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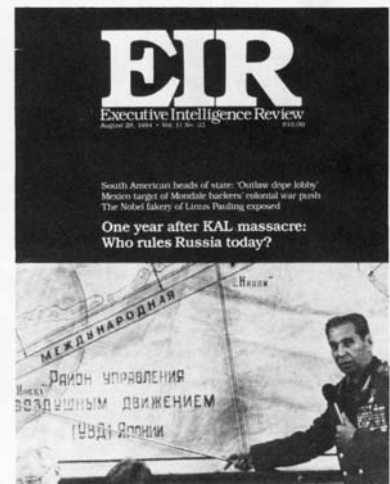
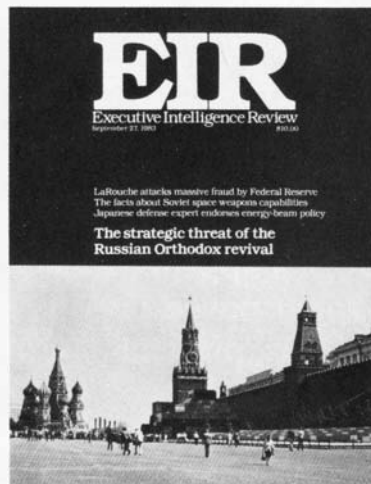
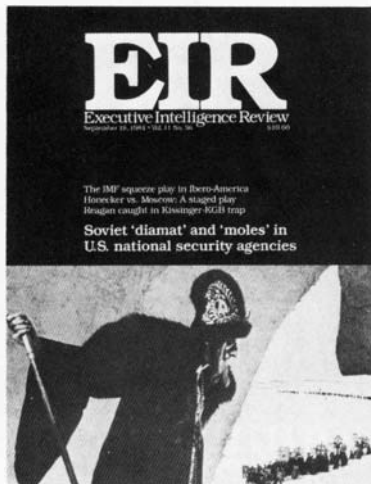
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**Beam weapons and the coming
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EIR

From the Editor

The brutal assassination on Feb. 1 of German industrialist Ernst Zimmerman, chairman of the German Defense Contractors' Association, by the Red Army Faction, signals a new phase in Moscow's drive to wreck the Federal Republic of Germany, perhaps before the 40th anniversary of the end of World War II next May 8. The assassins put out a hit list of their next victims, the top leaders of German political life including Chancellor Helmut Kohl, ex-Chancellor Helmut Schmidt, and all the major party chairmen. The Russian military's *Red Star* has asserted that the West German government is "revanchist, because it supports President Reagan's Star Wars."

It is true that the Bonn government and significant forces in the Social Democratic opposition have come forward, since Jan. 1 especially, as the most vocal European supporters of President Reagan's Strategic Defense Initiative. This has upset the Soviet planning strategy for the Geneva talks, which was counting on across-the-board European opposition to the SDI. This week's Special Report offers a panorama of leading military, scientific, and political figures from Western Europe in particular, who joined *EIR* founding editor Lyndon H. LaRouche, Jr. at the fourth international conference of the Schiller Institute in Richmond, Virginia to voice their reasons for backing the SDI.

Although Moscow's leading diplomatic props in Europe, Lord Carrington, Buckingham Palace, and the Mitterrand government, continue to express "skepticism," objections, and fits against the beam-weapons policy, they are beginning to appear isolated and ridiculous. Hence, the KGB has unleashed its latest terror wave.

The terrorist offensive exposes the greatest intelligence failure in recent history. Not only have government intelligence agencies totally failed to foresee the present level of violence, but they have consistently overlooked the role of fabulously wealthy, titled families such as the Thurn und Taxis extended family as control points for the terrorist networks.

EIR's Investigative Leads newsletter has filled this gap with a just-issued multi-client report on "Oligarchic Control of the Current Terror Wave in Europe," which details the Nazi-Communist alliance and the role of the families. It can be obtained for \$125 (\$150 in Europe) from *EIR*.

Nora Hamerman

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Special Report



In downtown Washington, D.C., the Schiller Institute rallies for beam defense. Police estimated 10,000 marched down Independence Avenue to the Capitol at this Jan. 15 rally.

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No matter what the objections from shortsighted congressmen or the liberal press, the genie is out of the bottle.

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Record trade deficit is #1 national security threat

by Warren J. Hamerman

The record 1984 U.S. trade deficit of \$123.3 billion—nearly double the previous 1983 record of \$69.4 billion and almost three times greater than 1982's \$42.7 billion—dramatically underscores that the accelerating collapse of the world and domestic *real economy* is the number-one national security threat to the United States. The trade deficit with Japan alone, \$36.8 billion, was greater than the United States' entire trade deficit as recently as 1980.

Construction machinery exports are down 41% since 1982. Fuel exports have dropped 28.7%. Exports of industrial supplies are off 14%. For manufactured goods as a whole, the trade deficit more than doubled to \$88.5 billion from 1983's \$38.2 billion. Commerce Secretary Malcolm Baldrige predicted that this year the trade deficit will get even worse.

As part of its "budget-deficit-reduction" program, the Reagan administration is fully backing a David Stockman proposal to further downgrade the Export-Import Bank, which among other things, helps to finance the purchase of Caterpillar tractors, Boeing aircraft, General Electric turbines, and other heavy-duty American products abroad. Willard Berry, executive director of the Coalition for Employment through Exports representing such companies, predicts that each \$1 billion of export supports cut will cost about 40,000 jobs.

The administration has been lured into this economic trap by opponents of the Strategic Defense Initiative such as Henry Kissinger, Paul Volcker, Don Regan, James Baker III, and Marshal Ogarkov who know that if the economy crashes, the SDI is finished.

The Soviets are thus not merely relying upon the noisy opposition to the defense budget on Capitol Hill, but the underlying objective crisis in the economy. The opponents of the U.S. defense program may now resort to their fallback option of "detonating" the economic crisis, taking advantage of the Reagan administration's ideological "blind spot." The

crisis lays the basis for the United States to surrender to "IMF management" by the time of the IMF's April 16-19 Interim Committee meeting in Washington. The objective of the meeting is to impose IMF "conditionalities" on the United States, subjecting the economic and fiscal policies of the second Reagan administration to "outside" management takeover.

The impending threat to U.S. national economic sovereignty has not registered in Washington, yet. Virtually the entirety of the Reagan cabinet, from the President himself on down, is talking of how the 1984 GNP increase is the largest since 1951.

The GNP increase is a fraud manufactured by statistical fakery at Paul Volcker's Federal Reserve and Don Regan's Treasury. GNP reportedly rose by 6.8% over 1983 when adjusted for inflation.

There exists a straightforward way to see through the manipulated statistics. Personal Income (PI), which is just a little smaller than GNP (but of the same approximate dimension), rose \$269 billion over 1983 levels. Of this amount, \$56 billion was due to an increase in interest income, \$7 billion dividend income, and \$40 billion service industry income. Thus, \$103 billion, or 40% of PI, was waste—equal to one-third of the increase in GNP. Plus, the GNP numbers have the trade deficit at only \$66 billion, when it is really \$125 billion. The extra \$60 billion must be deducted from GNP.

Finally, whereas GNP has farm income down \$10.4 billion in 1983, it has farm income up \$8.5 billion in 1984, an unbelievable swing of \$20 billion while farmers were going out of business faster than ever.

Thus, as the record 1984 trade deficit underscores, the fraudulent recovery is composed of three "components": 1) statistical manipulations and lies; 2) an artificially strong dollar; 3) liberal use of consumer credit to "boost" service

sectors of the economy at the expense of basic industry.

The artificially strong dollar means that the United States has been transformed into a net importer of manufactured goods; in other words, we have suffered from a massive trade deficit in the range of \$125 billion on top of the domestic budget deficit in the range of \$250 billion. The dollar's value has gone up 60% over the last five years compared with most other currencies. With basic industrial and agricultural production falling into technological obsolescence and a simultaneous, mammoth trade deficit, it is no wonder that the overall U.S. national debt is soaring over \$1.82 trillion. As purely speculative means are used to suck in capital from abroad to "pay for" the deficits, the problem can only get worse.

Real economic disaster

As any look at the real economic performance of the U.S. economy proves, the only boom is in the Gross National Waste Product of the government statisticians. From 8% to 15% or more of farmers nationally won't qualify for spring planting loans. Lenders have run out of collateral to lend against, explained Neil Hart, a professor of economics at Iowa State University. "The scope of the present [farm] crisis is unparalleled, even in the 1930s. We're astounded at the rapidly escalating nature of the crisis," stated a clergyman from Des Moines.

The situation in industry is no better. Nationwide initial unemployment claims rose for the fifth time in six weeks to 437,000, up from 380,000 six weeks ago.

Through most of 1984's fourth quarter, orders for domestic steel remained at an anemic 50-60% of capacity. Prices collapsed as producers fought one another for dwindling business. "I've never seen a worse pricing battle," declared R. Milton Dean, the President of McLouth Steel Products Corporation. "I don't see things improving much in this quarter."

Caterpillar Tractor's loss for the fourth quarter widened to \$251 million, bringing its loss for the year to \$458 million. In Rock Island, Illinois, International Harvester is closing its huge tractor plant, where 3,600 once worked. "I'm telling you the Lord is testing us," said town mayor James Davis, who like his father, two uncles and two sisters, has worked in the plants.

Aluminum production fell for the seventh consecutive month to 4,375,530 tons in November. In 1984, the average labor contract settlement called for only a 2.4% wage increase in the first year and a 2.3% increase over the life of the contract, the smallest since the Labor Department started keeping records on this subject in 1968, and more than 1.5% below inflation. If white-collar pay increases are deducted, the level of goods-producing workers' increase was probably zero, and when inflation is taken into account, 4% negative, at least.

In short, the entire so-called economic "boomlet" is nothing but a fraud extravagantly promoted by Paul Volcker's

Federal Reserve. For example, Fed Gov. Lyle E. Gramley addressing a conference in Denver, Colorado on Jan. 25 claimed that the nation's "long-run growth potential is probably around 3% or a little less."

Other Fed officials claim that Gramley is too conservative in his projections, because there is no "speed limit" on growth. Even Gramley predicted "added momentum" above 3% in 1985. Why? In 1985, he intoned in a marvel of statistical doublespeak, the economy would expand at a rate above previous levels *because* it is not operating at full-employment levels. In other words, lower production levels translate into higher output "percentages" in a rapidly shrinking economy.

This is like claiming that the more rapidly Hitler expanded "production" at the gas chambers and ovens, the more he succeeded in wiping out unemployment!

While it is certainly welcome that the White House Palace Guard of Mike Deaver, James Baker III, and Richard Darman has been toppled, Volcker remains firmly in the saddle at the Fed while the economic time bomb ticks away.

The new White House chief of staff is the administration's most outspoken advocate for the IMF and Paul Volcker, Wall Street's Don Regan. With the IMF intending to "take over" U.S. fiscal management at its Interim Committee meeting in April, the combination of Regan and Baker III at Treasury could prove fatal for U.S. national security and national sovereignty.

The President must act

Only if the President were to use his powers to declare a National Emergency Defense Mobilization and embark on an FDR-style crash program for the development and deployment of a laser and particle-beam shield, can the real economy enjoy an actual economic boom.

Defense Secretary Weinberger was correct, as far as he went, on the Jan. 28 ABC-TV "Good Morning America" show: "You can't make a major impact on the deficit by cutting defense spending. Because when you do, you lose all the taxes generated by the people who are employed in defense industries and you incur some unemployment costs because a lot don't have jobs. So this idea if we cut the defense budget \$10 billion, \$15 billion, or \$30 billion we certainly are going to take care of the deficit problem, I'm sorry to say it's just wrong."

The liberal Democrats and the Kissinger Republicans, doing Moscow's dirty work, have the knives out for the SDI. The only way for the President and Secretary Weinberger to mount a defense of the SDI is to follow Roosevelt's example from 1939-1944, when he waged an all out war to expand the real economy through the declaration of a defense emergency.

Exposing the fraudulent GNP increase, ferreting out those who perpetuated it, defeating the IMF's plot to usurp U.S. national sovereignty, and launching a real emergency economic mobilization for the defense of the Western Alliance is nothing less than the number-one issue of U.S. national security.

Food crisis: Congress punts and administration flounders

by George Elder

"A depression is led by farmers and fed by farmers," was the comment made several times at a special hearing Jan. 30 called by Sen. John Melcher of Montana. Although the hearing was technically "unofficial," the chamber was packed, and media roamed the halls. Farmers came from all over the country, and the story they told was one of disaster, to legislators that included Sens. Exon (D-Nebr.), Grassley (D-Iowa), Hart (D-Colo.), Sasser (D-Tenn.), Andrews (R-N.D.), and others.

Testimony was coordinated to show the urgency of the farm crisis in terms of the banking and credit collapse. The hearing came at the culmination of a two-week period of personal trips to Washington by farm-state governors and bankers, and of calls to the White House from congressmen for emergency action. Even little-known "friends of the farmer" like TV has-been Phil Donahue and Sen. Ted Kennedy, another has-been, got in on the act.

The problem is, no senator, and no one else, had either the knowledge—or, perhaps, the courage—to attack the causes of the problem: the International Monetary Fund's decimation of the world economy, including that of the United States with the unofficial economic dictatorship it has exercised through Paul Volcker's Federal Reserve; and the food-cartel giants like Cargill, who are now in process of swallowing up the bankrupt agricultural sector on the way to a vertically integrated system of food production and distribution administered as a matter of "supply management"—i.e., manipulated shortages.

The fact is, the farmer's plight is not a technical question of economics or production. It is the outcome of deliberate policies at the government and business level designed to destroy the American family farmer. Dump those policies, and politically destroy those responsible for this predation, or you are doing nothing about the farmer's plight.

In fact, the senators and congressmen present called the hearing for the evident reason of, not devising necessary emergency legislation, but deflecting all responsibility from themselves. "You farmers shouldn't have voted for Reagan," was a lame theme throughout.

Under the pressure, the administration came out the same week with a tentative plan for a banking aid program: the

"interest rate buy-down," whereby the government will subsidize farmers debt service to permit planting in the spring.

In short, the hearings and the administration's response made clear that no one knows what to do, or otherwise has the guts to do it. In the face of catastrophe, they blame each other, and allow the root causes of the problem to remain.

Senator Melcher scolded the farmers by saying, "You voted for Reagan. Why?" The farmers countered with more horror stories about the collapse, but never mentioned the cartels or the International Monetary Fund. The new administration measures offered are like IMF "bridge loans" to help the farm sector—representing \$215 billion in debt—get through the next three-month planting season. But beyond that, nothing.

In fact, the cartel mythology, that "overproduction" (in a starving world!) is the cause of the farmers' plight, was pervasive throughout the hearing.

The Farm Credit Association economist, Mr. Wensel, used the IMF terminology outright to present his proposal that the United States implement a "bridging loan like that used by the IMF, if in fact, the current problem was nothing more than a blip. However, the policy solution to too many farmers producing too much food on too much land would require that we must look for the most orderly way to encourage farmers to leave the land."

Horror stories

Testimony from the farmers brought forward the fact that as the economic system is now disintegrating, the number of farm bankruptcies has escalated and reached a catastrophic level. For example, Iowa lost at least 10% of their farmers in 1984, more than the 7.8% lost during the entire Great Depression.

There were horror stories presented from every part of the country, including one situation of a farm soon to be lost that was in the same family since the original grant from the king of England. In another case, a 26-year-old American farmer is going bankrupt who had been designated among the best of the Future Farmers of America.

The situation in Iowa last year pales in comparison to the total of 40% of the remaining farmers expected to go under

this year in both Iowa and Nebraska, as revealed in a recent survey by the *Farm Journal*, according to testimony at the hearings.

Testimony on the farm collapse was presented by the National Farmers Organization, the National Farmers Union, the American Agriculture Movement, and many others, including farm state bankers and churchmen. The farmers reported individual case stories and reported on the farmland-value collapse of 25%.

The testimony brought out the fact that the farm debt crisis would not only bankrupt the small farm banks, but also the giant commercial banks like Bank of America. A representative from this bank came to ask for help with farm loans.

The ostensible causes for these problems were said to be low commodity prices—cartel-manipulated, but this was not mentioned—and high interest rates—correct.

The solution that came forward was unfortunate. The farmers and lenders present asked for government help for emergency credit to enable farmers to put a crop in the ground in the spring. Although the subject of farm prices was considered, and the concept of parity was mentioned several times, no solution was offered.

