acting out of simple desperation. The scope of collapse is much worse than the Great Depression, but they don't know what to do.

Second, there is a heavily funded drive by the Eastern Establishment and its Minneapolis-based front groups to herd farmers into dead-end protest actions, demoralizing them while shutdowns proceed.

Finally, there is a mobilization led by farmers in the newly formed Schiller Institute International Food Commission, established by 55 farmers from 21 states at a meeting in Richmond, Virginia Jan. 13. Plans include coordinated state, national, and international action to expose the cartel gameplan: To eliminate the independent family farmer and concentrate food output in vertically integrated production operations plus small acreage "moonlighting" farms, establishing cartel power to manipulate food scarcities globally. These farmers are demanding federal emergency measures for agriculture and the economy as a whole, as part of crash development of the Strategic Defense Initiative (beam) technologies.

However, the Ford Foundation, the Stern Foundation, and others are funneling money against effective farm organizing through such groups as the Nebraska Center for Rural Affairs. A similar group operates in Iowa called the Iowa Farm Unity Coalition. New groups include Ground Swell in Minnesota and "Survival Committees" in many parts of the farmbelt. There are many well-meaning farmers in these groups, including in leadership positions. However, the well-funded thrust is to stress "legal action only" or "local farm issues only"—isolating farmers from both the real causes of their plight and civil rights, labor, and other layers fighting for national interests. One wing of the operation encourages violence and terrorism.

Fred Huenefeld, a farm representative in Monroe, Louisiana, has been part of the Schiller Institute farm organizing drive in the south. Huenefeld and Reverend Martin, a black leader in northern Louisiana, organized a bus of 38 people to participate in the huge Martin Luther King Day rally in Washington, D.C. Jan. 15 (see article, page 50). The contingent personally visited the Louisiana congressional delegation offices on Capitol Hill. The link-up of white and black, farm and civil rights activists has put Democratic Sens. Russell Long and J. Bennett Johnston on the spot on the questions of both the Strategic Defense Initiative and the 1985 Farm Bill.

Huenefeld, once associated with the George Wallace movement, now typifies in practice the endorsement by Governor Wallace of the Schiller Institute's "Declaration of Inalienable Rights of Man" in honor of Martin Luther King. On Jan. 18, Huenefeld held a press briefing to expose the policy of Cargill. He and Reverend Martin are planning a local civil rights march for the Strategic Defense Initiative by the end of the month.

Soviet Union in covert drive to import Western military technology

by David Goldman

The Swiss banks registered an official tantrum in their newspaper, the *Neue Zürcher Zeitung* (NZZ), after President Reagan agreed to Defense Secretary Weinberger's plan to impose a Defense Department veto upon technology exports to 15 nations, especially Sweden, Austria, and Switzerland. The Swiss organ complained that a recent *Wall Street Journal* series on transshipment of military-related technology to Russia disguised as U.S. exports to Austria was a "warning shot fired off by the Pentagon," adding that the Pentagon victory in an internal administration dispute with the Commerce Department "was not a specially favorable omen for Switzerland," either.

The NZZ added Jan. 17 that if the Swiss were to voluntarily subject themselves to the Coordinating Committee for Multilateral Export Controls (CoCom), the West's instrument for controlling exports to the East bloc, "such a repudiation of Swiss sovereignty would stand in open contradiction to the Swiss policy of neutrality, and without doubt open up Switzerland to the accusation [by the Russians] that Switzerland is supporting the United States in a one-sided fashion to the disadvantage of the East bloc in the present economic-technological confrontation. . . . The continuation of the conflict between American and Swiss concepts of law, the well known controversy over the extraterritorial imposition of American law and Swiss sovereignty, would be pre-programmed."

The Swiss journal is referring to the longstanding battle over the fate of one of the Soviets' favorite covert trading conduits, commodity trader Marc Rich, a business partner of Henry Kissinger. This time, the Swiss fear, the United States has really called the Swiss bluff.

ABM-related imports

Analysts of the Soviet economy in West Germany and Great Britain believe that the Soviets are importing heavily from the West, much more heavily than the official numbers might indicate, in an effort to obtain certain types of technology, principally in the electronics field, which have direct military applications, including applications to anti-ballistic-missile defense.

Very quietly, the West German government is conducting a study examining both Soviet imports and Soviet sources of covert funding. The tentative conclusion of analysts in-

involved in this study is two-fold: First, the Soviets are earning a great deal more than the official data report, through such activities as gold and other commodity and foreign-exchange market speculation, as well as the "Bulgarian connection" narcotics traffic between Western Europe and the opium belt from Lebanon to Pakistan. Second, the Soviets are importing a great deal more than the official data show, particularly in the technology field, through covert channels. The latter allegation is confirmed by studies conducted by London *Financial Times* analysts, and published, in part, in that newspaper's private newsletter on East-West trade matters.

The thinking of the German government study is straightforward: Between 1973 and 1983, the huge rise in oil prices handed the Russians a cumulative total of \$60 billion in foreign exchange as a windfall profit. The Russians have, since the early 1980s, known well that the price of oil could not be counted upon indefinitely as a source of foreign exchange. Indeed, the Soviets have withheld most exports of Eurals crude oil (which represents a small fraction of total Soviet petroleum exports) during the past two months, refusing to sell below their post price of \$28 per barrel in a market where comparable grades of North Sea crude may be had on the market for \$27.05 to \$27.35. This has not been devastating for Soviet foreign exchange earnings, but it points to the potential problems involved. So their priority shifted to unconventional means of earning foreign exchange, and these have succeeded in building up their foreign assets to many times the Soviets' reported \$13 billion of bank deposits in the West.

These studies overlap, to a certain extent, with analysis released by *EIR* in January 1984 regarding the Soviets' covert world financial empire; *EIR*'s study concluded that the Soviets had a portfolio of no less than \$50 billion in the West, mainly invested in partnerships with Western corporations which supply the Soviets with a number of requirements. The Soviet "fondo" included access to over \$50 billion in foreign-exchange credit lines for speculative purposes, *EIR* reported.

Official Soviet trade data: phony

As far as the official numbers are concerned, the OECD's exports to Comecon fell 7.9% in nominal terms and 6% in real terms to \$16.7 billion during the first half of 1984, while imports rose by 5.3% in nominal terms and 8.8% in real

Analysts of the Soviet economy believe that the Soviets are importing heavily from the West, much more heavily than the official numbers might indicate, in an effort to obtain certain types of technology, principally in the electronics field, which have direct applications to anti-ballistic-missile defense.

terms to \$19.9 billion, producing a \$3.2 billion half-year trading surplus for Comecon. This surplus was almost as large as the entire surplus for 1983.

Of the Comecon countries, the change between 1982 and 1984 (as reported in the bulletin of the Moscow Narodny Bank) is:

OECD Exports to	
USSR	+ 11.9%
GDR	+ 3.0
Poland	- 7.4
Czech.	- 15.1
Hungary	- 26.9
Romania	- 33.1
Bulgaria	- 11.2
OECD Imports From	
USSR	- 4.1
GDR	+ 0.1
Poland	+ 17.4
Czech.	+ 1.3
Hungary	+ 6.9
Romania	+ 29.4
Bulgaria	- 12.3

However, within this total, there are still some interesting points of strength, especially the U.K., Switzerland, and West Germany. Between January and September of 1984, Comecon trade with these three countries behaved as follows:

	CMEA EXPORTS TO		CMEA IMPORTS FROM	
	1983	1984	1983	1984
UK (British Pounds)	0.986	1.350	1.193	1.494
FRG (German Marks)	21.8	21.3	20.8	24.8
SWITZ (Swiss Franks)	1.81	1.74	1.78	1.80

Moscow Narodny is especially pleased with the British development. They write, "In our last Bulletin we raised a cautious cheer for the progress of trade this year between the U.K. and the U.S.S.R. The trend continues and figures released by the U.K. department of Trade and Industry show that British exports to the Soviet Union during the first three quarters of 1984 are over 50% up on the figures for the same period of 1983. This is most encouraging, especially when one adds that sales in 1983 were greater by around 25% over 1982. What is more, Soviet purchases from industrially developed countries, which cover about 30% of U.S.S.R. imports, have not increased this year." The BRD figures, as listed above, show a rise of about 20%, while the Swiss figures are stable.

So much for the official data. A number of doubts are raised, however, by the multibillion-dollar borrowings of the East bloc during 1984. These are estimated at \$3.33 billion by London's *Euromoney* magazine, but those figures do not include many West German credits to East Germany and other categories of lending. Supposedly, the Soviets and their allies are cutting imports to build down external debt levels, after the debt crises of Poland, Hungary, and Romania during the early 1980s. If that is true, why did they borrow so heavily last year, West German government analysts ask?

The more likely explanation is that the usual variety of Soviet and allied imports were cut in line with prevailing Soviet policy of cannibalizing the civilian economy for military purposes, and that the Soviets' import-acquisition program has concentrated on the covert, military-related high-technology side.

The big problem in evaluating Soviet trade data is so-called transshipments, or exports to the Soviet Union through cooperative "third countries," including outright smuggling, in which all the invoice data is likely to be fake; i.e., if some criminal ships a computer to Moscow via Sweden, he will in all likelihood declare its value for Swedish customs purposes at a fraction of the real price, while the Soviets pay him off through a Swiss bank account.

The prototype of such smuggling is the Richard Mueller case of 1983, in which Swedish customs (under U.S. pressure) stopped a pair of U.S. computers from embarking for Russia via Stockholm; the computers had first been shipped to South Africa, and then repackaged. However, as noted below, the problem is no longer computers as such, but a wide variety of more sophisticated and harder-to-trace components.

That is what the Swiss are upset about. Although the Swiss have their own system of customs declarations to control so-called transshipments to the East, the *Neue Zürcher Zeitung* noted Jan. 17, "The American authorities point to a major defect in the system, namely, that goods which have escaped the controls of their country of origin and reached Swiss points of reloading, such as airports or duty-free zones, often disappear from sight. The Swiss Economics Ministry

concedes the defect. Goods going through these transshipment points do not actually undergo the otherwise-applicable export licensing procedure, which makes easier their uncontrolled transshipment to third countries.”

The specific categories of goods involved center on certain computer and related components, rather than computers as such. The analysts of the *Financial Times* note that there are irreconcilable discrepancies between Soviet and OECD data, especially for such categories as “computers” and “computer spares (components).” They have detected a major change in Soviet buying patterns during 1983-84, including a collapse of computer exports and an explosion of computer components. During the published 1984 report on Soviet 1983 trade, the Soviets introduced a data line on computer spare parts alongside their “computers” entry in their official yearbook of trade statistics.

What is interesting is that the Soviet data showed irreconcilably higher results than the OECD data published by the organization’s Paris secretariat. At the same time, according to Western computer manufacturers who claimed to have

EIR’s study concluded that the Soviets had a portfolio of no less than \$50 billion in the West, mainly invested in partnerships with Western corporations which supply the Soviets with a number of requirements. The Soviet “fondo” included access to over \$50 billion in foreign-exchange credit lines for speculative purposes.

visited the facilities, the Soviets created state-of-the-art manufacturing facilities to mass-produce 8- and 16-bit computers, presumably entirely for military purposes. The 16-bit computer is called “Iskra.” The Soviets’ reported problem is no longer manufacturing computers of that size, but rather ensuring quality control, and their component imports reflect the need to supplement such production.

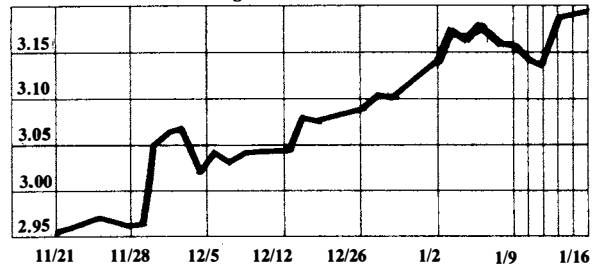
Manufacturing capacity for computers reflects highly sophisticated Western technology, which the Soviets presumably put together as a matter of total military necessity, with the single-minded priority with which the Soviets have eliminated virtually all civilian investment in favor of their military buildup.

The nature of the Soviets’ investment as well as the reported foreign technology-acquisition program corresponds to Western strategic estimates that the Soviets are proceeding on a crash basis to emplace an anti-ballistic missile system.

Currency Rates

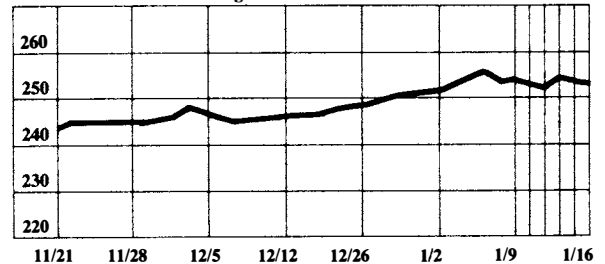
The dollar in deutschmarks

New York late afternoon fixing



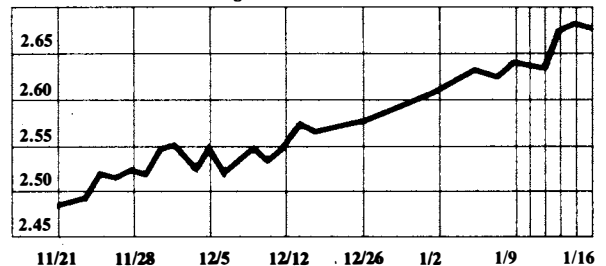
The dollar in yen

New York late afternoon fixing



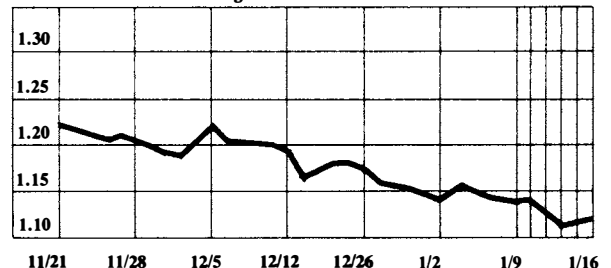
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



Lasers could revolutionize the technology of uranium enrichment

by Laurent Rosenfeld

In April 1985, the U.S. Department of Energy (DOE) will make decisions on credit allocations for the construction of uranium isotope enrichment factories based on new physical principles. These facilities, unlike any existing enrichment plant, will use finely tuned lasers to achieve the enrichment of uranium isotopes necessary to provide fissile material—i.e., nuclear fuel.

In order to fuel most of the present nuclear power plant designs, natural uranium has to be enriched in its fissile (radioactive) uranium-235 content from 0.71% to about 3 to 3.5%. Because the two naturally occurring grades of uranium, U-235 and U-238, have essentially similar chemical properties, the enrichment process makes use of slight differences in physical properties; however, these differences are so minute that it has been impossible to directly extract any sizeable quantity of U-235 for industrial use. The uranium must be processed hundreds or thousands of times in isotope-separation element cascades.

Right now, there is a worldwide excess of enrichment capability (42 million separative work units—SWU—against a demand in 1985 of 39 million SWU), but these capabilities will be insufficient by the early 1990s. Enrichment facilities need to be large in size and represent enormous investments, requiring planning well in advance of coming on line. Therefore, the decisions taken by the DOE in April will determine the prospective enrichment capabilities of the United States and the rest of the Western world for decades to come.

Present enrichment techniques

So far, the bulk of uranium enrichment in the world has been performed by gaseous diffusion facilities. This process is used in the three large U.S. factories, in Oak Ridge, Tennessee, Paducah, Kentucky, and Portsmouth, Ohio, as well as in the large Eurodif factory in Le Tricastin, France, sponsored by a consortium of France, Belgium, Italy, and Spain. This process, which employs diffusion of uranium hexafluoride (U-235 hexafluoride is a little bit lighter and diffuses a little bit faster than U-238 hexafluoride) through several thousand porous barriers, is rather costly and consumes a lot of energy: about 9,000 kilowatt hours (KWH) are needed to produce the four kilograms of SWUs required to process 6 kilograms of natural uranium into 1 kilogram of 3%-enriched

uranium, which will in turn fuel approximately 265,000 KWH.

Another process has been developed more recently, ultracentrifugation of uranium hexafluoride. It is being used in the Urenco-Centec consortium factories of England, Germany, and the Netherlands. This process is slightly more efficient than gaseous diffusion; it requires fewer separative steps and about ten times less energy per separative work unit. It requires, however, large numbers of separative elements, because the production per element remains small. The traditional separative element is a chamber turning at a velocity of about 50,000 to 120,000 rotations per minute, which creates difficult problems of material resistance. The so-called fifth generation ultracentrifugation—still in the development phase at the Piketon, Ohio, experimental factory and elsewhere—implies even higher rotation velocities and requires the use of new materials such as composites, resins, and carbon fibers developed by the aeronautic industry.

Finally, a process developed in Germany in the 1970s (and then sold to Brazil) is uranium hexafluoride expansion in a curved nozzle. Heavier U-238 hexafluoride propelled at high velocity tends to be pushed more to the outside of the curved nozzle than U-235 hexafluoride.

The laser enrichment techniques

The new processes using lasers completely change the dimensions of the enrichment problem. The common character of the three cited processes is the use of bulk energy to play on a minute weight difference between the two uranium isotopes. The laser methods use directed-energy beams to differentiate between intrinsic atomic or molecular properties of the isotopes. Finely tuned lasers can differentiate so precisely between the two uranium isotopes that one separative step is more than sufficient to obtain enriched uranium at the required grade level. If correctly tuned on the excitation ray of one uranium isotope, a laser can in principle create much stronger physical differences between the two isotopes, differences which can then be used for separation.

Two main processes have been developed so far: One is atomic laser separation, *photoionization*, and the other molecular laser separation, *photodissociation*.

In the first process, uranium metal is vaporized at a tem-

perature of 3,000° Kelvin by electron bombardment; the U-235 atoms are then selectively excited by a finely tuned dye laser operating in the blue-violet part of the electromagnetic spectrum. This electronic excitation is brief (one ten-millionth of a second); a second, more powerful laser impulse, however, is used to give the excited atoms enough energy to trigger the expulsion of an electron (in some processes, even a third laser impulse is being used); the extraction of the ionized U-235 atoms is then accomplished by electric and magnetic fields. Using powerful tunable lasers in the ultraviolet spectrum would make the process easier, as atoms could be ionized with a single laser impulse; this, however, would probably require the development of industrial free-electron lasers.

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The second process uses a laser to dissociate a molecule of uranium hexafluoride. The infrared absorption spectrum of uranium hexafluoride shows considerable differences between U-235 and U-238, a 0.016 micrometer wavelength shift; this is the largest known type of uranium isotope differentiation. However, at usual temperatures, all molecules are already excited. So, the process can only be performed on a cooled-down (100° Kelvin) uranium hexafluoride gas, a cooling which can be done by supersonic gas expansion. A 16 micrometer infrared laser impulse can then selectively excite the U-235. This impulse could in principle dissociate the molecule, which only needs to absorb enough photons, but parasitical reactions tend to reduce the selectivity of the process. Therefore, one prefers to have this first infrared impulse followed by a shorter wavelength impulse in which one single high-energy photon does the dissociation work; a 308 nanometer ultraviolet laser is thus used to preliminarily dissociate the molecules excited by the infrared laser. At this point, the uranium hexafluoride molecule is broken down into a uranium pentafluoride molecule, which polymerizes quickly into a crystalline snow (UF₅)_n, while the excess fluorine is easily handled with hydrogen.

In the process presently being developed in Saclay, France, the original infrared impulse is supplied by a carbon-dioxide laser (wavelength 10.6 micrometers) associated with a Raman effect frequency converter bringing the output impulse into the vicinity of the required 16 micrometer ray.

Although it has the advantage of dealing with uranium hexafluoride, by now a technologically very well known product which seems easier to master than large quantities of uranium metal vapor, this photodissociation process has been abandoned for industrial development in the United States, which decided in April 1982 to limit laser isotope separation development to photoionization, a process which was slightly more developed at the time of the decision. The French CEA has continued exploring the two processes, and seems to obtain better results with photodissociation; the final French decision is to be taken in early 1986.

At least two other modern enrichment processes are being developed. One uses cyclotron resonance on a uranium-ion plasma; it is then sufficient to irradiate the plasma with an electromagnetic wave having the same cyclotron resonance as U-235 ions in order to deviate their trajectory and separate them. However, the process appears to be less selective than the laser processes and is technologically rather difficult to realize.

Let us also mention for reference the Chemex chemical process developed by the French Commissariat à l'Énergie Atomique (CEA) announced by André Giraud in 1977 at the Salzburg conference of the International Atomic Energy Agency (IAEA). The process is now fully developed and uses the fact that U-235 is slightly more reductive than U-238. While cheaper than gaseous diffusion, technologically easy to master, and favored by the Carter administration at that time because it doesn't allow high enrichment factors and therefore cannot be used for producing military-grade uranium, this is a highly non-proliferant process, and its character does not seem a priority anymore.

Ultracentrifugation vs. laser photoionization

As far as the DOE's April 1985 decision is concerned, the competition has been progressively reduced to two processes: ultracentrifugation and photoionization. The former is technologically more traditional, although it still requires important development in material resistance; it will be preferred if prudence and a short-term view prevail. On the other side, laser enrichment processes are scientifically and economically more forward-looking, but therefore require more technological development.

Laser isotope separation is no doubt fundamentally more efficient and should eventually triumph unless even more efficient processes are developed. Disregarding possible technological application problems, the coherent directed energy of a laser creates a qualitative phase change and thus organizes matter much better for further processing than the bulk random kinetic energy used in ultracentrifugation. This

advantage translates efficiently in the expected performances of the two processes.

While the costs and investments required by the two processes are of comparable magnitude, about \$20 per SWU against \$150 with gaseous diffusion, one of the yardsticks to be used to compare various processes is the separation factor, i.e., the ratio of relative abundance of U-235 before and after the processing of one SWU. For gaseous diffusion, the separation factor is 1.00043; for ultracentrifugation, it is 1.5; for both laser processes mentioned, it is 10. In other words, if you start with natural uranium (0.71% U-235), you obtain after one separative element the following concentrations: 0.7103% for gaseous diffusion, 1.065% for ultracentrifugation, and 7.1% for laser processes. With laser enrichment, it is much easier to obtain the higher U-235 concentrations needed for military use (more than 90%), for feeding the starting period of an ambitious fast breeder reactor program (12 to 15%), and for future liquid-fuel nuclear fission reactors.

Laser separation techniques also valorize natural uranium much better, because they allow a lowering to almost zero of the U-235 content in the waste uranium (about 0.2 to 0.3% with conventional techniques). In other words, laser enrichment processes reduce by 20 to 30% the amount of natural uranium needed. Furthermore, laser processes not only allow separation of U-235 from U-238, but also allow extraction of parasitical uranium isotopes, especially U-236 which does not occur naturally but is created in nuclear reactors, complicating the recycling of the uranium extracted during reprocessing of burnt-up nuclear fuels. This means that it becomes possible to recover the totality of the U-235 (usually about 0.9%) still contained in burnt-up fuels. This makes reprocessing significantly more cost-efficient.

Thus, laser enrichment technologies are more efficient than ultracentrifugation, especially if we intend quick expansion of worldwide nuclear-energy use, including the expansion of advanced reactor designs and processes such as fast breeders, reprocessing, liquid fuel reactors, etc.

It is to be noted that all the modern processes presently in competition require and may stimulate frontier technology developments. Ultracentrifugation needs ultra-resistant materials developed by the aerospace industry; laser processes imply an improvement of existing lasers and a better knowledge of laser-matter interaction; cyclotron resonance is related to plasma physics and may help to shorten the path to thermonuclear fusion. But in the present situation, improvement of laser technologies is certainly what is most urgently required, because of civilian (laser cutting, inertial fusion, telecommunications, etc.) as well as military (beam-weapons) applications.

It is thus to be hoped that the DOE policymakers will not be too prudent and short-sighted in their choice, selecting the "easier" ultracentrifugation technique, but will consider the significance of the spinoffs associated with directed energy techniques.

Panama labor puts

by Carlos Wesley

Within days after Panama's National Council of Organized Workers (Conato) held its second conference on Jan. 10 and 11 on "The IMF and Ibero-America's Debt Crisis," the battle has heated up between Panamanian President Nicolas Ardita Barletta's attempt to impose the International Monetary Fund's austerity program piecemeal and an anti-austerity alliance led by the country's organized labor movement and informed by the program outlined in *EIR*'s cover story of Jan. 7, 1985 ("A winning strategy for the second Panama Canal").

The two-day Conato conference in Panama City concluded with a call for global debt negotiations between the governments of the creditor countries and the debtor nations; suspension of debt repayments until the economic situation of the indebted countries improves; and the building of great development projects, such as a second Panama canal at sea level, capable of handling ships of 300,000 tons. This would industrialize Panama.

More than 200 labor leaders participated in the conference, including delegations of trade unionists from Argentina, Colombia, and Peru. Among the featured speakers were four leaders of the international Schiller Institute, who carried the day against an unholy alliance of Jesuit-tied and Communist Party economists opposed to the debt moratorium and infrastructure-project proposals.

Less than a week later, 150,000 Panamanians went out on Jan. 17 on a 24-hour strike to protest President Barletta's steps toward implementation of the IMF's demands to hand over control of the economy to foreign creditors. Barletta has announced that 20,000 public workers would be laid off, and that three state enterprises would be sold. To sweeten the pill, the U.S. banks have granted a three-month extension in debt repayments and a \$30 million outright gift to Panama—an unheard-of concession. The mass protests of late November-early December had forced Barletta to back down from his decision to mandate the full IMF austerity program at that time.

'The IMF made a mistake'

Eduardo Ríos, the leader of Panama's Building Trades and Allied Workers Union and the current coordinator of Conato who chaired the Jan. 10-11 conference, reported that "when Panama's President Nicolas Ardito Barletta, the former vice president of the World Bank for Latin America, proposed an International Monetary Fund austerity package to pay the debt a few months ago, most people didn't even know what the IMF was." Ríos continued: "I knew a little because I had just subscribed to the Spanish version of *Ex-*

IMF on the line

ecutive Intelligence Review, so I proposed that we hold a conference, our first on the subject, to educate the workers. Not one of those 'economists' saw fit to address us. We had to find a local millionaire, who happens to have a degree in economics, to explain the IMF to us."

"In fact," Ríos added, "as we undertook our successful fight to force rescinding of the IMF package, the Jesuits attempted to turn it into a subversive movement to bring down the nationalist institutions established by Gen. Omar Torrijos, while the Communists made a secret deal with Barletta agreeing to give away many of the gains contained in the Labor Code.

"Because of my involvement in the Trade Union Commission of the Schiller Institute, I have been able to broaden the perspectives of the labor movement. The IMF made a big mistake by demanding that the Labor Code be reformed to ram austerity down our throats. They stepped on our turf, now we are stepping on theirs. We have decided to master economics. We are no longer fighting for just that extra nickel an hour. Now we are also fighting for the economic development of the nation and all of Latin America."

Fearing that Ríos's perspective would gain increasing ascendancy over the whole labor movement at the Jan. 10-11 conference, the leaders of the communist-led and Jesuit-led labor federations attempted to sabotage it. First, the Communist Party and the Jesuit-led federations kept their members away. In this they were greatly aided by Minister of Labor Luis Anderson, a self-proclaimed friend of Henry Kissinger and Lane Kirkland. Not only were members of his own AFL-CIO affiliated labor federation not allowed to attend but at the last minute, his ministry denied permits for local leaders and shop stewards of three other federations. This cut down expected attendance from 600 to 200.

Second, although the Jesuits and the communist federations kept their members away, they insisted that their "economists" be speakers at the conference.

Communists, Jesuits routed

At the first session, a panel presentation on the IMF and the Ibero-American Economic Crisis, an economist from the Jesuit-led think-tank "Diálogo Social" droned on in Marxist verbiage long past his allotted time, with interminable and incomprehensible statistics that absolved the IMF of any blame for the economic crisis. The audience outlasted him. He was followed by a Communist Party economist who also criticized everything, suggesting the proposal for building a sea level canal was an imperialist plot, and that the debt

moratorium was a plot by the Pentagon to create a justification for invading Latin America. He also refused to offer any alternatives to IMF austerity. "There are no short-term, or medium-term solutions," he said. As for long-term solutions, he said, "We are in the process of writing a book and we will spell them out there."

Schiller Institute representative Maximiliano Londoño took the podium next and, as Ríos later described it, "He gave the other guys a body blow." Londoño explained how the IMF had used the debt to prevent development and to promote the transformation of the Latin American nations into drug economies. He said it was usurious high interest rates, not borrowing, which had provoked the crisis, and that it was wrong to accept the notion that it was too many people, not lack of development, that caused poverty. Ibero-America, he said, should form a debtors' cartel and force the creditor nations to renegotiate. A united Ibero-America, said Londoño, could become an economic superpower, and the greatest resource to make this possible was represented in the very hall of the conference: "Your minds, which you must develop. You must think big, you must think as generals, for this is war." He got a standing ovation.

Following this rout, the Communists decided that discretion was the better part of valor: Their scheduled speaker simply didn't show up for the second session, which was on Central America, abandoning the field to Schiller Institute spokesman Fernando Quijano. Quijano said that the efforts of the Contadora Group were the best hope for peace in Central America, and that the problems of the region could best be solved by economic development, and not by turning it into a field for East-West conflict as Henry Kissinger was trying to do. However, the two or three communists in the audience got up to challenge Quijano for saying that the "Soviet Union was responsible for the crisis in Central America," something which he had not said! The audience had no trouble seeing through this transparent attempt to change the focus of the conference.

The third session, on Jan. 11, had as its theme "Sink the IMF; Let's Build a New Canal." It was addressed by Panamanian engineer Demostenes Vergara, author of proposal for a sea-level canal, and by Dr. Uwe Parpart v. Henke and Carlos Wesley of the Schiller Institute.

Dr. Parpart evoked laughter when he began: "I have never heard such economic drivel as that mouthed yesterday by the so-called Marxists." He explained that Panama's economy depended on the canal. Since the present one would be obsolete by the year 2000, construction of a new one should start as rapidly as possible.

Parpart also pointed out that "the principal opposition to the second Panama Canal comes from the very same State Department functionaries and others tied to the Kissinger crowd, to the Robert McNamaras, to the McGeorge Bundys, who insist that the United States continue to support the IMF's genocidal policies."

Anglo-Soviet plan drives down oil price

by David Goldman

The British government's lame attempt to disguise its effort to drive down oil prices as a passive response to market conditions was ruined by Europe's unusually cold weather this year. Heating oil prices rose, supporting crude-oil spot market prices for the first time in months, exactly at the point that the British National Oil Corporation decided to de-link its price for North Sea oil from OPEC's battered \$29 per barrel level.

In combination with the Soviets, Britain has triggered the scenario which U.S. intelligence-community analysts have the most nightmares about: a drop in oil prices knocking the financial props out from under the U.S. "recovery," precipitating a financial crisis that would also wreck U.S. defense efforts.

Although BNOC has not changed its official price, virtually all North Sea oil has changed hands at the lower (roughly \$27 per barrel) spot market price since Jan. 7, virtually destroying OPEC's chances to hold together. Nigeria, virtually bankrupt and at loggerheads with the International Monetary Fund over "conditionalities" which would permit Nigeria to borrow money from international banks, may be the first to break ranks. Nigeria is reportedly producing at a level considerably higher than OPEC agreed on late last year, and reportedly is considering leaving OPEC altogether.

In a related development, the Soviet Union did a 180-degree turn in oil pricing policy, offering some customers "retroactive discounts" of up to 75¢ per barrel on Urals crude. Since December, the Soviets had virtually shut down sales of Urals crude on the European spot market, insisting on their \$28 per barrel contract price while buyers refused to pay more than the \$27-and-change spot-market price. While the Soviets normally sell one or two cargoes of Urals crude per week, 500,000 barrels apiece, the London-based *Petroleum Argus*, which watches the Rotterdam market closely, says it only caught sight of one such cargo during December and the first week of January.

The report that the Soviets are suddenly willing to provide discounts to customers on their Urals crude (which accounts for a very small portion of the Soviets' total 1.7 million barrels-per-day provision of oil to the West) is politically

embarrassing for them. This week, says the *Wall Street Journal*, the price for Urals crude tipped above \$28 per barrel for the first time in weeks.

Evidently, the Soviets' apparent hard line with respect to oil pricing was merely a dodge, and Moscow's decision to push oil prices down—in concert with London—merely waited for the most propitious moment. Apparently, the British and Russians decided that mid-January was the right time at which to make an impression upon OPEC, whose ministers will assemble in Geneva at the end of the month for a second emergency conference, hoping to avert a price fall.

In the estimation of most London oil market observers, the entire oil pricing structure is likely to come down to the \$25-26 per barrel mark, a substantial decline with respect to Saudi Arabia's current \$29 benchmark. The major pricing pressure is coming from the United States, where the futures market price for West Texas crude oil had already dipped to just above \$25 per barrel in the first week of January.

Despite the reported 3.5% rise in total U.S. oil consumption during 1984, oil is subject to the same world depression that afflicts all other commodity markets and national economies. There is still a glut of distillate products on the U.S. market, largely because of the financial misery of petroleum refiners. The refiners need to process every barrel of crude they can lay hands on to keep cash flow going, keeping the market in a perpetual state of depression. Even the cold European weather does not help the European distillates market much, since demand for heating oil forces additional refining of lighter distillates which are already in oversupply.

Nonetheless, the spell of cold weather at least made it possible for the major oil exporters (Britain is number four) to hold the line on prices for the time being. That the opposite is happening tips the Anglo-Soviet hand.

As *EIR* has reported regularly since last fall, a drop in oil prices represents an enormous strategic danger to the United States, given the dependence of the world debt structure, and of U.S. banks in particular, on debt-service paid for by oil. Most of the problems in the American banking system not caused by the farm debt crisis were due to bankruptcy in the oil patch, most prominently those of Continental Illinois.

As Sheikh Yamani warned bitterly on Dec. 31 as OPEC gathered in Geneva in an unsuccessful effort to reform the cartel's ranks, the consequences of a price war for big debtors like Mexico and Venezuela would be devastating. The British know that perfectly well.

The \$25 to \$26 per barrel oil price likely to be in place once the dust has settled represents the borderline at which the financial system could survive. A further ratchet down to the \$20 or so level would provoke Mexico's bankruptcy and a great deal more. The \$25 to \$26 level, however, is sufficient to strengthen Britain's bargaining position at the April meeting of the International Monetary Fund's Interim Committee, where the IMF and its friends from Margaret Thatcher's government will demand massive U.S. defense budget cuts.

Gold goes to Tokyo

Japan is hedging against its surplus of overvalued dollars by unofficially accumulating gold.

The United States Treasury would be very upset if Japan were to accumulate official gold reserves. So instead we encourage Japanese citizens to buy gold. If the Japanese government ever needs it, we will tell private savers to turn in their gold and give them government bonds, and they will do it immediately. Then the Japanese government will have gold!"

A Japanese acquaintance, the chief of gold operations at one of Japan's big brokerage houses, made the above remark early in 1982, just as Japanese banks began to persuade their customers, the most diligent savers in the industrial world, to purchase gold as well as bank deposits, securities, and government bonds. The campaign was extraordinarily successful.

As of 1984, according to well-informed gold mining company estimates, Asia took off 40% of the 1,280 tons or so of gold sold during the year, of which the largest portion was Japan. Asian demand was so strong that gold analysts are impressed with how orderly the physical gold market was last year, despite the 25% or so decline in the gold price. Unlike other commodity markets, where low prices for industrial raw materials often reflected an absolute inability to unload what was available, the physical demand for the monetary metal was consistent and high—albeit at quite low prices.

The Soviets may or may not have sold less than 100 tons of gold, as most of the usual Swiss estimates have it, rather than the 200 or 250 tons they are accustomed to sell, although all

such estimates are tricky; the Soviets frequently employ covert gold exports to cover covert imports of goods the United States authorities do not wish them to have. The point remains that the volume of gold sold reached a record, and an increasing portion was sold to the recipients of the world's only balance-of-payments surplus.

Japan alone might have accounted for a little more than a fifth of total world gold supply last year, according to one often-quoted analyst, and the rest of Asia a little less than a second fifth of total supply. Not merely Japan, but other Asian countries, have quietly made it easier for their citizens to accumulate gold. For example, Malaysia lifted restrictions on gold imports for jewelry fabrication early in 1984.

There are two sides to this business. The uglier one is the political instability brought about by covert Soviet intervention in Asia, including the murder of Indira Gandhi and the Thailand-Cambodia border situation aggravated by Vietnam. This has persuaded the overseas Chinese, mainly ethnic Chao Chou, trading community to move funds into U.S. dollars and also gold, a traditional preference in times of trouble.

Gold flows related to political stability are mirrored, to some extent, in Hong Kong's special role as dirty-money handler for the continent. Perhaps a tenth of all gold supplied to the market last year went to Hong Kong.

More decisive for the total volume of gold purchases in Asia is the deci-

sion by the Japanese, whose \$50 billion payments surplus during 1984 is the counterpart of America's \$100 billion payments deficit, to hedge their huge accumulation of dollars by purchasing gold. The cautious Japanese do not believe that the dollar's untoward strength, which is wreaking hell upon the world economy and the developing-sector debtors in particular, will last forever, and are taking advantage of the availability of a cheap hedge.

The Japanese are becoming big net creditors of the United States for the first time; according to an estimate published by the Deutsche Bank in Frankfurt at the end of 1984, Japan's net foreign assets of \$37 billion at the end of 1983 will have tripled by the end of 1985.

Indeed, the much-heralded opening of Japan's relatively restricted securities market, which outgoing Treasury Secretary Regan supposedly intended as a means of boosting the yen against the dollar, has produced precisely the opposite of the intended effect. Rather than absorbing dollar investment funds on a net basis, thus lowering the dollar's parity against the yen through capital inflows into Japan, the opening of the market has permitted Japanese firms to invest their rapidly-growing dollar assets in American securities.

The European *fondi*, or oligarchical trust funds, have quietly taken note of Japan's growing financial power. Swiss investors are happily buying Japanese debt securities convertible into equity; 110 such convertible bonds were sold on the Swiss market in 1983 and 125 in 1984. The nasty Swiss are not merely selling European currencies to obtain dollars, but are also hedging their dollar purchases with an option to obtain Japanese corporate equity.

Paving the way to 'Fortress America'

The Fed is quietly putting in place major banking reforms to enforce U.S. austerity.

Federal Reserve Chairman Paul Volcker and the Swiss-based Bank for International Settlements are quietly putting the pieces of a sweeping U.S. banking reform into place. This will not only cartelize American banking on the British five-bank model, but will allow Dope, Inc. fingertip control over credit, to implement harsh austerity in the United States.

In particular, the reforms pave the way for European bankers' preferred option of a "Fortress America," the isolation of the U.S. economy from the world, which turns the rest of the Western economies over to Soviet domination. The reforms will promote this by allowing underground and offshore money to move onshore into the United States with impunity, being laundered in the process.

In addition to the Treasury's legalization of "non-bank banks"—out-of-state subsidiaries of New York giants—buying up the rest of the banking system, several smaller moves add up to a larger picture. These include the privatization of the Federal Deposit Insurance Corporation (FDIC), the privatization of the stock options market, new plans for writing off Ibero-American debt, the Chicago Board of Trade's reorganization of the commodity markets, and the reorganization of the gold banks.

Bank cartelization took a giant step on Jan. 14 when the Supreme Court decided to approve Citibank's challenge of protective regional U.S. banking laws. Regional banks in the northeast and southeast have had laws enacted between neighboring states to

allow, for example, Massachusetts banks to expand into Connecticut, but not New York banks. Citibank challenged this as a violation of anti-trust laws, and may soon win the right to buy banks anywhere in the United States.

The move has already hurt the prices of several regional bank stocks that were supposed to have been merged under the local plans, making them juicy targets for Citibank itself. "Regional banking appears to be on ice" while the court deliberates, said James McDermott, director of research at Keefe, Bruyette bank stock analysts.

The big banks are also being given injections of liquidity by Fed Chairman Paul Volcker's recent lowering of interest rates. Citicorp and other megabanks "had a spectacular fourth quarter," McDermott pointed out on Jan. 15. As the cost of Fed funds dropped to 7-8%, the banks kept their price of funds lent high, pocketing the difference off consumer's and industry's back. Banks also speculated on the dollar rise. Falling rates also helped their bond-market earnings. Then, the U.S. Treasury gave Argentina \$500 million to pay its pressing bank bills.

The result was that Citibank's earnings surged 30%; Bankers Trust rose 19%; Manny Hanny 23%; J.P. Morgan 33%; Chase 9%; and Security Pacific 13%. "This makes people a lot more optimistic about banks stocks in '85," said Merrill Lynch's James Wooden.

The big banks now have the cushion they need for Volcker's next step:

forcing them to take significant losses in Ibero-America, and completing "Fortress America" disengagement of the U.S. banking system from the Third World. On Jan. 8, the Securities and Exchange Commission advised all U.S. banks to give detailed reports to shareholders on Argentine loans. Then, on Jan. 17, the Swiss-owned Republic New York and Dallas's Republic Bankcorp placed most Argentine loans on "non-accrual status," i.e., stated they are bad.

On another front, a push to allow the drug oligarchy to come onshore and buy up America occurred when, in a 189-page "study," the Fed on Jan. 14 urged Congress to eliminate government limits on margin credit by banks and brokers for purchases of U.S. securities.

If Congress eliminates the margin safety rules, foreign dope money will flood into America and buy up half of U.S. industry, cheap, by borrowing on margin. Current margin limits are 50% of the value of shares. If the sky is the limit, there could be a boom in the stock markets—as America is bought out cheap.

The Treasury's Comptroller and the FDIC also announced this week a pending sweeping reform in U.S. bank deposit insurance which will make large deposits flow from smaller banks into the megabanks which the government consider's "too big to fail." The FDIC reform will halt the practise of insuring all depositors in a failed small bank, and add "risk premium" charges that riskier (smaller) banks must pay to the FDIC, reducing their profits. Eventually depositors will avoid regional banks altogether, making them ripe for takeovers.

* EIR Banking columnist Kathy Burdman is assuming her married name, Wolfe.

AIDS research advances biology

New links have been discovered between the brain and the immune system through this task-oriented research.

While AIDS (Acquired Immune Deficiency Syndrome) continues to spread, research on the disease, and the virus now believed to cause it, is shedding new light on fundamental questions of human biology. As usually occurs in any task-oriented scientific mobilization, new relationships are discovered and previous theories are tested and revised.

In terms of the disease itself, in addition to the usual susceptibility to unusual infections and rare cancers, an unusual debilitating dementia occurs frequently in adults and children with AIDS.

This dementia, or encephalopathy (disease of the brain), usually begins with impaired concentration and mild memory loss and progresses to severe loss of all cognitive functions.

In addition, victims may develop spasticity, staggering gait, and frank paraparesis (loss of leg function). These symptoms progress over a period of weeks to months, and are believed to occur in many, if not most AIDS patients.

In a paper published in *Science* magazine (Jan. 11, 1985), researchers report finding evidence of the HTLV-III virus, believed to be the cause of AIDS, in the brain tissue of patients with AIDS and encephalopathy.

This indicates that the virus itself, and not a secondary virus, parasite, or fungus, is responsible for the brain damage.

Aside from the immediate clinical implications of this finding, it suggests that there are similarities be-

tween the surface membranes of T-lymphocytes and brain cells. It is known that T-lymphocytes and brain cells share receptors for thymus hormone, and the affinity of HTLV-III for brain cells and T-lymphocytes suggests that there are other common receptors.

This could shed important light on the communication of information between the immune system and the nervous system.

HTLV-III is a retrovirus, a virus which lacks the hereditary material DNA (deoxyribonucleic acid) and contains instead RNA, which is normally synthesized from DNA. These viruses contain an enzyme, called reverse transcriptase, which causes synthesis of DNA from RNA in an infected cell. This is the reverse of the usual order and hence the name retro (backward) virus.

It was the knowledge that another retrovirus, HTLV-I, caused a cancer of T-cells that led researchers to suspect that a retrovirus might be responsible for the destruction of T-cells characteristic of AIDS. This led to the identification of another T-cell cancer-causing virus, HTLV-II, and to the discovery of the T-cell destroying virus, HTLV-III.

It now turns out that HTLV-III strongly resembles a retrovirus called visna virus, which causes a chronic degenerative brain disease in sheep.

Recent experiments have established that HTLV-III is genetically closer to visna virus than it is to HTLV-I or HTLV-II.

As opposed to HTLV-III, which kills T-cells, HTLV-I and HTLV-II viruses cause T-cells to transform and undergo uncontrolled growth. Recently, scientists at Harvard's Dana-Farber Cancer Institute have discovered that these viruses produce a protein which affects certain genes which control the expression of other genes.

These substances may be responsible for activating the so-called oncogenes (See *EIR*, Jan. 15, 1985), the genes which apparently occur in normal cells and cause them to become cancer cells.

The search for a treatment for AIDS has led to advances in knowledge of the action of the various chemicals which act on the immune system. These chemicals, the so-called lymphokines, have great promise in the treatment of cancer, aging, and many diseases such as rheumatoid arthritis and lupus erythematosus. One of these substances, lymphotoxin, specifically destroys tumor cells and spares normal cells.

A great deal of this research has been made possible by advances in biotechnology which enable scientists to utilize highly precise chemical probes to study processes within specific cells.

What is most evident from all of this is that there is a tremendous amount of information about basic mechanisms of cell growth and development coming out of this research.

This continually brings us up against the fundamental irony of tremendous advances in human biology occurring against a background of biological holocaust.

Unless a major scientific and economic mobilization against disease and malnutrition is undertaken, the net effect of all this research will be to very accurately and precisely describe our descent into hell.

Business Briefs

International Trade

High-level U.S.-Soviet trade talks in Moscow

While Shultz and Gromyko met in Geneva, U.S. Undersecretary of Commerce for International Trade Lionel Olmer was in Moscow for the highest-level Soviet-American trade session since December 1978. He met for two days with Soviet Deputy Foreign Trade Minister Vladimir Sushkov. "Projects in which U.S. firms and Soviet enterprises could cooperate" were on the agenda as well as trade, according to reports.

At the close of the talks on Jan. 10, Olmer said there was "reason for optimism" that the first full-scale Soviet-American trade conference in six years would be scheduled soon. In the past, such meetings were chaired by the secretary of commerce and the foreign trade minister, but Olmer said, "It would be premature to make any judgment on whether there will actually be a minister-to-minister meeting."

International Economy

Deflationary spiral endangers world economy

Economist Phillip Braverman, of Briggs, Schaedle and Co, a New York investment firm, warned on Jan. 7 that "the strong dollar, declining commodity prices, the ballooning U.S. trade deficit, and high real interest rates threaten to create a wave of bankruptcies that will push the world back into recession."

Braverman cited the plunging price of gold, which fell below \$300 per ounce before rebounding marginally on Jan. 7, and the falling price of oil, which is in part politically motivated by the British and Soviets. But Braverman noted that all major commodity prices had fallen. This is causing production to close down and Third World debtors, who depend on the sale of their commodities to pay their debt, to fall deeper and deeper into debt. Braverman stated that it is impossible to mine and produce enough copper, aluminum, or steel at current or prospective lower prices to pay back bank loans. At the moment this problem is confined to a few isolated producers,

"but if it spreads the consequences could be disastrous."

Braverman concluded: "The Third World debt crisis also will become unmanageable if this trend continues."

European Economy

Austerity increasing in Portugal

What lies in store for all of Europe is shown by the little-publicized but terrible economic decline of Portugal. Socialist Prime Minister Mario Soares announced his New Year's Death Resolution, courtesy of the IMF: The cost to the consumer of all essential goods and services, from petrol to electricity, water supply and public transport, will be raised 10-25%, under conditions in which private car-owners have not been able to afford to drive on non-company business for over two years.

Conservative estimates place inflation for 1985 at 22%; between 1983 and 1984, the internal deficit grew by over 32%. Soares has expressed hopes that real salaries will not "collapse still further" in 1985.

Operation Juárez

Cartagena Consensus still fighting

Representatives of the 11 biggest debtor countries in Ibero-America are likely to call on the 7 major Western industrialized governments to work toward a common solution to the debt problem. A resolution to that effect was drafted the week of Jan. 14 at the preparatory meeting for the Feb. 7-8 meeting in Santo Domingo of the Cartagena Consensus. The Cartagena Group of 11 large debtors was formed in 1984 to force the North to come to terms, but has had little success, due largely to the cowardice of regional governments.

One positive element for the future is that the Brazilian government elected on Jan. 15 will end the monopoly of monetarists in debt negotiations and will possibly interject some foreign ministry "pragmatic nationalists" into the negotiations. Fears in the United

States that Brazilian President-elect Tancredo Neves would change Brazil's disastrous debt policies have brought pressures from the United States for him to visit here before taking office, according to the president of Neves's political party, the Brazilian Democratic Movement Party.

U.S. 'Recovery'

Survey shows orders and employment down

The National Association of Purchasing Managers doesn't see much that is hopeful in the economy. The NAPM said in their December monthly report that the rate of production declined in December for the first time since the last recession ended. The NAPM Survey, based on replies of purchasing managers in 250 industrial firms, shows the following. In production, 17% reporting said production was higher than the previous month; 22% said it was lower; 61% said it was unchanged. New orders fell to the slowest rate since December 1982; 19% reporting said new orders were higher than the previous month; 24% said they were lower; 57% said they remained the same. "Hand-to-mouth," or "as needed" purchasing jumped from 29% for all purchasing managers in November to 45% in December. No buyers reported commitments of six months or longer, the first time that has happened since 1961.

Agriculture

Iowa senate declares economic emergency

On Jan. 17, the Iowa State Senate voted 46 to 3 for a resolution declaring a condition of economic emergency in the state. The house is expected to vote on the measure by this weekend.

The resolution calls for a moratorium on farm foreclosures—at the discretion of the governor. Gov. Terry Branstead, instead of planning immediate action, has announced the formation of a panel of unnamed experts to investigate and give a decision by March 1, 1985. A recent statewide survey shows

that farmland values have fallen in every county in Iowa from 26-43% over the last three years.

In Minnesota, indications are that the cartels are behind a move by Governor Perpich and State Agriculture Commissioner Jim Nicholls to propose a 120-day moratorium on farm mortgage payments and foreclosures that would allow some farmers to put one last crop into the ground. By fall, the farmers could still go bust, and the banks would get both the crop and the land.

Economic Treason

New organization formed to promote IMF

The Bretton Woods Committee, a new propaganda organization, has been formed to promote the increasingly discredited International Monetary Fund in the United States.

The membership of the group consists of 130 private citizens, including businessmen, labor leaders, and former government officials. Former Presidents Jimmy Carter and Gerald Ford will serve as the group's honorary co-chairmen. Organizers for the new institution include former Treasury Secretary Henry Fowler, now a senior partner at Goldman, Sachs investment bank, and former Deputy Treasury Secretary Charles E. Walker.

The committee, which will meet for the first time Jan. 22, according to a participant, "plans to spend the next two years urging the American public, business and labor that they all have a direct interest in supporting" the IMF and World Bank. Though the group plans to sell itself as promoting U. S. exports and jobs through IMF loans, in reality it will push for American subservience to IMF dictates.

Economics

Leading French editor praises LaRouche

Bruno Berthé, editor of the weekly *La Vie Française* and head of the most important group of economic and financial publications in France, publicly praised Lyndon H.

LaRouche at a Paris press conference on Jan. 7, as reported in the Jan. 9 edition of *Le Figaro*. In response to a question on his relation to the Parti Ouvrier Européen (The European Labor Party, POE), Berthé "denied he maintains privileged links with the POE, [but] believes that its primary leader, the American Lyndon LaRouche, demonstrates an extraordinary intelligence."

The question was apparently prompted by an article in the weekly *Echo de la Presse et de la Publicity*, which described Berthé as a "national productivist close to the POE."

Berthé made his comments during a press conference where he announced that the Berthé-controlled group will launch a major new French financial daily, *La Tribune de l'Economie*, aimed at an international readership (primarily Belgium, Switzerland, Italy, and French-speaking Africa). Berthé, the leading French economic journalist, described himself as "close to the traditional Gaullists and to the first generation of the Left."

Industry

Productive employment continues low

Officially, 8.2 million people were out of work in December, 100,000 more than in November, the Labor Department reported in early January. The unemployment rate rose to 7.2%, from 7.1% month before. President Reagan pointed out at a press conference following the announcement that total employment rose 400,000 in December, reflecting that many new jobs were created. Bureau of Labor Statistics Commissioner J. Norwood stated, "In the 25 months of the current recovery [sic], more than 7 million jobs have been added by business. Two-thirds of this increase has been in the service-producing sector. In the goods-producing sector very few industries added more than the number of jobs lost during the recession." Official BLS figures show the unemployment rate for agriculture, construction and mining as 15.3%, 16.3% and 12.6% respectively in December 1983 and 12.2%, 13.7% and 10.7% respectively in December 1984. By contrast, the unemployment rate for service and finance was 5.9%, and for government workers, only 4.4% in December 1984.

Briefly

● **MEXICO's** Undersecretary of Energy and Mines, Eliseo Mendoza Berrueto, asserted on Jan. 7 that "Mexico will defend price stability despite the pressures and speculations seeking to lower the price per barrel of oil from \$29 to \$26. . . ."

● **EL MUNDO**, a major Venezuelan newspaper, reported on Jan. 9 that top drug mafiosi have been holding direct negotiations with Wall Street creditor banks to buy up portions of the private and public debts of Colombia, Venezuela, Peru, and Bolivia at substantial discounts, ranging from 8-17%. *El Mundo* cites the FBI and DEA as sources, which remain to be confirmed.

● **MANUEL FRAGA** Iribarne, head of the Conservative Spanish Party Alianza Popular, called for the creation of a "debtors' club" in a speech given at Santo Domingo in mid-January. He said that the Ibero-Americans must opt to "jointly negotiate" the debt, and that he would defend Ibero-American interests in the Common Market. Joint negotiation of the debt is possible, repayment to occur "on a very long-term basis."

● **CHRISTMAS** sales did not generate much holiday spirit following the holiday season, according to the *Wall Street Journal*. Most retail stores did not get the sales gains that they expected and needed from the 5 week Christmas holiday season which ended Dec. 29. Sears registered a 4.7% increase in sales over last year's Christmas season; K-Mart, a 17% increase, J. C. Penny, a 6.8% increase; Montgomery Ward, a 0.1% increase. Major price-cutting did not help boost sales.

● **ETIENNE DAVIGNON**, the man who can not tolerate steel production, has been added to the board of Kissinger Associates. Davignon resigned on Jan. 6, following 8 years of service, as head of the European Community's Industry Commission.

Gandhi's mandate to bring India into the 21st century

by Susan Maitra

The New Year opened in India in an atmosphere of optimism and great expectation. In the few months since the brutal assassination of former Prime Minister Indira Gandhi on Oct. 31, the nation has taken the necessary steps to meet the challenge of the future with renewed determination. In a moment of tragedy and crisis, the Indian population tossed aside the traditional calculus of caste, section, religious, or other communal interest to rally behind a new leader who promised them unity and progress. "The voters were looking for a future for the country," said Prime Minister Rajiv Gandhi, who had led his Indian National Congress party to an historic election victory on a program to take a sovereign and united India into the 21st century. "They have voted for the integrity and unity of India."

The vote was the population's act of faith in the leadership of one man—Rajiv Gandhi—whom they perceive to represent the combination of continuity and change required to move India forward at this critical juncture. It is perhaps this latter consideration which more than anything confounds the jaded commentators within India and abroad, and which defines the inner strength of the population of a nation these commentators have consigned to disintegration.

Rajiv Gandhi represents a new generation, the first generation born of independent India, shaped by the struggle to build the nation, and which now makes up the majority of the Indian electorate. The trust and hope that the Indian population has placed in him were evoked by the vision and program which he spelled out in speech after speech across the country. His determination to tackle the country's difficult problems and to root out inefficiency in government and industry has been visible since the moment he was thrust into the prime ministership, and his quiet and resolute actions in the two months before the elections, convinced many—even among the most bitter critics of the late prime minister—that here was a man who might be able to move India into a new era.

Moreover, the electorate realized that he is a young man with no political debts to anyone, either within the country or elsewhere, and is thus in a position to break new ground to put the country and its political institutions on a more dynamic, secure basis.



Photo: Indian Press Information Bureau

*Election campaigning in
Tamil Nadu, India in
December 1984.*

On the domestic political front, the problems in Punjab and Assam will receive priority attention for real solutions. A cabinet-level committee has already been set up to work on Punjab, and has begun consultations with officials there.

On the economic front, a multipronged program has been launched to remove the bottlenecks in streamlining industrial expansion, in infrastructure, industrial policy, trade, and—of topmost priority—in education. Prime Minister Gandhi has announced a reordering of the government's ministerial structure in order to facilitate this.

On foreign policy, the prime minister has reiterated India's commitment to non-alignment, emphasizing in particular the urgency of international economic reform. At the same time, a clear priority has been placed on improving and strengthening India's relations with its immediate neighbors and the Asian region more broadly.