No one addressed the necessity of a moratorium on foreclosures, although the testimony clearly warranted such a policy. Not one person mentioned the role of the international food cartels, and the International Monetary Fund in this situation. People fixated on exports only. And worse, Mr. Frazier, the head of the National Farmers Organization, was another promulgator of the myth of “overproduction,” and talked of the need for “supply management.” (If he’s not on the Cargill payroll, he’s getting gypped.)

The president of the Independent Bankers Association, A. J. King, reported that “hundreds of banks that are heavily committed to agriculture across the farm belt have very little remaining capacity to absorb losses from bad farm loans, without impairing their minimum capital. The escalating rate of farm bank failures during the last six months bears out that fact. There were 79 bank failures in 1984, forty of which occurred since June 15, 1984. Four of the 39 which failed prior to June 15 were agricultural banks; 22 of the 40 since June 15 were agricultural banks.”

But he also called for mandatory production controls to “scale back agricultural production consistent with demand.”

The farm collapse and the IMF

No one addressed the fact that, while U.S. farms go bankrupt, there is starvation in the Third World—with Africa only a foretaste of coming IMF-induced famine—while the cartels temporarily keep U.S. supermarkets stocked with food not produced in the United States, but frequently exported from the very Third World countries starving as a result of IMF conditionalities on loans.

What the farmers did not know, and what the senators

were too stupid or unwilling to tell them, is that their experience here at home is the result of the deliberate policies of the International Monetary Fund. It is IMF policy to order Third World nations to ship the very food that should be on their own tables instead to the United States. This includes everything from beef, fruits and vegetables, and orange juice to wheat. The IMF is forcing the developing nations to grow and sell these commodities through the cartel channels at slave-labor level prices. The cartels then import the food into the United States—at a 35% bonus because of the overvalued dollar—and put the food in our supermarkets to temporarily

No one addressed the fact that, while U.S. farms go bankrupt, there is starvation in the Third World while the cartels temporarily keep U.S. supermarkets stocked with food frequently exported from the very Third World countries starving as a result of IMF conditionalities on loans.

maintain the illusion of plenty, while our own farmers are dispossessed. This process is so extreme, that Brazil is even exporting yams to New York City to gain foreign-exchange to pay its foreign debt.

The answer to this problem lies in breaking the grip of the IMF throughout the world, and removing the cartel control over food flows. This perspective is being presented around the country by farmers and others associated with the Schiller Institute’s drive for an international summit meeting to scrap the IMF, and for interim domestic emergency measures to preserve farms, maintain the rural credit system, and to rapidly expand output and dismantle the market control of the food-cartel trusts. This is the basis for mobilizing the capabilities to aid Africa with emergency food and the inputs for productive infrastructure projects.

Emergency state actions

Emergency resolutions containing the Schiller Institute program are circulating in many states. To date, however, lesser measures, or outright anti-production, IMF-style emergency actions are being enacted:

- North Dakota: Incoming Governor Sinner held a press conference Jan. 29 announcing what he called a “complex proposal” based on the last depression. The Republican lead-

ership of the state legislature will suspend the rules in order to allow the introduction of farm legislation calling for: 1) regional boards to review the credit situation of farmers; 2) state-insured loans and spot debt moratoria; and 3) the state to authorize \$3.8 million of general fund credit for farm-loan insurance guaranteed by the state.

- **Minnesota:** The state senate passed a 120-day farm debt moratorium, called by area farmers the "one last planting" act, under which the first 60 days of farmers' debt payments are to be paid by the state to the banks, and the next 60 days of interest will be added to the principal owed.

- **Iowa:** The state senate passed a resolution declaring the state an economic emergency area, and calling on the governor to implement emergency measures, including a debt moratorium. Gov. Terry Branstad has stalled by forming a panel of experts who will report back March 1. Meantime, he trekked to Washington, D. C. to lobby for federal emergency action.

The new federal aid plan

According to press reports, the new administration aid plan is to, first, establish "forbearance" in federal bank regulation. This is supposed to allow leeway to bankers to continue credit to farmers whose land collateral has fallen in value, for example. Second, banks are to be allowed to reduce part of the interest on a farmer's loan, under the ongoing debt-assistance program announced by the administration last fall, that covered only the loan principal. Third, measures

are to be taken to expedite the paperwork for credit for spring planting. This plan has been called an "interest rate buy-down," referring to federal intervention to reduce the farmer's interest load, by covering the cost from the federal budget.

According to one administration spokesman interviewed by the *Chicago Tribune*, "We've got to do something, but we don't know what it is. . . . We're floating in limbo."

It has been widely noted that President Reagan has reservations about this assistance plan. However, it is understood that his Cabinet Council on Economic Affairs, with whom he met this week, and others have offered no other solutions. Several Republican senators have asked for the formation of a presidential commission. In the present political framework, that could turn out to be merely another opportunity for the cartels and the International Monetary Fund to control the direction of U.S. farm policy.

Whatever Reagan's reservations, the new agriculture aid plan will be used—like all other budget items—as a battering ram against the defense budget. Among the leaders of this group in agriculture is the American Farm Bureau, an organization that sells farmers insurance and supposedly represents their interest. Last year the Farm Bureau head office lobbied heavily for the \$8.6 billion federal bail out of the International Monetary Fund—the farmers' worst enemy. This year the Farm Bureau is behind the "Balanced Budget Brigade"—handing out a million cards at farm fairs and in Washington calling for reducing the deficit by cutting defense and agriculture expenditures.

Documentation

Farm banks on the brink of disaster

Excerpts from the statement of A. J. King, president of the Independent Bankers Association of America, to the "Public Hearings on Farm Credit Problems," convened by Sen. John Melcher on Jan. 30, 1985.

. . . The time for effective action is slipping away.

To spend the minimal time on the problem itself, I am going to direct my comments to the bottom line of the agricultural banks, which make up roughly one-third of the IBAA's total membership of about 7,900 banks.

There are over 4,100 U.S. banks which have at least 25% of their total loan portfolio committed to farm and ranch loans. About 3,800 of the agricultural banks (92%

of the total) are located in 17 states—including Montana, incidentally, with 75 agricultural banks. About 1,700 of these agricultural banks have over 50% of their loans to farmers and ranchers. And this does not include assets invested in agri-business loans, Farm Credit System bonds, and other investments directly related to production agriculture.

Commercial banks are required by regulation to maintain minimum available capital equal to 5.5% of their deposits. Agricultural banks on average now have available capital in the vicinity of 8% of deposits, and an average loan-to-deposit ratio of 61%.

As these figures indicate, hundreds of banks that are heavily committed to agriculture across the farm belt have very little remaining capacity to absorb losses from bad farm loans, without impairing their minimum capital. The escalating rate of farm bank failures during the last six months bears out that fact. There were 79 bank failures in 1984, forty of which occurred since June 15, 1984. Four of the 39 which failed prior to June 15 were agricultural banks; 22 of the 40 since June 15 were agricultural banks.

Trilateral bankers plot 'Euroyen' market

by Kathy Wolfe

The financial interests behind the Trilateral Commission are currently plotting to create a giant international "Euroyen market," parallel to the so-called Eurodollar market, a source at Shearson/American Express has revealed. This would subject the healthiest of the industrial economies, Japan, to the same plague of usury which has drained the life out of the United States.

A Euroyen market, permitting private bankers to generate paper-credits denominated in the Japanese currency, but independent of the sovereign powers of the Japanese state, would take huge pressure off the dollar, and turn the yen into the same kind of toilet-paper.

Toward the end of January, Amex board chairman J. D. Robinson II led an entourage to Tokyo which included another Amex board member, Henry Kissinger. They met privately with officials of the Japanese foreign ministry, Nomura Securities, Nikko Securities, Independent Bank of Japan, and Dai Ichi Kangyo Bank—whom my source named as Japan's own banking-deregulation lobby. The purpose, said my source, was to "explore expanding our business in Asia. . . . Japan will be a major market for our businesses. We want to see large-scale liberalization of the yen market in Tokyo. That goes with liberalization in London and the United States, which combined with new banking technologies, will mean a worldwide financial market" under supranational control, not that of any government.

This kind of supranational takeover of countries' national currencies is why the Trilateral (London, New York, Tokyo) Commission was created in 1973 under David Rockefeller's chairmanship: to run the world out of private financial markets to which national governments and economies are entirely subordinated—and looted.

To appreciate the meaning of a "Euroyen market," look at the parasitical growth of the Eurodollar market since the early 1970s. The Eurodollar market is a pool of dollar liquidity generated and controlled by rogue private bankers, not the U.S. government. But these "dollars" are ultimately the responsibility of the U.S. government. These "dollars" are lent all over the world, and represent parasitical claims against the U.S. economy.

Currently, this Eurodollar market, which formally came into being after Paul Volcker at European central bankers'

direction had Richard Nixon remove the dollar's gold-backing, totals \$2.5 trillion—twice the size of the U. S. national debt!

\$1 trillion in offshore yen

Amex is now leading the way in doing the same thing to Japan. The Japanese economy is comparatively healthy because it still operates in a sovereign manner under policies like those the United States pursued before the Eurodollar market took over. It generates a Gross National Product that is almost half as large as America's. In the view of the oligarchical bankers, Japan could therefore be looted through a Euroyen market to the tune of at least \$1 trillion.

Yen accounts would be created by foreign banks like Amex in London, Tokyo, or the Cayman Islands, and used for any purpose, like loans to the Canadian province of Ontario or the nation of Sweden. Amex also wants to be able to fund its own yen operations, including its substantial yen credit-card loans internationally.

What would Japan have to do with this? Nothing. It would mean the end of Japan, Inc.'s sovereignty, since foreign banks would be creating up to the equivalent of \$1 trillion in yen, and loaning them to anyone and everyone. Japan's role is only to foot the bill.

Both the U.S. Treasury and the British *Far East Economic Review* published out of Hong Kong have been pushing for Japanese yen to be used to refinance the dollar-denominated debts of Asian nations like the Philippines. Such debts would be converted into yen, and the Japanese banking system would bear part of the burden of any debt collapse.

More generally, as a source at the U.S. Treasury reported, they are pressuring Japan to press ahead on several issues where failure to deregulate is "aggravating the Americans":

1) Treasury wants Tokyo to license U. S. brokerage houses to sell stocks on the Tokyo exchange in yen and other currencies, and to license not only U.S. banks but brokerages and other firms to trade yen bankers' acceptances.

2) Treasury wants Japan to license *all foreign banks* to do trust business in Japan, i.e., lend and invest in Japanese equity—although only eight Japanese banks are even allowed to do this! "We want to use this process to get large-scale overall deregulation in Japan," said the source, "and then play this back into the United States. We don't want to have to go through the same deregulation there we have to go through here. We want to have total deregulation for U.S. banks in Japan, and then use that to force the issue in America."

3) Treasury has just succeeded in forcing Japan to remove the withholding tax on issuance of Euroyen bonds. Offshore bonds in yen have not been issued because they have been heavily taxed by the Japanese. But a bill is now being pushed through the Diet (legislature) to remove the tax. Beginning in January, Morgan Stanley and other leading international houses started to build up the market by issuing speculative bonds in yen at the rate of \$1 billion per month.

American economy held hostage to hundreds of billions of dirty dollars

by David Goldman

At least \$200 billion, and perhaps a great deal more, disappeared from the payments statistics tallied by governments during 1984, according to estimates made at European central banks. Although the data for 1984 are not yet published, it is already clear that they will contain holes bigger than the national products of most countries. At the height of the Ibero-American debt crisis in 1982, where every loose peso or bolivar sought to leave debtor-nations under the IMF's fire, the total discrepancy was only about \$160 billion, and fell substantially during 1983. This explosion of illegal capital movements is of the utmost strategic concern to the United States and to the entire Western alliance.

The central bankers are now occupied with formal expressions of concern, including a task force at the International Monetary Fund due to report in 1986. This is all baloney. The IMF knows where the money is, whose it is, and through what channels it moves, because the IMF is run by the great European *fondi* who control the "subterranean" capital movements.

Specifically, the IMF and its masters built up the flow of dirty dollars from a trickle to the decisive margin of free money in the world economy, as a long-term strategic flank against the United States. As this writer and his colleagues reported in the just-released Spanish language book *Narco-trafico SA* (Dope, Inc.), the European *fondi* have amassed a portfolio of unreported holdings of American equity equal to \$200 billion in 1980, and at least twice that today. Their edge in American finance is incalculably large; as a matter of public record, the European *fondi* managers have taken over the largest Wall Street investment firms (including Salomon Brothers, Shearson Amex/Kuhn Loeb, and Drexel Burnham. Limited and fragmentary evidence, as assembled in the cited book, shows that they dominate at least the policy-making, and perhaps actually control, the biggest American commercial banks.

The world flow of dirty money consists of:

1) the \$200 billion missing from the world's balance-sheet, i.e., \$100 billion illegally extracted from countries and illegally exported to other countries;

2) another \$100 billion whose transfer is not even noted

as a gap in national payments accounts, because it is moved in ways that either avoid accounting entirely (e.g., straight movement of cash) or are disguised as legitimate payments accounts; and

3) a further \$50 to \$100 billion of illegal barter in gold, diamonds, emeralds, guns, bearer (unregistered) securities, and above all, narcotics.

We can say conservatively that the huge expansion of the illegal capital flow now amounts to approximately one-quarter of world trade, a deadly weapon in the hands of America's worst enemies, the old European families. It is a double-edged sword: it allows them to buy control of leading American companies, especially in the financial sector, and it gives them the option to pull the plug on American finances any time they choose. As the International Monetary Fund, the Bank for International Settlements, and their flunkey the Federal Reserve Board have warned with increasing venom, the United States is now dependent on an inflow of more than \$150 billion per year of borrowed money in order to finance the miserable import-and-consumer bubble that passes for an economic "recovery." Were the inflows to stop, the American economy would come down, and, short of a global financial reorganization, the Reagan administration would fold up.

An increasing portion of the funds now available to finance the American import-and-consumer bubble derive from illegal sources, directly or indirectly. That is to say, without embellishment, that international organized crime, including major participation by the Soviet Union, has the wherewithal to bring down the American credit system.

One astonishing measure—but only one—of American dependency on illegal capital flows is the doubling of the size of the so-called "Eurobond" market during 1984. "Eurobonds" are bearer paper, i.e., owned by whoever has physical possession, and therefore opaque to the tax authorities. The Eurobond market exists for so-called "private investors," Swiss bankers explain, who want total anonymity. It is called "Eurobond" because it is separate from any national capital market where the identity of investors might be established.

Forty-four billion dollars in Eurobonds were issued in

1983, and nearly \$80 billion in 1984; the big Swiss banks, who dominate the market, brag of more than \$100 billion in 1985. American corporations took in about \$25 billion through this channel last year. U.S. corporations also borrowed an additional \$95 billion in the straight bank lending market offshore, a large portion of which also derives from the \$200 billion missing from payments accounts, according to an estimate by London's *Euromoney* magazine.

That is, reported foreign borrowings of U.S. corporations exceeded \$120 billion during 1984, and this does not count additional scores of billions of dollars of funds that sought a covert haven in the United States!

The flow of untraced money works roughly as follows: Earnings of Swiss-based and similar portfolios, payments to offshore insurance companies and "flag of convenience" shipping fleets, revenues of illegal narcotics, weapons, gold, diamonds, and other smuggling operations, and straightforward illegal export of cash are not reported to appropriate national authorities. The proceeds are deposited in the so-called offshore banking markets, or used to buy securities in the \$100 billion per year offshore securities ("Eurobond") market. From these havens, the funds are then invested, often through dummy ("street name") accounts, in American or other stocks, bonds, real estate, businesses, and so forth. The \$200 billion gap in the accounts (which the central banks refer to politely as "the discrepancy in world balance of payments statistics") reflects about \$100 billion of such extraction of funds from national economies, most in violation of national exchange controls and/or tax laws, and \$100 billion of flows *into* countries where investments are made—mostly the United States, and to a more limited extent Japan and other countries.

However, the \$200 billion gross figure (or \$100 billion of "net" looting from the countries whose funds are lost) does not reflect the total volume of dirty money. Far from it. A great deal of dirty money leaves victim-countries either in a form which never shows up in foreign payments statistics (such as export of cash), or in a form which is, indeed, reported, but as something else. Shipping and insurance are the classic examples of the second category. In the case of straight cash transactions, funds may leave a country like France in the trunk of a car, or like the United States in a private plane, and then return to buy up local assets through the offshore banking circuit.