But as the new prime minister himself has emphasized, the country is passing through a difficult phase and the challenge is enormous.

First and foremost, while those assassins who pulled the trigger and murdered Prime Minister Indira Gandhi are behind bars, their controllers are still at large. The international conspiracy to break up the country that was the motive for Mrs. Gandhi's murder received a set-back in the elections, in the population's vote for unity and stability, to which it can be expected to respond with new fury. The terrorist apparatus has made it known that Rajiv Gandhi and every member of his family are on the "hit list." Already a new round of assassination attempts against selected Sikh targets has been launched, in a bid to unleash new communal strife

and to make solution of the Punjab problem impossible.

The most immediate concern is, of course, the prime minister's own security. While he has recruited an entirely new personal staff and replaced the Delhi police with the Border Security Force, the essence of security is never physical protection. The murder of Mrs. Gandhi was first of all a failure of intelligence, and it is in this critical area where there is as yet no evidence of any fundamental change. The hands of the Sikh separatists who pulled the trigger were guided by an international conspiracy to use religious fundamentalism and other manifestations of cultural relativism to destroy nation-states for geopolitical gain. The plot was hatched in London, with the connivance of factions in the British oligarchy and the Soviet KGB. The dye to trace the terrorist conspiracy is the drug traffic, as it winds back and forth from East to West, through Bulgaria and Cuba, through Montreal and New York, to London and Amsterdam and Geneva.

To deal with this threat requires more than just practical determination and courage. It requires a special kind of intelligence that insists that the basic institutions of the nation conform to the requirements of natural law. It requires a cultural renaissance that will reconnect India's national identity with its scientific roots in the Vedic period, which we know today in the heritage of Sanskrit language, literature, astronomy, and the philosophical ideas that emerged from the subcontinent of India about 4000 B.C.

That is the real challenge before Rajiv Gandhi and the new generation of Indian leaders to bring India into the 21st century.

Clean sweep for the Congress party upsets schemes of the destabilizers

Never before in the history of independent India has any government received such an overwhelming mandate. The Congress party won 401 out of 508 parliamentary seats contested, sweeping by the benchmark two-thirds majority needed to control the Lok Sabha (parliament), and racking up an unprecedented popular vote as well. The Congress swept the north and west and made very strong inroads into the east and south as well. In fully 11 states and union territories, the Congress won every single seat, among them Haryana, Rajasthan, Himachal Pradesh, Madhya Pradesh, and Delhi. In the process, nearly all the kingpins of the Opposition were trounced, most on their own "home ground" and often by margins of 100,000 or more votes!

Everything about this crucial election defied the logic of Indian politics as it had come to be understood, and the pundits and prognosticators in the press and elsewhere were left gasping by the roadside as the "Rajiv wave" rolled through. First, the foreign-supported separatist provocations, culminating in the brutal assassination of Mrs. Indira Gandhi, did not succeed in throwing the nation into prolonged chaos. The election took place promptly and on schedule following a smooth transition of power to Congress Party General Secretary Rajiv Gandhi.

Second, the chess game of caste and communal politics played most assiduously by the Indian press and politicians, including the socialist and Muscovite varieties, did not function. The shock of the assassination and attempted destabilization provoked the population to focus on fundamental issues of national integrity. As Abdul Ghafoor, general secretary of the Congress (I) and newly-elected MP from Bihar, said in an interview, "The people took Indira Gandhi's death very seriously. They felt if she could die, then so could the country."

But, the vote was not merely a *reaction*—whether of sympathy for Rajiv Gandhi for the loss of his mother, or the more insidious assertion of a "Hindu backlash" posited by some tendentious commentators. Quite the contrary, the vote was a positive and forward-looking statement, a genuine mandate. The seriousness of the voters and the breakdown of communal calculations can be seen in an analysis of the voting patterns.

Voter turnout on average was unusually high, ranging from 60 to 90%. While the urban electorate's turnout was

generally on the low side, voters in the cities came out overwhelmingly for the Congress. The party's "clean sweep" of all seven seats in New Delhi is indicative. In the four major cities of the country the Congress took 18 of the 20 available seats.

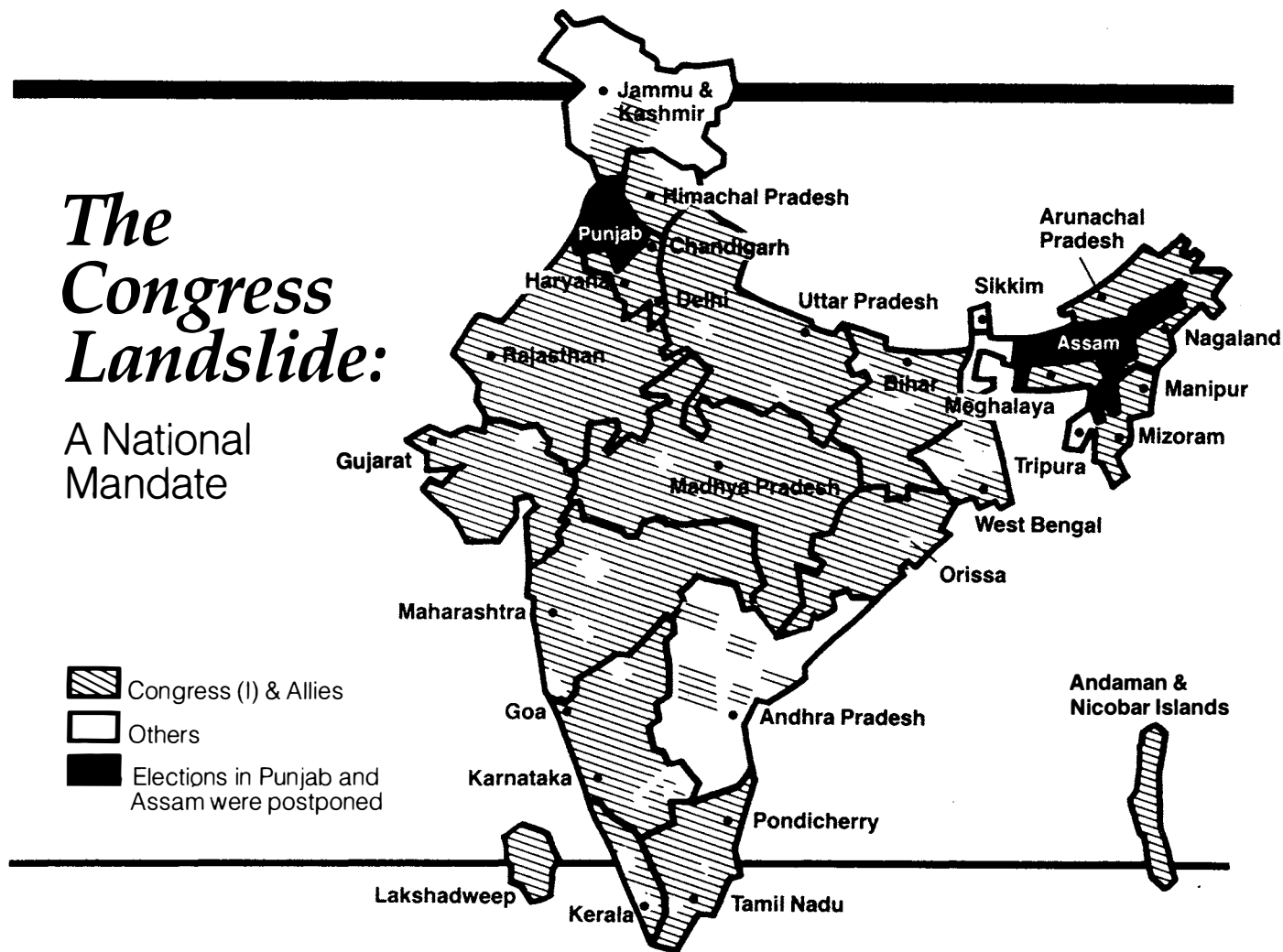
A recent *Press Trust of India* analysis showed, moreover, that the electorate in the periphery of the country participated more than that of the so-called Hindi-belt states of north and central India. The states of Kerala, Tripura, and Arunachal Pradesh, as well as the Union Territory of Lakshadweep, recorded more than 75% voter turnout. Individual constituencies in these states and in Andhra Pradesh, Karnataka, Tamil Nadu, and West Bengal recorded voter turnouts between 75% and 85%. By contrast, only 10 constituencies from the entire Hindi belt had a turnout of more than 70%.

This large voter turnout in the south, widely touted as the preserve of regional parties challenging the Congress and central authority in general, overturned many assumptions. The case of the Congress' worst defeat is instructive. While the Telegu Desam (TD) party of Chief Minister N. T. Rama Rao in Andhra Pradesh did take 28 of the 40 seats contested, with its allies in the opposition taking six seats, the popular vote actually indicates increasing support for the Congress. The Congress' 42% vote compares favorably with the TD's 44%, and was a marked improvement of its 33% vote in the 1983 Assembly elections. This portends a likely lively fight in the Assembly elections scheduled for early March in Andhra Pradesh and eight other states. There is little doubt that if the Congress can straighten out its state organization, an entirely feasible prospect given the remoralization at the national level, the real strength of the TD will be tested.

Similarly, in West Bengal where the Congress made significant gains against the Communist Party of India (Marxist) (CPI-M) on its own turf, the popular vote gives insight into the quality of the national victory. While in 1980, the Congress could only muster 36% of the vote against the Left Front's 54%, this time both have secured just over 48%. Although the Left Front managed to hold 26 of the state's 42 Lok Sabha seats, its margin of the popular vote is a miniscule 0.2%. Significantly, the Left Front, which rules the state, was trounced in many of its strongest urban, semi-urban, and industrial bastions. Many among the 11 sitting Lok Sabha members who lost are prominent party leaders.

The Congress Landslide:

A National Mandate



The Opposition based its strategy essentially on fostering a communal backlash against the Congress (I) in the wake of the attacks on Sikhs following Mrs. Gandhi's assassination. To the chagrin of the Opposition, however, which had counted heavily on Muslim votes as part of its campaign, the Muslims—about 20% of the population—refused to act like a "minority." Exemplary was the situation in New Delhi, where a Muslim swing away from the Congress was widely touted. The Shahi Imam of Jama Masjid, the largest mosque in India, had given the word that the vote was to go to the BJP's Muslim candidate Sikander Bakht, a veteran opposition candidate. That the Imam's authority in this matter was not taken seriously can be seen from the fact that at a polling booth one block from the Imam's home, 739 of the 740 votes went to the Congress!

The failure of caste calculations was best demonstrated in Bihar, the country's most backward state and noted for its castism, where the Congress took an unprecedented 48 of the 54 seats. During the 1970s the backward castes had been

systematically organized against the Congress by the jacobin-socialist Jayaprakash Narayan, and even in 1980, while the Congress won 30 seats, it did so with a very thin 36% of the popular vote. Political pundits expected a mixed outcome with voting confined to caste lines. This was not to be, as the fate of Karpooori Thakur, self-appointed leader of the backward classes in Bihar, indicates. Thakur, who defeated his Congress rival by 475,000 votes in 1977 and survived in 1980 with a margin of 145,000 votes, was defeated by about 50,000 votes. In tens of constituencies, opposition stalwarts met with defeat at the hands of virtual "non-entities."

Third, and closely related to the above, the opposition was rejected out of hand. The combined strength of the Left was reduced from 56 to 33 seats and the rest of the Opposition plummeted from 180 to 106. Infamous for having no constructive programs or policies for the country, the Opposition parties are integrally associated with the corrupt logic of caste and communal politics. Their repudiation is a measure of the positive nature of the vote.

Rajiv Gandhi shakes up ministries for new streamlined government

Within three days of the last ballots being cast in India's Dec. 24-27 election, the vote was counted, the old parliament was dissolved, and the new government was formed, including selection and swearing in of a new cabinet. To the delight and amazement of the population, Rajiv Gandhi put the new 40-member council of ministers on notice that their performance would be continuously monitored for results.

In the days since the new government was formed, the prime minister has been conducting a thorough review of ministries. Ministers and their subordinates have been asked to submit reports on the status and plans of the ministry. An extensive administrative reorganization has been simultaneously set into motion, with the streamlining of ministries, the creation of new ministries, and the movement of personnel.

In this process, and in several speeches and interviews by the prime minister, the outlines of the new government's priorities have become clear.

Education and culture

Education is the highest of these priorities, as the prime minister emphasized in his Jan. 5 speech to the nation (see *Documentation*). For the first time in India's history, education has been elevated to full cabinet status, and the portfolio has been put in the hands of K. C. Pant, a former industry minister who is known for his competence and professionalism. The prime minister has called for a new national education policy, and has made clear that by education he is not simply referring to schools and colleges, but to industry and administration as well—a comprehensive program to foster national cohesion and the work ethic. The lack of a fully developed educational system, with the consequent inability to bring the level of literacy higher than 35-40%, has been a serious drag on industrialization and modernization.

Just as significant, culture, previously grouped with education, has been constituted as a ministerial portfolio in its own right, which the prime minister has kept in his own hands for the time being. Mrs. Indira Gandhi had moved to breathe new life into the Asiatic Society in Calcutta, the focus of early Sanskrit studies and the repository of many rare manuscripts, and had launched an Indology project to bring the country's magnificent cultural heritage into new focus. It is likely that Rajiv Gandhi will pursue this initiative. The ren-

aissance urgently needed to motivate and guide India's leap into the 21st century must be centered on a revival of the scientific potential of the Vedic period, the high point in the emergence of world civilization centered in India of about 4000 B.C., which we know today in the heritage of the Sanskrit language and literature.

Punjab a priority

A cabinet committee consisting of the ministers of education, home, and defense has already been set up to review the Punjab crisis and propose measures to resolve the issues that forced the central government to declare a state of emergency—"President's Rule"—more than one year ago. In Punjab, Sikh fundamentalists and separatists, with extensive international terrorist connections and support, hatched the campaign of destabilization that led to the brutal assassination of Indira Gandhi in October. During the election campaign and since, the prime minister has reiterated that there will be no quarter given to demands for separation or "national" status for any group, state, or region of the country. At the same time he has clearly stated his responsibility and commitment to defend the personal security of every Indian citizen, the Sikhs included.

The cabinet committee has initiated consultations with the various political forces in Punjab. Home Minister S. B. Chavan has dispatched the chief ministers of Uttar Pradesh, Madhya Pradesh, Rajasthan, and Delhi to Punjab to encourage Sikhs who have fled from their homes to return. But as the prime minister stated in a recent interview, he views economic development as the touchstone for resolving communal issues.

"If you look at the castes, the religious groups, the various regional linguistic groupings, each is a prospective danger," Gandhi stated. "But the real danger is economic stagnation. Whenever we have had a problem with minorities, it has been when there has been an economic problem. I don't think there is a problem [of internal differences] as long as we politicians don't try to build on them."

The economy

The priorities for economic development can best be seen in the administrative reforms and reorganization now under-

way, as well as in key ministerial appointments. A new Ministry of Science and Technology has been established which will incorporate the Department of Science and Technology, a new Department of Industrial and Scientific Research, and the Department of Nonconventional Energy Sources. The aim is to strengthen the infrastructure for scientific and technological development and to establish a real link between R&D and industry.

The Energy Ministry, which had become an unwieldy cluster of fiefdoms, has been broken up. The Petroleum Ministry has been set up in its own right to facilitate the country's dynamic program in exploration, production, and refining, a program which has already contributed significantly to reducing foreign exchange outlays for oil. The Department of Coal has been joined with Steel and Mines in a new ministry. The former Minister of Chemicals and Fertilizer Vasant Sathe is in charge, and the dynamic diplomat-turned-politician Nataraj Singh has been appointed minister of state for steel. The

steel industry, where, incredibly, so-called demand projections have been systematically reduced since 1975, is a major bottleneck in the country's industrialization drive. Low capacity utilization and outdated technology present a real challenge. Power, perhaps the single most decisive choke point in the Indian economy and a major focus of the upcoming Seventh Five Year Plan, has been joined with an Irrigation Ministry under the direction of B. Shankaranand and Arun Nehru, the tough-minded member of Rajiv Gandhi's "inner circle."

The railways, a critical element of India's industrial infrastructure in need of determined attention, have been placed in the hands of Cabinet Minister Bansi Lal and Minister of State Madhavrao Scindia. Bansi Lal, a former minister of defense and chief minister of Haryana, is known for his ability to get things done. Madhavrao Scindia, the scion of a princely family who trounced Opposition leader Atal Behari Vajpayee in Gwalior, is among the young "no-nonsense"

The Indian cabinet

Finance: Vishwanath Pratap Singh

Home: S.B. Chavan

Defense: P. V. Narasimha Rao

Planning: P. V. Narasimha Rao (temporary)

Education: K. C. Pant

Steel, Mines, and Coal: Vasant Sathe

Chemicals and Fertilizers: Veerendra Patil

Food and Civil Supplies: Rao Birendra Singh

Health and Family Welfare: Mohsina Kidwai

Parliamentary Affairs: H. K. L. Bhagat

Agriculture and Rural Development: Buta Singh

Railways: Bansi Lal

Irrigation and Power: B. Shankaranand

Law and Justice: Asoke Sen

Works and Housing: Abdul Gaffoor

Prime Minister Rajiv Gandhi has retained personal control over the ministries of Commerce and Supply, Environment and Forest, External Affairs, Industry and Company Affairs, Science and Technology, Atomic Energy, Culture, Electronics, Ocean Development, Personnel and Administrative Reforms, Space, Tourism and Civil Aviation, Youth Affairs, and Sports.

Top members of the new cabinet include:

Defense Minister P. V. Narasimha Rao, a senior Congress (I) leader who was a member of the late Prime

Minister Indira Gandhi's cabinet from 1980-84. Rao held the critical Home Ministry portfolio and played a role in negotiations to resolve the Punjab problem. He also served as minister of external affairs, and has held a number of leadership positions over the years, both within the party and as a government official.

Finance Minister V. P. Singh, a Congress (I) leader who was a prominent member of Mrs. Gandhi's cabinet from 1982-84. As minister of commerce, he represented India in international forums discussing international monetary reform. During the past year, Singh had been sent to Uttar Pradesh to prepare the party for elections in that crucial state.

Home Minister S.B. Chavan, a respected administrator and Congress (I) figure who was a member of Mrs. Gandhi's cabinet from 1980-84. Known for seriousness and efficiency, Chavan held the critical planning and defense portfolios. Like P. V. Narasimha Rao and V. P. Singh, Chavan has been nominated to the Cabinet Committee on Political Affairs, the most important grouping within the cabinet.

Education Minister K. C. Pant, a member of the Union Council of Ministers from 1967-77, holding finance, economic, and science portfolios. He joined the Union Cabinet as Minister of Energy in 1979 in the caretaker government of Charan Singh. He has been chairman of the Advisory Board on Energy since 1983. Pant is the son of the late Gobind Ballabh Pant, an independence leader and member of the Nehru cabinet. He was educated in chemistry in India and West Germany.

associates of Gandhi.

Closely related to the prime minister's commitment to move the economy forward is his determination to whip the governmental bureaucracy, including the large public-sector corporations in heavy industry, into an efficient and productive mode of operation. In addition to the science, space and atomic energy portfolios, Gandhi has kept Commerce and Industry and the new Department of Personnel and Administrative Reforms in his own hands. The latter is the primary instrument for implementing and enforcing the kind of administrative transformation implied in the prime minister's dedication to "results, not procedures."

While there is no doubt that putting a premium on efficiency will yield important results, the real gains in the Indian economy can only come from a long-term plan of focused investment which concentrates initially on infrastructure, which is to say a new orientation to planning. While another dynamic diplomat-turned-politician, the former Indian Ambassador to the United States, K.R. Narayanan, has been named minister of state for planning, with the portfolio temporarily in the charge of Defense Minister P. V. Narasimha Rao, there is as yet no indication that a scientific approach to economic development will find institutional expression.

Foreign policy requirements

On foreign policy, the prime minister has underlined his commitment to the tradition of non-alignment established by Jawaharlal Nehru and Indira Gandhi, emphasizing in particular the urgency of international monetary reform. In the face of frantic maneuvering on both sides of the superpower divide, Gandhi has made it clear that he will seek good relations with both the Soviet Union and the United States based on India's sovereign requirements.

The need for certain types of advanced technologies and related inputs has drawn Indian attention toward the United States to be sure, but the conclusion which some U.S. observers have drawn from this—that Gandhi is preparing to adopt a "free enterprise" program—is hardly warranted. In a recent interview with a Western reporter, he explained that India's approach to foreign investment was cautious. "We have felt uneasy because India was taken over by the East India Company," Gandhi observed, "maybe it is a hangover from that."

Gandhi has made it a point to stress that India's relations with its neighbors will get special attention, and startled the pundits, especially those of the left, with overtures to both Pakistan and China. He would visit both countries in the interest of improving relations if invited, Gandhi stated during the election campaign, and has since reiterated his interest to "finish off this confrontation that has been there for years" with Pakistan. "President Zia ul-Haq spoke very positively when he was here in November," Gandhi said, pointedly leaving the door open, "but that has not been translated into action by his officials."

Documentation

Rajiv Gandhi's program for India

The following is an abridged text of Prime Minister Rajiv Gandhi's broadcast to the nation on Jan. 5:

Fellow citizens,

You have given my party and me your confidence in overflowing measure. Who could ask for more? And how can we prove worthy of it? Only by working for you with unremitting faith and humility, summoning all our reserves of strength and energy, being as unsparing with ourselves as you have been generous with your trust.

I do not regard it as my victory, or even the victory of my party, which commences its hundredth year of service; it is the victory of the people of India.

You have spoken clearly and unmistakably. You have given a mandate for unity, for strength, for harmony.

The whole world sees once again the vitality of India's democratic tradition. The political system built up by our great leaders has marched to new strength. The election has been a great celebration of democracy. India's ancient heritage going back to the dawn of mankind, stands renewed in freedom.

The dust and din of the elections are behind us. The passions they generated must now make way for reconciliation. Great tasks await us and we should approach them in the spirit of togetherness; united, there is no challenge that we cannot meet.

Secularism is the basis of our unity. Communalism and all other narrow loyalties are incompatible with unity. These elections have shown that our people always rise above these artificial barriers. We have to fight communalism and the suspicion and insecurity it breeds. It is my first duty to safeguard the life, property and legitimate rights of citizens belonging to every faith.

Campaign for unity

We must go beyond the prevention and suppression of violence. We must cure the minds where hatred and prejudice

arise and grow. We must take the campaign for unity to every village and every street of every town. An ideological battle against communalism, fanaticism must be waged in our schools and universities, in our work place and in our media.

My government will give top priority to the problem of Punjab. A cabinet committee has been formed to study various aspects of the problem and to look at alternatives for a peaceful settlement with a specified time frame. In ending the said chapter of discord, all should cooperate. The Sikhs are as much a part of India as any other community. They have played a heroic role in winning the defending our freedom. I wish to assure them that their life and property will be protected in every part of the country. In Punjab and elsewhere, all patriotic forces must repudiate those who preach separatism and practice violence. There cannot, and will not, be any concession to separatist ideologies and to the cult of violence. India's unity is paramount; Everything else comes after that.

The public sector

The public sector will continue to be a major tool of development; deficiencies in performance, wherever they exist, will be quickly overcome. Far-reaching proposals for change have been formulated and are under consideration.

Improvement in productivity, absorption of modern technology and fuller utilization of capacity must acquire the status of a national campaign. I have asked the ministries of science and technology and industries to prepare specific proposals to achieve these objectives.

Administrative reform

Administrative reform is crucial for social and economic transformation. It is for this reason that I decided to take under my own charge the Department of Personnel and Administrative Reforms. A full-scale review of administrative organization, policies, and procedures is in progress.

I have asked that the decision-making processes should be decentralized along with enforcement of accountability. Rules and procedures will be drastically simplified to speed up decision making. Results will take precedence over procedures.

I have directed all concerned agencies to ensure that citizens get prompt and courteous service from government departments and agencies. An effective machinery for redressal of public grievances will be set up in offices and departments with large public dealings.

Action will be taken to raise the morale of public services. We shall prevent extraneous interference in the normal functioning of public services. We must create a new administrative culture for service of the masses. Training of civil servants of all categories will be restructured to develop competence and commitment to the basic values of our society.

New national education policy

Education must promote national cohesion and the work ethic. The grandeur of our freedom struggle and its significance for national integration have to be brought home to every student. Our schools and colleges should acquaint the younger generations with India's ancient heritage and culture. The curricula and textbooks should curb parochial and communal interpretations of our composite culture.

I have looked at some of the policies and programs in this field. I have asked that a new national education policy be drafted.

We are formulating programs to use on a large scale the new communication technology in our school system. De-linking of degrees from jobs under government is under active consideration. Steps are being taken to establish an open university to bring higher education within easy reach of all. The Central Schools Organization will be expanded. These schools will function as centers of excellence in every district of our country.

I would strongly emphasize education's organic link with the productive forces of society. We shall reorganize vocational education to align it with industry, agriculture, communications, and other productive sectors of our country.

Foreign policy

We have inherited a well-tested and consistent foreign policy which serves our national interest. We have always believed in working for peace. Our policy is to be friends with all countries on the basis of reciprocity and mutual benefit. Our commitment to Non-Alignment and a new world economic order based on justice, equality, and mutual cooperation is unshakable. This means a total dedication to the twin causes of peace and development. We also believe in safeguarding the independence of states and upholding the principles of non-interference and non-intervention.

One aspect of our foreign policy needs special attention. We have deep historical and cultural links with our immediate neighbors in South Asia. We share the same memories of foreign rule and look forward to the same prospects of development and a better future for our peoples. I believe firmly that we can work together to realize these common aims. We do have some problems, but we are determined to resolve them on the basis of mutual respect, sovereign equality, and friendship.

We are passing through a difficult phase. Our burdens are immense, our road long and arduous. Your cooperation is vital for achieving the national goals.

I give you my greetings for the New Year. May it bring happiness to everyone.

From time to time I shall share with you my ideas, my hopes, my struggles. But, even more, I want to listen to you, to your difficulties, your ideas, your hopes. Together we shall share the burden and the ecstasy of building our India.

Moscow shows disquiet after the Geneva talks

by Konstantin George

The Soviet leadership is visibly incensed over the outcome of the Shultz-Gromyko talks in Geneva, an outcome which marks the failure of a month-long Kremlin intimidation campaign against the Reagan administration over its Strategic Defense Initiative (SDI). That campaign featured repeated Soviet ultimatums of an unprecedentedly harsh nature demanding that the United States abandon this beam-weapon development program.

The Reagan administration's irrevocable commitment to not only research and development, but the operational deployment of a space-based laser technology system of anti-missile defense was demonstrated conclusively not only at the Shultz-Gromyko talks, but subsequently by Secretary of Defense Caspar Weinberger's policy statement on the CBS-TV program, "Face The Nation": *Deployment* of the SDI is non-negotiable.

The full flavor of the Soviet leadership's rage at their failure to stop the SDI emerged on Sunday, Jan. 13, when Soviet Foreign Minister Andrei Gromyko, flanked by journalists from the Soviet news agency TASS, the party newspaper *Pravda*, the government newspaper *Izvestia*, and Soviet TV and radio, delivered a two-hour tirade reiterating, in ultimatum language, the demand that the United States abandon the SDI or there would be no further arms talks.

Gromyko's tirade told the Soviet population that the matter of space-based weapons is a "life or death issue." Radio Moscow's summary of the TV spectacle asserted that this would ultimately decide whether "Armageddon" occurred or not. Radio Moscow further stated, citing Gromyko: "He said it was a great mistake for some people in the United States to

believe that the United States would somehow or other achieve dominance by bringing to completion its plans to set up a strategic antiballistic-missile defense system . . . and that the Soviet Union would thus be in a subordinated position. . . . This situation was impossible."

At minimum, the Gromyko TV spectacular was designed to prepare the Soviet population for the contingency of the Soviets breaking off negotiations.

There is one point concerning the Soviets which one cannot afford to underestimate:

They are furious at the failure to date of their intimidation tactics. They have not managed to cause the President of the United States and his defense secretary to move one iota away from the SDI commitment. The Soviet ultimatums of "abandon the SDI or else" beginning with the Chernenko statement of Dec. 5 that the SDI would render all previous arms control agreements "null and void"; the *Pravda* editorial with the same threat on Dec. 12; the ultimatum issued by Politburo member Mikhail Gorbachev during his London visit in mid-December, that the U.S.A. must halt planned ASAT tests scheduled for March "or else"; and numerous threatening statements concerning the SDI question since—all have failed.