Who controls the dirty money?

The chief of the international department at one big European central bank, asked where the money disappeared to, said crisply, "Look at shipping and insurance."

Narcotrafico SA identified the leading managers of the *fondi* among the ancient financial interests of Venice, regrouped a century ago into a nest of major insurance firms, including (principally) the Riunione Adriatica di Sicurtà and the Assicurazioni Generali di Venezia. The directors of these firms include all the old names of European finance, includ-

ing Rothschild, Lambert, Hambro, Lazard, Giustiniani, Luzzatto, Alba.

No one has any idea what really goes on inside the Generali, the biggest of the Italian firms, or, for that matter, Swiss Reinsurance, Munich Reinsurance, and Munich's sister company, Allianz Insurance. According to well informed analysts, the favorite guessing game on the Italian stock market is the true assets of the insurance companies; current valuation of the Generali's stock price is four times what its published assets might justify, but, as analysts indicate, that is just a guess.

But it is neither the earnings of the insurance companies, nor even their staggeringly huge portfolios, which constitute their real power. Their power is cash flow.

Total premiums of insurance companies in 1982 on a world basis were \$466 billion, according to data published by Swiss Reinsurance, which is more than the total interest income of the world banking system. Since the insurance companies are the largest source of checking accounts for the banking system in any case, they are both larger than and primary with respect to the cash flow through the banking system.

An apparent battle for control of this mammoth cash flow broke out in late 1983, when the Allianz Insurance-Munich Reinsurance group attempted to take over Eagle Star Insurance of London and Canada. Allianz failed to grab control of Eagle Star, because British-American Tobacco came across with a higher bid to "keep Eagle Star in British hands." However, at the end of 1984, Allianz pulled off what might end up being an even bigger coup: it bought 22% of the giant Riunione Adriatica di Sicurtà (RAS), with an option to buy majority control by 1987.

The RAS is one of the world's least known and most powerful firms; its New York outlet, Jefferson Insurance, is staffed by such individuals as Mario D'Urso, an old Kuhn Loeb partner who now sits on the board of directors of Kissinger Associates, and Kuhn Loeb banker Nathaniel Samuels, who manages the American interests of the giant Louis-Dreyfus grain company. Represented throughout Ibero-America, it was one of the major culprits in the flight-capital looting of the continent in the midst of the 1982 debt crisis.

At the same time, a national debate broke out in Italy over a plan to reorganize the country's dominant investment bank-cum-holding company, Mediobanca, in a way that would change the ownership of the RAS's sister company, the Assicurazioni Generali. According to the plan, which appears to have fallen through, Lazard Frères—one of the oldest and nastiest of the European *fondi* managers—would swap its 5% control of the Generali for 5% of Mediobanca, giving it a dominant position in both companies.

It is unclear how important are the divisions between the different gangs of thieves competing for control of huge insurance combinations. The Allianz-Munich Re group is associated with such execrable names as the Thurn und Taxis family, reputedly still the treasurers of the Nazi International,

as well as the founders of Munich insurance, the Finck group; the Finck family are the traditional managers of the *fondo* of the old Bavarian Wittelsbach monarchs. This group is closely allied in its bitter hatred of the United States with the current chairman of the Generali, Italian Senator Cesare Merzagora. These are individuals who maintain close ties to the East bloc and envision a Europe split from the United States, a virtual feudal tributary of the Soviet Union.

The Eagle Star group, and the majority of the British insurers who control the Lloyds of London consortium, is the Anglo-Canadian end of the international dirty-money consortium that begins in Hong Kong, with the Hong Kong and Shanghai Bank, *Narcotrafico SA* reports. It is part of the complex of financial interests which, along with Lazard Frères, is represented by Lord Peter Carrington, now the Secretary-General of NATO and the business partner of Henry Kissinger. Its strategic perspective is identical, although it may not agree with the specific ambition of lunatics like Thurn und Taxis, who really want to revive something resembling the Third Reich in Central Europe.

Whatever the specific differences between these groups—between the Allianz-Munich Re-Swiss Re-Italian combination, and the Lloyds of London and associated British groups—the striking point is that the dominant financial tug of war in international finance during the past two years has involved the fate of the big international insurers. This coincides with the enormous expansion of global flight capital,

that is, with the importance of the insurance companies as vehicles for international flight capital.

Of the \$466 billion, \$50 billion reflects reinsurance premiums paid across national boundaries; the \$50 billion, of course, represents many times that amount in the face value of insurance policies, and therefore in capability to sneak money across national borders. Of the \$50 billion, \$20 billion is the off-shore fly-by-nighters, i.e., the notorious Panama flight-capital operators, and \$30 billion is the “professional reinsurers.”

The \$30 billion “professional reinsurance” volume breaks down as follows, according to Swiss Re’s unpublished numbers made available to *EIR* courtesy of the insurance giant’s economic studies department (in billions):

U.K. (including Lloyds)	\$7.0
Germany	7.0
U.S.A.	5.5
Switzerland	3.5
France	1.6
Others	5.4

There are two reasons to concentrate on the reinsurance side: First, it represents the international flows, and second, it represents the margin of liquidity (it is the equivalent of a banking rediscount market), and therefore political control of the entire business. It is significant that the ordering of importance in the reinsurance field is entirely different than in the primary insurance field, as shown in Figure 1:

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Figure 1

Premium Income in 1982, By Area and Category

	Total	Non-Life	Life
N. America	237.9	148.4	89.5
EC	109.4	65.9	43.6
Non-EC Europe	20.5	12.4	8.1
Japan	62.6	18.5	44.1
Oceania	9.3	6.0	3.3
Others	26.5	15.9	10.5
Total	466.0	267.0	199.0

This does not include \$6 billion of premium income for so-called "captives" in Bermuda. Although comprehensive data do not exist for later than 1982, a fair assumption is that the total is roughly \$500 billion at the moment. (It should be added that the breakdown is by domicile of companies, and their foreign business is not broken out; i.e., premiums paid to the Peruvian subsidiary of the RAS would be considered Peru, but not Peruvian premiums sold directly to the RAS in Milan.)

It is significant that North America has more than half of total world insurance business, which is not surprising, since Americans are sucker enough to pay 2-3% of GNP as life insurance premiums and a further 5% as accident insurance, which no other country (except Switzerland) does; but the fact that America ranks a mere third in reinsurance gives some perspective on the strengths of the British and German-Swiss mafias. Between the Munich Re and the Swiss Re you have the bulk of the latter operation, and Munich Re is linked to Allianz by a mutual 25% shareholding.

The \$20 billion "non-professional" section of the reinsurance market is one of the dirtiest financial markets in the world. The Equity Funding Life Insurance scandal in 1973 almost certainly represented a test case in which it was determined that no one, certainly not the exclusively state-based insurance commissioners, would ever look at phony reinsurance if it reflected laundered money rather than embezzlement per se. Equity Funding, a Los Angeles-based life company, forged new policies in a windowless back room, and then sold the policies to reinsurers. An insurance policy is just like a stock or a bond; it is a piece of paper with a face value determined as a multiple of the income paid to its owner, except that the income upon an insurance policy takes the form of premiums rather than interest or dividends. Equity Funding got the cash value of the policy, but had to find revenues to pay the premiums to the reinsurers. This was a classic pyramid, and it collapsed not because Equity Funding ran out of money, but because a Wall Street operator named Ray Dirks (later convicted of swindles involving offshore insurance companies!) blew the whistle to reluctant, unbelieving insurance commissioners at the last moment. The case proved that the industry is practically unregulated. Phony

policies laundered through the reinsurance racket will be subjected to absolutely no checks, even if they are entirely invented, i.e., if there is no policy-holder to maintain the premiums. If the phony policy covers for movement of an illicit income stream, there are no checks whatever by the authorities that might interfere.

Life insurance constitutes a mere 10% of the \$30 billion "professional reinsurers'" operation, as opposed to almost half of the total direct premium income of the big insurance companies. Ninety percent of reinsurance is property and casualty insurance, principally of ships, airplanes, and other big items. This occurs for the supposed reason that the reinsurers must diversify major risks, as the Lloyds syndicate does. However, this is precisely the area which provides the greatest opportunity for flight capital. All one need do is insure risks which do not exist, sell the policy to an offshore reinsurer, and either use the premiums, or the cash value of the policy, or both, to move money.

The \$50 billion reinsurance premium volume reflects capital values in excess of \$500 billion per year in any case. For example, a tanker sailing to the Persian Gulf normally pays 1% of the cargo's value in insurance costs per trip. Want to launder \$10 million fast? Buy a reinsurance contract from an insurance company who insured an oil tanker, and then pay off the captain to scuttle the old tub. You have to pay off the tub's owners, who take a cut and deposit the balance in your Swiss bank account. Or, if you are really creative, invent a Liberian-registered tanker that never existed, and report it scuttled. This sort of thing goes on more than Lloyds of London likes to talk about.

One indication that the enormous fight for control over this business has nothing to do with the insurance business qua business is the fact that it has been losing money consistently for the past several years. In a September 1984-published study, Swiss Re commented:

"As for the first time in 1981, all 10 countries examined [for all non-life insurance business] were also in the red in 1982 as far as their underwriting results are concerned. In 1980, 3 countries (W. Germany, Japan, Netherlands) still registered positive underwriting results.

"Only in 4 countries (Australia, Canada, W. Germany, Netherlands) was there a slight decline in underwriting losses in 1982.

"In 1982 the worst underwriting results of the 5-year period were registered in France, Great Britain (domestic and foreign business), Japan, Switzerland, and the U.S.

"Australia, France, Great Britain (domestic and foreign business), Switzerland, and Spain suffered underwriting losses over the entire period 1978-1982.

"As from 1978, underwriting results constantly deteriorated apart from very few exceptions.

"According to the data so far available, the 1983 underwriting results of Non-Life insurance have slightly improved in some of the countries examined, in other countries they

have stabilized on the high negative level or have deteriorated further. The causes of the development are to be found in an accumulation of negative influences: increase of loss potential as a result of highly complex production processes with a substantial concentration of values, greater frequency and loss severity of natural catastrophes (U.S., France), more stringent legislation and court practices at the cost of the insurance industry, growing crime, changed behavior of insureds in the welfare society (higher demands, etc.)

"As far as the technical aspect is concerned, premium growth in most countries cannot keep pace with the rising claim costs. Persistently strong pressure on rates and increasing cut-throat competition are the consequences. Only the economic conditions have improved slightly in 1983; however, the effects on the insurance industry are limited. At the most they might stop the trend towards worsening underwriting results; however, they will most likely not be able to improve them decisively."

This describes conditions immediately before the great insurance wars began with Allianz's attempted takeover of Eagle Star. As noted, the American property/casualty insurers lost \$3.55 billion in 1984 and are projected (by Phillips and Drew) to lose another \$2.5 billion during 1985, which Allianz notes happily. It would seem that the insurance business is a come-on; the important thing is the cash flow, portfolios, and ability to move money quietly.

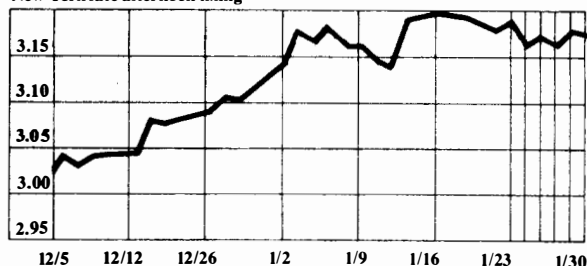
The big European insurance companies are not disquieted by the longstanding pattern of losses. Far from it. Allianz Insurance, fresh from its takeover of the RAS, is shopping in the United States. According to a source inside the company, the miserable performance of the American casualty-risk insurers, who lost \$3.55 billion in 1984 and may lose another \$2.5 billion in 1985, is to the advantage of a foreign buyer, since the asking price of a money-losing company will be low. "After all, we bought (for \$100 million) the Fidelity Union Life of Dallas in 1978, when the German mark was 1.80 to the dollar," the Allianz official said. "That was not a bad deal, considering that the dollar now buys more than three marks. We have been in dollars for a long time . . . we expect to get a good deal in the United States."

For the moment, the oligarchical funds continue to pour into the United States. The combination of these capital inflows, most of which derive directly or indirectly from illegal sources, and the usury earned by U.S. banks' loans to the rest of the world, has enabled the United States to enjoy a fools' paradise. But the old *fondi* are not playing for short-term profit on their dollar portfolios: They are playing a deadly strategic game whose ultimate object is the elimination of the United States as a world power. At any moment, as Paul Volcker keeps saying, the capital flows could reverse—the old *fondi* could pull the plug. Then, the United States will see the facade of "free enterprise" crumble and confront the naked power of the old *fondi*. It will have to crush them through old-fashioned exercise of dirigistic state power, or face ruin.

Currency Rates

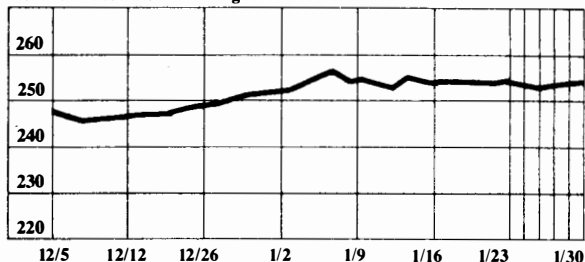
The dollar in deutschemarks

New York late afternoon fixing



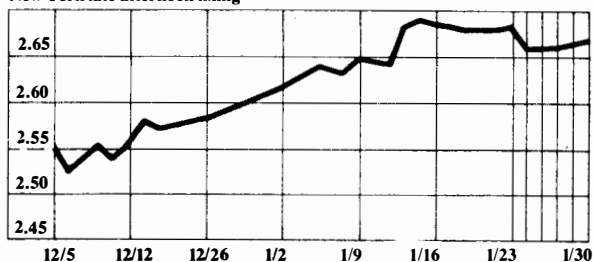
The dollar in yen

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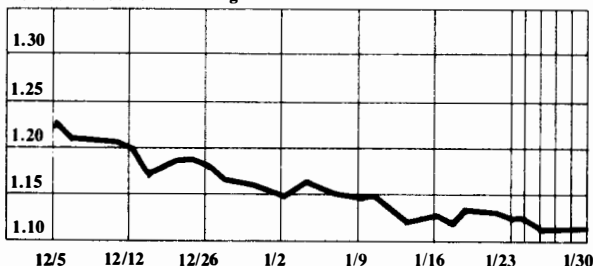
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



Margaret Thatcher's monetarist fiasco

Will U.S. and other Western worshippers of the Friedman-von Hayek cult draw the obvious conclusions?

In 1980, the British pound was worth \$2.80. It now sells for \$1.13, and threatened early in the week of Jan. 27 to fall to parity with the dollar. The upshot of this is that every U.S. official remotely connected to economic policy should write on the blackboard one thousand times, "Monetarism stinks."

Margaret Thatcher took office in 1977 with an explicit commitment to "the monetarist experiment," inviting the high priest of the cult, Milton Friedman, to visit 10 Downing Street in order to dispense wisdom to her. London became the new mecca of the Mont Pelerin Society, the cult's worldwide inner circle, over which Milton Friedman, Friedrich von Hayek, and Count Max Thurn preside.

In 1979 Thatcher abolished Britain's longstanding controls on the export of capital, spurring London's further development as the world's capital for loose or dirty money. This succeeded to the point that the leading Swiss banks have bought themselves London brokerage houses during the past several months, a major concession to the City of London's predominance in the nether world.

With the doubling of oil prices in June 1979, coinciding with the peak of North Sea oil production, the British pound reached its highest level in a decade, flying up to \$2.80 for a time, as Britain became the world's fourth-largest oil exporter.

Not a nickle of the oil money stayed

in Britain: Instead, the City of London bought over \$150 billion of foreign stocks, including \$100 billion in Wall Street.

The result was the utter, complete, and final ruin of the British economy. Unemployment rose from an (officially counted) 6.1% in 1978, the year after Thatcher came in, to 13.4% currently. Britain's living standards fell to the lowest in the European Community. Industrial output is lower than it was 15 years ago, and British industrial production per capita is lower than that of South Korea.