What is clear besides anger, fury, and conditioning of the Soviet population for a possible collapse of talks and the ensuing contingency of a confrontation, are the unmistakable signs that the Kremlin has not made up its mind as to what concrete steps to take in the next days and weeks concerning the United States, let alone whether or when to utilize Soviet military options in Europe, the Far East, or the developing sector.

This fact should in no way serve to encourage illusions that because of current Kremlin uncertainty, there is no foreseeable danger emanating from the Soviet Union. The very fact that the Kremlin leadership is furious at the prospect of an unstoppable U.S. SDI could lead them to exercise some of the most dangerous strategic policy options available to them.

There is no doubt that an interlude of uncertainty reigns for the time being. The clearest proof of this is the chronology surrounding and leading up to the now canceled meeting of the Political Consultative Committee of the Warsaw Pact, a "super-summit" involving all Warsaw Pact party chairmen, heads of state, foreign ministers, and defense ministers.

The gala event was scheduled for about one week after the January 7-8 Shultz-Gromyko meeting in Geneva, followed by the Jan. 10 Politburo meeting to assess the Geneva results. It was to produce a definitive Warsaw Pact policy statement on conduct towards the United States and the West.

To prepare for the event, Warsaw Pact Commander in Chief Marshal Viktor Kulikov of the Soviet Union went on an early January tour of all Warsaw Pact capitals, beginning with Sofia and culminating in Warsaw on Jan. 9. The East German defense ministry newsweekly, *Volksarmee*, published a "letter" asking what a meeting of the Political Consultative Committee is, accompanied by a formally printed reply.

Then came the Geneva meeting. Clearly, something happened the Russians did not anticipate.

First, the Politburo met on Thursday, Jan. 10 for its weekly meeting. The ensuing Politburo declaration, after stating that the Politburo had heard Gromyko's report on the Geneva talks, carried the unusual formulation that it had merely "unanimously noted the importance" of the talks. The usual verb "approved," as in the typical phrase "heard and approved," was curiously absent.

The next day, Friday, Jan. 11, Western media reported that the mid-January date for the Political Consultative Committee meeting had been "fixed" for Tuesday, Jan. 15.

Then came the Gromyko TV performance, followed within 24 hours by the abrupt announcement, on Monday, Jan. 14—a mere 24 to 48 hours before the meeting was to have started—that the summit was canceled. No reason or explanation was given, and no new date was set.

This is the first time in Soviet-Warsaw Pact history that such a high-level meeting has been canceled, let alone 24-48 hours before it was due to start.

The Kremlin's policy priority remains stopping the U.S. Strategic Defense Initiative, as a Radio Moscow commentary on Friday, Jan. 11 by Yuri Saltov, one day after the Politburo meeting, again underscored: "It is of primary importance to stop the arms race from penetrating into space."

But how to reach this policy goal, what means to employ against the United States and the West to do so, are at least temporarily open questions in the Kremlin.

Documentation

Gromyko threatens to break off talks

On Jan. 13, Andrei Gromyko presented himself to the Soviet public in a very unusual, "Meet the Press" televised format. He was interviewed for two hours by Yuri Zhukov of Pravda, Vikenti Matveev of Izvestia, V. Bogachev of TASS, and V. Zorin of state TV and Radio.

Q: Andrei Andreevich, in connection with this question of a large-scale anti-missile defense program by the United States, Washington usually says that they have in mind only scientific research work, which allegedly does not contradict the ABM Treaty, and not the testing and deployment of such systems. How must one relate to such a position?

Gromyko: Who can guarantee that they will stop after the completion of the scientific research work? Won't you find people then, scientists and non-scientists, who will say: Sorry, we spent so many billions of dollars on scientific research, why waste this money? Isn't it better to proceed to the next phase of testing and deployment?

Is such a situation possible? It is possible. We know the handwriting of the American administration, and we are familiar with the situation in the United States. Therefore I wish to firmly underline that a policy of conducting scientific research work with the aim of creating a large-scale missile-defense system does not withstand criticism, neither politically nor morally. It is vulnerable, it must be rejected. Frankly speaking, there is only a very small distance from such a position to the absurd.

Q: The American side has in mind to only "explain the significance of these systems for strengthening peace." How do you evaluate such declarations?

Gromyko: If there are such voluntarist interpretations of the American position in the context of the agreement which was reached in Geneva, then they don't express the spirit of this agreement, if you understand it like any reasonable person must understand it. If someone has in mind a situation, where one side would only explain its position on the space question, while the other side is only listening—well, we don't have in mind such a seminar. This would be a useless, vain occupation.

Q: Let's say that the U.S.A., considering its conduct in the past, would violate part of the agreement concerning the

necessity to prevent an arms race in space. What would be the consequences of such a situation?

Gromyko: The consequences would be extremely severe. The talks would be destroyed. We made such a warning to the American representatives. There is no choice and no middle way. Either you don't permit an arms race in space and keep it unmilitarized, or there will be an arms race. Then space will become a terrible arena for the deployment of weapon systems and present a huge threat for the very existence of mankind. When you speak about the so-called "Star Wars," a large-scale system of missile defense, then you are speaking about life or death. That is the question. We consider it our duty to tell the truth, not only to the United States of America, but to the whole world. Whatever strong words one chooses, they will be insufficient to express the whole danger with which the deployment of weapons in space and the relocation of the arms race to space would be connected.

Q: Where is the guarantee that Washington won't use the negotiations as a cover for the attempt to achieve military supremacy? Won't the talks end in a dead-end?

Gromyko: Starting from the spirit of your question, I would like to raise yet another important question. Their plans in respect to space, for a so-called large-scale missile defense, the American side is characterizing as defensive. In Geneva they often told us, especially in the beginning of the meeting: Now imagine what a defensive plan this is! We want to create such weapons which destroy missiles which have been launched against the United States. This is defense. They say that they fear a nuclear strike from the side of the Soviet Union, therefore they need a shield.

Let's say they succeed in building a shield. They say, this shield has a peaceloving character. It's designed to destroy missiles, so that these missiles don't reach their targets. The fact that from behind this shield, missiles will be directed against another country, against the Soviet Union in some extreme situation, doesn't mean anything from their standpoint. They are trying to convince us of that. They are telling us: The United States doesn't have any intention to strike against the Soviet Union. We say: That means that the Soviet Union must rely on your conscience? On the conscience of Washington?

First of all, we are not very convinced that Washington is so reserved. Second, we tell them: Let's imagine that we change places with you, the United States, then you must reason like we, the Soviet Union. In other words, if we were striving to create such a system, would you rely on our words, on our conscience? Would such assurances be sufficient for you?

The answer is silence. The fact that the American side named this system "defensive" doesn't change anything. There is absolutely nothing defensive about it. These are offensive weapons, and the whole plan, frankly speaking, is aggressive, I repeat, aggressive. We are resolutely against it, resolutely.

Will the Kremlin

by Rachel Douglas

European military specialists and politicians, concerned about potential Soviet military moves against Western Europe, are closely watching the situation in Poland. Moscow, they think, may use unrest resulting from the murder of the outspoken priest Jerzy Popieluszko or from impending food price hikes as a pretext to invade Poland.

Although two Soviet divisions are already stationed in Poland, a larger Soviet troop presence there would secure key routes into Western Europe.

Popieluszko's murder has already shaken both the regime and the Catholic Church in Poland and has led to an extraordinary open trial of government officials, which has been televised and covered in detail in the official press every day since Dec. 27 of last year.

The priest, kidnapped and brutally murdered near the town of Torun in October, was the victim of security police working under the Polish interior ministry. Four officers from the ministry are on trial for the killing.

The faction implicated in the priest's murder is in effect an arm of the Soviet KGB. One Italian politician, viewing the crime as a KGB operation start to finish, compared it to acts of terror that preceded the consolidation of a fascist regime in Italy during the 1920s and 1930s. The Soviets, he said, are not satisfied with the results achieved by three years of military rule in Poland. Army officers dominate in Gen. Wojciech Jaruzelski's regime, which adds to Russian suspicions about "Catholic officers" who could not be counted on to do Moscow's bidding in a crisis.

Death penalty

In October, right after Popieluszko's body was dragged from a reservoir, Internal Affairs Minister Czeslaw Kiszczak assured the people in a nationally televised broadcast that the murderers would get the death penalty. Depending on the outcome of the Torun trial, keeping this promise could mean hanging several security police officials, up to the rank of general or deputy minister.

On Oct. 30, Polish authorities detained Col. Adam Pietruszka, Capt. Grzegorz Piotrowski, and two lieutenants from

move on Poland?

the interior ministry police force. These are the four charged in the Torun court.

Lieutenants Pekala and Chmielewski, who admitted to kidnapping and beating Popieluszko, have testified that they were told the orders came from "higher up." Ex-Captain Piotrowski insists that Colonel Pietruszka authorized the kidnapping and brutalization of Popieluszko and invoked higher officials as having cleared it: "I was certain that the idea could not have been that of only Adam Pietruszka. I was convinced right up to my arrest that a decision of this magnitude had to come from the top." According to the testimony of Chmielewski, "From what [Piotrowski] said, I understood that he got approval from the top for this operation and for the fact that the priest could die of a heart attack."

As of testimony on Jan. 15, Pietruszka has attempted to push the blame back onto his subordinates. But his denial of complicity is being undercut by evidence produced before the court that he issued a pass authorizing Piotrowski and the others to use a ministry car the night of the kidnapping and that this pass was altered afterwards in order to cover up Pietruszka's involvement.

Thus the possibility of his being convicted remains alive, in which case he could try to shift the blame to his superiors instead of his subordinates. Above Pietruszka in the chain of command are Gen. Zenon Platek, the head of the interior ministry's department for monitoring the church; Deputy Interior Minister Gen. Wladyslaw Ciaston; and Interior Minister Gen. Czeslaw Kiszczak, the close associate of Jaruzelski and the one who promised that the guilty parties would get the death penalty.

If Jaruzelski backed off from carrying out the promised penalty, he would risk popular outrage. To inflict it will spark fury among Moscow's friends in the interior ministry.

From this dilemma spring dire scenarios for Poland in the months ahead. "If Piotrowski tries to save himself from the death penalty by naming others, the whole structure of Poland's police control will have been split open," wrote the *Christian Science Monitor* on Jan. 8, before Piotrowski did exactly that. On Jan. 17, a column by Joseph Harsch in the

same paper anticipated an explosion that would bring the Soviets rolling in: "If . . . after the trial . . . there is widespread belief that higher authorities were protected, then there would undoubtedly be a revival of public demonstrations against the government. There is always the danger that demonstrations set off by deep emotions could plunge Poland into something close to civil war. And if matters came to such a point, how long would the Soviets keep out?"

The 'red fascists'

On Oct. 22, right after the kidnapping, a government source talking to UPI termed it "a blow directed straight at Jaruzelski." Even a leader of the banned Solidarnosc movement, for which Popieluszko ardently campaigned, alluded to a Soviet maneuver against the Polish government, with the remark, "There is no suggestion of blaming the government, because . . . most probably the kidnapping is the handiwork of other quarters."

French Radio on Oct. 31 aptly described the crime as perpetrated by "red fascists," Stalinists within the Polish security apparatus, affiliated to Stalinists of the Soviet KGB. There was widespread speculation that Miroslaw Milewski, the former Internal Affairs minister who has supervised security affairs at the Communist Party Politburo level, engineered the crime in order to discredit Jaruzelski and his close associate General Kiszczak, the current Internal Affairs minister.

The ongoing political battles over the case are deadly serious, as was shown in November, when two Internal Affairs officers investigating the Popieluszko murder were killed near Torun when a truck crashed into their car.

Trouble for Glemp

In addition to rocking the party and government, the murder of the outspoken Popieluszko has rekindled grumbling from radical priests against Jozef Cardinal Glemp, the Roman Catholic Primate of Poland. Father Stanislaw Malkowski, a second target of the interior ministry group that killed Popieluszko, openly criticizes Glemp for compromising with the regime.

Since Popieluszko's death, Malkowski has preached even more fiery sermons. According to *The Times* of London, he said in church: "The Lord is calling upon us to abandon Moscow. Being in Solidarity means being obedient to Christ's own teaching to have nothing in common with Moscow. Burn this capital which is devoted to the devil."

Some worried Poles view such words as an invitation to the Russians to march into Poland. One exiled leader of Solidarnosc suggested that the official press was reporting Malkowski's sermons as more incendiary than they actually were, in order to justify a crackdown against him. But whether or not they were exaggerated in the reporting, the speeches of Malkowski and of Popieluszko before him were of concern to church authorities. Vatican sources report that after attacks on Popieluszko in the Soviet press in September, Polish-born

Pope John Paul II wanted to get the priest out of Poland in order to avert a rift inside the Polish church and to remove him as a target for Soviet complaints and harassment. The Pope invited Popieluszko to study at a religious academy in Rome, they say, but this plan was preempted by his murder.

Yet to be satisfactorily investigated is the report published in France last December, that the pseudo-Catholic cult called Tradition, Family, and Property had become active in Poland. The French weekly *Actuel* wrote that TFP, the gnostic cult banned in Venezuela for kidnapping and brainwashing of youth, had begun to operate in Poland through something called the Organizacja Anty-Solidarnosc—"Anti-Solidarity Organization."

According to a Radio Free Europe research report, the Organizacja Anty-Solidarnosc (OAS) surfaced last spring in connection with kidnappings in the Torun area. A leaflet issued by the Solidarnosc underground quoted a communiqué from this OAS, which reads like a classic KGB provocation: "The incompetent Jaruzelski team and the bureaucratized security service have not managed to vanquish the cancer that is plaguing our society: conspiracy and the fashion for opposition. Solidarity is the cancer. Let us try to answer the question raised in the Apocalypse; we will fight the beast. The game has begun. We will strike wherever we are not expected. We will make our appearance under the banner of various institutions, maybe even under that of the TKK (Interim Coordinating Commission) of Solidarity. Beware. So far we have given only a sample of what we can do."

Actuel identified the Organizacja Anty-Solidarnosc with the party security honcho, Miroslaw Milewski, Foreign Minister Stefan Olszowski, and party official Albin Siwak, a construction worker turned party hack. All three are known as close to Moscow. Thus, elements of the explosive mix that blew up Poland in 1980—Soviet operatives with oligarchical factions in the orbit of the church—are still present.

Price hikes

The other fuse burning away in Poland is its wretched economy. In December, the United States lifted its objection to Poland's joining the International Monetary Fund. On Jan. 16, the "Paris Club" of creditor governments approved the rescheduling of Poland's debt payments for 1982-84; its debt to commercial banks has been rescheduled through 1987. These developments clear the way for Poland to rejoin the IMF later this year (it quit in 1950). The government is not waiting, however, to carry out the sort of austerity that the IMF is sure to demand and that has destroyed other indebted nations.

On Jan. 5, the Polish government announced across-the-board hikes in food prices effective March 1, of 15% on meat and as much as 80% on some other items. If these were met by bloody protest riots, giving the Soviets another excuse to move against Poland, IMF policies would once again have played into the hands of the U.S.S.R.

Who should not be Who



in the Reagan administration

EIR's newest special report is an essential reference work for anyone who wants to understand who's who in the ongoing faction fight within the Reagan administration over the President's strategic defense initiative.

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'Space shield' can promote world peace

by Vivian Freyre Zoakos

On Jan. 13, the official Vatican newspaper, *Osservatore Romano*, issued the first cautious Vatican endorsement of President Reagan's Strategic Defense Initiative (SDI). The fact that the endorsement was contained in an unsigned editorial points to its being a generalized policy statement.

The article followed by one day a speech by Pope John Paul II once again attacking the economic policy of the developed sector with respect to the Third World. This continued what is now becoming a Vatican pattern: direct and indirect attacks against the International Monetary Fund.

Osservatore Romano writes: Ultimately, peace can only come "from the prophetic transformation of all swords into ploughshares. The prophecy reminds us of God's paternity, according to which all men are brothers. . . . The prophetic is, however, not illusory. . . . From this standpoint, without entering into the technical aspects of the space shield proposal, *the pragmatic research of a method of mutual security different from the balance of terror is politically understandable and desirable* [emphasis added]."

It is almost a certainty that this latest departure from the appeasement policies of previous Vatican *Ostpolitik* will earn Rome yet another blast from Moscow, which has been steadily attacking recent pronouncements of the Pope, particularly with respect to Third World policy. What is in fact especially remarkable about the present *Osservatore* piece is that it correctly links the question of the SDI to the Vatican's now repeated demands for economic justice towards the Third World—the latter being the issue which had prompted the Soviet attacks.

The article says that the twin poles necessary for ensuring a stable peace are the SDI ("ending the balance of terror") and the development of the devastated Third World economies, particularly Africa. This crucial linkage is methodologically explained by *Osservatore* as stemming from "the fundamental rights of man."

Advanced-sector economic policy vis-à-vis the Third World was also the subject of a speech delivered Jan. 12 by Pope John Paul to the 11 ambassadors accredited to the Holy See. Speaking of the enormous debt burden of these coun-

tries, the Pope noted: "Many developing-sector countries have contracted enormous debts which are becoming worse. I know that the problem is a complex one. . . . But the situation has become insoluble for many debtor countries. Without a new system of solidarity, how will they be able to repay their debt? How will they be able to break out of the impasse? Solving this is in the interest of all, including the rich countries, who otherwise risk finding themselves isolated. . . ."

The Pope's speech, particularly when taken in the context of his recent pronouncements, points directly to a return to the tradition of Pope Paul VI's 1967 encyclical, *Populorum Progressio*. That historic document had argued for creation of a new international development fund which would have as its principal task the concerted development of the Third World up to the levels enjoyed by the industrial countries.

Against Liberation Theology

The series of attacks on Liberation Theology which began issuing from the Vatican not later than October of last year have fleshed out this policy orientation. Liberation Theology is the doctrine which holds that Marxist dogma can be applied to the Church's work, especially among the poor of the Third World. By their virulent opposition to the industrial development of the Third World, which it characterizes as "neocolonialism," Liberation Theologists are doing the work of the IMF and, of course, Moscow.

The most recent papal attack against this doctrine came on Dec. 12, with the Apostolic letter, "Reconciliation and Penance." The letter asserted that sin is a personal, moral responsibility, whose cause must not be sought in the structural or social realm as asserted by the Liberation Theology group.

The Soviet press agency TASS responded with a harsh blast on Dec. 29. As it has done in the past, TASS charged that the Vatican is taking "a new step to the right" and "strengthening the conservative forces in the leadership of the Catholic Church who want to end the liberal tendencies in Catholicism characteristic of the '60s and '70s." The Vatican, TASS argued, is about to take measures to "repress those Catholics and their spiritual leaders who more and more recognized the just nature of the struggle for social and national liberation, and the devastating effect of the capitalist system on the working class."

One of the offshoots of the new Vatican Third World policy was visible in the attack against the IMF which the Central American bishops delivered for the first time at their Nov. 25 conference. On that occasion, Archbishop Roman-Arrieta Villalobos accused the Fund of having a "dehumanized concept of economy. . . . The Catholic Church does not accept the supposed recommendations of the IMF for the simple reason that they affect our peoples. . . . The pressures brought by the IMF in its effort to recover loans are to be rejected with courage and firmness."

European terror wave hits U.S. targets

by Mary Goldstein

President Ronald Reagan's inauguration takes place Jan. 21 amidst the tightest security measures in U.S. history. More than 15,000 police, Secret Service, and military personnel are assigned to the ceremonies, including agents reportedly armed with ground-to-air weapons.

Meanwhile, U.S. embassies and military installations in Western Europe have been put on full alert for the inaugural period, fearing a new wave of terrorism. "There is evidence that several terror groups have joined forces to plan attacks on American targets," an administration official told CBS News Jan. 17. "Western intelligence sources have monitored an unusually high number of suspected terrorists moving into Europe through Spain, Italy, and Greece." Iran, according to reports in the London *Times*, has dispatched special kamikaze hit teams throughout Europe, the Middle East, and the United States.

Terrorist attacks against U.S. and NATO targets in Western Europe have escalated steadily over the last month, culminating on Jan. 15 in a joint "declaration of war" by the French-based Action Directe (AD) and West German RAF (Red Army Fraction, formerly the Baader-Meinhof) groups, and the AD-connected Belgian Communist Combatant Cells (CCC). Action Directe has known operational ties with the Lebanese Armed Revolutionary Fraction (FARL), part of the PFLP of George Habash.

On Jan. 15, a U.S. military social center in Brussels was blasted by a CCC car bomb. Two guards were injured, and the building extensively damaged. The CCC has struck some five or six times over the last four months in Belgium, blowing up a NATO emergency fuel pipeline in December. This, however, was the first time the CCC used the car-bomb method favored by the Islamic terrorists, also tested on Dec. 18 by the RAF in an attempted bombing of the Oberammergau NATO school.

In a letter claiming credit for the car-bombing, the CCC proclaimed a "new phase" in the "anti-imperialistic campaign. This was the first attack in which Yankee militaries and their accomplices could have been killed or wounded," the letter read. "Now we will expand further on these two tracks. Human life is not absolute. We do not regard it as sacred." The group dedicated the bombing to the West German RAF.

Also on Jan. 15, international news agencies in Paris

received a joint communiqué in French and German signed by the AD and the RAF, announcing a "political-military front in Western Europe" to attack NATO. The groups declared a joint "strategy . . . for a unity of the revolutionaries in Western Europe . . . a new phase for the development of an authentic revolutionary strategy . . . to create a Western European guerrilla [movement against] NATO . . . the most advanced imperialist ruling structure, which must be destroyed. . . ."

The communiqué merely formalizes a terrorist coordination that has been evident for months, most clearly since the Dec. 4 initiation of a "hunger strike" by RAF terrorist prisoners. The hunger strike kicked off almost a dozen terror attacks in West Germany alone. Furthermore, materials found in a raid on an RAF safehouse in Frankfurt, West Germany in July 1984 included detailed drawings of the NATO school, as well as maps of the Belgian pipelines bombed by the CCC only a week before the Oberammergau attempt.

Other indications of terrorist coordination include:

- French police picked up a heavily armed, six-person terror cell in Lille in mid-November; one of the members was a German woman.
- The November arrest of 13 persons in Paris, part of a crackdown on AD, yielded documents proving abundant contacts with Italian and West German groups.
- The Italian terror group Brigata Ferroviaria attacked an armored money truck in Rome Dec. 15. Two guards were seriously wounded, and Cecilia Masaro, a friend of Red Brigades leader Bruno Seghetti, was killed.
- An oil pipeline connecting the U.S. submarine base in Rota, Spain with the U.S. airbase in Torregon was blown up in three places Dec. 18-19.

The Green connection

The ongoing RAF hunger strike has been endorsed by the German Green Party. In fact, the Greens recently called for creation of "mediation committees" to be led by none other than convicted RAF terrorist Brigitte Heinrich, now representing the Greens in the European Parliament. Heinrich was part of a Green delegation which visited the Mideast last month, meeting with the terrorist Palestinian organizations PFLP and PDFLP and with the foreign minister of Syria; they were also scheduled to visit the Bekaa Valley, the most important center of Islamic terrorist and illegal drug operations.

The hunger strike campaign is being used as a recruiting ground for the terrorist networks. A group of RAF sympathizers stopped a train in Berlin Jan. 15 with the emergency brake, using the occasion to distribute their illegal leaflets. Meetings occurred in support of the hunger strike in several West German cities, drawing some 2,000 persons. The Stuttgart meeting was addressed by Greek, Dutch, Italian, Spanish, French, and American speakers, including Judith Holmes from the New York Resistance Law Office who called for "international exchange" and coordination to "combat the counterinsurgency strategy of the imperialist states."

U.S.-Iraq agreement boosts peace effort

by Thierry Lalevée

In early February, Iraq and the United States will announce the signing of a major military deal, according to the *Economist* of London. How substantial the hardware involved will be is not so important. The first of its kind between the two countries in decades, the deal may have more political meaning than actual military consequence.

The *Economist* reports that the agreement, which was negotiated during the visit of Iraqi Deputy Prime Minister Tariq Aziz to Washington last December, was prompted by the increasing economic and military support given to Iran by the Soviet Union and its allies. This is certainly true on the Iraqi side. While Moscow has failed to give Iraq any of its sophisticated weaponry, Syria has been used by Moscow as a regular channel of delivery to Iran. Furthermore, at the point that Iraq intended to blockade Iran's Kharg Island, Moscow warned Baghdad against thus sabotaging a deal between Iran and East Germany for up to 1.5 million barrels of oil.

But the agreement has consequences which go much further than the immediate military crisis in the Persian Gulf. Indeed, it represents a new quality of commitment by the United States to defend the moderate Arab nations from the Khomeini threat and the blackmail potential it provides to the Soviets.

However, most immediately, the agreement affects the Israeli-Arab conflict by opening the way for a more stable U.S. peace initiative in the region. Implicitly, it rejects the assertion fostered by the State Department and the crowd around Kissinger Associates that Syria is the key to peace in the region. The absurdity of this line has made it more and more difficult to hide the fact that those promoting it simply intend to hand the region to Moscow as per "New Yalta" agreements. Yet, this line was reiterated on Jan. 10 by Kissinger Associates representative Joseph Sisco, then visiting Israel. Stressing Syria's role, Sisco, as if he were an official of the American government, asserted that Israel had to "sort out its economic problems first before receiving more aid" from the United States—a declaration which must have given much comfort to Syrian leader Hafez Assad, who was then chairing the congress of his Ba'ath Party and pouring out one denunciation after another of the "Zionist conspiracy" behind the Egypt-Jordan reconciliation and "traitor" Yasser Arafat of the PLO.

No one will deny that there is an ongoing conspiracy in the Middle East region and that it aims at a peace settlement. The public aspect of this conspiracy is the repeated declarations by the Egyptians since early January that they want to launch their own peace initiative.

Egyptian President Hosni Mubarak unexpectedly flew to Jordan in the second week of January to meet King Hussein. Later this month, Yasser Arafat will once again visit Cairo to chair a conference in solidarity with the Palestinian people; he will without doubt take the opportunity to meet with Mubarak.

Mubarak received Italian Prime Minister Bettino Craxi in late December and has received a score of Italian and other European ministers since. He even went to Greece on Jan. 16 in an attempt to draw Andreas Papandreou away from his radical and "rejectionist" friends in Libya and Syria.

After Egypt's foreign minister, Abdel Meguid, as well as his deputy, Butros Ghali, are deployed to consult with European governments, Mubarak will fly to the United States in the first days of March, meeting with President Reagan on March 12. He will be in a position to present the American administration with a comprehensive report on the Egyptian effort and international reactions to it.

Obviously, an Iraqi-American military deal can only strengthen such an initiative.

What gives Egypt its special position is that, while a direct party to the conflict in the region, it has contacts with both sides and is accepted by all sides, including Israel. The matter of a summit meeting between Mubarak and Israeli Prime Minister Shimon Peres thus becomes a crucial matter, with Israel's announced plans for a pull-out of Lebanon making this increasingly likely.

In an interview published in *U.S. News and World Report*—and reprinted in the *Jerusalem Post* Jan. 7—Mubarak stated: "Last year when Israel was choosing its prime minister, I was really anxious for Peres to take over. I have been very optimistic since he came to power. I want to say that he is a very good man. I think that as long as there is good will between us, we can use the 20 months he will be in office to achieve things. I am sure of this." Asked about a meeting with Peres: "I have no objections to such a meeting, but people here would be expecting good results. I have already told Peres several times—and I think he is convinced of this—that we must advance toward a meeting in gradual steps. I want to go ahead with Peres. I am looking forward to meeting him in the near future."

While the Egyptians are building a peace front with Jordan and the PLO, discreetly backed by the Saudis and the Gulf countries as well as Iraq, Shimon Peres has the task of building domestic support for peace. This is certainly not an easy task with Yitzak Shamir as deputy prime minister, Ariel Sharon's public bid to be Israel's next prime minister, and George Shultz's self-appointment as "economic czar" of Israel.

The crimes of anthropology: Jacques Soustelle's 'Americanists'

by Claude Albert

Jacques Soustelle, ex-governor of Algeria, former government minister, and elected last year to the French Academy, is suing the editors of *Nouvelle Solidarité*, collaborators of *EIR* in France, for having denounced his well-known leading role in the terrorist organization which repeatedly tried to assassinate President Charles de Gaulle, the OAS, and his current subversive activities as an anthropologist defending the cause of "endangered peoples."