In 1981, while the pound was still riding high on oil revenues, this writer asked the then chancellor of the exchequer (finance minister) of Britain, Sir Geoffrey Howe, whether he were prepared to declare the monetarist experiment a failure. Howe, now foreign secretary, replied haughtily that Britain's viewpoint had been adopted by the International Monetary Fund, the Federal Reserve System, and, indeed, by most of the industrial nations.

Howe was right, unfortunately. But it follows that Britain's current disaster prefigures what will happen to the United States unless it extirpates monetarism.

Thatcher's supposed great success was the elimination of inflation. The officially calculated inflation rate (for what that might be worth) did, indeed, fall from 18% in 1980 to 5% currently. But why?

Lloyds Bank Review released a

study on Jan. 21 by two Oxford economists which demonstrated the obvious, namely that "the slowdown of inflation in the dozen industrialized countries that we have studied can be explained entirely by the sharp deceleration of 'commodity prices,' i.e., the prices of primary products." In other words, the collapse of the terms of trade of developing nations, forced to dump their products in Western markets at a fraction of their cost in order to pay debt service to the banks, lowered the apparent inflation rate in Britain as well as the other industrial nations.

The authors argue that "the basic assumption that the mass unemployment had, in fact, checked the inflation . . . also probably contributed to Mrs. Thatcher's election victory in 1983. It appeared to constitute evidence of determination, competence, and effectiveness."

Nothing of the sort took place, write the Oxford professors. "With a swing in import prices, for the average of 13 advanced OECD countries, of over 20%, which can be entirely accounted for by the swing in commodity prices, and given also that total imports constitute about 16% of the Gross Domestic Product of the OECD [Organization for Economic Cooperation and Development] countries as a whole and 25% of the GDP of the European members of the OECD, one would expect a deceleration of the final prices in the typical advanced OECD country of about 5%. And this is almost precisely what took place."

As one leading British analyst commented, "Once the oil prop was removed, it became clear that the British economy no longer had the capacity to produce wealth." The fall in oil prices is eroding Britain's last, artificial source of earnings, and the pound has crashed as a result.

Bundesbank pulls plug on 'recovery'

The bank has sent out the message that the party is over and that the Kohl regime is in serious trouble.

One day after German Economics Minister Martin Bangemann told his country's parliament, the Bundestag, that no rise in interest rates was necessary or desirable, the West German central bank raised its Lombard rate (similar to the discount rate) to 6.0% from 5.5%.

To soften the government's humiliation, the directors of the central bank hastened to explain that this was a technical, not a policy measure, designed not to raise domestic interest rates but to improve the central bank's control over the money market.

Although the Bundesbank's explanation is true in the narrow sense, the entire Frankfurt banking community is aware that the props have been kicked out from under the country's supposed "economic recovery." In its own fashion, the Bundesbank has announced that the party is over: No longer will the German banks buy up 2 to 3 billion marks of their trading partners paper every month, to enable France, Italy, Denmark, and so forth to buy West German exports. Since the vast rise in West German exports during 1984 stabilized the sagging West German economy, the Bundesbank has signalled the rapid decline of the economy and, with it, the fortunes of the Kohl government in Bonn.

What is particularly striking about the Bundesbank decision is that it occurred despite the combined public opposition of the Kohl government, the trade unions, the powerful savings banks' association, and the Landes-

banken (the banks of the 11 German states), as well as the financial press. All of the above inhabited a fool's paradise during 1984 in which West Germany attempted to accommodate itself to Paul Volcker's dollar regime. West Germany's heavily indebted European trading partners, on whose imports West German industry depends, required new credits to pay their dollar debt service. West Germany provided these credits in deutschemarks (DM), to the tune of 2 to 3 billion per month, feeding the selling pressure against the mark. West German industry was then able to continue selling to the rest of Europe, despite the fact that other European currencies were falling against the mark—making mincemeat out of the argument that the low DM benefited exports.

An even more ominous note in the Bundesbank report went unreported by the press: The central bank reported that a significant problem in controlling the German money supply emerged as a result of the flow of German cash abroad, in excess of any economic requirement for cash. According to sources at the central bank, this is mainly in the form of large-denomination notes, and reflects revenues of narcotics traffic in West Germany, tax-evaders shipping funds to Switzerland in the trunks of cars, and similar things.

The mark lost 12% of its market price against the dollar during 1984, and the Bundesbank emitted a strong warning in its January monthly report to the effect that a weaker currency

implied higher inflation, and something had to be done. The debate then made the circuit of the financial press over whether a rise in interest rates makes the DM more attractive on the market.

That is not the issue: The weakness of the DM is the combined result of Volcker's regime of world usury, in which the DM and other European currencies must be sold to obtain dollars for debt service and for the flow of illegal funds into the dollar from West Germany among other countries.

So the Bundesbank has let the banks know that the flow of DM to West Germany's trading partners must slow or stop, Frankfurt bankers report. For the moment, money-market rates are not affected. The Lombard lending window was not an important source of reserves for the German banks in quantitative terms; most of their funding came through the Bundesbank's so-called tenders of funds for securities held by the banks, which the central bank is continuing to provide. However, the 5.5% Lombard rate in effect put a ceiling on interest rates since the banks knew they could always obtain funds at 5.5% (same as the money-market rate) when they needed them. Now the central bank is dangling the Lombard rate just above the money-market rate. This means, in effect, that rates will remain stable only if the banks stop lending when liquidity is not immediately available.

Since the German economy depends on accelerating bank lending merely to tread water, the implications are obvious. With 9.2% unemployment (14% when officially counted "discouraged workers" are added to the definition of the labor force), West Germany is in serious trouble, and the first evidence that the economy is headed downwards will cause an earthquake in Bonn.

Shock wave of the future in medicine?

Further research developments indicate the tremendous savings in cost possible in high-technology medicine.

Shock waves have been a source of interest and debate since the 19th-century physicist Bernhard Riemann predicted their existence in an 1859 paper and was roundly attacked by the leading British physicists of his day who proved on the basis of classical Newtonian-Maxwellian physics that such waves could not exist. Reality, as it has a habit of doing, intervened into the debate, on Riemann's side, and shock waves became an acknowledged fact.

Subsequent research in aerodynamics, explosives, and especially in inertial confinement fusion has laid heavy emphasis on the focusing of shock waves to obtain high compression of matter without the heating which accompanies other methods of compression. Two recent developments in the field of medicine are indicative that a revolution in medical and surgical treatment would result from a major research effort in this area.

The first development, of relatively lesser importance, is the approval by the Food and Drug Administration of a device called a lithotripter, which focuses shock waves on kidney stones and crumbles them into sand-like particles that can be passed in the urine. The patient reclines in a tub of water and the shock waves, generated by a spark between two electrode tips situated in a concave metal reflector, are focused on the stone by two X-ray machines. Since water and body tissues have the same acoustical properties, they are unaffected by the shock

waves, whereas the more brittle stone crumbles.

The machine, developed by Dornier System of West Germany, could save approximately \$2,000 per case as compared to surgery. It is estimated that it would be effective in 80-90% of the 100,000 kidney stone operations that are done each year in the United States. It is estimated that 100 such machines, properly located, costing a total of \$170 million, could save \$2,000 per case on 80,000 cases in one year and thus essentially pay for themselves in their first year of operation.

A much more significant development is unfolding in the area of laser surgery of coronary artery disease, one of the leading causes of death and disability in the United States. A new laser, known as an excimer or excited-dimer laser, eliminates the problems which make current medical lasers unsuitable for treatment of coronary artery disease.

Most medical lasers generate heat in the tissues on which they are used and this heat is used to destroy the tissue, in the case of tumors, or to coagulate or weld the tissue, as in the treatment of retinal detachment in the eye. One condition in particular, diabetic retinopathy, was untreatable 10 years ago; now lasers seal the hemorrhaging blood vessels that once lead inevitably to blindness.

The problem with this heating effect in blood vessels is that it increases the tendency for blood to clot at the treated site, which is precisely what

must be avoided in coronary arteries. The other problem is perforation of the delicate arteries by the laser energy.

The excimer laser produces short, intense bursts of ultraviolet light which shatter the molecules of the atherosclerotic plaque without heating the surrounding tissue. The bursts of light create shock waves which break the chemical bonds of the plaque molecules, vaporizing the plaque into carbon dioxide, hydrogen, and other fragments. Each burst cuts away microns (one-thousandth of a millimeter) of tissue with great precision, thus reducing the possibility of perforation. The pulses are extremely short, lasting from 10-billionths of a second to 100-billionths of a second.

The laser is incorporated into a 1.5-millimeter-diameter catheter containing three bendable glass fibers, known as fiberoptic elements. One fiberoptic element carries the laser energy, another shines a light on the catheter tip, and the third provides a view of the area in front of the catheter.

Estimated cost of the perfected laser-fiberoptic device is \$100,000, and a patient could have his coronary arteries cleaned out in a few minutes and might not even have to stay overnight in the hospital. When one considers that 170,000 patients underwent coronary-artery bypass surgery in 1982, at an average cost of \$20,000 a person, the potential savings are enormous. More importantly, a great many patients who could not tolerate surgery because of the severity of their disease could be treated by this method. Thus a great many "cardiac cripples" could be offered something other than the tender mercies of opiate overdose in a hospice or the starvation recently proposed by Colorado Gov. Richard Lamm and the New Jersey Supreme Court.

Business Briefs

The U.S. 'Recovery'

U.S. budget deficit accelerates growth

The U.S. budget deficit continues to grow month by month, putting the United States more and more at the mercies of the international financial oligarchy that owns the U.S. debt.

The government reported on Jan. 28 that, in December, the budget deficit grew by \$15.18 billion. For the first three months of fiscal year 1985, which started Oct. 1, the federal budget deficit grew by \$72.43 billion, compared to \$63.32 billion for same period in 1984 (total deficit for fiscal year 1984 was \$175 billion).

Tax revenues have actually been up, though not nearly at the levels needed. Revenues for the first three months of fiscal year 1985 totaled \$166.15 billion versus \$149.4 billion for the year 1984. Expenditures for first three months of fiscal year 1985 totaled \$238.58 billion versus \$212.73 billion for 1984. The increased expenditures for interest on the public debt negated the increase in revenues.

This by itself proves there is no "recovery" in the United States, whose federal budget would be quickly moving into balance under circumstances of a growing revenue base which would characterize such a recovery.

International Development

Il Popolo boosts Kra Canal

The newspaper of the Italian Christian Democracy, *Il Popolo*, on Jan. 27 published a third-page article on the Kra Canal project, after an interview with Sophie Tanapura, *EIR* representative in Bangkok who was visiting Rome for discussions with government and business leaders. Entitled "The Future Kra Canal Will Connect Three Oceans," the article begins: "A great project for peace,

which has been going on for not more than 10 years, will, when realized, create in the Pacific basin—a key area for the whole world economy—such development conditions that the American economist Lyndon LaRouche did not hesitate to define them as a true 'Renaissance' for the economy of our planet."

The article, written by Filippo Taliotta, who has reported on Schiller Institute and Club of Life activities in the past, goes on to describe the canal project in detail, quoting Sophie Tanapura, "*EIR* correspondent in Bangkok and one of the most important figures in Thailand in the field of economic studies." As *Il Popolo* reports, Sophie Tanapura was recently in the United States and West Germany to present the project.

Food Crisis

Famine in Africa will spread in 1985

According to the December issue of the U.N. Food and Agriculture Organization (FAO) bulletin, "Food Outlook," Africa will face even worse food shortages in 1985 than in 1984. However, the U.N. organization actually *reduces* the amount of food aid that it says Africa needs.

The FAO writes that the food crisis will be especially severe in East Africa, where crops in 1985 are expected to be sharply below last year's very low level. In Ethiopia, Kenya, Sudan, Burundi, Rwanda, Somalia, and Tanzania, food aid needs will rise. The same is true for the Sahel region.

However, for the first time, the FAO reduces the amount of food aid it says several countries need, saying that "logistical constraints" prevent more being distributed. This is the case for Chad, where the FAO says food aid requirements are 125,000 tons. In a footnote, the FAO writes "[This figure is] based on present logistical capacity; total requirement is estimated at 325,000 tons." In other words, the faceless bureaucrats at the U.N. are giving up all pretense of trying to save lives in Africa, simply accepting the fact that food *cannot now* be brought to those starving.

In Ethiopia, an epidemic of cholera has begun, killing hundreds of people in refugee camps—an almost inevitable result of the present policy of bringing food to central points. An experiment has just been done on the feasibility of dropping food into remote areas of Ethiopia: To everyone's surprise, it worked, and hardly costs more than bringing the food in by truck, reports the London *Times* on Jan. 28.

International Credit

Ibero-American leaders call for debt talks

Mexican President Miguel de la Madrid and President-Elect Tancredo Neves of Brazil in late January called for direct debt negotiations between creditor and debtor nations.

Tancredo Neves, on the eve of his meeting with President Reagan on Feb. 1, said, "We have the best relations with the United States. We have no political problems with the United States, only economic ones—the debt, interest rates, and protectionism. . . ."

In answering questions later at the National Press Club, Tancredo Neves said: "High interest rates inhibit investments since they divert resources from production to financial speculation. The interest-rate process is perverse and is imposed upon us unilaterally. . . . As long as we are placed in a position in which we lose control of the economy, we will not hesitate to adopt other political measures."

He had expressed the same concept in stronger terms in Lisbon, Jan. 29, when he told reporters that when he said "debts are paid with money; not with the hunger of the people," this was a message to creditors. He added, "National sovereignty and the country's social stability are two basic non-negotiable postulates which cannot be infringed to please the demands of creditors."

President Miguel de la Madrid, speaking at a state dinner hosted by Indian Prime Minister Rajiv Gandhi in New Delhi, also called for face-to-face negotiations between of the creditor nations and the governments of the debtor nations to solve the debt crisis,

and he warned that the underdeveloped sector cannot accept continued economic stagnation, inflation, unemployment, and inequality.

De la Madrid said that "direct political dialogue" should tackle the problem from the broadest perspective, and create a framework of shared responsibilities to solve the problem. He called for the end of protectionism in the advanced countries and for an expansion of credit for development.

Space

Europeans accept space-station offer

The 11 nations of the European Space Agency decided on Jan. 31 at their ministers' meeting in Rome to accept the offer made by President Reagan to join in the construction of a permanently manned space station by the early 1990s. The Europeans will build their Columbus station module, which will be based on the Spacelab module they have contributed to the Space Shuttle.

The ministers also decided to go ahead with the advanced Ariane launch vehicle, the Ariane-5, which will be a liquid-hydrogen-fueled rocket. These two projects will cost about \$5 billion in the next decade, which will require a near-doubling of the ESA budget by 1995. The Federal Republic of Germany and Italy will take the lead on the Columbus module, and the French on Ariane.

At the meeting, the ministers decided to reserve a decision on "Europeanizing" the proposed French Hermes program, which is a manned mini-shuttle. According to the ESA office in Washington, D.C., the objectives stated by the ministers in approving their long-range plan is for Europe to remain a "major space power" by both cooperating and competing with the United States.

It was noted by observers of the European community that these decisions were taken with surprising "unanimity," even though the *Wall Street Journal* and other decouplers had predicted that the meeting would be a "disaster."

The consequences of this decision reach far beyond the area of scientific cooperation between the Western nations. The pro-Soviet West German Social Democrat Egon Bahr lamented that any real opposition to the SDI will be out the window if Europe is not able to stand up against the U.S. project for a space station and build its own.

Military Technology

SDI organization mobilizing small business

The Strategic Defense Initiative Organization (SDIO), responsible for implementing President Reagan's space-defense policy, has begun soliciting advanced technology proposals from small businesses for 18 areas related to the SDI program, for which funding will be provided in FY85.

This work is part of the Department of Defense's Small Business Innovation Research, which will be submitting contractor proposals to the SDIO at the Pentagon by March 3.

Among the key areas of interest being solicited by the SDIO are sensors for surveillance, acquisition, and discrimination of armed ballistic missiles; space prime power and power conditioning; system survivability and target lethality; computer architecture and artificial intelligence; space structures and materials; high-velocity penetration/destructive devices; directed energy weapons; and kinetic energy weapons.

As these areas of interest are being defined, the SDIO is also identifying key challenges confronting U.S. technology over the coming years. One of these, for example, will be the necessity of tracking up to 30,000 objects employing hundreds of sensors and parallel processing at a rate of 500 million instructions per second.

At the same time, the U.S. military is upgrading profiling of the Soviet anti-ballistic missile program. The Air Force Ballistic Missile Office is beginning a study to investigate possible ways other than nuclear weapons by which the Soviets could disable U.S. ICBMs based in hard silos.

Briefly

● **COLOMBIA** has been ordered by 8 of the 14 members of the creditor-banks' steering committee for that nation to sign up with the International Monetary Fund as a condition for continued financing. The government of Belisario Betancur has so far refused to acquiesce to the demand.

● **MEXICANS** are now consuming only 38 grams of protein per week, barely 8 more grams than starving Ethiopians who, on average, have 30 grams of protein available to them. The Mexican population has seen the virtual disappearance of meat from its diet as a result of measures imposed by the International Monetary Fund. Beef is almost completely unavailable, and pork and chicken are so expensive, at \$3.25 and \$2.50 per pound, respectively, that they are beyond the reach of most.

● **THE BISHOPS** Conference of Latin America (CELAM) and the Latin American Workers' Federation (CLAT), meeting in Caracas in late January, stressed the "dramatic dimensions" of the Ibero-American economic crisis, and condemned the policy of the International Monetary Fund on debt renegotiation. The CELAM/CLAT meeting is taking place to "analyze the Church's social teachings as they apply to Labor in the 1980s.

● **DUKE** University Medical Center announced Jan. 31 that experiments show a new drug may help halt the progression of Alzheimer's disease, a brain disorder that afflicts 1.5 million older American citizens. Preliminary results show the drug, nimodipine, may help improve mental functions of those afflicted. "Nimodipine increases blood flow to the brain and affects the movement of calcium ions in and out of brain cells," said Dr. James Moore. "The results of preliminary tests in humans suggest that nimodipine can help improve intellectual functions of people with the disease."

Beam weapons: the military-industrial revolution is on!

by Don Baier

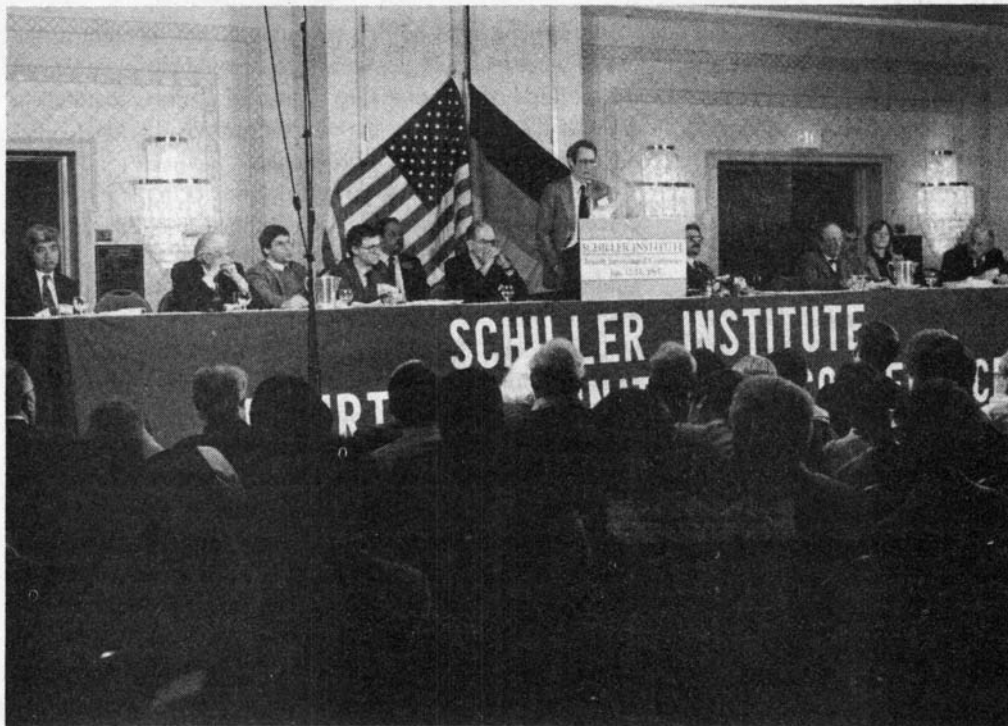
U.S. President Ronald Reagan's Strategic Defense Initiative is now "unstoppable," *EIR*'s contributing editor Lyndon LaRouche told the Fourth International Schiller Institute Conference, held Jan. 12-14 in Richmond, Va., U.S.A. No matter what the objections from shortsighted congressmen or the liberal press, LaRouche insisted, "The genie is out of the bottle and it cannot be stuffed back in again."

The wide participation in the conference was itself a striking demonstration of how far the idea of a strategic defense system "based on new physical principles" has come since LaRouche's February 1982 seminar in Washington, D.C., where it was first elaborated as part of a proposed new military-strategic doctrine for the United States. In that light, the representation from Western Europeans, whose nations have been subjected to a non-stop bombardment of Soviet propaganda against "Star Wars" since the day the Strategic Defense Initiative was first announced nearly two years ago, was particularly striking.

Assembled at the conference to discuss the potentials of the SDI, or submitting policy papers to be read and considered by conference participants, were military-strategic and scientific experts from West Germany, France, Italy, Spain, Austria, Japan, and the United States. While LaRouche's assessment was the most optimistic, all agreed that the concept of a beam defense was bringing about a revolution in strategic thinking that held out a new hope for humanity to escape the awful prospect of thermonuclear war. We are pleased to present the views of many of those who contributed to the discussion in this *EIR* Special Report.

Keynoting the conference, the founder of the Schiller Institute, Helga Zepp-LaRouche, declared, "The battle around the SDI is Strategic Question Number One right now. The Soviet Union saw itself, in view of the supposed final collapse of capitalism, quite close to its goal of establishing its own global hegemony, especially because the Warsaw Pact gained a marginal superiority in all weapons categories during the years of so-called detente—and now Moscow sees all of its calculations being destroyed by Reagan's SDI."

Moscow, she said, must be brought to realize that peace depends on reaching



Panelists at the Fourth International Conference of the Schiller Institute discuss the U.S. Strategic Defense Initiative.

NSIPS/Stuart Lewis

an agreement with the United States for parallel development of the new beam technologies to render nuclear weapons "impotent and obsolete," and the quickest possible economic development of Third World nations. This latter, she pointed out, would require not simply the exploitation of the new technologies, but a redesigned international monetary system to supply non-inflationary credit for economic development.

From the United States, Brigadier Gen. E.F. Black of the U.S. Army (See *EIR*, Feb. 11) informed the conference that President Reagan had instructed his arms negotiating team that the SDI is "not negotiable." It would not, he stressed, be used as a "bargaining chip," nor "sacrificed as a trade-off for reductions in strategic weapons during the 1985 round of arms-control talks."

General Black stressed, "The President meant what he said" and called his decision to proceed with the SDI a "carefully considered national policy based on the most important strategic/political decision since the beginning of the Atomic Age."

Lyndon LaRouche explained that decision as follows:

"Until the President's announcement of March 23, 1983, for nearly 30 years the world had lived under the terror of an insane and brutish doctrine called Mutual and Assured Thermonuclear Destruction. It was argued that if each superpower would hold itself defenseless against obliteration by the nuclear arsenals of the other, that peace could be assured. This policy of nuclear terror was called nuclear deterrence. The promise of peace through perpetual terror was a lie! During the period beginning 1977, faithful adherence to nuclear deterrence brought the world to the brink of total nuclear war.

"When NATO, in 1979, adopted Henry Kissinger's proposal to deploy a pathetic few Pershing IIs in West Germany, in response to the Soviet deployment en masse of SS-20s into Western Europe, the world moved to the threshold of what is called 'launch on warning'—the point at which the computers unleash full-scale worldwide thermonuclear war at the first sign of a missile shot from one of the two superpowers.

"Some of us warned that the only way out of this nightmare was to change the strategic doctrine: to use the new technologies available for destroying thermonuclear missiles before those missiles struck their targets. The President agreed, and announced the change in strategic doctrine on March 23, 1983. The Soviet press and the leading Politburo officials have publicly blamed me for this new strategic doctrine, and the Soviet government and its nuclear freeze agents, in Europe and in the United States, have been conducting some very nasty operations against us.

"Obviously the Soviets exaggerate my influence on the White House. But the fact remains that I am an expert on this sort of thing, and therefore I do have the ability to report on some important aspects of that doctrine, with a certain authority."

LaRouche went on to argue that the United States must develop beam technologies as rapidly as possible in order to get the full benefits from the new doctrine, not simply in the narrow military sphere, but in an explosion of benefits to the total U.S. economy that would put millions of "forgotten Americans" into productive jobs.

"This new doctrine is unstoppable! The genie is out of the bottle and it cannot be stuffed back in again. After the

Soviets' Gromyko, in terror, agreed not to walk out of the negotiations in Geneva on Jan. 7 and 8, Moscow had at last made the first step in capitulating to the will of President Reagan. We've got a few more steps to go," LaRouche acknowledged, "but at this point, even those who oppose it cannot stop it. It is unleashed, and you can only ride it, and the person who rides it the fastest, wins.

"The President and others have said repeatedly that the new technologies are still in 'the research phase.' Don't worry about that. Nothing can stop, or very much delay, the spillover from research into production orders."

"If we can build cities holding tens of thousands of human beings comfortably on Mars, beginning in the year 2025, what could we do with the Sahara desert, which is not as difficult as Mars? Or the Arabian peninsula? Or the great American desert there out West?" LaRouche asked. Those who argue that the United States "cannot afford" to spend the \$200 billion required don't know what they're talking about.

A vast new power

LaRouche supplied a sketch of the superiority of the new technologies over those existing in the ICBM.

"A Soviet strategic intercontinental ballistic missile reaches a speed of about 2 miles per second. A high-speed U.S. interceptor rocket might reach 7 or 10 miles per second. But, just to give an example, an anti-missile laser beam travels at the speed of light, which is on the order of magnitude of about 186,000 miles per second.

"The amount of energy needed to launch an intercontinental Soviet ballistic missile is enough energy, at that moment of launch, to light up a whole city. That's why you can't hide them!

"A laser pulse, in a few thousands of kilowatts, in the right frequency and well aimed, can destroy that missile. When anti-missile systems are adequately developed, it is reasonable to estimate that we can destroy a Soviet missile for one-tenth of what it costs the Soviets to build and launch it."

That means, he added, that "in military terms, the defense can supersaturate the offense."

LaRouche stressed that the same power inherent in the use of these technologies as weapons could easily be tapped for the kind of massive agro-industrial projects required to save Africa and develop the whole Third World, and to enable mankind to colonize other planets.

"These are the most powerful kinds of *tools* ever conceived. Every factory which is equipped to build the components of these new kinds of weapons, is also a factory equipped to build components of the most powerful kinds of machine tools, and other tools of production, ever designed!

"Our duty, our concern," LaRouche continued, "is to make certain that the benefit of these powerful new tools reaches out of the anti-missile system production," to touch the unemployed man sitting on the sidewalk in an American city, trying to eke a livelihood out of selling trinkets, "and reaches into the development of Africa as well."

LaRouche identified three overlapping areas of research and development on the frontiers of science as of crucial significance for both the Strategic Defense Initiative and global economic development. Controlled thermonuclear fusion, particle and laser beam technologies, and non-linear spectroscopy could enable mankind to lift himself to the stars, he said.

"If we can build cities holding tens of thousands of human beings comfortably on Mars, beginning in the year 2025, what could we do with the Sahara desert, which is not as difficult as Mars? Or the Arabian peninsula? Or the great American desert there out West?" he asked.

Those who argue that the United States "cannot afford" to spend the \$200 billion required to develop the new technologies on a "crash" basis don't know what they're talking about.

"We've got 15 million people in this country who need work, who don't have it, and who the Labor Department says officially don't exist! Because they've been dropped from the labor force. So therefore, if we simply put people back to work, and at the same time increase the productive power of labor with new technologies, it's obvious that we can increase the wealth per capita, and in total, enough to pay for anything we have to."

Michael Liebig, co-author of the newly released German book *Strahlenwaffen: Militärstrategie im Umbruch (Beam Weapons: Revolution in Military Strategy)* pointed out in his presentation that under the "Ogarkov Doctrine," the U.S.S.R. remains poised for a lightning strike at Western Europe, a display of "raw force" that could range from a local action to a full-scale thermonuclear attack including the United States as well—as one of its remaining options to stop the SDI. "They will sweetly offer us a new Munich," Liebig forecast. "And we had better understand that, and look at strategic affairs without illusions. Because that is the precondition for remaining steadfast, and changing strategic affairs for the better."

In the following pages, the discussion continues.

Technology will never stand still

by Brigadier General Heinz Karst

Brigadier General (ret.) Heinz Karst is an officer in the Bundeswehr, the army of the Federal Republic of Germany.

The hopes of Europeans now focus upon the talks between Shultz and Gromyko, which began on Jan. 7 and 8. Those who know the whole situation more precisely, know how tedious and difficult effecting solutions in arms-control and disarmament will be, if they ever actually come about. But it is beyond any doubt today, that the Soviets, in the years of illusory détente, in the era of Carter, Brandt and Scheel, unerringly exploited their opportunities, and brought their offensive armaments in all categories up to a level unparalleled in history. Our fixation on the nuclear medium-range missiles, on the SS-20 and SS-22 systems, hides from our view the exceedingly large Soviet naval buildup, their strengthening of conventional forces and their air forces. All of the economic and technological efforts of this major power have been devoted, since the time of Lenin, to building up the heavy- and light-armaments industry.

While in the West—with the recent exception of the United States—defense needs receive only the funds left over after the population is supplied with consumer-goods, the reverse situation prevails in the Soviet Union. That which is left over after meeting the requirements of the priority task, armament, then goes to cover the consumption of the population. This situation requires an explanation. The armaments of the Soviet Union are the fulfillment of an old dream of Great Russian Imperialism from the time of the Czars, which has been married with the messianic belief in the world revolutionary mission of Marxism-Leninism in its Moscovite version. With such military power, the Soviet Union can exert political pressure, wherever they think it necessary.

This is one side. The other consists in the fact that Moscow has understood how to make most of mankind into its enemy. Japan was willing to cooperate, if Moscow would return to Japan the Kuril Islands, conquered in World War II. But Moscow has never given anything back which it has once conquered. Thus, it will also never give up Afghanistan, but rather swallow it, unless there is a change in ideology. Red China is still in an adversary position against the imperialist conquest of Laos and Cambodia by the Vietnamese, who are loyal to Moscow. The assault upon and war in Afghanistan have earned the Kremlin the hostility of hundreds

of millions of Moslems, leaving aside Syria and Qaddafi, which play a special role. The free West, as little as it may give the external appearance of being united, is ultimately determined never to accept the hegemony of the Soviets.

From Moscow's standpoint, the excessive and economically burdensome armaments buildup finds its justification as the reaction to the feeling of being globally encircled. There is the additional element, that Moscow's satellite belt is not exactly secure. Events in Poland are an example of this. That in a communist state, secret service people are put on trial for a brutal assassination, and this trial is held publicly—that is equivalent to a revolution, just like the fact that a general heads up a communist state. Everywhere, where battles for freedom have occurred in Soviet satellite countries, there are Soviet tank and motorized divisions stationed: in Hungary, in Poland, in the German Democratic Republic, and in Czechoslovakia. In addition to the defense of the Mother

The armaments of the Soviet Union are the fulfillment of an old dream of Great Russian Imperialism from the time of the Czars, which has been married with the messianic belief in the world revolutionary mission of Marxism-Leninism.

Land, if one wants to define such defense benignly, these forces serve to discipline the allies, who are not trusted.

The Soviet Union has, nevertheless, managed to win an important victory in the battle for minds. Psychologically, the Soviet Union has by and large managed to restrict the application of the concept of totalitarianism to the fascism of the past, and to see to it that it is not applied to present-day communism. So, the idiotic slogans, like "Better Red than Dead," take hold of certain people, without them knowing just what "red" in this case would really mean.