A lot could be said on the twists and turns of the political career of a man whose guiding hand has always remained carefully hidden under the academic serenity of a "specialist in pre-Columbian civilizations." (Not only are they immortals! French Academicians are also untouchable.) A member of the revolutionary Spartakus group in the 1930s, Soustelle spent five years in exile in the 1960s for subversion of the French state. The French *padrino* in Ibero-America, Soustelle, who enjoys strong support in Paraguay—a country whose government was recently accused by U.S. law enforcement authorities of complicity in the illegal narcotics traffic—is today a leading representative of the international financial and political arm of the Moon sect, CAUSA.

There has been one constant in this man's otherwise varied life: anti-republicanism. Never has Soustelle, an exponent of Swiss-type federalism, really supported the idea of the republican nation-state, nor, for that matter, the Judeo-Christian civilization which has fostered that institutional concept. In that deep sense, Soustelle has never been a Gaullist, nor a republican, as proven by his life-long association with the Paris-based Société des Américanistes, which, since the close of the 19th century, under the cover of anthropological studies of the "American Man," has been promoting a racist defense of inferior forms of culture and societies in the name of "indigenism" and "cultural relativism."

By definition, modern anthropology sets itself in direct antagonism to the nation-state and is used as a subversive arm to destabilize and destroy, where possible, the emerging and struggling nations of the developing sector. From an arm

of colonialism at the turn of the century, used to profile and manipulate subjugated native populations, anthropology has become a vehicle for attack upon Western civilization itself, the universality of man, and industrial capitalism. How else can one understand some of the bloodiest chapters of recent history, if not by tracing an intellectual lineage between those who act out the teachings of radical anthropology and their intellectual mentors?

The "Shining Path" (*Sendero Luminoso*) insurgency which has set Peru on fire is a product of the department of anthropology of the University of Huamanga, in the province of Ayacucho, whose staff was largely trained at the University of Paris and bred in the Société des Américanistes. Modeled on the Pol Pot regime in Kampuchea which exterminated 40% of the population, starting with the educated strata, the Shining Path terrorists seek not merely to seize power in Peru but to destroy "bourgeois culture" in favor of "ancient Andean cultures"—of which they give a foretaste by engaging in pre-Incan ritualistic murders.

Pol Pot was a student of Prof. Georges Balandier, the founder of "political anthropology," a school which teaches "new models" for developing countries based on radical pr tribalism. Bani Sadr, the first President of Khomeini's "revolutionary" Iran, is another of Balandier's graduates, who argued in his doctoral dissertation for a radical ruralization of an Iran then on the path of industrialization. His present exile does not diminish his immense responsibility in the Nazi-like massacres, deportations, and tortures he condoned.

Are we going to wait for such atrocities to break out all over the world, or are we going to take appropriate action against those who bear the moral responsibility for those crimes, the "untouchable" theoreticians of "cultural relativism"?

Soustelle vs. Humboldt

One of Soustelle's leading panegyrists, Colombian historian Germán Arciniegas, described him last summer as the

modern-day Alexander von Humboldt, an imposture no true republican to whom the memory of Humboldt is beloved would let go unanswered.

While Humboldt conducted extensive and varied scientific investigations on the South American continent and in Mexico, there is nothing scientific about Soustelle's "ethnological works," whether his boring and useless descriptions of the rudimentary tools and mores of the Lacandon Indians, or his distressing considerations on the Aztecs. Worse, Soustelle's rejection of the "expansionism" of Western industrial civilization, a civilization he holds as doomed to regression, his negation of the universality of civilization, and his defense of "ethnic, or rather, national particularisms," of the "integrity of the indigenous races" and of "local cultural identities," place his governing outlook at the very antipodes of the ideal of the universal man which Humboldt shared with Friedrich Schiller.

While Soustelle argues for the "rights" of Indian tribes to their "integrity," meaning they must be maintained in their brutal, hunting-and-gathering mode of society, Humboldt compared the Jesuit-oppressed Indians, kept in tribal backwardness, to the "poor ploughmen of Eastern Europe which the barbarity of our feudal institutions has maintained in the greatest brutishness." Humboldt proposed that tribal peoples be helped to develop "their understanding and human faculties" so as to improve their society. Indeed, what is there in common between a man who unequivocally condemned the inhuman brutality of the tribal rule of blood, soil, and superstition of the "natural state of man," and the flock of cynical voyeurs who pass today for anthropologists and, like Soustelle, precisely want to preserve this brutality by upholding the same old immoral myth of the "noble savage"?

In the name of the "unity of mankind" and of "the idea of humanity," Humboldt rejected what he called "partial humanization," that is the survival of barbarian mores such as anthropophagy, the killing of newborns, intra-tribal warfare, and bloody rites such as the human sacrifices of the Aztecs, as *morally unjustifiable*. On the contrary, for a cultural relativist, who claims the sacredness of human life is an "ethnocentric" Western value, such bloody mores and rites are *justifiable*: Since the victims were administered a pain-killing drug called Ololiuhqui before being butchered, Soustelle explains in his book *The Four Suns* that "one has to note that the extension of bloody rites in Mexico, far from proceeding from an innate cruelty . . . coincided on the contrary with a social and cultural evolution marked by a softening up of the mores. . . . [To try to understand] I do not see any other means than to escape as much as possible from the gravitational field of our own civilization and place ourselves in the mental universe of Mexican Antiquity. . . . *The Aztec civilization did not lay on a psychological base more inhuman or more cruel than others. What our analysis cannot reach is the link, apparently obvious to the peoples of Mexico, between the continuity of natural phenomena and the offering of blood* [emphasis added]."

The Société des Américanistes, which as a whole usurps the Humboldtian tradition of "Americanist" studies, has been an essential international breeding-ground for the racist "indigenist" movement of the 1930s in Ibero-America, and its more radical continuation of the past two decades as the pro-tribalist "Indianist" movement.

For obvious reasons, Jacques Soustelle, who has been the president of the Société since the end of 1977 and a member of its executive board since 1937, might claim today he has nothing to do with Shining Path. Yet it was leading members of his Société, such as Luís Valcárcel, the father of "indigenism" in Peru, who organized the anthropology department of the University of Huamanga in 1959, a discipline viewed as the "speciality" of the new "pilot" university and key to "transform society"; who taught the first generation of anthropologists, some of whom are now leading Shining Path militants, and who directed the "community projects" among the marginalized Indian population of Ayacucho which the terrorist group used as its first bases. Morote Best, the former dean of the university, an anthropologist himself, whose two sons are leading Shining Path terrorists, was arrested a few months ago on charges of involvement with the group.

It was the International Congress of Americanists gathered in Lima in 1970 which passed a resolution calling for the release from Peruvian jails of Abimael Guzmán, who was leading at the time the revolutionary Maoist group which became the terrorist Shining Path, and who is the present underground leader of Shining Path, as well as the release of other armed fighters of the "Indian liberation struggle." A. Díaz Martínez, an agronomist arrested last year by the Peruvian police who consider him a top Shining Path leader, was a member of Soustelle's Société, an institution whose members are *sponsored* by its executive board.

For half a century or more, the theoreticians of "Indian liberation" and primitive, tribal "integrity," like José Carlos Mariátegui, the founder of the Peruvian Communist party, Luís Valcárcel, Paul Rivet, Soustelle's mentor, the head of the Musée de l'Homme and the leading authority on "Americanism," and Jacques Soustelle himself, have been creating the climate where precisely such "mysterious" violent phenomena as Shining Path are bound, when not meant, to occur.

Who, but Rivet, in 1934, sponsored a "study group" on the "Red Race," named "Wackanda," to make the Indians "known in Europe" and to encourage "practical applications" like ethnological field studies? Who, but Valcárcel, called for the rise of "the invincible Spartakuses" of the Peruvian Andes? Who, but "indigenist" Mariátegui, do the bloody ritualists of Shining Path claim as their main source of inspiration? And who, but Soustelle, is proposing that we "step out" of the values of Western civilization in order to "understand" barbarian rites?

A call for genocide

Under the cover of fighting "ethnocide," a term which the Americanists popularized in the 1960s, the Société has

been encouraging—but so academically!—various subversive, separatist, and anti-industrial activities in the Third World, and propagating hatred for technological progress, fully in line with the international neo-Malthusian green-terrorist movement.

“The cultures which are different from ours represent an international capital necessary to the comprehension of the past as well as *to the orientation of the future* because they represent diversified models and not remains [emphasis added],” reads a text adopted by the Société’s executive board in 1968. Denouncing the “cultural crimes” committed all over the world by “Judeo-Christian civilization,” leading

Americanist R. Jaulin has suggested that “white Indianity,” that is, a society of rural, autarkical “self-ruled” communities, be “our future.” According to J.-L. Herbert, another leading Americanist, Indian tribalism shows the way today to an “alternative project of European civilization” which should link up again with “Gnosticism” and reverse “ten centuries of Western expansion.”

Primitive societies, with their “anti-surplus principle” and “autarkical ideal,” as the late P. Clastres, another luminary of the Americanists’ Society, put it, are in fact “societies of abundance” in which “*fecundity, infanticide and natural selection secure for the tribes a demographic optimum quan-*

Who is Jacques Soustelle?

Jacques Soustelle, born in 1912 in Montpellier, is the son of a Protestant worker from the Cevennes mountains. With a doctoral dissertation on ethnology, he started his political career as one of the founders of the revolutionary Luxemburgist paper *Spartakus* in 1934. He then became a leading member of the “Vigilance Committee of Anti-Fascist Intellectuals” founded in 1935 by his mentor Paul Rivet, a leading figure in “Americanist” anthropological studies and the director of the Musée de l’Homme in Paris. This museum, of which Jacques Soustelle became the assistant director in 1938, has been the breeding ground of “cultural relativism” in France and a major center of ethnological subversion.

When the Nazis invaded France in 1940, Soustelle was in Mexico, where he had spent a good deal of his time since 1932, on various “ethnological” missions, and in contact with the muddy waters of intelligence circles involved in the assassination of Leon Trotsky. In charge of Information in 1942 in Gen. Charles de Gaulle’s London-based Free French government, Soustelle was appointed one year later to head the faction-ridden BCRA, the intelligence arm of Free France in Algiers. Soustelle’s friendship with David Rockefeller, then a lieutenant of the American Office of Strategic Services (OSS) in Europe, and today the bankroller of the Malthusian Trilateral Commission, dates from this time.

After the war, Soustelle, who was elected deputy to the French National Assembly in Lyons in 1951, was a leading figure in the Gaullist political machine. But sig-

nificantly, de Gaulle had not made him a “Compagnon de la Libération” (Companion of the Liberation), an order he created for the men who faithfully fought on his side. And in fact, Soustelle’s Gaullist posture was soon to turn to the most bitter opposition to France’s savior: Sent to Algeria as governor by Prime Minister Mendès-France in 1955, Soustelle suddenly converted from a liberal who supported decolonization into a radical activist of “French Algeria,” tied to the terrorist “Organisation de l’Armée Secrète” (OAS). In 1961, after de Gaulle took a series of prophylactic measures against him, Soustelle left for exile in Switzerland and Italy. Following the Algiers “Generals’ Putsch” against de Gaulle in 1961, Soustelle was prosecuted for “injuring the authority of the state,” and only returned to France in 1968. Meanwhile, as a protégé of Cardinal Ottaviani in Rome, Soustelle had been a founder of the Conseil National de la Résistance (CNR), the OAS’s political arm, and had been in close contact with OAS terrorists who plotted numerous hits against de Gaulle, as well as with the OAS exiles in Spain orbiting around the Nazi Otto Skorzeny and the linchpins of the illegal Propaganda-2 Freemasonic Lodge, Licio Gelli and José Lopez Rega.

Soustelle was elected to the French Academy in spring 1984, after an internal factional battle which had lasted a whole year, as the Gaullists among the Academy “immortals” correctly wished to deny him such an “aura of respectability.”

The anthropologist is also a cunning wheeler-dealer: Through his extensive network of political and intelligence contacts in Latin America, and through his all-purpose front-firm, the SEPRI, Soustelle has been mediating various French deals with Ibero-American countries. Far from retired from politics, Soustelle is now a leading member of CAUSA, an international organization sponsored by the Moon sect under the disguise of fighting “communism” in the world.

titatively as well as qualitatively [emphasis added].” The capitalist mode of production is an “all-destructive flight forward,” he argues. What Clastres, an associate of Balandier, is saying is that we should regress to the hunting and gathering mode of life where the “demographic optimum” was about 10 million people for the whole Earth, which means that *four and a half billion existing human beings should be eliminated one way or another*. The specter of the several million Kampucheans massacred under Balandier’s disciple Pol Pot does hang over what some would call “academic” considerations.

And whether all the respectable members of the Société realize it or not, the Americanists’ “tribalist cause” is no longer quite just an academic one: As Clastres correctly remarked, “it is cultural relativism which has saved primitive societies lately.” In 1968, the Société created a “Commission to Save the Indians.” At their 1970 Lima congress, the Americanists called on ethnologists worldwide to “support the liberation struggles of the oppressed natives.” Following a conference in Barbados in 1971, organized by the World Council of Churches to mobilize anthropologists internationally against “ethnocide,” the Americanists adopted a resolution at their 1974 Mexico congress on “Ethnic Identity and Indigenous Liberation” which stated: “We anthropologists of the Barbados group and other specialists in social sciences gathered in Mexico . . . consider it opportune to clarify a problem of theoretical definition which implies a political conception for the struggles of liberation of the natives as part of the liberation projects of the American peoples. On this occasion, we reassert the necessity for specialists in social sciences to commit themselves to support, *at a level of efficient practice*, the struggles of liberation of oppressed minorities [emphasis added].”

This was followed in 1978 by the creation of the “Group of Information on the Amerindians” to deal with “indigenist” affairs and the propagation of radical calls such as the 1974 “Mexico Declaration.” Soustelle himself has been repeatedly interfering with the policies of Latin American governments toward tribal populations, protesting in the name of his Société any step toward their assimilation into the rest of the citizenry and explicitly demanding that these populations, which have been victimized for centuries by the Conquistadors and the various religious missions which came in their wake, be fully isolated and “preserved” in zoo-like reserves. While denouncing the “evil” effects of Western civilization upon the Yanomami Indians of northern Brazil, for instance, Soustelle has never objected to the fact that these people are destroying themselves with a massive ritualistic consumption of *epena*, a hallucinogen which anthropologists currently trade as a “passport” upon their Amazonian journeys. In fact, the “defense of coca” is a significant part of the overall defense of Indian “cultural integrity” among Indianists. That Shining Path is involved in major drug-trafficking should hardly come as a surprise here.

A riposte from Venezuela

In 1978, the Société des Américanistes, under Soustelle’s presidency, affiliated itself officially to Survival International, an organization defending the “rights of tribal peoples,” which in fact supports separatist anti-U.S. armed guerrilla groups in various strategic parts of the world. In the Philippines, Survival International supports the Communist-backed “New People’s Army” engaged in warfare against the government, and the fight of the “Negrito Peoples” against “U.S. military expansionism”; in Bangladesh, the “Shanti Bahini” tribal guerrilla army, which is demanding autonomy of this area; in Northeast Kenya, armed Somali tribes fighting government forces, etc. All over the world, Survival International campaigns against dams, roads, and other development projects “encroaching on the soil of tribals.”

Last August, the Venezuelan government released a document, published fully in the country’s press (for extensive excerpts see *EIR*, Vol. 11, No. 35, Sept. 11, 1984, pp. 36-39), denouncing an “international separatist plot” against the nation, involving anthropologists and “pro-Indian” organizations such as Survival International, which was explicitly attacked by the Venezuelan authorities. This plot, says the document, is a direct threat to the nation’s “sovereignty, territorial integrity, security, unity, and control over its natural resources.” What the Venezuelan government is referring to is the Soustelle-backed Indianist project for a “Yanomami Indigenous Park” of some 40,000 square kilometers, which would be placed under the jurisdiction of supranational institutions and no longer under that of the Venezuelan state. This would constitute, the official document asserts, a violation of the Constitution and is identical to the South African “Bantustans” policy: “Ethnic segregation” proposed by the anthropologists, “is a clear violation of the fundamental principle of ‘mestizaje’ (cross-breeding), the fusion of different races on which the Constitution of the Latin American republics is based,” the document states. As he explains in his book *Mexico, Indian Land*, Soustelle does not favor the republican principle of “mestizaje” and recommends instead that Indians keep their racial “integrity.”

The stench of Nazism

In a recent study of the “Indianist” movement, French author J.-P. Lavaud notes that “nativism, indigenous mysticism and [ethnic] nationalism combine into a cocktail which could become explosive.” “*National-ethnic ideologies*” (emphasis added) on the rise throughout the world, promoted and backed by anthropologists and various “social researchers,” define the individual’s identity in terms of soil, blood, and race. The prominent Indian “Pacha Mama” cult, the cult of the Mother-Earth, is a clear expression of that. “The more Hitlerism and fascism will give importance to race and blood, communion with nature, in sum, to the non-ordered, obscure forces, to the demoniac, and in order to prevent the disorder these forces will not fail to provoke in the world, it will be

necessary to add to the dionysian world of natural forces a world of policemen and warriors. *The exaltation of the Mother-Earth leads to an armed social order* [emphasis added],” Lavaud quotes from sociologist R. Bastide in 1943.

The defense of “natives” is not some isolated “exotic” phenomenon, but an integral part of an actual Nazi-like “blood and soil” movement regrouping various “ethnic minorities” and regionalist organizations, under the control of Nazi-Communist political quarters and a network of international institutions such as UNESCO, the Swiss-based World Council of Churches, and pro-terrorist organizations like the Ciemen institute in Spain. After all, the fact that Ahmed Ben Bella, a protégé of the Swiss Nazi banker François Genoud, agitates for “ethnic” liberation, including “Indian liberation,” should come as no surprise, since the subversive activities of the Nazi *Abwehr* in the name of “national minorities” (Bretons, Basques, Corsicans, etc.) are notorious. The German branch of Survival International, the *Gesellschaft für Bedrohte Völker*, does not make a secret of its ties both to the pro-terrorist newspaper *tageszeitung* and to *Wir Selbst*, the self-styled “magazine of the national identities,” with which the leading spokesman of “ethno-pluralism” and the “National Revolution” in Germany, Henning Eichberg, is associated. Eichberg, a disciple of Armin Mohler, is a “former” associate of the neo-Nazi party NPD.

While the oligarchical sponsors of the New York American Museum of Natural History, led by the Harriman family, backed Hitler’s racist policies in the 1930s and imposed racist neo-Malthusian immigration quotas in the United States including against Jews fleeing from Nazi Germany, Paul Rivet, a great admirer of the New York museum, was leading a “French Committee for the Scientific Study of Population Problems” in the early 1930s. Eugenics and “racial hygiene” were among the topics discussed at the international

congresses on “population” in which this committee participated in Rome in 1931, Berlin in 1935, and Paris in 1937. In 1928, the *Journal of the Société des Américanistes* reported, under Rivet’s pen, the “reorganization of the Ku Klux Klan,” described as geared to henceforth “devote its activity to the service of Americanism . . . by opposing unrestricted immigration.” Soustelle might not have been reading the *Journal of the Société* in 1928, but the same cannot be said of 1934 and after, when his own reports on ethnology appeared next to those on “population” issues, including studies on the “Nordic racial stock” among the “old” families of the U.S. East Coast Establishment.

Nor can we assume that he never heard during World War II, from his vantage-point as intelligence chief, of Axel Wenner-Gren, the Swedish Nazi millionaire close to Hermann Goering, who acted as Goering’s intermediary from 1939 and was put on the United States “Black List” for trading with the enemy in early 1942. It is hard to believe that what was known to the different sections of the U.S. intelligence services and to the diplomatic community, and what otherwise looked to the public eye as highly suspicious activities—namely the Wenner-Gren Nazi espionage activities notably in Peru in 1941 under the cover of “archeological expeditions”—totally escaped Jacques Soustelle. The *Société des Américanistes* certainly did not escape the philanthropic attention of Axel Wenner-Gren, who endowed the “Viking Fund for Anthropological Research” in 1941 with the profits of Swedish steel and ball-bearing supplies to the Nazi machine. It was thanks to Viking Fund money that the *Société*, by its own admission, was able to put out its *Journal* after the war, and it has been with grants from the Wenner-Gren Foundation, as the Viking Fund was renamed in 1951, that the Americanists have financed a number of their international congresses since 1949.

Kanak terror: field ethnology at work

The recent bloody events in the French territory of New Caledonia in the Pacific, where the “Socialist Kanak Liberation Front” is in open rebellion against legal authorities and against the European “Caldoche” community, are the latest example of “field ethnology” at work. It was indeed ethnologists who first pushed for the tribal “Kanak ethnic identity” to be officially recognized, and who launched the first “Kanak Indepen-

dence Movement” in the wake of the 1968 wave of leftist subversion.

New Caledonia, an island located to the east of Australia, is geographically of crucial strategic importance to France. Jean Guiart, the director of the Ethnology Laboratory at the Musée de l’Homme, has personally trained Tjibaou, the leader of the illegal “provisional Kanak government,” who has declared he is “sick of the White Man’s smell”; Guiart’s own son, René, is a leading member of this “ethnic” separatist movement. Over one hundred anthropologists in France are circulating a petition denouncing “racism” against the Kanak tribes, while the Corsican terrorist-separatist group FNLC has openly expressed its solidarity with the Kanak upsurge.

Koivisto's diplomacy: made in Russia

Finnish President Koivisto visited Palme in Stockholm to explain why Sweden should follow Finland's example.

From the very beginning of the new year, Stockholm has been a center of hectic diplomatic activity. On Jan. 7, Finnish President Mauno Koivisto paid a dramatic one-day official visit to Stockholm, and three days before him, East German dictator Erich Honecker also surfaced in the Swedish capital. Both Premier Olof Palme himself and several of his associates are touring most of Asia during January, as salesmen for the disarmament policies of the Moscow-run Palme Commission.

According to reports in the Swedish press, Koivisto's visit to Stockholm was intended to clarify the provocative remarks made by the Finnish President about Sweden during his November 1984 visit to London. In London, Koivisto had stirred the imagination of relevant circles by publicly stating that he wished that similar relations be established between Stockholm and Moscow as already govern relations between Moscow and Helsinki.

Indicating that indeed something beyond the usual protocol was the subject of Koivisto's Stockholm visit, the Finnish President—who was just scheduled to meet with Palme—only three days before his arrival in Stockholm surprisingly requested separate talks with the chairmen of all three non-socialist opposition parties.

Although the laconic Finn in effect said nothing in the public domain this time, the comments given by his Swedish hosts confirm that the Swedish-Soviet relations played a prominent role in the talks. Koivisto at-

tempted to smooth over the resentment caused by Soviet military incursions into Swedish waters and air space.

The security spokesman of the Moderate Party, Carl Bildt, stated that the Moderates had assured Koivisto that a non-socialist government—which is not unlikely to result from the September elections this year—would cling to the same “traditional Swedish neutrality policy” that Palme is pursuing.

Although nominally a “neutral” country, Finland's security policy is based on its “Treaty of Friendship, Cooperation, and Assistance” with the Russians, the so-called VSB Pact, that the Finns were forced to sign after World War II. The VSB Pact stipulates, among other things, that if the security of the Soviet Union is threatened through Finnish territory or air space, the Soviets will “assist” the Finns in defending both Finland and the Soviet Union, e.g., by demanding Soviet military bases in Finland.

For over a year, the Soviet Union has been making public statements to Sweden and Finland, demanding that both countries show whether they are militarily capable of preventing NATO cruise missiles from passing through Swedish and Finnish air space on their way to targets in the Soviet Union. If not, it is implied, the Soviet Union has the right to establish forward defense positions controlling the air space of the two “neutral,” but too weakly defended countries.

Just before Koivisto, Erich Ho-

necker discreetly visited Stockholm, allegedly for the congress of the tiny Swedish Communist Party (VPK). However, informed observers believe that the visit, which was only reported after the fact by East German TV, must have had a much more important purpose, such as perhaps a special consultation with Palme.

The Palme regime, in fact, is launching a broad Asian “disarmament” offensive. Palme himself will visit India on Jan. 26, to push the so-called “Five Continent Initiative,” which includes Moscow-inspired ideas of a “nuclear freeze” and “nuclear-free zones.” The sponsors of the initiative, the Five Continent Group, will meet in India, including Greece's Andreas Papandreou, Argentina's Raul Alfonsín, Mexico's Miguel de la Madrid, Tanzania's Julius Nyerere, and the host, Prime Minister Rajiv Gandhi.

Sweden's “disarmament minister,” Maj-Britt Theorin, is visiting New Zealand and Australia on Jan. 8-17. Theorin will meet cabinet ministers, talk to peace movement leaders, and speak at universities in the two countries. Theorin's mission to New Zealand and Australia coincides with Sweden's Foreign Minister Lennart Bodström's visit to Vietnam, Thailand, Hong Kong, and South Korea.

The Swedish National Trade Union Confederation (LO) seems to be giving its contribution to the destabilization of Asia. On Jan. 3, an LO official was arrested by the Philippine police in his hotel room in the capital of Manila for smuggling money into the country.

Law enforcement officials suspect that the money was allocated for subversive activities against the Philippines' pro-American President Ferdinand Marcos, who has been the target of intense efforts aimed at knocking over one of the most important allies of the United States in the region.

Recoupling via space

The German decision to participate in the American space-station project is a severe blow to the decouplers.

While the battle between the pro-decoupling and pro-alliance factions in West Germany is still going on, some positive changes which have occurred recently may indicate that the decouplers face defeat, and very soon. These changes have a lot to do with space—in respect to both the military and the civilian uses of it.

On the government level, Chancellor Helmut Kohl's cabinet has decided to allocate in full the funds for the 20% share the Germans were offered by the U.S.A. in the American orbital space station project—almost \$1 billion. Bonn is leading the consortium of European partners in the space station venture, and the decision therefore helped unblock general European reluctance to participate in the project. Thus, another \$1.5 billion from the rest of Western Europe will flow into the project and tie European and American aerospace efforts together on a very important scientific frontier.

The immense efforts over several months by the arms-control and decoupling mafia in Bonn to slow down, postpone, and sabotage the joint space venture came to naught. For Foreign Minister Hans-Dietrich Genscher, who had spared no effort to minimize the German share in the project, it was a severe blow. Genscher feared that once Bonn joined the U.S. space venture, it would be very difficult for him to continue his more general policy of taking West Germany out of the Western alliance.

What caused the change in Bonn

was the political intervention of U.S. Defense Secretary Caspar Weinberger, NASA's James Beggs, and Strategic Defense Initiative (SDI) chief Lt. Gen. James Abrahamson. Aware of the crucial role the Germans play in the alliance, Beggs and Weinberger moved during December to convince Bonn that participation in the space station project would yield a healthy share in the new technologies for German aerospace industries. Weinberger used the same argument in respect to the SDI program, offering additional information to Bonn. One of the most active proponents of German support for the SDI, Christian Democratic parliamentarian Jürgen Todenhöfer, was invited to Washington for special, personal briefings Jan. 8-15.

Todenhöfer, said to function as a direct channel to Chancellor Kohl, met with Weinberger and Abrahamson at the Pentagon, and was urged to inform his government that German participation in both the SDI and the space station venture was very much desired by the Reagan administration. This, he was told, was of "utmost political weight" for the alliance. The Reagan administration would grant the Germans a special status within the prospective European share in both projects.

Todenhöfer reported back that his briefings left no doubt "that the SDI is a war-preventing strategy, and what is better than collaborating in such a strategy?" He added that there was "too little knowledge in Germany about the fact that the SDI intends to make nu-

clear missiles superfluous," and would thus create "incentives for real progress in reduction of today's threatening nuclear arsenals."

As Todenhöfer reported, Weinberger convinced him that the SDI in particular would offer technological breakthroughs which the Germans as a leading industrial nation could not afford to miss. The Americans, he added, would go ahead with the program with or without the support of the European, but preferably with them.

All in all, said Todenhöfer, the special overtures made to the Germans by the Reagan administration opened the way toward an "entente cordiale" between the United States and West Germany.

In Bonn, the message was understood. On Jan. 16, Chancellor Kohl brought his cabinet together and gave the green light on the space station venture. Although no formal decision was made concerning the SDI, the way is now clear for German participation in the military side of space cooperation. All the arguments for collaboration in the space station project apply all the more to the SDI.

Since "domestic nuisances" in his own Free Democratic Party and the government coalition (see Report from Bonn, *EIR* Jan. 15) absorb Foreign Minister Genscher's political energies to an increasing extent, the time is politically ripe for an official shift in Bonn's position on the SDI. Chancellor Kohl should be able to state full and active support for the project.

Once all the uncertainties surrounding the SDI are out of the way, the "entente cordiale" envisioned by Todenhöfer between Washington and Bonn can be firmly established, and most of the sabotage potential of the decouplers against the alliance can be eliminated.