Moscow has achieved successes on the field of psychological-revolutionary warfare among citizens of the West. Moscow's strength lies in this area, as much as in the area of armament per se. Moscow knows how to orchestrate its intentions, all the way from semantic fraud to targeted terrorism, slipping in agents and mediated control of "movements," quite effectively. Strategic adversary No. 1 for the U.S.S.R. is America, No. 2 Red China, and free Europe only No. 3. But from the standpoint of psychological-revolutionary warfare, Western Europe is No. 1, the U.S.A. is No. 2,

and Red China No. 3. General Rogers [NATO Supreme Commander—ed.] is perfectly correct when he emphasizes that the Soviets want to achieve victory without war, but the Soviets have also included war in their calculations if they see it as necessary—the surprise of the “bold thrust,” as the large-scale territorial maneuvers in 1984 proved. Their goal in this case would likely be to get their hands on the economic potential of Western Europe as intact as possible.

One of the paradoxes of our century is, indeed, that it is especially in the heart of Europe, in Germany, from which so many of the great ideas of the 19th and 20th centuries originated, including Marxism, people know Marxism itself very inadequately, even though the smaller German (part) state, the German Democratic Republic, has a Marxist gov-

The Strategic Defense Initiative policy of President Reagan is about to put a check on Moscow's dreams for world power.

ernment. There, people try desperately, in every possible and impossible way, to escape to freedom in the West. They know very well what it means not to have freedom, and they have a far clearer notion of red totalitarianism than many citizens of welfare-society in the West.

Now, the Strategic Defense Initiative policy of President Reagan is about to put a check on Moscow's dreams for world power. If the Soviets are already bleeding from the wound in Afghanistan, where, with more than 150,000 soldiers and the most modern armament, they have not managed to subject the “gangs” or “bandits,” as they call the freedom-fighters of the Afghan people—and, in stark contrast to the Vietnam War, the radicals are demonstrating almost not at all against the barbaric warfare there—Moscow nevertheless sees in Reagan's SDI a strategic development which could serve to make the previous nuclear potential of the world “impotent and obsolete.” If that happens, and if Moscow accepts the President's offer to mutually develop this program, Caspar Weinberger's words in his speech at the Foreign Press Center on Dec. 19, 1984, could become reality. But beam weapons are a “wide field,” to borrow the words of Theodor Fontane. Ideas about space-based and ground-based defensive weapons are still so abstract and uncanny, that most citizens and governments react negatively.

One must, however, take into account that the Soviets are working on the development of such systems. It is known, that they, true to the teaching of Lenin, only honor treaties for as long as they can draw advantages from them, or in any case as long as they do not harvest any disadvantages. In a totalitarian state, arms development, despite modern satellite

surveillance, remains in secrecy, while in the open societies of Western democracies, armaments projects are publicly discussed. That reason does not always come out on top is clear. It seems to me important that [U.S. Secretary of Defense] Weinberger's speech be thoroughly studied. Technology, and that includes weapons technology, will never stand still. New technological “pushes” have always emerged in the course of history. In any case, these vital questions can not be shrugged off with slogans, such as those that appeared immediately on the market, such as that in [the West German weekly magazine] *Der Spiegel* on Nov. 12, 1984, where beam weapons are called “weapons for Star Wars.” We are just at the beginning of the discussion about this strategy in our country. And it will be some years before they are deployed.

A patriotic self-respect

In the Federal Republic of Germany, where one knows that our external freedom depends upon the United States, there is an anti-American campaign which reaches from open terrorism to the activities of relatively small but very loud groupings. They do not, however, represent the majority of the German people. But majorities that do not speak out do not make the news. The impression can arise abroad that irrational minorities here are not hitting up against sufficient resistance. They will likely change, since the answers being given by these groups, among some right questions, are nearly all far away from reality. The major point is that the new, democratic Germany regains a patriotic self-respect, and asserts its role as the center of Europe in the North Atlantic Alliance, without overestimating itself.

In this connection, Friedrich Schiller is one of the leading figures of German history. It is characteristic, that the National Socialists first banned performances of “Wilhelm Tell,” and then “Don Carlos.” “Sir, give us freedom of thought!”—this line of the Marquis of Posa, which called forth storms of applause from the theater-going public in the “Third Reich,” was as uncomfortable as the assassination of the tyrant in “Wilhelm Tell.” Reorienting to Schiller and his great poetry, and to the classics and the German movement at the time of the Liberation Wars can be a way to renew the political culture of our people. But the challenges at the end of our present century also require new answers, because there are a number of phenomena that did not exist at the time of the friendship between Goethe and Schiller from 1795 to 1805. Our task is to overcome the cultural pessimism which has taken root in the left political camp, to put a stop to destruction of the environment, to overcome the anxiety-psychosis of “future shock,” to prevent any decoupling of free Europe from the United States, to unify Europe, to effectively fight misery in the Third World, and to mobilize every force to secure peace in freedom. The Geneva discussions could be a promising beginning. I say this as a private person, one who follows the work of the Schiller Institute with interest.

An appeal to Europe for participation

by Jürgen Todenhöfer

Jürgen Todenhöfer is a deputy of the Christian Democratic Union in the Bundestag, the lower house of parliament in the Federal Republic of Germany. The Christian Democrats are the party of Chancellor Helmut Kohl. Text slightly abridged.

The Europeans' attitude to the development of defensive beam weapons is currently still ambiguous and indecisive. This is in part understandable. The fear of giving up a proven strategy, or changing it, and being drawn into a new dramatic arms race with potentially destabilizing effects, is still prevalent. This is due, among other reasons, to an insufficient information policy of the West on this issue. On the other hand, there are more and more people in the West who see the promising, positive potential arising from space-based defenses for security, securing peace and especially positive effects for arms control over ballistic missiles, because were there a functioning space-based defense, the value of these weapons would be reduced.

The attitude of the German left is remarkable; it has damned the strategy of deterrence, and is now storming against purely defensive weapons with the same slogans. Morally it is extremely difficult to say anything against weapons that do not destroy people, but missiles. It is also often overlooked, that defense against attacking Soviet intercontinental missiles is a classical act of self-defense against an illegal assault.

The danger of a new arms race cannot, of course, be totally underestimated. The stationing of a defensive system could, theoretically, impel an adversary to further build up its offensive potentials. This would have the consequence of inducing additional costs for defensive systems. There is, additionally, the danger that both sides may be able to develop special weapons against space-based defense systems. Here arms control must take hold, to prevent such an arms race. This is its most important task at the moment.

Stabilizing effect of space-based defensive systems

Military-strategic, space-based defensive systems could have a stabilizing effect in times of tension and crisis. They could, in particular, significantly reduce the offensive deployment options of ballistic missiles. Even if, from a technical standpoint, the effectiveness of the shield will probably never reach 100%, no aggressor will be able to presume with

certainty that his offensive missiles will reach their targets. That increases the risk for the aggressor, and increases his uncertainty about the military success of his attack. If the aggressor wants, considering the cited disadvantages, to attack with other weapons, he only has slower weapons at his disposal, such as aircraft or cruise missiles.

Military-strategically, it cannot be ruled out that space-based defenses that can defend against 80% of the attacking missiles could lead both superpowers to the consideration that they can dispense with intercontinental missiles altogether. The lowered penetration capability of intercontinental missiles will, therefore, have significant effects upon the cost-benefit analysis of military planners. It would be a historic breakthrough if the age of intercontinental missiles could be brought to an end by space-based defensive systems.

If Europe does not obtain the same protection as the United States, a zone of reduced security would emerge in Europe, with unforeseeable consequences for external and internal security.

Joint European-U.S. research essential

It is, therefore, high time that the Europeans seek cooperation with the United States in space research. If it is correct that space research can lead to an important enhancement and improvement of the previous deterrence and war-prevention strategy of Flexible Response, then it is our duty to participate in the research to work out this changed strategy. It would be irresponsible, from the standpoint of security policy and of morality, were the Europeans to refuse to participate in the search for ways to secure the peace under the changed technological conditions of the year 2000.

In contrast to the United States, which is located on its own continent, and therefore can be primarily threatened only by nuclear missiles, the Europeans also have to defend themselves against conventional attacks, against nuclear battlefield weapons, and, soon, also against Soviet cruise missiles, against which a defense in space will hardly be effective. Research must show whether a protection of Europe against the medium-range missiles such as SS-20, SS-22, and the SS-23 is possible, and research must determine whether defense also against short-range missiles like the SS-21 can be achieved.

Information and consultations, as important as they are, are not sufficient where the issue is the survival of Europe. It is necessary rather that Europe participate in the space research programs of the U.S.A. In addition to the security policy aspects Western Europeans should not forget their own technological and industrial interests. The research programs will, as experience teaches, bring numerous results which can be applied in the civilian area. It is known that the Japanese have already reached agreements with the U.S.A. in this area, and are thus a nose ahead of the Europeans. Europe would fall far behind the U.S.A. and Japan if it misses the boat here.

Plasma research can boost beam effort

by Dr. Shoichi Yoshikawa

Dr. Shoichi Yoshikawa is Director of Special Projects at the Princeton Plasma Physics Laboratory. Text abridged.

I am, myself, not a defense scientist, and am not privy to the types of classified research which have so far gone into beam-weapon research in the U.S. and Soviet defense programs. But I am a plasma scientist who has been working on development of controlled fusion for electricity generation for over three decades.

While my work on plasma science, has been directed toward achieving the peaceful generation of electricity from controlled nuclear fusion reactions—and thereby giving all of humanity access to a readily available and virtually unlimited supply of energy—because this research touches on the fundamental aspects of science it can also be applied to the realization of defensive beam weapons. For example, researchers at Princeton recently reported experimental results that indicate that we can produce an x-ray laser in the laboratory with a magnetic plasma. And, as Dr. Edward Teller has emphasized, x-ray lasers have great potential as anti-missile beam weapons.

As I noted before, one of the key problems in achieving effective beam weapons is that of attaining the required con-

centration of energy. Let me share with you some new possibilities which I have been working on that may have some applications to beam weapons—this must be finally determined in this particular case by further research and study. But this example shows how general plasma science can be applied to overcoming the types of problems encountered with directed-energy weapons.

One of the important inputs needed for many proposed beam weapons is that of a high-current, high-energy electron beam. Such beams could be used to power free-electron lasers or powerful microwave generators. But such beams tend to become unstable and difficult to handle. I am exploring ways in which such an intense beam could be embedded in a magnetically confined tokamak plasma. The plasma provides a sort of buffer to stabilize the beam while not destroying its energy concentration.

And even if this particular idea does not prove to have practical applications to beam weapons, it could provide a new and important tool for both fundamental science and industrial technology. The intense beams, for example, could be used to generate anti-matter on an unprecedented scale, and thereby provide us with a totally new physical situation. Anti-matter beams can be used to generate intense beams of gamma rays.

On the other hand, such a plasma embedded e-beam could be used to generate intense outputs of x-rays and synchrotron radiation. It may surprise you, but this will be one of the key inputs needed for mass production of advanced computer chips in the near future. The x-rays are used to print the circuits of the chip in much the same manner as laser printing, but with a far greater resolution.

In support of the beam-defense program

by Dixy Lee Ray

Dixy Lee Ray has served as chairman of the U.S. Atomic Energy Commission, and later, as governor of the state of Washington.

Self-defense is as deeply embedded in human nature as is the will to live. The defense of one's home, property, neighborhood, and nation are equally fundamental. The moral right to self-defense is recognized in law and is universally accepted. It is inconceivable that anyone can be against self-defense, and yet that is precisely the case with a number of self-appointed opponents to the President's proposal for a strategic defense to replace the outmoded and undefendable

policy of Mutually Assured Destruction. These opponents, and their allies in the liberal media, would have us believe that even to consider defending ourselves, even to study a possible defensive system, is itself an aggressive act.

No one denies that an exchange of nuclear warheads between the U.S. and U.S.S.R. would be horrifyingly destructive—if detonated on or near the surface of the earth or in the atmosphere. But those same nuclear warheads would be harmless if detonated in outer space. Pending a more perfect peace, is it not better to devise a system for exploding incoming warheads during their trajectory and before they can damage the earth? Isn't it better to erect a shield than to hope for change in an enemy that has heretofore proved implacable? Isn't it a far more moral position to hold up a defensive shield than to threaten retaliation?

I believe it is. And I believe that the President's Strategic Defense Initiative, which opponents persist as deprecating as "Star Wars," is the most hopeful and enlightened step that has been taken since the dawn of the nuclear age. It has my full support.

Behind the Soviet missile 'accident'

by Jarle Synnevaag

Jarle Synnevaag is associated with the Norwegian Defense Research Establishment. Text is abridged.

The Soviet cruise-missile that recently violated Norwegian and Finnish airspace is yet another dramatic illustration of the grave threat that exists today, not only against Western Europe, but ultimately against the survival of Western civilization. Although the possibility that the incident was an accident cannot be totally ruled out, it is far more likely that it was a deliberate provocation from the Soviets. My opinion is that the purpose of this act was indeed to frighten and subvert; however, it was not directed at the public, but at the governments of Norway and Finland.

The reaction in Norwegian mass media so far suggests that if the purpose was to promote a ban on cruise-missiles, the Soviets have probably succeeded better than they had dared hope. Even a number of conservative Norwegian newspapers seem to have bought this hoax, not to speak of the Social Democratic ones and the Norwegian Broadcasting Corporation which, I dare say, is infested with KGB agents of influence.

What then should be the Norwegian response, and indeed the response of NATO as a whole to this provocation? The reaction to this particular incident really should be nothing except what is urgently needed in the present situation anyway. This may be summed up in the following three points:

- 1) Full support, both politically, and to the extent possible, also scientifically, to the U.S. strategic defense initiative.
- 2) A strengthening of NATO'S conventional forces, in the case of Norway, particularly in air defense.
- 3) Maximum effort devoted to what the present Norwegian Prime Minister, Mr. Willoch, has described as "the battle of public opinion."

1985 is an election year in Norway, and unfortunately, there is a very real danger that this will bring the Social Democrats to power. This could well mean a disaster, not only for Norwegian National Security, but for NATO as a whole.

If the Social Democrats in Norway win the election in September, there would be no opposition left to the establishment of a "nuclear-free zone" in the Nordic countries, through a bilateral agreement with the Soviet Union, against the wishes of the United States and other major Western powers. The

Social Democrats' spokesmen have repeatedly said that this is what they intend to do.

Of course, the whole idea of a nuclear-free zone in the Nordic countries is ridiculous, since the only nuclear weapons there are in these countries are those aboard Soviet submarines violating Norwegian and Swedish territorial waters.

The way is then open for the Soviet Union to launch a limited military action against the Nordic countries with very little risk of any retaliation from NATO. Furthermore, if the Soviets are looking for a place for such an action with almost no risk to themselves, the stage has long been set in the Svalbard or Spitzbergen Archipelago north of Northern Norway. Although these islands are in principle Norwegian territory, they are also governed by a special treaty. This treaty states that the citizens of any countries which have signed it have the same rights as Norwegian citizens to do business there, provided they obey Norwegian law when doing so.

So far it is only the U.S.S.R. which has used its right to establish a presence on the islands. Today, there are approximately 2,000 Russians there, twice as many as there are Norwegians. The Russians operate a squadron of transport/attack helicopters there, camouflaged as a civilian aeroflot unit, but carrying missile mounts, although the islands, according to the treaty, are demilitarized. Accordingly, there are no Norwegian armed forces on the island, except a roughly annual call by Norwegian naval ships. Svalbard is therefore the ideal place for a limited Soviet military action with very low risk from the Soviet point of view, but which could have very grave consequences for the west. If NATO then fails to respond, due to previous lack of NATO solidarity by a Social Democratic government in Norway, this could well mean that Norway would leave NATO, since the alliance would have shown itself unwilling and incapable of defending Norwegian territory. This may then initiate a process where the smaller members of NATO would leave the alliance one-by-one, seeking bilateral agreements and treaties with the Soviet Union.

To sum up, the Soviets may be able to achieve the decoupling of Western Europe and the United States, through a process involving far less risk than a limited military action against Western Germany or even against continental northern Norway.

Because of this, the efforts of the Schiller Institute in my country should concentrate on exposing to the maximum extent the treacherous defense and foreign policy that the Social Democracy would promote if they are given the opportunity. There is also another urgent issue: to internationalize the community on Svalbard. This can be done if the major Western powers use their right to search for coal, minerals, and oil there. Simply by being on the islands in sufficient numbers, citizens from the United States, the U.K., France, and West Germany will make it far less tempting for the Soviet Union to commit any open military aggression there.

Technological progress and naval strategy

by Vice-Admiral Julio Albert Ferrero

Spain's Vice-Admiral Julio Albert Ferrero is Director of the School of Naval Warfare at Madrid. Text abridged.

I should first like to summarize the main effects produced by the veritable hail of technological advances which have rained down upon mankind since the end of the last War. No field of human knowledge has remained unaffected by such remarkable progress, nor have there been technological developments which have failed to apply to the art of war.

Consequently, those who create and carry out defense policy, strategy, logistics, or tactics, must confront the following concrete facts:

1) A marked, provoked increase in the capacity of sensors, satellites, detectors of electromagnetic and acoustic radiation, opto-electronic systems, and other similar advances, which have made the element of surprise increasingly unlikely; this factor could be called "the difficulty of hiding."

2) An extraordinary increase in speed, in all fields. The "tempo" prevailing in theatres of war leaves little margin for pondering. This factor could be called "the precipitation of events."

3) A constant increase in the precision of weaponry. We come closer every day to an objective: for every shot, a bulls-eye, whatever the size or distance of the target. This could be called "certainty of impact."

4) An ever-growing destructive power within ever-lesser volume. Modern conventional explosives have almost the destructive properties formerly confined to nuclear weapons, leading to unacceptable risks. We might call this "disproportionate lethal energy," which, day by day, makes it easier to close the seas to small navies.

The entire gamut of such intrinsically costly means cannot possibly be available to second-rank powers; in order to tap that potential, **we must arrive at defense and technological cooperation agreements with friendly or allied countries.**

Technological advances led to massive application, in the conceptual field, of all the scientific hardware within man's reach; doctrine was elaborated by analysts working within the military command institutions. This in turn produced a doctrine very much influenced by mathematics, in

which cost-benefit analysis prevailed over all other considerations.

Today, illustrious military thinkers have raised their voice to demand that the imagination should once more rule the process which creates doctrine. Our rigid mental molds must be cracked, before we become prisoners of habit; we must seek new theories, try them out, and adopt them forthwith if they prove efficient.

Let us then draw the following conclusions: Rapid changes in the aero-naval field call for the highest degree of flexibility and independence when decisions are to be taken, through



U.S. Navy

Naval warfare has been marked by an extraordinary increase in speed.

integrated systems of command, control, and communications, able to operate under conditions of electronic warfare and equipped with sensors which must include equipment for space.

Bear in mind that the world of ideas in which you move as a naval officer is in no way compatible with Cartesian dogmatism and avoid, therefore, simplistic recipes which boil down to mathematical models that which should be the object of profound reflection.

Never forget, withal, those unchanging principles we deduce from our own history. Intelligent and enthusiastic men lived before our time, who, like us, craved Progress. Let us not forget their lessons, but only adapt them to our new and revolutionary technological surroundings.

Lastly, bear in mind that no matter how complex and efficient the technologies presently or soon to be used, in the last analysis it is man who must know and deploy them under the hostile conditions of naval warfare. No simulator can artificially recreate life on board in the heat of war, nor confront men with the need to take decisions of real transcendancy, nor provoke those moral, military, and human virtues without which success can never come to crown our actions.

Beam weapons will neutralize space

by Colonel Marc Geneste

Col. Marc Geneste is a 25-year career officer with the French Army, and currently vice-president of the Center for the Study of Total Strategy in Paris.

We all are surprised and a bit shocked to hear Monsieur Mitterrand, Mrs. Thatcher, and others say that this big idea of President Reagan's, the Strategic Defense Initiative, is not very good for the future of humanity, or for Europe.

This is the official view in Europe these days, at least in France; but please don't worry about the official pronouncements. I have personal experience: A few years ago, I was very much involved in the building, with the French AEC, of the neutron bomb, which to me is a very important contribution to deterrence in Europe. And one day we were surprised to hear the defense minister say in parliament, "I swear that France is not interested in the neutron bomb and never will be," while we were working at it—quite a surprise! Thank God, three weeks later, President Giscard had a special TV show just to say to the French, "We have made it! We have it!"

French scientists, military technicians, have been since the beginning very much interested in this new technology of the Strategic Defense Initiative.

Yesterday, when I came into the United States, I had a lot of trouble bringing in my suitcase. You have quite rightly the prudence to control all your imports except, very strangely, the free access to the United States that you have given, by treaty, to ICBMs. This SDI is *not* militarization of space: On the contrary, it has to be *neutralization* of space, where ICBMs will not enjoy this fantastic privilege of entering without opposition. If we present SDI as *neutralization* of space, instead of militarization, I think we will have immediately won in Europe, even at the level of politicians.

SDI is the condition of arms control and of disarmament. To me, the Geneva talks have not been resumed *in spite* of SDI, but *because* of SDI. The Russians may be what they are, but at least they are very reliable opponents! You can be confident that they will never give up any privilege unless they are forced; and here, apparently, the first big success of SDI has been to show them that they had better come back to the negotiating table if they want to have a chance to limit SDI. They will try to; it's up to you to defend it.

And I want to expand a little bit on this idea of SDI as a condition of disarmament. Coming back to this very interesting talk of Helga Zepp-LaRouche, disarmament is in the long run, to a large extent, the condition of improving the Third World. So let's have a look at this big idea, "Is disarmament possible through new technology?"

Mutual insecurity

This cartoon shows security after 20 years of the MAD system; you can see on two powderkegs Russia and the Allies, dancing on their powderkegs, with Qaddafi trying to set fire to the whole thing. This is not security! Naturally, the Russians have put SS-20s and Backfire bombers in our powderkeg; we reply with Pershing IIs and cruise missiles in theirs; now they complain about that, and they are about to put SS-21s in our powderkeg. There are already 13 tons of TNT per capita on the planet, and if we do not change this approach, I don't know how it will end.

Now, how can we get out of this? Just have a look at this balance between attack and defense. If offense wins, it's a military temptation, naturally, and it can lead to war. If defense wins over offense, it's deterrence and peace. So the purpose of arms control should be to push on the defense. And for the first time in history, technology offers us a fantastic opportunity, such as we haven't seen for 2,000 years. For the first time, projectiles become vulnerable. Since the stone or the bow and arrow, there has been no way, or no one ever thought, to stop projectiles in flight! We could be protected only by shelters, armor, shields, trenches—against projectiles. This is the first time that we have the chance, thanks to technology, to stop them in flight! This is a fantastic evolution in tactics and in warfare.

And when you can stop nuclear weapons with non-nuclear weapons, then no one is going to shoot these nuclear weapons if they can be stopped by beam weapons. And since beam weapons fly at 40,000 times the velocity of rockets, there is no possibility of saturating the defense with a lot of projectiles. Since there is no way to saturate the defense on the ground with land forces, if we use the other breakthrough in technology—namely the tactical nuclear weapon, namely the neutron bomb—then the two tools of offense are neutralized, projectiles and men. We have deterrence and peace.

So the role of arms control is today to push on this defense part of the balance, since it is now technically feasible for the first time in history. We are living through quite a large opportunity. Better take it; and then, if we achieve arms control and disarmament on this basis, there will be no more reason to keep ICBMs than we have reason to build, today, horse-cavalry divisions or B-52s that you are throwing out because they are obsolete. Obsolescence of the tools of offense is a big hope of humanity—not only on the military side, but also for the big project of Helga Zepp-LaRouche, because here, we might find, in the long run, a lot of money to fight not only war, but the causes of war.

For an escape from the balance of terror

by General Wilhelm Kuntner

Austria's Gen. Wilhelm Kuntner was formerly head of the National Defense Academy in Vienna. Text abridged.

When U.S. President Reagan made his famous speech on March 23, 1983, calling for a new Strategic Defense Initiative for the United States, the first reaction of professional circles in the Western world was great astonishment and skepticism, from the scientific as well as the political-strategical standpoint. Although one was aware that the Soviets had been pursuing, for a long time and at great financial cost, a research and test program in this direction, many Western politicians, experts and media fell into an intensified, Moscow-controlled propaganda crusade against the American "Star Wars."

Accustomed to the supposed security of Mutually Assured Destruction, many people failed to realize that this security was becoming ever more insecure. The Free World must necessarily be concerned, not only at the fact that in this decade the number of nations possessing nuclear weapons, or even perhaps non-governmental, revolutionary groups, can be expected to increase; but also because the Soviet Union, through the increase in its numbers of intercontinental and medium-range missiles, through their improvement in accuracy and increase in megatonnage, may become capable not only of a first strike, but also of a third strike. The door will be wide open for Soviet blackmail in the interest of their "proletarian world dictatorship." To just continue the nuclear arms race would—as we have learned from the past—just bring more insecurity. To passively watch this development is nothing else than voluntary capitulation. It is perhaps time to look for a possible new strategy, which will neither threaten nor destroy the human race.

Against moral nihilism

Doubtless partly inspired by the anti-Americanism of the many European peace movements—whose activities thereby showed themselves to be counterproductive—Ronald Reagan and his advisers found themselves forced, for psychological reasons, to fight against the sort of moral nihilism which reacts to the doctrine of mutual destruction by refusing to see any difference between the two superpowers. The Americans, as a nation, as a society, have a well-defined system of moral values. They lost much of this moral prestige through

their adoption of the deterrence doctrine. With what disastrous moral indifference, the doctrine of a nuclear equilibrium based on a balance of terror, fear and revenge, draws the United States into the dark scenario of nuclear holocaust! No wonder anxiety and disgust is rising up worldwide against both superpowers and their arsenals. This symmetry of evil suppresses the distinction between the two giants, seems to put the ideology of tyranny on the same level with a social order based on freedom and fundamental human rights. The search for a new strategic future, not based on the deterrence



NSIPS/Suzanne Klebe

Schiller Institute supporters bring the message to Capitol Hill.

of terror, finds in these considerations its deepest justification.

In the West we are beginning to recognize a commonplace truth: from a position of weakness one can hardly bring the Soviets to the negotiating table, and certainly not force them to make concessions. Only the Soviet concern that American innovation and productive capacity might leave them behind, was sufficient to bring them to the talks between Gromyko and Shultz.

Only wishful thinkers could be disappointed at the lack of clear results. The very fact that Moscow was ready to return to negotiation without having obtained its previously stated preconditions—dismantling of the NATO rearmament program and a stop to research on defensive beam weapons—is already a victory.

In the medium term we shall still have to live with the doctrine of Mutually Assured Destruction, and, if significant reductions are achieved in the coming negotiations, we shall hopefully also survive.

In the long term—provided humanity survives to witness it—it will be possible through a rethinking of strategy to finally liberate mankind from the horrors of war. I will merely mention the fact that the development of beam weapons cannot only end the danger of human extermination, but also eradicate hunger and poverty from the Third World. Scientists more qualified than I will speak at this conference on the technical feasibility as well as the economic aspects and benefits of such systems.

Expand the debate over beam defense

by General Alberto Li Gobbi

Italy's Gen. Alberto Li Gobbi is President, Center for Defense Studies, University of Genoa. Text abridged.

As the last scheduled speaker on this panel I can now stress briefly what I liked very much in the previous policy papers and briefly mention what I did not fully agree with.

First, as a European, what I liked and subscribe to almost 100%. Everything that was said by everybody but, especially, by Todenhöfer in his appeal for an active participation by Europeans.

Second, of what was I not completely convinced? The danger pointed out by Liebig that if we do not reach an agreement with the Russians on "beam weapons"—and Reagan, nevertheless, insists on doing it alone—Russian military attack on NATO will be inevitable.

I have accepted, in the past year in Italy, several invitations by Rotary Clubs, Lions Clubs, and veterans organizations to try to explain to them what the program was. During the discussion period that followed every presentation, the audience was divided down the middle between "supporters" and "objectors." So I adopted the tactic of making them fight each other.

The principal "objections" of the "enemies" of beam weapons can be summed up as follows:

Objection 1: Admitted and not conceded that the U.S. project if it is realized, will assure a 95% protection against arriving nuclear missiles in the U.S.A. and, perhaps also in Europe, the remaining 5% which succeed in filtering through are more than enough to wreak incalculable harm. Therefore, the "detractors" conclude, the value of the protective beam weapons shield against nuclear warheads, both for Americans and for Europeans is practically non-existent.

Objection 2: The acquisition of a "beam weapons" defense system, would be a further escalation, in the field of arms and would certainly be interpreted by the Soviets and world peace movement as a *provocation*.

Objection 3: The enormous economic effort needed to carry out the project is, at this time of economic crisis and hunger in the world, an unforgivable waste of money which could be better used for suffering humanity.

Objection 4: Finally, the adoption by the United States of the so-called "Strategic Defense Initiative," made possible by beam weapons, replacing the "Flexible Response" doctrine, would perilously destabilize the balance of terror which,

up to now, has assured "peace" between the two superpowers.

During the "fight" the "supporters" of the beam weapons used the following ammunition against the above "enemy" objections. Let's take them in order:

Against Objection 1: Whoever thinks that beam weapons could be the absolute weapon, the impenetrable defensive shield of the future, is mistaken. In the eternal fight between shield and cannon, no one has ever won 100%. The new weapon, shield or cannon, whatever it is, does not nullify the adversary but can only decrease its effectiveness, more or less seriously. In World War I, for example, the trenches, combined with machine guns and barbed wire, stopped all infantry attacks and froze the front in Europe for years. The tank didn't destroy such a defense system but only succeeded in downgrading it very badly and gave new mobility and maneuvering ability to the attacking forces, where the terrain allowed it.

If the beam weapons shield could downgrade the importance of nuclear weapons by only 50%, it would have already achieved formidable defensive success on political, military, and psychological grounds.

Against Objection 2: The acquisition of a shield to somehow stop, in a more or less effective way, the mortal blows of the adversary can be considered "provocative" only by an adversary who wants to destroy us at all costs. "How do you expect me to kill you, damn it, if you don't stand still and you stop my knife?"

Against Objection 3: The enormous economic expense for the space defense program could probably be better used, but certainly not for those pathetic motives of hunger in the world or similar causes bandied about by every demagogue. These are problems which certainly exist, but could be better solved by the inevitable technological spinoff of the projects and the new considerable increases in productivity in various sectors, and the relative progress of humanity.

Against Objection 4: After Hiroshima and Nagasaki, for nearly 15 years there was neither a "nuclear balance" nor "nuclear imbalance." There was a "nuclear monopoly" by the United States. Despite this, and despite the well-known provocations of the U.S.S.R., no nuclear war broke out. The destabilization of the "balance of terror" is only dangerous when it is in favor of the the potential murderer, and not the potential victim.

Proposal: In my experience in several fights between "objectors" and "supporters" of the beam weapons, the number of supporters has always increased at the expense of the number of objectors.

So I propose that all European sections of the Schiller Institute organize several small "conferences" or, even better, several informal "round tables" on the themes: beam weapons; peace for all humanity; destroy weapons not people, and so forth. We ought to invite the national and international experts on beam weapons, and the local press, and the maximum number of citizens.

Millions hear Pope's appeal for economic development

by Nora Hamerman

Pope John Paul II has dismayed the international financial interests and titled families who are intent on restoring feudalism and colonial rule, by using his speeches to millions in South America to call on world leaders to join forces and create "a more just social order" based on economic and cultural development.

Addressing millions of citizens, workers, church leaders, and youth in Venezuela and Ecuador, the first two stops on his four-nation tour which began on Jan. 27, the Pontiff reaffirmed the principles of Pope Paul VI's 1967 encyclical *Populorum Progressio* and his own 1981 *Laborem Exercens*, to assert that there can be no peace without development, and that it is through labor that man dominates the earth and collaborates in the work of creation.

On this basis, the Pope directly took on the issue of the usurious foreign debt which is being used to destroy Ibero-American economies and provoke massive misery and deaths. Speaking to a huge crowd of workers in San Francisco Plaza in Quito, the capital of Ecuador, on Jan. 30, John Paul II said, "We cannot ignore the difficult times in which your country finds itself on the economic and social terrain. Like other Latin American countries and in the rest of the world, yours—together with preexisting structural imbalances—is currently suffering the enormous weight of a foreign debt that threatens its development."

The Pope said that "an effective solution [to these problems] cannot be found without resolving, at the same time, issues that depend on the international economic order."

He acknowledged that "the Church does not have the competence nor the means to offer technical solutions to such problems." Nonetheless through proclaiming the "principles and moral, human, and Christian values of social life" the

Church must "help to enlighten consciences, change hearts, and stimulate the will of all citizens, especially of those who have the possibility and responsibility to put into effect the means to create a more just social order."