Japan Inc. comes to town

Frank discussions brighten the prospect for expanded economic collaboration between the two countries.

Indo-Japanese industrial collaboration has virtually unlimited potential, Japanese business leaders and government officials told their Indian counterparts during eight days of "free and frank" exchanges here, provided the weaknesses in India's infrastructure, including power, transport, and telecommunications, can be overcome. The delegation received official assurances that infrastructure would be getting heavy priority in the Seventh Five Year Plan now being prepared.

Japan appears willing to help with this job. Two collaboration projects—one a power plant, the other a project to upgrade steel production capacity—are now under negotiation. There is also active interest in the Indian telecommunications sector, with five leading firms in a dialogue with Indian companies on collaboration possibilities.

The 52-man Japanese delegation landed in Bombay on Nov. 30, and traveled to New Delhi on Dec. 2 where they met top government officials, including the prime minister's Principal Secretary, P. C. Alexander. The group also participated in the 17th meeting of the Japan-India Business Cooperation Committee (BCC) of the joint Chambers of Commerce and Industry.

As mission leader, Goro Koyama told a press conference that Japanese businessmen were impressed with India's great industrial potential and with the country's stability. There has been some hesitation about proceeding with the visit in the wake of Indira Gandhi's assassination, but as Koyama ac-

knowledged, the delegates gained an important firsthand insight into India's political stability: "There was no political vacuum and we noticed how courageously and calmly you faced the situation," he said.

The visit of the largest and most high-powered Japanese delegation since the MITI mission of October 1983 was planned in the course of Prime Minister Nakasone's March 1984 state visit to India. According to N. K. Singh, economic minister in the Indian embassy in Tokyo, it signals a "new approach" in the economic relations between the two countries.

The ground was broken for this dialogue when the Indo-Japanese Study Committee of the Planning Commission under the leadership of Reserve Bank Governor Dr. Manmohan Singh invited Japanese businessmen with experience in India to present their perceptions on investment prospects in the country at a seminar in July 1982.

Next to infrastructure, Japanese concern centered on India's liberalization of foreign investment, technology, and trade policy begun in 1980. Indian officials assured their counterparts that since the policy was based on a careful assessment of the technological requirements for the country's industrialization program, it would therefore be continued. The Japanese team was frank in identifying the source of their concern: The large adverse trade balance of more than \$320 million which India had built up with Japan and has not so far found

a way to reverse.

Indian and Japanese businessmen agreed that trade expansion was not high enough to meet the BCC target of \$5 billion by 1986. In 1983, Japanese imports from India totalled \$1.3 billion, a 0.7% increase over the previous year, while exports to India rose 1.6% to \$1.43 billion. Imports from Japan are concentrated in several areas: iron and steel products, machinery, fertilizer and chemicals, synthetic fibers, and photographic materials.

Indian exports to Japan are even more concentrated: prawns, gems and jewelry, and iron ore. Expanded iron-ore exports have been prevented by inadequate port facilities and inefficiencies in production and handling which have pushed prices above internationally competitive levels. Indian businessmen want to expand exports to include leather, engineering goods, textiles, household furnishings, and so forth.

So far, the biggest growth area for Japanese involvement in India has been industrial collaboration. Though the Japanese are still out-numbered by the Americans, West Germans, and the British, their collaboration ventures jumped from 27 in 1981 to 53 in 1983 and to 93 in only the first six months of 1984. The bulk of these are in the auto and auto parts sector; telecommunications and electronics is anticipated as the next area of expansion.

The Japanese team believes that with firm steps on the Indian side to assure that the technology imports are actually productive, the trade imbalance will prove temporary. Meanwhile, they have presented a provocative proposal to the Indian Ministry of Finance—that Japanese trading companies, if allowed to operate in India, could make their international networks available for export of Indian products.

Bettino Craxi's gloomy 'recovery'

Reality is that genocidal austerity is stalking the Italian economy in 1985.

A few days before Christmas, Premier Bettino Craxi called the press to Palazzo Chigi, seat of the Italian government, to announce an economic recovery in Italy, indicated by the fact that "1985 will be the year of the heavy-lira reform." The monetary reform will change the value of the Italian lira (1,000 lira banknotes will be exchanged for 1 new lira) to demonstrate that "inflation has been defeated" and that the lira can proudly face the harder currencies.

The economic reality behind these optimistic forecasts is quite different. With 6 million unemployed (according to real statistics) and youth unemployment at 25%, Italy has entered the darkest economic period since World War II. Factories are shutting down one after the other. The most authoritative economists and industrialists say this trend is lawful and will continue, and that the most advanced industrial regions, for example Lombardy, will convert to "services." The president of FIAT, Gianni Agnelli, announced that "Italian private industry will keep laying off in 1985" and proposed as an alternative to unemployment that retirement age be pushed up to 50 years—the forced retirees, he said, could take jobs in the "black economy"—in order to give jobs to young people without a labor contract and at subunion wages.

Not a word of denunciation of this shameful proposal came from Italy's trade unions, which fully supported Agnelli's idea of sending home the 50-year-old workers "to leave room for the young." Italian Treasury Minister

Goria took it up as a serious idea, proposing an "introductory job" for the young unemployed, with the justification that "it is better to earn low wages and work, than not to work at all." According to another famous economist, former Treasury Minister Nino Andreatta, youth until 28 "should have no labor contract."

Even worse is the social chaos brought on by the very heavy austerity imposed by Finance Minister Bruno Visentini. As *EIR* has reported, Visentini managed to foist onto a very reluctant Parliament a tax plan which will hit sectors such as shopkeepers and self-employed workers with heavier taxes and bankrupt them (while leaving untouched "non-workers," such as people living on ground rent, speculation, or drug trafficking). The plan had been opposed by the associations of the affected categories and by the Christian Democracy and Social Democratic Party because it introduces an anti-constitutional clause, the so-called "inductive assessments," which will pack any shopowner or self-employed worker off to pre-trial jail detention on the basis of the simple suspicion of tax evasion.

The first result of Visentini's plan was that many shops went bankrupt, because they cannot afford to pay 40% of their income to the revenue service. For the first time since the war, shops had no lights and decorations on Christmas, offering a very sad image to Italians already reeling from wage cuts. The price of meat went up by 500 liras per kilo (about 25¢ U.S.) because the finance minister decided

to put meat among the "luxury goods," and the meat producers were forced to increase the price accordingly.

At the same time, the government decided on other price increases. For example, electricity bills will be raised by 7% generally and 25% for those who consume less electricity (i.e., poor people). Medicine will go up 30%. As if this were not enough, some municipalities, like Milan, decided to reallocate funds which were supposed to go to resuscitation centers in the hospitals and allocate them instead to social centers led by sociologists, whose main activity is to brainwash their patients.

The Italian Parliament is currently discussing a proposal put forward by a Socialist parliamentarian, Loris Fortuna (formerly the lawyer of a famous drug smuggler, Pier Luigi Torri) to legalize euthanasia, leaving the decision on whether to kill a patient or not to a sort of "popular jury" as he called it, made up of psychiatrists, priests, doctors, etc. In many Italian pharmacies one now encounters leaflets advertising the AIED, the Italian association led by genocidalist Luigi De Marchi, who proposed forced sterilization to "reduce the Italian population by one-third."

All these austerity and genocidal measures aim at paying back the Italian foreign debt to the International Monetary Fund, which demanded such measures as conditions for new loans. It is telling that Finance Minister Visentini is the main accomplice of the head of the multinational Olivetti Corp., Carlo De Benedetti (with whom he worked together in Olivetti before joining the government). De Benedetti had proposed that Italy's foreign debt be paid back by dividing it up among all Italians, and forcing each to pay his share.

Mexico faces 1985 food crisis

There is not one pound of beef to be found in Mexico City's markets—and 18 million people live there.

The consequences of Mexico's self-imposed "IMF conditionalities" are clearly out of the control of the Mexican government and have become a dangerous menace on the eve of the mid-term elections. The government's economic and financial policies have followed the parameters imposed by the International Monetary Fund and the international banks to such a degree that, today, there is not a pound of beef to be found in Mexico City's markets.

With the new year, a drastic increase in gas prices was accepted; the effects of an increased mini-devaluation (the daily official "slippage" of the peso on the exchange markets was hiked from 13 to 17 centavos a day) passed by Congress last December began to be felt; and the consequences of having sacrificed industry and agriculture with high interest rates and in general the domestic costs of high debt service on foreign obligations, hit with full force. But people are becoming increasingly aware that financial and economic policy in Mexico is not aimed at solving anything, but designed to impose a "structural change," as stated every other day by Planning Secretary Carlos Salinas de Gortari.

Two vital cases exemplify this: the scarcity of beef for internal consumption, and the collapse of agricultural production.

Some officials are offering "Asian ways" to inhabitants of Mexico City: "If people in our country dislike horse meat, though they gladly swallow pork, consumption of which is riskier and dirtier, gradually people will have

to get used to eating cat meat, and, if necessary, rat meat, as they do in some Asiatic countries," stated Dr. Luis Llescas Ambriz, a nutrition specialist in Mexico City's General Hospital.

Since Jan. 1, in Mexico City with its 18 million inhabitants, there is no beef in the markets. According to press reports, a miserable total of 20 to 30 beef carcasses daily goes into the Federal District. To cover the consumption of luxury restaurants, newborn calves and breeding stock are being slaughtered; that is, the cattle reserves are being used up.

In the face of this dramatic scarcity, the government decreed a shutdown of exports. But the domestic selling price of meat does not compare with the export prices of Mexico's best meat. The cattle ranchers are asking a minimum increase of 40% in the price per kilogram, which would rise to 630 pesos wholesale and 1,200-1,300 pesos to the consumer.

The chief of government's Central Supply Depot, Demetrio Sodi de la Tijera, denounced the cattlemen and their spokesmen for wanting to "blackmail the government and force it to raise the stipulated price of meat by 450 pesos per kilo." He warned that "the government will not capitulate in its commitment to maintain low prices for the consumer."

But this is not only speculative hoarding. To maximize its trade surplus, Mexico has been devaluing like crazy, and internal prices (except for labor) have been systematically "dollarized" (indexed to the dollar exchange rate). Thus, cattlemen do not

want to sell for fewer pesos than they get from exporting their product, because at the same time the inputs they need have become dollarized, too.

Alfredo Jimenes Villarreal, the president of the National Cattlemen's Confederation, called a press conference where he limited himself to reading a communiqué, refusing to answer any questions. The cattlemen deny that "it is the cattle producers who are falling into speculative practices," although they complain that "traditionally we have been prohibited from issuing and making our opinion felt in fixing the just price for our production."

He said that there now exist 6 million head of cattle ready to be slaughtered in the country, but it is a question of meeting them halfway and buying "at the fair prices which result from analysis and the cost structures." But IMF policy is to eliminate whatever in any way could be regarded as "subsidies" in agriculture, while tight credit policies have sent financial costs through the sky.

The dairymen of Comarca Lagunera (a region comprising areas in the states of Coahuila and Durango) are in the same situation and are also demanding a 40% increase in the price of milk.

But this is not the only grave problem hitting Mexico. Aside from the farm disasters in the wake of freezing temperatures across the northern states, the unexpected heavy rainfall of the second week of January destroyed 100,000 hectares of grain which were planted and ready to be harvested in the three states of Nayarit, Sinaloa, and Guerrero alone. In Sinaloa and Nayarit there are 50,000 disaster victims, in addition to the 400 disaster stricken families in southern Sonora.

Betancur extradites the dope pushers

But his bid to "internationalize" the war on drugs has put him under fire from the mafia—and his own attorney general.

President Belisario Betancur's extradition on Jan. 5 of four Colombian drug traffickers wanted in the United States has triggered a furious counter-attack from the mafia, which has threatened to murder five Americans for every Colombian extradited and to blow up the Colombian consulate in New York City and the Drug Enforcement Administration headquarters in Washington, D.C.

The extradition went ahead despite terror threats against President Betancur, his cabinet members, U.S. Ambassador Lewis Tambs, and American citizens resident in Colombia. The mafia is particularly keen on forcing a mass exodus of Americans; but Tambs's forced departure from the country and the subsequent exodus of some U.S. personnel were also a result of the U.S. State Department's refusal to back up its own ambassador, who had pledged his support for Betancur's war on drugs.

The recent Spanish government decision to follow Colombia's example and approve the extradition of two of Colombia's most-wanted drug criminals to the United States has triggered a bloody rampage by the mafia networks, forcing Colombian and Spanish consulates around the world to implement security precautions.

Betancur's decision to extradite the criminals signifies what he calls an "internationalization" of the war on drugs. Instead of facing a court system which has been corrupted or intimidated into serving as a revolving door

for Colombia's most-wanted drug criminals, the mafiosi will now face judges and juries generally outside their reach, and, consequently, long prison sentences.

Yet the President's move has drawn heavy fire from the press and even from within his own administration—from self-proclaimed "nationalists" who are in fact covering for the dope pushers. Attorney General Carlos Jimenez Gomez—the same who met without authorization with Colombia's fugitive mafia chieftains in Panama shortly after the assassination of Justice Minister Rodrigo Lara Bonilla last May—issued an open letter to President Betancur on Jan. 12 demanding a reversal of the President's extradition policy.

Claims from families of the extradited mafiosi that they are being "maltreated" and "abused" by the U.S. authorities have been picked up by certain elements within the press to demand that Betancur reverse his policy. The fact that cautious U.S. authorities brought the Colombian mafiosi before the Miami courts chained hand and foot and under machine-gun guard has been trumpeted in the Colombian press as a violation of the civil rights of the prisoners. Prominent leftist economics columnist Jorge Child charged that the treatment of the prisoners was a reflection of Ronald Reagan's alleged "anti-Hispanic," "McCarthyite" tactics, and endorsed the attorney general's opposition to extradition.

Another columnist and former for-

eign minister, Alfredo Vasquez Carriosa, charged Betancur with having "sacrificed his nationalism." Sensationalist papers like Bogota's *El Espacio* loudly repeated the claims of "torture" and "starvation" made by the families of the mafiosi currently standing trial.

Despite the clamor of the mafia and its propagandists, Betancur has continued his offensive. The authorities have arrested the mafia "contractor" who hired the assassins of Lara Bonilla, along with five other mafia hit-men; terrorists responsible for kidnapping Betancur's brother were also arrested, and the President has launched an investigation of all Colombian diplomatic legations in Europe, following a cocaine scandal involving Colombian diplomatic personnel in Spain.

In a public statement issued in response to his attorney general's attack, the President explained the reasons for his crackdown:

"The government has determined that application of the [extradition] treaty in the fight against the drug trade is appropriate because it is significant of the gravity of the crime. In truth, at the beginning it abstained from applying [the treaty] to Colombia for known philosophical reasons, and perhaps this was seen as weakness or yielding to such crimes. Public opinion is aware that the criminals have carried their daring to incredible extremes, which culminated in the hideous assassination of Justice Minister Rodrigo Lara Bonilla. This outrageous act, which signified open defiance of Colombia's institutions, plus the certainty that we are faced with an internationalization of the drug trade which demands an equally international defensive response, moved the government to apply the treaty to its fullest extent."

Europe set as new battlefield

Several meetings have brought about a merger of the Middle East terrorists with Europe's own underground.

While most in Europe and in the United States were celebrating Christmas and the New Year, Iranian, Syrian, and Libyan terrorist networks were using that period to gather in meetings and plan the transformation of 1985 into the "Year of Terror," as the Irish Liberation Army (IRA) proclaimed a few days before the end of 1984.

One such gathering took place in London and was chaired by Hojatesalam hadi Gaafari, the Teheran leader of the mob otherwise known as Party of God (Hezbollahi), and Soyayed Mahmoud Hashemi, leader of the so-called "Supreme Assembly of the Islamic Revolution in Iraq" (Sairi).

Attended by scores of "Islamic liberation fighters" from the Gulf and Western Europe, such a gathering could have been formally concerned with creating a new structure for some kind of "Shia International," reported Patrick Seale in the British weekly *Observer*. However, the personality of the chairmen makes such an assessment dubious.

Gaafari is officially *persona non grata* in West Germany and many other places since he organized a massive assault against anti-Khomeini Iranian students at Mainz University in West Germany in the spring of 1982.

Hashemi, only recently appointed leader of the Sairi, has been primarily known as the leading figure in the Al Daawa al Islamiyya clandestine Shi'ite organization in Iran and Lebanon. This is the organization which hijacked a Kuwaiti plane to Teheran and execut-

ed four hostages in December.

In the days following the London meeting, a violent propaganda campaign against Saudi Arabia was set into motion. Leaflets printed by the Ontario-based "Crescent International" were mass distributed in Britain, while in the French daily *Le Monde*, there appeared a quarter-page advertisement denouncing "political repression" in the Saudi Kingdom, signed by some 69 individuals. Amazingly, the advertisement was not signed by any organization, but there was little doubt that some activists recently arrived in Paris and working out of the Iranian embassy under Reza Moayeri had put the money together.

Propaganda, however, was not the aim of the gathering in London, nor of a meeting at the mosque in Hamburg on Dec. 9, nor of many other terrorist meetings which have taken place since November. They in fact have been used to intensify a process of selection and recruitment of new volunteers.

A recent document from Iran published in the London *Times* of Jan. 16 reveals that "military units" have been formed in Iran, consisting of up to 1,000 kamikazes. Their aim in operations is to be nothing less than "overthrowing the governments of France, England, Germany, Saudi Arabia, and the United Arab Emirates."

As the document outlines, this will be achieved by linking up the kamikazes to the organizations of "local opposition" to these governments, meaning Europe's underground ter-

rorist groups like Action Directe of France and the Red Army Fraction of West Germany, or Italy's Red Brigades.

The document concludes with a report that the final training of the kamikazes will not be complete before the summer; however, there should be "no lull in activities."

There is little chance of that. Also arriving in Europe was a group of at least 15 Syrians who left Damascus several weeks ago by way of Cyprus and Athens. Although such Syrians are deployed to target Palestinian followers of Yasser Arafat, according to the PLO, their tasks may be broader. Ever since reports of their arrival came in, special security measures have been taken to protect Jordanian embassies and diplomatic personnel.

Similarly, 12 of these Syrians were spotted traveling between France and West Germany—clearly with other targets in mind. Well-equipped, thanks to Cuban intelligence networks in Europe, the Syrians are reported to have joined with the local German and French groups, a week before the announced merger between France's Action Directe and the West German RAF.

If the Syrians have not announced their desire to help "overthrow" European governments like the Iranians, they are at least joining hands in anti-NATO attacks. And according to a communiqué published on Jan. 17, they are expected to be joined by both the Armenian ASALA and the al Jihad al Islami group. The ASALA announced it was giving its "total and unconditional" support to the Jihad's "struggle in the name of the oppressed people of the Middle East, of which the liberation of Western Armenia from Turkish fascism is an integral part."

International Intelligence

Malenkov baptised in Russian Church

According to reports in the Spanish monarchist daily *ABC* during early January, "There has somehow slipped by unnoticed" the fact that Giorgi Malenkov, prime minister of the Soviet Union in the 1950s, was recently baptised under the Orthodox Rite in Russia.

Sources of the Orthodoxy consulted by *ABC* in Moscow stated that "Malenkov discovered religious faith in the final stage of his life."

Tensions increase in Maghreb region

A Jan. 13 battle between Moroccan forces and those of the so-called Polisario Liberation Front, which demands independence for the former Spanish Sahara now part of Morocco, led to the shooting down of at least one Moroccan Mirage F-1 jet fighter. The incident indicates that the Polisario has been receiving more advanced weaponry since October, when it launched its "Grand Maghreb" military offensive.

The Polisario offensive occurs as, at Tunisian initiative, there has been motion toward a Maghreb summit meeting to include Mauritania, Morocco, Algeria, Tunisia, and Libya—an attempt to head off more general warfare in the region.

Algeria's Prime Minister Chadli, who has backed Polisario, is seen as decisively moving toward the United States after Morocco's recent "merger" with Soviet-puppet Libya. Reports from Europe and the United States say that the recent visit of Soviet Navy Admiral Gorskhov to Algeria was a failure.

As long as Chadli and Hassan are in power, it is unlikely that the Sahara war will become a regional war. Morocco's King Hassan told the Spanish press the week of Jan. 14 that as long as he is alive, Morocco won't go to war with Spain on the issue of the Ceuta and Mellila Spanish enclaves on Moroccan soil.

There are growing domestic pressures against this policy, however, including rumors of an assassination of the king, as well as reports that some disatisfied officers may be tempted, with Soviet backing, to stage a coup against Chadli in Algeria.

Israeli analyst says 'Greens' are Nazis

An ongoing series of articles, published in the Jan. 18 weekly supplement of the *Jerusalem Post*, on the arrest and trial of Adolf Eichmann in 1962 is being used to attack the West German Green Party. The series quotes at length from newly released documents from the Servatius files, named after Eichman's defense lawyer, the Cologne-based Robert Servatius.

The Jan. 11 installment quotes from a document written by Eichman in an Israeli jail, explaining why it was necessary to use the Jews as a scapegoat to build the party: "But how could one sustain the attention of the masses who were to carry the banner of victory when one is defenseless? Now a catalyst was required, a tried and historically proven scapegoat, a ploy rarely unsuccessful, and seldom known to fail, the Jew."

Commented the Israeli writer: "Here Eichman was right. The present day German left-wing "revolutionaries," the Greens, are treading the same path as their right-wing mentors, the NSDAP [Nazis] of yore. Their promotion of anti-Semitic propaganda in the new package of anti-Israeli disinformation shows that they are learning the business."

Washington Post pushes Mexican civil war

On Jan. 6, a front-page article in the *Washington Post* predicted mass violence during the 1985 state election campaigns in northern Mexico. The article cited riots of the neo-Nazi National Action Party (PAN) in the town of Piedras Negras on Dec. 30, which left many dead and wounded, quoting a teenaged boy who participated in the rioting:

"People are thinking of taking up arms' . . . Guerrilla warfare or serious economic sabotage still seem unlikely, but civil unrest linked to the conservative National Action Party's political ambitions has escalated in the last month. . . . Many political observers fear more violence this year as [the PAN], strengthened by Mexico's lingering economic crisis . . . mounts its strongest electoral challenge in July."

The *Post* continued: "'The government would be making a very grave mistake if it shuts its eyes to the possibility of violence' if electoral fraud mars coming races, Pablo Emilio Madero said in an interview with *Washington Post* special correspondent William Orme." The *Post* then quotes from an article by Alfredo Arenas Rodríguez, a PAN party leader in Baja California, in the Jan. 5 edition of *La Jornada*: "The PAN must stop being a brake on political violence and lead the people toward reestablishing legality and once and for all having suffrage respected."

New York Times correspondent Alan Riding, in his latest book on Mexico, points to the possibility of U.S. military intervention: "Mexican [Army] officers may admire their American counterparts, but the two countries have different strategic concerns: for the United States, the principal enemy is the Soviet Union; for Mexico, *the only possible threat is the United States.*"

Brazil elects civilian President

Celebrations broke out all over Brazil on Jan. 16 when opposition candidate Tancredo Neves became the first civilian President since the 1964 coup. Neves is perhaps the most experienced political consensus-maker in Brazil. He is a conservative who supported the 1964 coup, but afterwards kept on good terms both with the military and with many of the civilians who were repressed by it. He has cultivated his reputation as a democrat recently by supporting the movement for direct elections of the president.

The military did not allow a direct elec-

Briefly

● **MA'AROUF** Dawalibi of Saudi Arabia, claimed that "it has been proven" that "Jews need to drink the blood of non-Jews at least once a year!" This has caused an international uproar following the opening on Jan. 18 in Geneva, Switzerland of a United Nations-sponsored conference on "Religious Tolerance," during which Dawalibi was one of the main speakers. Such an outrageous anti-semitic statement from Dawalibi is not very surprising. He is the chairman of the World Muslim Congress, a front for the Muslim Brotherhood, and was the personal secretary to Hitler's best Arab friend, the Grand Mufti of Jerusalem, during World War II.

● **JACQUES TOUBON**, the new leader of the Gaullist party, RPR, said that France must join in the race for space defense. Interviewed on French TV on Jan. 15, he said that "Star Wars" is inevitable. France must be part of that, because its strategic and economic consequences are so important. The journalist asked: "But is not that the same position as Mitterrand's?" Toubon made clear that "Mitterrand is against this policy, and it is a grave attitude."

● **CHINESE** and Vietnamese troops are now entering the fourth day of heavy fighting along the Vietnam-China border during the second week of January, while simultaneously heavy fighting continues between the Vietnamese and the Khmer Rouge on the Kampuchean-Thailand border.

● **A U.S.-SOVIET** Joint Space Mission could enter the discussion stage almost immediately, according to *Aviation Week and Space Technology* magazine, and a joint space venture may come before the end of the year. White House spokesman Robert Sims is quoted by the magazine saying: "I know the President is disposed to such a joint effort, if the Soviets are willing."

tion this time, but Neves still carried the rigged electoral college by a large majority over an official candidate who was so openly corrupt that he had little support even from inside the military regime, leaving the government party in shambles.

Neves represents a broad social base which stretches from the oligarchic business interests of Brazil to the unemployed masses who believe that any change must be for the better. The Brazilian people believe he will break from the IMF-imposed austerity programs implemented under Planning Minister Delfim Netto, though he has repudiated any sharp break with the IMF. On the other hand, foreign bankers believe he will have a Brazilian monetarist making economic policy for him and will use his democratic appeal to continue murderous austerity.

The *Financial Times* of London commented: "Brazil and Brazilians are different from other, more restive, more politicized countries and peoples. . . . There appears to be no cauldron about to boil over if popular demands are not rapidly met. Nor are the military pawing the ground waiting for the first chance to reintervene."

Pakistan-India tensions mount in Kashmir area

Pakistan denied a report according to which its forces tried to invade the Indian Kashmir region on Jan. 15. The denial came in response to new Delhi's announcement that Indian forces had killed up to 50 Pakistani soldiers trying to cross into the Kashmir region as part of a broader confrontation.

Whatever actually happened, tension has again been rising between the two countries, and on Jan. 12, Indian Prime Minister Rajiv Gandhi issued a warning that, should Pakistan continue to "try to manufacture a nuclear bomb," this would become a "point of no return in relations between the two countries."

According to the *Hindustan Times* on Jan. 8, the Pakistani situation has become very volatile and unstable in light of the upcoming elections, which are being boy-

cotted by many parties. Describing the multiple Soviet military threats against Pakistan, the paper also warned that, aside from General Zia and Begum and Benazir Bhutto, wife and daughter of the late premier executed by Zia, there are no Pakistani national leaders. Most leaders of Bhutto's Pakistani Peoples Party (PPP) have joined the fights for the independence of the Sind, of Baluchistan, or of the Northwest Frontier which, under Soviet pressure, could easily become a "Pushtunistan"—a development which concerns India because of its spill-over potential.

India is also facing new problems in the Punjab. A Sikh high priest, suspected of being a "collaborator" of the government, was gunned down on Jan. 16 in Amritsar by Sikh separatists. In the south, a confrontation with Sri Lanka is looming over Colombo's accusation that Indian fishing boats are being used to transport weapons to Tamil separatists. A Sri Lankan gunboat which tried to seize some Indian fishing boats was itself captured by the Indian fleet, creating a diplomatic and military incident.

IMF-incited riots continue in Jamaica

Jamaicans continued to riot on Jan. 18 in protest against increased fuel prices ordered by the International Monetary Fund.

The Reagan administration's much-touted "model free-enterprise economy" is now showing itself to be a complete failure. President Reagan unfortunately turned his policy toward the Caribbean region over to David Rockefeller, whose policy was to help Jamaican Prime Minister Edward Seaga institutionalize a marijuana drug-based economy. The results are now evident.

There was a new upsurge of violence on the afternoon of Jan. 18 in a Kingston slum between followers of opposition leader Michael Manley and those of Seaga. Three persons were reported killed. Earlier this week, 5 died and 15 were injured when the government imposed a 15% increase in fuel prices on orders from the IMF.

10,000 march in D.C. for defense, food for Africa

by Nora Hamerman

President Ronald Reagan's goal of rendering nuclear missiles "impotent and obsolete" through the Strategic Defense Initiative (SDI) received the kind of support it most needs on Jan. 15, the birthday of Dr. Martin Luther King, Jr., when 10,000 people, over 75% of them from the U.S. civil-rights movement, marched to Washington's Union Plaza near Capitol Hill in the bitter cold to demand a crash program to implement the SDI, *and* a total U.S. commitment to stopping starvation in Africa and developing that continent industrially.

The Washington, D.C. march was organized by the Schiller Institute on the birthday of the late civil-rights leader to demand that the "Inalienable Rights of Man" proclaimed by the U.S. republic's founding fathers be revived for all mankind, everywhere. The crowd, estimated at 10,000 by D.C. police, spanned farmers, civil-rights activists, students, trade unionists, and international delegations from Europe, Asia, Africa, and Ibero-America. They braved below 20° Fahrenheit weather plus high winds to march through Washington and attend an hour-long rally at the Capitol, and vowed to return for a series of bigger and bigger demonstrations until all their demands are met.

The dual theme of the demonstration was conveyed by hundreds of placards carried by the marchers reading, "I Have a Dream—Feed Africa and Build the Beam." The combination of political forces set into motion at the march, and the breadth and depth of their program, are probably unprecedented in American political history.

If President Reagan does not respond to this appeal, these forces will be fall prey to the organizing efforts of Rev. Jesse Jackson, backed by the Anti-Defamation League of B'nai

B'rith and the liberal establishment media, to create racial confrontation over defense spending versus social programs.

Indira Gandhi memorial summit

In the days since the Jan. 7-8 arms-control talks in Geneva between the U.S.S.R. and the United States, top officials of the Reagan administration have made it clear that the Strategic Defense Initiative is irreversible and that the President sees it as among the chief priorities of his second administration. Yet, whether this will succeed in defusing the dangerous strategic crisis depends on a sharp turn in the Reagan administration's economic policies—away from support for the genocidal International Monetary Fund, which is killing Africa today and threatens millions in the rest of the developing sector this year and the advanced sector next.

Helga Zepp-LaRouche, the founder of the Schiller Institute, addressed the rally on Jan. 15 and called on President Reagan "to hold . . . a summit meeting with Third World leaders to plan out for rapid implementation a program for massive debt renegotiation and for a new, just world economic order."

Zepp-LaRouche had made her first public call for such a summit just three days earlier in her keynote speech to the Fourth International Schiller Institute conference in Richmond, Virginia. She said there must be an international mobilization "within the first 100 days of the second term of office of President Reagan, which are also the first 100 days of office of India's Prime Minister Rajiv Gandhi, to bring about an international summit conference of debtor and creditor countries to implement a reorganization of the world

monetary system. This world summit conference should be named the Indira Gandhi Memorial Conference and must end the world depression," she said.

Extraordinary political composition

The rally also heard former Borough President of Manhattan Hulan Jack, a leader of the Democratic Party and the civil rights movement, and Billy Davis, farm leader, Mississippi farmer, and Lyndon H. LaRouche's vice presidential running mate on the Independent Democratic ticket in 1984. Reverend Houston Anderson from Selma, Alabama, read the proclamation by Gov. George Wallace proclaiming Inalienable Rights of Man Day in Alabama.

Also speaking were East Coast Schiller Institute coordinator Dennis Speed, Ohio farmer and former Democratic congressional candidate Don Scott, the Rev. B. Dibala Mpollesha from Zaire, the Rev. Cleveland Sparrow from Sparrow World Baptist Church in Washington, Colombian trade-union president Pedro Rubio of Utraboc, and *EIR* editor-in-chief Criton Zoakos.

Delegations came from Boston, Buffalo, New York City, New Jersey, Philadelphia; from Baltimore, Washington, Virginia. They came from the deep South—Alabama, Mississippi, Atlanta, Louisiana. From the Southwest: Ardmore, McAlister, Hugo, Tulsa, Oklahoma City, Muskogee, in Oklahoma; Ft. Smith, Arkansas. They came from the Midwest—Pittsburgh, Ohio, Detroit, Chicago. From the West Coast came a "Freedom Caravan" of vans. A chorus of church choirs, schoolchildren and others, directed by the Rev. James Cokely of New York, sang "The Hallelujah Chorus" from Handel's *Messiah*.

The new industrial revolution

The ideas behind the march were developed at the Schiller Institute conference held in Richmond on Jan. 12-14, where Lyndon H. LaRouche, Jr., known as the "intellectual author" of the strategic doctrine behind the beam-weapons defense policy President Reagan has adopted, spoke on the crucial connection between the SDI and solving the deepening world economic crisis.

A world-renowned economist, LaRouche's name became a household word in the United States last year in his 15 half-hour national television broadcasts as a Democratic presidential candidate.

LaRouche told his audience that President Reagan's Strategic Defense Initiative—the beam-weapons program to render nuclear war obsolete—is on the way, unstoppable. Now, LaRouche said, the urgent need is to build a mass movement to ensure that implementation of the SDI causes a new industrial revolution, in the United States, and then around the world.

He detailed the "emerging industrial revolution" which will result as a spinoff of the Strategic Defense Initiative, emphasizing man's rightful destiny in colonizing space, and

called on conference participants to ensure that these spinoff effects are applied to solving the "horrifying waste" of human labor power that presently characterizes the American economy. LaRouche evoked the all too familiar image in every American city of an able-bodied man on a street corner, spreading out a few pathetic articles for sale on a piece of cloth on the ground.

"There is a worse hunger than the lack of food," LaRouche concluded. "A man's value is located in the development of his mind and the fruits of the development of the mind of others. The value of that man selling articles on the sidewalk is his mind. By denying him the use of his mind, we are denying his humanity. Let that man know that he or his children or his grandchildren will have a place in the stars. Turn his mind away from the mud and dirt around him. Let him look upward to the stars, and let us ask God, 'What is the work you have chosen for us to carry out up there?' Then we have reached humanity."

The birth of a new civil-rights movement was the clear achievement of the conference and the Washington march. Speaking at the conference were leaders of King's movement in the 1960s, including Hulan Jack and Amelia Robinson, leader of the Selma, Alabama march that sparked the old civil-rights movement. Mrs. Robinson underlined the fact that the Schiller Institute has brought about the rebirth of the movement on a *world* scale, in a fight for the rights of not just Blacks or Americans, but all people of the entire world.

This was manifested in the fact that conference speakers came from North America, Africa, Asia, Europe, and Ibero-America. Papers were presented from West German Christian Democratic parliamentarian Jürgen Todenhöfer, the leading Japanese plasma physicist Dr. Shoichi Yoshikawa, and military leaders from almost every country in NATO. Greetings were read from President Belisario Betancur of Colombia, former Libyan Prime Minister el-Bakoush, former Washington Gov. Dixy Lee Ray, and several U.S. Congressmen—to name but a few.

Reaching the White House

While the strategic danger and the collapse of the world economy are deepening, two developments inside the Reagan administration indicate a unique opportunity to shift the course of U.S. policy. First, the resignation of White House aide Michael Deaver and the shift of James Baker III to Treasury breaks up the notorious "Palace Guard" of pragmatist advisers, who had prevented Reagan from receiving any advice contrary to that desired by the Wall Street bankers and their front-men.

Secondly, every top administration spokesman has come out stressing that the commitment to the SDI is irreversible. Speaking on the CBS-TV program "Face the Nation" on Jan. 13, Defense Secretary Caspar Weinberger stated that "there was no agreement [at Geneva] that we would stop or ban that which is close to the President's heart and what he considers

to be one of his highest priorities.” Weinberger said that “I exclude the possibility that a strategic defense—be it in the research stage or if it’s in the deployment stage—could possibly be given up.”

To back up Weinberger’s statement, the Department of Defense has issued the text of remarks made by SDI chief scientific adviser Gerald Yonas outlining how recent technological breakthroughs by the United States have made the administration more confident that a successful strategic defense system can be achieved. And on Jan. 11, U.S. National Security Adviser and Geneva negotiator Robert McFarlane, speaking to journalists in Paris, said in answer to a question about whether the United States took seriously Soviet threats that the U.S. SDI program constituted a *casus belli* that would impel the Soviets toward a preemptive global nuclear attack, that the Soviets themselves were “prepared to deploy *today* a massive defensive system, including an anti-ballistic missile system, lasers, and directed energy systems. . . . It is clear that the Soviet Union has an advanced SDI system of its own.” In view of this fact, McFarlane stated, the United States was determined to enter arms control negotiations in goodwill but with a non-negotiable determination to research on the SDI.

The *Washington Post*, which has never hidden its zeal to stop the beam-weapons defense, made clear its total commitment to race confrontation against the Reagan administration by blacking out the Jan. 15 march entirely. This could hardly have been due to ignorance of the LaRouches and their political influence: Nearly 8,000 words of copy had been spent in that newspaper over the previous three days to repeat vacuous gossip and slanders from NBC-TV and the ADL on Lyndon and Helga LaRouche.

‘This time, we must win’

Following is the text of Helga Zepp-LaRouche’s speech to a rally of more than 10,000 people demonstrating for the Inalienable Rights of Man at Union Plaza, Washington, D.C. on Jan. 15.

This is an historic day today. On the birthday of Dr. Martin Luther King, once again people from all over the United States, and from as far away as Africa, Asia, Ibero-America, and Western Europe are coming together to demonstrate in Washington.

We are coming together here, because there is too much suffering going on in the world. Millions of people are starving in Africa, because of the murderous austerity policies of the International Monetary Fund and the banking system. We have to make people feel the suffering of these nations, or else it will come back here to the United States, where there are already 30 million people beneath the subsistence level.

When this great nation was created as the first true republic in the world, the Founding Fathers said in the Declaration

of Independence:

“We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain Inalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness.”

But, then, the enemies of the human race trampled on these rights, until President Lincoln revived the spirit of the American Revolution, in the famous Gettysburg Address, and ended the unworthy black slavery in the Emancipation Proclamation.

And, when these rights were trampled on once more, Dr. Martin Luther King and the Civil Rights movement revived the spirit of the American Revolution once more.

Today, the entire continent of Africa is condemned to death, and many nations are collapsing under the present monetary system. Therefore, we have created a new movement, the movement for the Inalienable Rights of Man, for all people on our planet; and we will not stop fighting until a new, just world economic order has been established.

“We, therefore, the Representatives of the Peoples of the World, appealing to the Supreme Judge of the World for the rectitude of our intentions, do, in the Name, and by the Authority of all good people of all countries, solemnly publish and declare, that all the countries of the World are, and of Right ought to be, Free and independent States.

“That all human beings on this planet have inalienable rights, which guarantee them life, freedom, material conditions worthy of man, and the right to develop fully all potentialities of their intellect and their souls. That, therefore, a change in the present monetary and economic order is necessary and urgent, to establish justice among the peoples of the world.

“And for the support of this Declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other, our Lives, our Fortunes, and our Sacred Honor.”

There is no need for starvation and misery; let’s use American technology to develop the developing nations. Let’s put those 30 million poor Americans back to work in productive jobs, and produce the technology which Africa needs.

We appeal to President Reagan, to change the economic policy, both the trends in developing nations and here at home, as well. We appeal to President Reagan to hold, within the first 100 days of his second administration, a summit meeting with Third World leaders to plan out for rapid implementation a program for massive debt renegotiation and for a new, just world economic order.

This time, when civilization as a whole is at stake, we do not work only to overcome; this time, we must *win*.

I have a dream today, that soon there will be a world without hunger, without poverty, and with conditions for all human beings on this planet worthy of the dignity of man. I have a dream today, the dream of Friedrich Schiller and Dr. Martin Luther King, that all men shall become brothers.

Gen. Danny Graham caught lying again

by Paul Gallagher

Investigation over the past year has established that the deliberate falsification of Vietnamese and Vietcong troop-strength numbers was done not by Gen. William Westmoreland, but by Lt.-Gen. Daniel Graham, then head of the Defense Intelligence Agency (see *EIR*, Oct. 9, 1984). Today a front man for a lesser agency, the "High Frontier" project run by the Fabian socialist Heritage Foundation and the "Aquarian" L-5 society, Graham continues to deliberately distort the truth to suit the careerist's false image of quick success.

In the latest "High Frontier" booklet, issued in a national mailing to conservatives last month, Graham takes misinformation about the President's Strategic Defense Initiative (SDI) to the level of a massive service to the Soviet Union.

Wherever President Reagan insists, "I did not say Star Wars, nor was I talking about putting weapons in space," Danny Graham replies: "I wrote the President's program, and it's a program for the militarization of space—Star Wars."

The Soviets, who have been forced to the realization that the real SDI can only be negotiated on President Reagan's terms at Geneva, now have only two Western reeds to cling to in support of *Pravda's* lies: the falsehoods of the Pugwash scientists who claim that the SDI is "only to defend missile sites," and the falsehoods of Danny Graham, who claims that the SDI is rocket launchers and other weapons to be placed in space by the Shuttle.

Graham does not scruple to claim in the introduction to the pamphlet that "the defense system called for by President Reagan is the same in concept as the one proposed and developed by High Frontier." Then he claims that "given already committed development resources, the system could be launched, deployed and serviced by the space shuttle in five to six years"—at a cost of \$3 billion per year. This is less than the amount President Reagan has proposed for SDI research alone by fiscal 1989!

Not only is High Frontier not the SDI, as Secretary Weinberger has repeatedly and bluntly insisted to the press; Danny Graham is lying broadly about the very nature of the SDI, lying to strengthen the congressional budget cutters and to strengthen the Pentagon special interests who don't want a "big SDI" interfering with their "career management."

It should also be noted, as collateral evidence of the massive circulation of falsehoods involved in "High Frontier," that the same Heritage Foundation currently circulating Graham's Space Shuttle fantasies, opposed the entire Space Shuttle project, in league with Sen. Walter Mondale, in 1971.

Yet, Graham's latest pamphlet asserts that the President's SDI program is nothing but the use of the Shuttle and other U.S. space engineering assets to place anti-missile, heat-seeking rocket interceptors in orbit. "Our technological capability in space far surpasses anything the Russians have," prates Graham; this is demonstrably false, and reinforces precisely the image of an aggressive U.S. space weapons program circulated by the Soviets. "The time has come to take advantage of that superiority before it vanishes," Graham elaborates, "to eliminate once and for all the threat of the Soviet missile arsenal. . . . Most of the technology for Global Ballistic Missile Defense already exists."

The facts of the Soviet military space program are known to the cleared-access circles of Danny Graham: The Soviet experience in large-scale space engineering, both manned and unmanned, exceeds that of the United States. In particular, Soviet testing of the coordination of Earth and space-based systems to develop breakthroughs in laser- and particle-beam generation, propagation, aiming and tracking, large-mirror fabrication and testing in space, etc., constitutes a larger and more aggressive testing-experience base than that of the United States. These are the real technological challenges of the SDI, not placing rockets and sensors in orbit—routines perfected by both superpowers over 30 years of ICBM and related development.

In short, the Soviet Union is ahead of the United States across the board in developing anti-missile defenses, contrary to Graham's crude fundraising pitch.

SDI goals

The crucial strategic tasks of the SDI, already partly successful, are: to force the Soviets to admit their own massive ABM program; to develop a crash program, with worldwide allied participation, of technological breakthroughs in directed energy, plasma, optics, and computer technologies to catch and pass the Soviets in this defensive arms race; and on the basis of these first two accomplishments, to force superpower negotiations for Mutually Assured Survival.

Now, as during the Vietnam War, Danny Graham is attempting to substitute for real national objectives, the careerist's fantasy of easy pursuit of a phony objective—in this case, the "militarization of space." The difference is that, this time, Graham is defying a President and defense secretary who have stated the true strategic interests of the United States, its allies, and the non-aligned nations, and who are pursuing those interests in the face of extremely harsh intimidation tactics from a Kremlin backed by a superior Soviet military machine. On President Reagan's deck, Danny Graham is a loose cannon, made in 1960.

Margaret Mead wasn't your grandma

by Carol White

Margaret Mead, A Life

Jane Howard

Simon & Schuster, New York 1984

\$19.95 hardbound, 527 pp.

With a Daughter's Eye

A Memoir of Margaret Mead and Gregory Bateson

Mary Catherine Bateson

William Morrow & Co., New York 1984

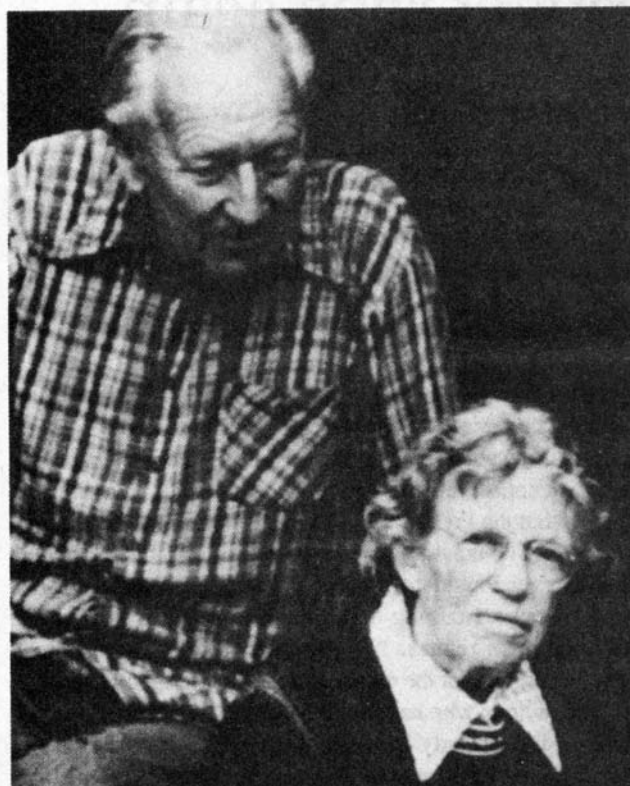
\$15.95 hardbound, 142 pp.

Every time you see a young person with puffy, red-rimmed eyes and a vacant stare, shuffling down the street, in sync with a transistor radio which is wired into his or her ears—you should know that you have Margaret Mead and her three husbands to thank. That being the case, I would not recommend that you rush out to buy either of the two biographies which were released last year.

Each in its own way is meant to convince you that Margaret was a real dear. In fact, Ms. Howard tries to turn her into a grandmother from the get go because of her close relationship to her own grandchildren. However, it does not take too much reading between the lines to determine that dear Margaret was a domineering, ambitious schemer, who would stop at nothing in order to push forward her own professional career.

But who really cares! The important thing about Margaret was expressed in her collaboration with a group of anthropologists whose purpose was to engineer the counterculture. She was first deployed to Samoa by anthropologists Franz Boas and Ruth Benedict to defend the thesis that sexual libertinism during adolescence correlates positively with the mental health of a culture. Right before the start of the Second World War, she and her third husband, Gregory Bateson, studied Balinese culture.

Bali was already a haven for homosexuals, opium smokers, and modern artists from the United States and Europe. The focal point of the culture was the Balinese dancers who performed in a state of trance, and in other aspects of their life maintained a schizophrenic state of dissociation. How effectively they were able to translate this experience is clear in those aspects of Gregory Bateson's career which his daughter does not think important to mention—such as his promotion of LSD among youth.



Margaret Mead with third husband Gregory Bateson

Bateson was the coordinator of those various programs which, in the 1950s, spread this mind-destroying psychedelic drug among unsuspecting layers of the population, such as veterans and young people who were attracted to rock concerts. Bateson established the LSD research Center at Palo Alto Veterans Administration Center in California and sponsored Ken Kesey (of *One Flew Over the Cuckoo's Nest*) and the Merry Pranksters.

According to her daughter, one of the few things which Margaret reproached herself for was her stupidity in advocating the "legalization" of marijuana instead of calling for decriminalization. Using the honest term had aroused too great an opposition in the population.

On the other hand, Margaret prided herself on her collaboration with Dr. Spock. Together they created the preconditions for the counterculture by convincing mothers to manipulate rather than discipline their children. The general ban-

ality of postwar suburban life in the United States weakened the moral fiber of the nation—but every aspect of the Mead-Spock program was carefully planned to induce hedonistic values in children, and an unwillingness to accept the necessary restraints of a worth ethic.

Mead under attack

The two books were probably written as an answer to an attack on Margaret Mead which has made the headlines. In February 1983, Derek Freeman, an Australian anthropologist, documented that Margaret's account of life on Samoa was a complete hoax. It appears that the culture was paranoid and embittered rather than as she pictured it, relaxed and easy-going. Both Jane Howard and Catherine Bateson go to some length to defend Margaret Mead from the charge of deliberate dishonesty by pointing out that anthropological studies are necessarily biased and incomplete.


This is contradicted, however, by the internal evidence provided by Ms. Howard herself. The same issue was a matter of bitter dispute between Margaret and another of her husbands, the anthropologist Reo Fortune. They did field research together in New Guinea. Mead, of course, was given the opportunity of widely publishing her views, while her quickly divorced husband's career was ruined. Anyone reading these two books will come away absolutely, and correctly, convinced that anthropology is a fraud.

As I said, though, neither of these books is worth reading. They do not explain that the purpose of anthropology is brainwashing whole cultures. Mead, and her teachers and husbands, studied primitive, paranoid, small cultures in order to test their theories as to how to turn the United States into such a collection of paranoid communities.

Who really cares that Margaret had a lesbian relationship with Ruth Benedict among others—or that Gregory suggested to his daughter that they have a sexual relationship? (These were not the kind of mass murderers of whom it can be said: "Oh, but they were so good to their family.") The important thing is that they tried to "turn on" the youth of the United States and Western Europe to perversion. And this neither author finds exceptionable, or worth reporting in detail.

An interesting sidelight on the books is provided by the Freeman controversy. Margaret Mead was sponsored by Franz Boas as part of his promotion of cultural relativism in place of the more overt racism of the Harriman-sponsored eugenicists of the Museum of Natural History. This was the liberal wing of anthropology; the soft fascists who would deny the backwardness of these primitive cultures as a way of forever condemning people to the backwardness imposed upon them by the domination of their various imperial masters.

The more open racists—the same people who exhibited a stuffed Eskimo in the Museum of Natural History—defend the view that "backwardness" is biologically determined. Freeman is of this latter school, which—sadly, but not surprisingly—is having a resurgence today.



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Rethinking the moral foundation of the American Constitution

by Andrew J. Rubencamp-Delaney

The writer of the following guest commentary is a Henry R. Luce Scholar in Thailand and a graduate of Amherst College. We publish it as a contribution to debate on natural law as the Bicentennial of the United States Constitution approaches, and liberals of both "left" and "right" persuasion agitate, under the sponsorship of Pamela Churchill Harriman's "Project '87," to overthrow that document as the basis of the U.S. government.

The danger to the Constitution stems not only from overt efforts to abolish it, but more insidiously, from its erosion in the courts. Recently, on Nov. 20, 1984, EIR published a writing by founder and contributing editor Lyndon H. LaRouche, Jr. reviewing the decision handed down in the first round of LaRouche's libel suit against NBC-TV, the Anti-Defamation League of B'nai B'rith, et al., in the court of Federal Judge James Cacheris. LaRouche showed that Cacheris in his conduct of the case had "nullified fundamental principles of law in force throughout almost the entirety of the existence of our constitutional republic." LaRouche noted that "the heart of the errors of Judge Cacheris lies within the scope of natural law," which is the highest authority in law and provides the basis for the design of a constitution of self-government of a republic.

Natural law, LaRouche wrote, is found "written in the stars," in the way the universe is composed; and next, in the fundamental difference between mankind and the beasts, as expressed in the famous injunction of Genesis, that mankind shall be fruitful and multiply, and replenish and subdue the earth. To violate this principle is to gravely endanger the future of the republic.

Other contributions to this discussion are welcome.

It has become very fashionable nowadays to disparage the notion of natural law and to banish moral values from the legislative and judicial corridors. Broadsides appearing in the liberal press from such diverse legal pundits as Dean Benno Schmidt of Columbia Law School, Prof. Henry Steele Commager of Amherst College, and the ideologue Gov. Mario Cuomo of New York have assailed President Reagan for what they call his goal to "legislate morality"—an appealing catch-

phrase for legal civil libertarians who seek to undermine the philosophical bedrock of the Constitution. While, at one level, these angry bromides should be dismissed as campaign rhetoric, the truth is that this effort to divorce morality from the making and interpretation of the law actually represents part of an ongoing campaign to burke, or suffocate, the concept of natural law as understood by the Founding Fathers.

The peculiar excellence of the Founding Fathers' thought rested on their grasp of classical legal thought, which they understood philosophically and put to work by weaving it within the fabric of the Constitution. Essential to this classical, and particularly Socratic, understanding of the law was the faith that man, through the power of reason which distinguished him from other animals, possessed an innate sense of right and wrong. The ideal state, or polity, incarnates man's "specific difference"—his capacity for reason and making moral choices—and is marked by the presence of a system of law which serves to cultivate man's respect for the idea of justice.

The very word "justice" is textured with moral significance. The Founding Fathers recognized the difference between *jus natural*—rights inherent in nature—and man-created legal concepts, or *jus gentium*. The former, embracing the right reason of mankind, has a long and well-grounded justification and provides the keystone in the Constitution's architecture. The conviction in the natural rights of man involves a search for general principles by which men can lead decent and morally correct lives—principles which, independent of any past experience, were clear and certain in themselves. The Declaration of Independence therefore refers to truths which are "self-evident," categorical imperatives and moral truths antecedent to the actual writing of the Constitution—that is, *a priori* principles. The Founders held that a democratically constituted legal structure should cultivate man's rationality and respect for doing the *right* thing, rather than the prudential or expedient thing, and that this would stave off the importunate lawlessness predicted in the Hobbesian vision of a chaotic and degraded human rabble.

This notion of moral polity had links to the earliest ideals of the colonial generation, such as the vision of America as a

“city on a hill” as described in John Winthrop’s Shipboard Sermon aboard the *Arabella*.

The French Declaration of the Rights of Man embraced a similar understanding of natural law. The French word for law is, not coincidentally, *droit*, meaning “right,” which suggests resonances of morality and justice in addition to the practical nature of law. In the cases of both the American and French declarations, there is an appreciation of moral law which legislates *a priori* for all human action, past, present, and future. The moral basis of the law must be absolute.

To illustrate the point, consider how the world would work if the law were indifferent to moral first principles, or if it simply operated in the interest of experience and projected “good results.” For instance, we avoid certain kinds of unethical behavior which, if adopted by all men, would render human interaction impossible. A useful and everyday example would be whether one wished to escape a predicament by telling a lie—doing the expedient albeit the morally wrong thing. Maybe I would choose to do it, but, as Immanuel Kant has written, “If I can will the lie, I can by no means will that lying should be a universal law. For with such a law there would be no promises at all.” The law must at the onset be morally sound. For, if mere earthly utility were the criterion for virtue, no one would ever choose to do something merely because it was good.

The libertarians and the nihilists

Particularly with the advent of sociological jurisprudence, legal positivism or attempts to use the law as Roscoe Pound did for purposes of “social engineering,” or civil libertarianism, there has been a relentless onslaught against the Fathers’ abiding faith in natural law and its centrality to the nascent republic’s high moral ideals. These legal wizards and tinkerers, who distinguish between the “public” law and what they call “private morality,” maintain that there is nothing which we can unqualifiedly say is “right” or “wrong,” and that the law has no legitimate function in instructing men to respect certain moral and ethical injunctions, except insofar as this coincides with the practical ends of the law. These skeptics, who might more accurately be described as nihil-

A democratic people, to paraphrase Lincoln, never has a right to choose a wrong, and the diktats of the voters should by no means deter legal intervention to scotch the spread of slavery. Lincoln’s position crystallized the nation’s historic commitment to the idea of natural rights.

ists, hold that the law should not impose “private morality” on the general public.

This libertarian view, long espoused in the blustery pronouncements of Libertarian boss Ed Clark, and which rejects the idea of *jus natural* in favor of policy expedience, finds a predictable ally in the Soviets’ instrumentalist legal system—a system which, to be generous, offends the very idea of doing justice itself. Soviet law, indifferent as it is to general principles of lawfulness, is subservient to the Communist Party agenda and is just another tool for the advancement of the party’s objectives. Lenin’s position, “Law is politics,” is a fairly trenchant analysis of the philosophy underlying the entire Soviet legal system. Repudiating universal concepts of the law, the Soviets view the law as merely another arrow in their quiver—or better yet, another warhead in their arsenal—for achieving their ideological and national ambitions and the goal of world suzerainty.

The American facsimile for Lenin is, in the case of this legal amorality at least, the late Supreme Court Justice Oliver Wendell Holmes, Jr., who ranks as the jurist most responsible for the declension in respect for the concept of universal moral law which we witness today. Holmes, acting under the rubric of “a living Constitution,” claimed that the Constitution must evolve and change in accordance with “the felt necessities of the time.” That is, Holmes held that utilitarian policy objectives, rather than general principles of lawfulness, should dictate the “evolution” of the law. In this way, he deferred to the will of the legislature and rejected a moral appraisal of the laws:

As the decisions now stand, I see hardly any limit but the sky to the invalidation of [the constitutional rights of the states] if they happen to strike a majority of the Court for any reason as undesirable. I cannot believe that the amendment was intended to give us *carte blanche* to embody our economic and moral beliefs in its prohibitions.

The key phrase in this opinion is “moral *beliefs*,” since it shows that for Holmes, morality is a matter of individual opinion rather than something which we can conclusively classify as “right” or “wrong.” This can be filed with his statement (now a cliché) that “the life of the law has not been logic; it has been experience,” and the unbelievable comment that “the best test of truth is the ability of the thought to get itself accepted in the competition of the market,” as driving the Founders’ concept of natural law from the temple of modern juristic thought in America.

Yet, is it really sound to say that whether or not a notion or policy is justifiable is ultimately reducible to a question of individual “opinion”—subject only to the imprimatur of majorities in the legislature for moral validation? *Is*, as Holmes says, the best test of truth the ability of the thought to win acceptance at the marketplace—or does truth embody some higher, less capricious principles? Certainly, there are some decisions which men can credibly call matters of opinion rather than questions open to moral appraisal. Whether

In failing to state the problem correctly in terms of natural law, the ACLU and Justice Holmes overlook the stark truth that the speech of the Nazis—advocating as it does genocide and a total abridgment of human rights and dignity—is per se offensive and should therefore be curtailed through the force of the law.

one prefers Cantonese or Szechuan style cooking, or neither, is, needless to say, a matter of culinary taste to be contrasted with choices with moral implications. One would scarcely merit justification in seeking to outlaw one form of cooking (although Deng Xiaoping, so strong in his taste for Szechuan cooking, might conceivably pass such a law). Other human choices, however—such as the enslavement of other human beings, genocide, or the unjustified taking of another's life—could not tenably be considered a matter of personal "taste" or opinion, requiring consultation with the majority in the legislature for approval. Rather, these are practices which are wrong *in the first instance* and which should therefore be proscribed through the moral force of the law.

The natural rights of man

This sense of the law, in its full moral dimension, finds perhaps its most eloquent spokesman in the great American lawyer-turned-President, Abraham Lincoln. In the famous Lincoln-Douglas debates, Sen. Stephen Douglas spoke to the Kansas-Nebraska Acts in arguing that the decision on whether or not to extend the institution of slavery to the new frontier territories should be decided by majority vote of the state concerned. But Lincoln counterclaimed, in what is now a classic defense of the idea of natural law, that there are some matters the legitimacy and lawfulness of which do not turn on the approval or disapproval of majorities. Slavery constitutes such a categorical violation of human rights.

A democratic people, to paraphrase Lincoln, *never has a right to choose a wrong*, and the diktats of the voters should by no means deter legal intervention to scotch the spread of slavery. Lincoln's position crystallized the nation's historic commitment to the idea of natural rights.

Ironically, perhaps, if the Holmesian view of the law as subject to the majority "opinion" were taken seriously and put into practice, in lieu of a system of natural law, this could conceivably result in a divestiture of the protections covered under the Bill of Rights. For, according to a 1972 survey by CBS, 5 of the 10 rights enumerated in the Bill of Rights were

not supported by a majority of Americans (the 5 which fell short of commanding a majority were peaceful assembly, free speech, free press, trial by jury, protection against unreasonable and unwarranted search and seizure, public trial, and confronting witnesses). Fortunately, however, today's Court has not gone so far in adopting Holmes's marketplace morality and indifference to *jus natural*.

Even its sometime enemies have made concessions to endorse the natural law concept. This was the case with Justice Felix Frankfurter's concurring opinion in *Adamson v. United States*, where Frankfurter held that natural law had a long and well-established justification. And even contemporary law-school academics, who seem by and large to flirt with Marxist, positivist, or other recondite legal doctrines, have sought to breathe new life into the embattled concept. As Prof. Thomas Grey of Stanford noted, the Ninth Amendment ("The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people") might be interpreted to mean that there remain "unwritten but still binding principles of higher law."

The actual articulation of such first principles of lawfulness has often generated dispute, but such controversy more often than not arises out of a lack of appreciation of the logic of doing justice under a system of natural law. For instance, the American Civil Liberties Union (ACLU), a body of questionable judgment, has made the persistent mistake of treating free speech as though it were a categorical right subject to blanket protection. This has led it to sanction the right of Larry Flynt, the publisher of *Hustler* magazine, Klansmen, and even Nazi stormtroopers to dragoon the streets and to proclaim their morally repugnant programs and ideas.

Perhaps the most poignant example, which the ACLU failed to stop, was a march by Nazis through the largely Jewish suburb of Skokie, Illinois—where thousands of residents are survivors of Nazi death camps—to celebrate *der Führer's* birthday. The position taken by the ACLU and the courts, as promulgated in the 1957 *Yates v. United States* ruling, is that legal intervention would only be warranted if individuals were incited to an outbreak of violence or physical injury—as *Yates* held, that there is a difference between urging people to *believe* in something and inciting them to actually *do* it. This interpretation, routinely cited and upheld today, concerns itself with the *effects* of unrestrained free speech in the relevant cases, rather than whether or not the speech is *per se* morally objectionable. The classic statement of this morally neutral position was made by Holmes in 1919 through his "clear and present danger" test: "Even the most stringent protection of free speech would not protect a man in falsely shouting fire in a theater and causing panic." The emphasis here is, once again, on the result: the panic, etc.

The tragic flaw in the Holmes-ACLU reasoning is that it fails to identify a *principle* which would render the speech of the stormtroopers morally and legally unacceptable, but instead relies on inferences about consequences. In failing to state the problem correctly in terms of natural law, the ACLU

and the late justice overlook the stark truth that the speech of the Nazis—advocating as it does genocide and a total abridgment of human rights and dignity—is *per se* offensive and should therefore be curtailed through the force of the law. The fact that the speech is intolerable—because its utterance offends the very idea of doing justice—is indifferent to whether or not it “incites violence” or even the fact that the forum in this case happens to be a Jewish neighborhood. If one takes seriously the United States as a moral and ethical enterprise, such unconditionally abhorrent speech or actions should be legally squelched, whether the forum is Skokie or Dachau, and without regard to “consequences.”

The policies of Nazi Germany mandated the moral intervention of the United States, not because of the projected or actual consequences for neighboring countries alone, but because those practices and doctrines shocked and stirred to action the moral conscience of mankind. That intervention was, moreover, indifferent to the national boundary of Germany, precisely because that border had geographical but no moral relevance in this case.

The instances are rife of times when today’s legal tinkers’ or positivists’ disrespect for the *principle at stake* when a legal question arises has led them awry of an appreciation of natural law in its fullest sense. For instance, in the landmark *Brown v. Board of Education* decision (1954), which overturned the *Plessy v. Ferguson* (1896) “separate but equal” doctrine, the Court again misstated the problem in this desegregation litigation by describing it as one of “education,” that separate schools were inherently unequal. Using the Brandeis-Goldmark style longitudinal data, brandishing statistical aggregates and empirical predictions about effects of racial segregation on black students, the Court determined that it has been statistically satisfied that desegregation would confer substantial benefits on the black students concerned.

Yet, in reality, regardless of statistical showmanship by counselors and expert witnesses, wasn’t the central issue in *Brown* that there is something inherently morally offensive about deliberate efforts to maintain segregated schools? The problem, if framed in terms of natural law, was clearly one of the natural right against discrimination based on birthright or race, consistent with the natural equality of men, rather than what the Warren Court held to be an “educational” defect. It would be morally, and I submit, legally incoherent to argue that if the statistics had yielded the opposite results—that blacks were better off in segregated schools, as in fact one study showed—that segregation would be any more acceptable under the law. The moral underpinnings of the law must be unconditional, independent of anything empirical.

The same is true about inferences made in the dreamy ivory tower of judicial speculation about benefits accruing from affirmative action policies. Regardless of projected benign results under schemes of racial assignment or quota systems, which, because they are predictions, should be subject to the greatest dubiety, no policy of racial preference—whether it helps blacks, whites, Asians, or whomever—could

tenably receive legal sanction if one appreciates the natural equality of man. Despite today’s perilous preoccupation with the good results of the law, a democratic people, as Lincoln said, never has a right to do a wrong.

Lincoln’s words of warning have not stopped the courts, however. In *Baker v. Carr*, which concerned a question of legislative apportionment, the Supreme Court, led by the liberal, pro-quota Justice William Brennan, intervened only when it saw racially skewed results in state elections. Justice Brennan in particular had used his brethrenship to legislate effectively a catalogue of racial assignment schemes, even when to do so flies in the face of the very principles of lawfulness from which the Supreme Court derives its power and legitimacy.

The fraud of ‘public’ v. ‘private’ morality

In general, then, natural law commands us to respect in the first instance the universal sweep of rights in nature, without preoccupation with results, and without respect to distinctions between “public” and “private” as are popular among today’s legal sophists. These public/private distinctions are usually made by those who, like Lenin, seek to politicize the law rather than search for principles with which to justify the law.

For instance, in the case of *Roe v. Wade*, the court struck down anti-abortion laws in the 50 states by arguing that state laws restricting abortions in the early months of pregnancy were an “unconstitutional violation of a woman’s privacy.” This emphasis on privacy, fashioned by the tendentious Warren Court, served as a pretext to legislate, as it were, immorality. The taking of human life without justification—as in the case of abortion—is, like infanticide, not a matter of

It is the stark and unfortunate reality of today that the idea of natural law has become a lonely exile in a society increasingly politicized and morally neutralized by Earl Warren, William Brennan, and the liberal fringe of the Democratic Party. Their rejection of natural law has contributed to the decay of the vision of a moral polity—or “city on the hill”—and directly and indirectly precipitated the multiplication of totalitarian governments worldwide.

private opinion or choice, but rather an unacceptable practice for anyone, anywhere.

To put more of a point on it, the Supreme Court, while defending the right to "privacy" in this case, also, in an apparent and stunning contradiction, rules that states could block the destruction of dogs and the burning of draft cards and also impose punishment on marijuana smokers and those who perform consensual homosexual acts in their own homes. Moreover, the Court has reached into matters as intimate as the family—as with the Child in Need of Supervision, or CHINS warrant cases. So, in short, the "privacy issue"—and the claims of Schmidt, Commanger, and Cuomo of a distinction between public and private morality—is a ludicrous red herring bearing no connection to the Founders' conception of the law.

In a democratic society, all species of wrong fall within the sweep and moral force of the law—even in matters as intimate or "private" as the family.

It is the stark and unfortunate reality of today, however, that the idea of natural law has become such a lonely exile in a society increasingly politicized and morally neutralized by Earl Warren, William Brennan, and the liberal fringe of the Democratic Party.

Their rejection of natural law has contributed to the decay of the vision of a moral polity—or "city on the hill"—and directly and indirectly precipitated the multiplication of to-

talitarian governments worldwide. Jimmy Carterish types, the ACLU, and the World Council of Churches (which has supported terrorists in Zaire and SWAPO guerrillas seeking to arrest the march of democracy in Namibia) are so neutral that they appear to have taken up the view that we live, not in a republican community which we are dedicated to upholding, but in some kind of "hotel," to use Prof. Hadley Arkes's metaphor, where there are services but no binding moral commitments which the Americans owe to the polity.

Each day we learn anew that a respect for republican government as the only legitimate system compatible with the idea of natural law is no longer viewed as relevant or fashionable in today's Marxist-influenced political context; rather, there is a (highly suspect) effort to create some kind of preposterous moral symmetry between the United States and the Soviet Union. Even worse is the effort on the part of left-liberals to assert that, since there is no form of government which we can legitimately say is "better" than another (because once again, that is a matter of "private opinion"), Americans are free to support communism; that is, they can use the republican system they enjoy to overthrow democratic rights of future generations. This left-wing relativism and moral neutrality is both contradictory and morally incoherent.

Hopefully, there is salvation for the renaissance of natural law in a more enlightened context of constitutional understanding.

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Kissinger Watch

by M.T. Upharsin

Dirty doings in Asia

If the United States experiences devastating military and political-diplomatic disasters in Asia over the next weeks, it will not be hard to figure out why.

Henry Kissinger is in town.

Amid all the discussion about Kissinger's proposals in *Time Magazine*, and elsewhere, for the decoupling of the United States from Europe, it is often forgotten that it was the same notorious personage who was behind the policy, euphemistically known as "The Nixon Doctrine," for *U.S. decoupling from Asia as well*. Under that doctrine, the United States abandoned most of its *land-base commitments* on the Asian land mass, conforming precisely to the policy of Dr. K. and his friends for conceding not just Europe, but *the entire Eurasian land mass* to Soviet Russian imperial hegemony.

As news reports around the turn of the year began to circulate about giant Soviet military buildups on Cam Ranh Bay and other parts of Asia, Kissinger suddenly arrived in Bangkok, Thailand, and, then, Singapore on Jan. 11, for a series of meetings with influentials from the ASEAN (Association of Southeast Asian Nations) bloc sponsored by Singapore head-of-state Lee Kuan Yew carrying through the weekend of January 12-13.

Initial reports, published in the *Washington Post* and elsewhere, were that these talks would focus on "regional development" and "security issues."

According to an American source, the first of these two cryptic subject headings refers to Kissinger's attempts to undermine progress toward the construction of a new Kra Canal in

Thailand that would massively expand trade and development potentials throughout the Southeast Asian region. Excitement over constructing such a canal has been building throughout the end-of-1984/early-1985 period following a conference in Bangkok, Thailand on the Kra Canal project sponsored by the Fusion Energy Foundation. The foundation's work has received extensive publicity around the world—most recently, as we go to press, in the latest edition of *Jane's Defense Review*, Britain's paramount defense-strategy weekly.

Henry's wish to sabotage such a project is not *simply* based on his irrational hatred for all things LaRouche. As *EIR* has documented ("The Investment Bankers Behind Kissinger Associates, Inc.," Dec. 18, 1984), Henry's own personal financial empire, mediated in significant part through British, Swiss, and Venetian financial houses, has been expanding systematically into Asia, through Hong Kong, the Peoples' Republic of China, and elsewhere.

As always, there is assuredly a conflict-of-interest element, probably involving kickbacks from the world's giant drug-trafficking flow, in whatever the illicit Dr. K. is doing.

Through Lee Kuan Yew's significant influence, Dr. K. was able to meet the following individuals during his Jan. 12-13 stay in Singapore:

Philippines Defense Minister Juan Ponce Enrile;

Philippines Prime Minister Cesar Virata;

Indonesian Armed Forces Chief General Benny Murdani;

Indonesian Economic, Financial, Industrial, and Development Minister Ali Wardhana;

Malaysian Education Minister Abdullah Bin Ahmed Badawe; and

Thai Foreign Minister Siddhi Savetsila.

Speaking to reporters, Dr. K. declared that the talks were "fruitful."

On to India

Regrettably, the trouble doesn't stop here. According to a *New York Post* gossip item soon after the turn of the year, Dr. K. and his "wife" Nancy are slated imminently to make a series of state visits to the Indian Subcontinent, to India, Pakistan, and Nepal.

Patriotic forces in India are unquestionably revolted at this possibility, since, soon after Mrs. Indira Gandhi was killed, Kissinger told NBC-TV's "Nightline" program that he disliked Mrs. Gandhi for her "moralistic attitude."

As for Pakistan, word has it that Kissinger and his British friends have arranged to hand Pakistan over to Moscow, and to dump Gen. Zia al-Haq. Marching orders for this are reportedly being conduited through the cultist Ahmadiyyah sect, one of whose international leaders, Abdus Salam of Trieste, is a close friend of Kissinger's.

Salam, a stalwart of the Club of Rome International who had a private meeting with Kissinger in Morocco in November 1982, to map out joint strategies against both Ronald Reagan and Lyndon LaRouche, recently joined the Soviet Academy of Sciences.

It is fitting that Kathmandu, Nepal, one of the more notorious cult centers of the international drug set and a would-be center of geopolitical intrigue, is on the Kissingers' itinerary. The *New York Post's* gossipers, asking Dr. K. whether he would be visiting the renowned pornographic temples in Nepal, received the answer: "Pornography doesn't do anything for me."

According to society-set insiders, this is the first public criticism that Henry has ever made about Lord Carrington.

National News

New Jersey high court rules for euthanasia

The euthanasia policy for which Nazi doctors were hung at Nuremberg was once again sanctioned by the American court system on Jan. 18, when the New Jersey Supreme Court ruled that all life-sustaining medical treatment, including *food*, can be withheld from terminally ill patients.

The 6-1 decision came in the case of Clare Conroy, an elderly New Jersey nursing-home patient. Two years ago, her nephew sought to have her feeding tubes removed. Members of the right-to-life movement secured a stay of execution, so to speak, but she died a few weeks later of pneumonia. An Appellate Court had ruled last year that it would have been tantamount to murder to stop feeding her.

The decision applies "only" to New Jersey's 44,000 nursing-home patients.

Mob bankers join attack against Reagan

New Jersey's top organized-crime frontmen have teamed up with the Roman Catholic archbishop of Newark, Peter Gerety, in a campaign to popularize the recently released U.S. Catholic Bishops' pastoral letter. The document, issued Nov. 12, is a corporatist attack on technological development, material progress, and defense spending. According to its drafters, the letter was intended to serve as a rallying point for attacks on the Reagan administration and to help create an anti-growth Green movement in the United States.

Msgr. John Petillo, chancellor of Seton Hall College in New Jersey, has organized a discussion group of top bankers and other businessmen to work out methods of implementing the pastoral. Among them is Robert Ferguson, chairman of First National State Bank Corp.—the bank that stole funds from Lyndon LaRouche's 1984 presidential campaign effort. Ferguson's bank finances organized crime's casino gambling operations

in Atlantic City. Also prominent in the "discussion group" is Robert Brennan, president of First Jersey Securities—another New Jersey "go-go" bank.

Archbishop Gerety has a long record of running cover for the seamier side of New Jersey life. In 1980, the New Jersey Conference of Catholic Bishops, which he heads, engineered the defeat of a bill in the state assembly which would have stopped a State Board of Education mandate for a "sex education" program in the public schools. The "sex-ed" curriculum was revealed to advocate homosexuality and prostitution as "alternative lifestyles."

Gerety is planning a series of hearings on the new pastoral letter.

Les Aspin to use SDI to kill MX missile

Congressman Les Aspin (D-Wisc.), the new head of the House Armed Services Committee, has come up with a scheme for torpedoing both the MX missile program and the Strategic Defense Initiative (SDI) in one fell swoop.

Speaking before the Carnegie Foundation in Washington, D.C. on Jan. 16, he hailed the SDI as a better "bargaining chip" for arms-control negotiations than the MX, and declared that the shift from offensive to defensive systems now makes the MX program unnecessary. "Isn't the threat to build defensive systems around our missiles . . . a more rational threat—and, therefore, a better bargaining chip—than the threat to build MX and thereby put to risk our missiles?" he asked. Attacking the Pentagon for refusing to consider scrapping the SDI even if the Soviets agreed to cut down on offensive systems, Aspin added: "Isn't a defense-offense exchange with the Soviets a good deal?"

Aspin warned that "Congress is not likely to vote the administration's way on all these issues just because arms talks are going on."

Aspin is an Oxford-trained former aide to 1960s U.S. Defense Secretary Robert McNamara and to Wisconsin Sen. William Proxmire, a defense-budget-cutting fanatic.

JDL terrorists: 'We want LaRouche dead'

A dozen terrorists from the Jewish Defense League (JDL) staged a rally on Jan. 13 in front of the New York offices of Campaigner Publications, to issue a public death threat against Lyndon H. LaRouche, Jr. The demonstrators chanted, "Who do we want? LaRouche! How do we want him? Dead!" New York City police deterred the demonstrators from entering the Campaigner offices. Campaigner publishes *EIR* and other publications associated with LaRouche.

The JDL is an asset of the Anti-Defamation League of B'nai B'rith (ADL), itself an arm of the international drug lobby. The threats coincided with the Fourth International Conference of the Schiller Institute in Richmond, Virginia, at which LaRouche was a featured speaker. The conference and subsequent Schiller Institute-sponsored demonstration in Washington, D.C. on Jan. 15 were targets of intensive harassment from ADL-drug lobby channels in the period building up to the JDL death threat.

Goldwater rejects defense spending freeze

Senator Barry Goldwater (R-Ariz.), who one month ago was demanding cuts in defense programs like the MX missile to reduce the budget deficit, has reversed his position and is now insisting that any freeze in the budget for defense "could seriously damage the national security of the United States and compromise our ability to provide program management stability in the Pentagon."

Goldwater spoke after a Jan. 11 meeting with Senate Republican leaders who were advocating the defense freeze. Cuts at this time, he said, would send "a wrong and dangerous signal to our NATO allies and our adversaries." Noting that the allies have fulfilled their commitment to a 3% defense increase, "despite the fact that they are faced

with more difficult domestic economic problems than the United States," Goldwater asserted that "a funding freeze on defense would seriously threaten that allied effort."

The senator added that substantial reductions in procurement and R&D programs "would result in the very weapons program inefficiencies and waste which both the Pentagon and Congress have sought to eliminate."

'Private' U.S.-Soviet talks in high gear

Senator Gary Hart (D-Colo.) went to the Soviet Union in mid-January for meetings with top-level Soviet officials. He held a private session at the Kremlin with Soviet Foreign Minister Andrei Gromyko, the first such meeting with an American politician since the Jan. 7-8 U.S.-Soviet arms talks in Geneva. According to Hart, "Gromyko repeatedly stated Soviet opposition to expanding the arms race into space," and warned that U.S. adherence to the "Star Wars" policy could jeopardize U.S.-Soviet arms talks on all levels.

The day before Hart's arrival, 10 congressmen from the House Foreign Affairs Committee, led by California Rep. Tom Lantos, met with delegates from the Supreme Soviet, officials from the U.S. and Canada Institute, and officials from the foreign trade ministry.

Meanwhile, the Soviets dispatched a team to tour the United States, led by space program director Roald Sagdeev. They held private meetings with leading U.S. proponents of a "New Yalta" division of the world into new spheres of influence—including Richard Gardner, Helmut Sonnenfeldt, and Brent Skowcroft—at the United Nations Association offices in New York, following Sagdeev's appearance at a meeting sponsored by the American Academy of Arts and Sciences in Washington, D.C. Both meetings focused heavily on "the militarization of space." The Soviet team also went to the Rand Corporation in Santa Monica, California, and was hosted by the Los Angeles World Affairs Council on Jan. 21.

Gen. Gorman to resign from Panama command

General Paul Gorman, head of the U.S. Southern Command in Panama, will resign from his post in several months to take up a career in "farming," announced a Pentagon spokesman on Jan. 10.

Since assuming his present post in May 1983, Gorman has functioned as the key on-the-ground implementer of Henry Kissinger's scenario for continuing the turmoil in Central America as a pretext to withdraw U.S. troops from Western Europe. Last year, Gorman created an international furor when he charged that Mexico was a threat to U.S. national security because it was "corrupt" and politically "unstable." Then-presidential candidate Lyndon LaRouche demanded Gorman's immediate resignation.

Marijuana is U.S.A.'s second largest crop

The National Organization for Reform of Marijuana Laws (NORML) issued a report Jan. 18 claiming that the United States had produced a record marijuana crop, worth \$16.6 billion. The report claims that marijuana was the second largest cash crop in the entire U.S. last year, falling behind the \$20 billion corn crop and ahead of the \$11.9 billion soybean crop.

The top five states, in terms of dollar volume of marijuana production, are California, Hawaii, Oregon, Kentucky, and North Carolina, according to the report.

NORML also states that marijuana was one of the top three cash crops in 22 states, and the top crop in 10 states, including Alabama, California, Hawaii, Idaho, New Mexico, Oregon, South Carolina, Tennessee, Virginia, and West Virginia. NORML Executive Director Kevin Zeese said that 1984 marked the first time that more than half of the marijuana consumed in the United States was domestically produced.

Briefly

● **ANTI-TECHNOLOGY** moles in the U.S. government are trying to sabotage the scientific foundations of beam-weapon research by cutting the inertial confinement fusion (ICF) program by more than 55%, informed sources report. The fiscal 1986 laser-fusion budget has been cut back from \$154 to \$70 million. Laser fusion research facilities are crucial for the development of the most advanced types of beam weapons.

● **THE WHITE HOUSE** 'Palace Guard' is running into big trouble: Deputy Chief of Staff Richard Darman will be transferred to the Treasury Department, along with his former boss, James Baker III. Baker, Darman, and Michael Deaver were responsible for keeping the President in the dark about key policy issues during 1984.

● **JESSE JACKSON** declared at a rally in Pittsburgh Jan. 18 that Africans do not need high-technology development. "My wife just returned from Ethiopia," he said. "Africa doesn't need railroads. They only need trucks to unload the food; they need blankets and tents. We have 280,000 bridges to rebuild in *this* country."

● **DONALD HODEL** has been nominated by President Reagan to succeed William Clark as secretary of the interior. Hodel, who has been serving as energy secretary, is a consistent opponent of the environmentalists who argue that the United States should cut energy consumption and become a post-industrial society. Hodel has called them "a small, arrogant faction which is dedicated to bringing our society to a halt." At the Department of Energy, Hodel fought to save the Clinch River breeder reactor, although Congress ultimately killed off the project. Before joining the Reagan administration, Hodel headed the Bonneville Power Administration in Utah.

Editorial

Economic summit is urgent!

The inauguration of Ronald Reagan for a second term as President of the United States holds great potential for opening a new era in relations with the countries of the developing sector. If the President acts with vision and great resolution, it is still not too late to repair the damage done by decades of bungling and worse by cynical State Department bureaucrats, Treasury Department hatchet-murderers, and that supranational conspiracy known as David Rockefeller's Trilateral Commission.

For this, a thorough-going economic reform is required—and there is not a moment to lose.

Helga Zepp-LaRouche, the chairman of the Schiller Institute, has called for the convening of an "Indira Gandhi Memorial Summit" of world leaders within the first 100 days of the new Reagan administration, to work out the contours of a new world economic order to replace the murderous regime of the Trilateral Commission and the International Monetary Fund (IMF). The recent inauguration of Rajiv Gandhi as prime minister of India underlines the potential that such a historic initiative holds. Despite massive Soviet and domestic pressures aimed at turning his government against the United States, he has expressed the desire for cooperation with President Reagan, and will visit Washington in June.

But what is in store should Reagan fail to rise to act can be seen in the renewed separatist terrorism in India's Punjab, and in the rioting in Jamaica that has left four people dead as we go to press. Jamaica's crisis began Jan. 15, when the government hiked the price of fuel by 21%. Gasoline and electricity prices had already doubled in 1984, and the cost of many food products doubled or tripled in the past two years. With unemployment officially topping 25%, the real rate is closer to 40%.

This is the result of Prime Minister Edward Seaga's subservience to the austerity demands of Rockefeller and the IMF. Seaga, described by the *New York Times* Jan. 17 as "perhaps the Reagan Administration's strongest ally in the Caribbean," is boosted in Washington as an anti-communist free-enterpriser.

What a fraud! Since Seaga came to power, Jamaica has become a drug economy. Income from the production of *ganja* (marijuana) has increased seven-fold, to at least \$3.5 billion a year—*larger than the country's official gross national product*. This was the result of a conscious policy, dictated by the IMF and promoted by Rockefeller, who set up a businessmen's group in 1981 to lobby for President Reagan to make Jamaica the model for U.S. Latin American policy.

At a July 2, 1981 press conference at the White House, Rockefeller defend Seaga's promotion of the marijuana "industry" as the inevitable result of "a period when all other industries have declined very rapidly. . . . I think that it probably will be awhile before it is completely eliminated."

Seaga turned the screws ever more tightly on what remained of the regular economy. In September 1984, he dropped all pretenses and announced measures to legalize the drug trade—by officially taxing the dope traffickers. In October, he ordered drastic cuts in the import of industrial raw materials, and announced new mass layoffs. In November, Rockefeller arrived in Kingston to demand that Jamaicans continue making "painful but necessary adjustments."

This policy was imposed upon the White House by Rockefeller, Henry Kissinger, and their cohorts in the Trilateral Commission—the very people who had installed Jimmy Carter in office and who tried to install Walter Mondale there! The free enterprisers talk about "the invisible hand," the market forces that will supposedly bring economic recovery. But, said Helga Zepp-LaRouche in her speech at the Schiller Institute's conference, "the invisible hand is not invisible at all: It hangs out of the coat-sleeve of David Rockefeller; it reaches deep into the pockets of the developing countries and of the American population, and simply steals."

President Reagan now has the chance to break with these gangsters and back the Schiller Institute's call for a new world economic order. The Institute's demonstration of 10,000 people in Washington, D.C. on Jan. 15 proved that the American population will support him if he does.

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