Ending the debt burden

John Paul's appeal to world leaders, those with the "possibility and responsibility" to change the international economic order, was welcomed by Mrs. Helga Zepp-LaRouche, the founder of the Schiller Institute, in a statement released Jan. 31. She views this as all the more important because of the effort launched by the Schiller Institute to convene what has been named the "Indira Gandhi Memorial Summit," of leaders of developing and industrial nations within the first 100 days of the administrations of U.S. President Reagan and Indian Prime Minister Rajiv Gandhi, to plan out for rapid implementation a program for massive debt renegotiation, an end to the murderous austerity policies of the International Monetary Fund, and a new, just world economic order.

John Paul II called on Venezuela to put its oil and other riches at "the service of Ibero-American integration"—referring to efforts of the past two years to form an economic defense pact among Spanish- and Portuguese-speaking American nations against the usurious debt payment demands of foreign bankers and the International Monetary Fund. Moreover, the debt was one of the three topics on the agenda of a meeting the Pope held with Venezuelan President Jaime Lusinchi, the other two being drugs and youth, and Central America.

In Quito, as during a speech two days earlier to half-a-million workers at the Venezuelan steel city of Ciudad Guayana, John Paul II stressed the philosophical basis upon which

a new world economic order would be constructed, by citing the words of the first chapter of Genesis: "In effect man, created in the image of God, through his work participates in the work of creation and its perfection by fulfilling the commandment of the Lord to subdue and dominate the earth." (cf. Gen. 1, 28)

The Pope elaborated this fundamental Judeo-Christian concept of the dignity of labor, to sharply attack British-liberal as well as Marxist economic theories, stating that society must not treat the work of its citizens as "a simple commodity, an object of buying and selling in the market, as so often happens in the society of our days, under the influence of various ideologies."

Scores 'Theolib' and TFP

The Pope's call for a new world economic order is the most effective counter to the oligarchical families manipulating cults of both "left" and "right" in order to destroy any chance for the industrialization of the Third World, which would make the power of the landholding families impotent and obsolete.

But he went further, and rejected both the right and left cults masquerading as part of the Catholic Church: explicitly attacking the Theology of Liberation networks which have bent their religious activity to Marxist "revolutionary" ends; and implicitly but unmistakably scoring their right-wing "anti-communist" counterparts, the Tradition, Family and Property (TFP) cult, by citing the very clause in the Venezuelan constitution that was used by that country's government two months ago to outlaw TFP.

As *EIR* warned in last week's cover feature (see also below, p. 37), TFP is being deployed by some of the oldest, fabulously rich, and evil European titled families with New-World branches—namely the Thurn und Taxis and Bragança clans—in a live conspiracy to kill the Pope during his current South American tour. The so-called Liberation Theologists defend the left-terrorist assets of this plot, notably Peru's unspeakably savage Shining Path cult (Sendero Luminoso).

In his address to the bishops in Caracas on Jan. 26, the Pope quoted Article 73 of the Venezuelan Constitution, which says, "The State will protect the family as the basic unit of society and will take responsibility for the improvement of its moral and economic situation." This article was the juridical basis on which TFP was banned last November, after a politically organized group of parents of children brainwashed by the cult presented devastating evidence to the country's justice department proving that TFP was plotting to murder the Pope.

The allusion could not have been lost on any politically astute observer in Venezuela, particularly since in the days before the Pope's arrival, one of the country's biggest newspapers, *Ultimas Noticias*, had carried a banner headline reporting charges by Lyndon H. LaRouche, Jr., the American economist and former Democratic presidential candidate,

that Prince Johannes von Thurn und Taxis and the Braganças, pretenders to the imperial thrones of Portugal and Brazil, must be held responsible if anything happened to the Pope.

A further slap in the face to TFP came when the Pope told Venezuelan President Luisinihi that he should export Venezuela's democratic experience to the rest of the continent. TFP portrays Venezuela as "socialist" and "totalitarian."

Ongoing threats to his life

Venezuelan security precautions around the Pope were extremely elaborate and worked, but in Peru, his destination as this article is being written, the threat to his life may be even greater, and the protection is less certain. Ominously, Peru's TV Channel 5 in the middle of televising the Pope's outdoor mass in Caracas, was suddenly interrupted and for four minutes the voice track shifted to a Protestant preacher attacking the Pope as the incarnation of the Inquisition and the forces which suppressed the Gnostics at the beginning of Christianity. The sound came from Radio del Pacífico, run by collaborators of Luís Palau, who gained notoriety as the controller of Guatemala's strange former President Efraín Ríos Montt.

The incident provoked an international scandal, and as we go to press, Peru's interior minister is threatening to close down the station. But on the morning of Jan. 29, three Lima radio stations broadcast attacks on the Andean Labor Party of Peru, collaborators of Lyndon LaRouche, for its warnings about TFP's plot to assassinate the Pope. The stations called on Peruvian authorities to lock up PLAN organizers for a year and beat them!

Hours before the Pope was to speak at the city of Maracaibo, 32 "anarchists" were arrested and small arms and "subversive literature" seized at a nursing school near the site of the Pope's mass. Zulia state governor said the place "was a kind of bunker for extremist groups." Guerrillas, presumably from the Shining Path, threw Molotov cocktails at a power plant in the Shining Path stronghold of Ayacucho on Jan. 28, and knocked out electricity in the city for half an hour—the first attack by the terrorist group directly on the city of Ayacucho in a year. Shining Path has maintained an unusually high level of violence throughout the country. On Jan. 30, in a village outside Ayacucho, the cult murdered an Indian before his wife and eight children, accusing him of having sold food to military forces in the area.

In tandem, Moscow radio and TV, reporting on the Pope's trip on Jan. 29, denounced him for attacking Liberation Theology. The internationally circulated Soviet weekly *New Times* has published a major article timed to coincide with the Pope's tour of South America, listing "crimes" allegedly committed by "reactionary quarters in the U.S. and in the Catholic Church," and denying any reality to previous or current attempts on the Pope's life. The Soviet media have openly sympathized with the Shining Path cult and justified its actions as "anti-imperialist."

Pope John Paul II's speeches and homilies

Highlights translated from the Pope's speeches and homilies given in Spanish in Venezuela:

On euthanasia: Always respect life, which is a splendid gift from God. Remember that it is never legal to suppress a human life by abortion or euthanasia. Your own constitution is very clear and correct on this. (Caracas Mass, 1/27)

On the family: The pastoral and educational presence of the Church could be a valuable aid to Venezuelan families in helping them counteract the dangerous menaces which threaten them. The State also has an important function in this field, as the Venezuelan Constitution itself recognizes, when it establishes in its article 73: "The State will protect the family as the basic unit of society and will take responsibility for the improvement of its moral and economic situation." [Article 73 was the juridical basis on which TFP was banned in November.] The law protects matrimony, favors the organization of an inviolable family patrimony, and provides what is necessary to help each family acquire comfortable and healthful housing. (To Bishops in Caracas, 1/26)

Struggle against the plague of divorce which ruins families and affects so negatively the education of the children. Do not break what God hath united. (Caracas mass, 1/27)

Science, faith, and education: Faith in the Gospel, and through it in the Christ it proclaims, carries with it knowledge which far transcends the level of science without ever breaking with it. And the truth is that the Gospel, despite its transcendence, seeks the perfection of all dimensions of man, without forgetting his concrete situation in the world and in history.

But evangelizing education need not be circumscribed to parochial schools. It should be present in all schools, without exception. Thus the *Catechesi Tradendae* expresses the hope that, on the basis of the inalienable rights of the human person and of families, public powers leave sufficient space so that "Catholic students can progress in their spiritual formation with the benefit of religious education dependent on the Church." (n. 69) (Mass in Maracaibo, 1/27)

On Liberation Theology: You know very well that today, unfortunately, there is no lack of those who, abusing the teaching mission received by the Church, proclaim not the

truth of Christ but their own theories. Nor is there a lack of those who distort the evangelical message, using it as an instrument in the service of ideologies and political strategies, in search of an illusory earthly liberation, which is not that of the Church nor of the true good of man. In such situations, the pastors and guides to the faith of the People of God must respond by fully and faithfully expounding the true doctrine, forcefully correcting errors, correcting with charity and firmness those who are mistaken, and, above all, putting a stop to those who are abusing the power received from the Church.

The Vatican II Council called "the divorce between faith and daily life one of the gravest errors of our time." (To Bishops in Caracas, 1/27)

Being faithful to the Church means not letting yourself be carried away by doctrines or ideologies contrary to Catholic dogma, as certain groups with materialist inspiration or dubious religious content desire. (Mass in Merida, 1/28)

On the dignity of labor: Man subdues or dominates the earth through labor, the vocation which God has given him to collaborate in the work of creation. Therefore, to achieve personal realization in labor, man takes advantage of technology. Today, we are witnesses of the transformations caused by the sciences and technology applied by the intelligence of man.

But, just as a technical instrument has a positive value, there also arise serious doubts and questions about technology becoming, and it has already become, alienating and manipulating to the point of having to morally reject the presence of a kind of ideology of technology, since it has imposed the primacy of matter over spirit. This dehumanizing and depersonalizing tendency explains why the Church never tires in asking for a radical revision of the notions of progress and development. Pope Paul VI did it in his encyclical *Populorum progressio* almost 20 years ago, and I have done in in Saint Peter's See and in my pastoral wanderings. How long must man, and the men of the Third World, have to unjustly put up with the primacy of economicist processes over the inalienable human rights, and, in particular, the rights of workers and their families? This is where we have to rethink and redefine the notions of development and progress, if we don't want to continue the shocking imbalance in which a minimal percentage enjoys the goods against a high percentage which lacks them, especially in the Third World countries.

[Recalling his *Laborem Exercens*] The key idea of the entire encyclical is . . . that, "at the very beginning of human labor is found the mystery of the Creation." Despite the fatigue and effort it requires, labor does not cease to be something good.

This character of human labor, as something totally positive and creative, educative and meritorious, should be the basis of setting its value and of decisions made today about it, including those related to the subjective rights of man.

Thus, "the principle of the priority of labor over capital" must always be put in first place.

The "great conflict" which has shown itself and continues showing itself after two centuries between the "world of capital" and the "world of labor" should be studied in the light of this principle. Accepting that labor and capital are inseparable components of the production process, to overcome the antagonism between them, there must be a permanent harmonizing of legitimate interests and aspirations, harmonization between those who hold the means of production and the workers. (Jan. 29, homily to a half-million workers in the Venezuelan steel city of Ciudad Guayana)

On youth's responsibilities: You are living in a historical moment not exempt from difficulties and problems: a crisis of true moral values; lack of security; economic problems; difficulty finding jobs; climate of immorality, injustices, delinquency, abuses, manipulations, and religious indifference.

Faced with this difficult situation, some could give in to the easy temptation of fleeing, of evasion, closing off oneself in an attitude of egotistical isolation, taking refuge in alcohol, in drugs, in sex, in alienating ideologies or ones which preach hatred and violence.

Faced with all that, and despite it, you have to overcome the given situation in order to leave for the future a worthier religious, social, and human climate than today's. The hope of living in a more brotherly, more just, more peaceful, more sincere world more made to the measure of man.

To conquer all vestiges of pessimism, you will sense the need to push forward with idealism, realism, and giving it all to building a more Christian and human society, where reigns the civilization of love which can make into a reality your temporal and eternal vocation.

Your fears and hope of the future are focused in a question which you frequently ask: What purpose is there to my life?

It is just that you ask this question, that you think of a reality which affects your entire existence. Because, in effect, the answers to this fundamental question are diverse and sometimes contradictory. There is no lack of prophets of hatred, violence, materialism, pleasure, egotism and totalitarianism. These, my friends, do not offer solutions because they will definitely betray your most noble aspirations, leaving you with an empty soul. . . . (Jan. 28, to a stadium full of youth in Caracas)

Call for a new economic order

*On Jan. 30, Pope John Paul II delivered a message reasserting the doctrine of his *Laborem Exercens* to workers in San Francisco Plaza in Quito, Ecuador. Extracts, translated from his Spanish, follow:*

Your presence, brother workers, sends my memory back to the years of my youth, to my unforgettable experience as a worker, who like you put up with the joys and sadnesses, achievements and frustrations which accompany your hard

lives of labor. This permanent memory, together with the obligations of my pastoral ministry, have impelled me to give special attention on so many occasions to the problems of labor.

I have also consecrated my encyclical *Laborem Exercens* to them.

The Church has been preoccupied with the problems of frequent injustice and exploitation of workers for ages. In searching for an answer to those problems, the Church has issued a series of documents which comprise the so-called "Social Doctrine of the Church."

If we look at your concrete situation, we cannot ignore the none-too-easy times which your country is going through in the economic and social area. Like other countries in Latin America and the rest of the world, yours, in addition to previous structural imbalances, in these moments suffers the

Like other countries in Latin America, yours, in addition to previous structural imbalances, suffers the burden of a foreign debt which threatens its development.

burden of a foreign debt which threatens its development. And the consequences of an inflationary process which carries with it price increases and a reduction in currency's buying power. On top of this are the grave problems of unemployment, underemployment, lack of jobs.

We know that all these problems come from very complex causes and that efficient solutions cannot be found without at the same time solving problems which derive from the international economic order.

Faced with all this, it is true that the Church has neither the competence nor the means to offer technical solutions to such problems. As an integral part of its mission, however, it can and must always proclaim principles and values for social life which are moral, human, and Christian. These could efficiently help illuminate consciences, change hearts, and impel the will of all citizens, especially of those who have the possibilities and responsibilities to take measures to create a more just social order which is also capable of overcoming the difficulties which come up under various kinds of adverse circumstances.

We have to push ourselves to make sure that the intolerable abyss which separates those few who possess excessive riches and the grand multitudes of the poor and of those who live even in misery gradually disappears. We have to do all possible and almost the impossible so that, above all, this gap does not increase, but instead shrinks for the sake of

greater social equality in such a way that the present, so often unjust, distribution of goods produced by the labor of all, gives way to a more just distribution among the various sectors of society. . . .

The word of God, from the pages of Genesis up to the passages of the New Testament which propound to us the example of Christ worker, leave us many testimonials of the dignity and profound meaning of human labor. Man, created in the image of God, by his labor participates in the work of the Creation and of its perfecting, complying with the commandment of the Lord to subdue and dominate the earth (cf. Genesis 1.28). Labor is also "man's good, humanity's good, because by means of labor man not only transforms nature, adapting it to his very needs, but also realizes himself as a man, and more, in a certain sense makes himself more a man." (*Laborem Exercens* 9.23)

It confers to labor and to he who does it a dignity which realizes him as a person and makes him in solidarity with the others. You, workers, you know what it means to work to satisfy your needs and those of your families because work "is the foundation on which is formed the life of the family, which is the first school of work for all men." (*Laborem Exercens* 10) Your work is also a service to others, to the city or town in which you live, to the entire nation, because, "the fatherland is a great historical and social incarnation of the work of all generations." (*ibid.*) Realize your work, then, convinced of your dignity. . . .

For its part, society should recognize in you, in your own work, one of the foundations of its own prosperity and its own future. Thus, every social order which wants to serve man, has to place as the keystone of its legislation, of its institutions and of its productive life, such a valuing of the labor of its citizens, always avoiding turning it into a simple merchandise, an object bought and sold on the market, as happens so often in today's society under the influence of various ideologies.

Thus, the indispensable conditions of personal dignity which should accompany any form of labor, no matter how humble it may be, [include] its just retribution by means of a salary capable of filling the honest needs of the family as well as the affirmation of the rights which the happy development of the social conscience has been ceding to workers, such as social security, pensions, etc.. These are moral exigencies which are obligated by conscience. . . .

But what especially hurts me is that the poor, those weakest in resources, are the main sufferers of the negative consequences of this economic crisis. . . .

[He called for] stimulating all initiatives oriented to completing agrarian reform in all its dimensions.

[He exalted the solidarity of the workers] who must find adequate channels in labor unions and professional organizations, so long as they are truly representative of the legitimate interests and aspirations of workers and not political forces perhaps separate from them.

The dirty families

"No, no, it's not *our* branch of the family involved in this, it's the *Lisbon* branch. Call them!"

—Leading member of the Bragança family in Brazil,
Jan. 22, 1985

"What you're saying *cannot* be true . . . unless you're talking about the *Brazilian* Braganças. In that case, it's possible!"

—Mafalda Thurn und Taxis, sister of Johannes Thurn und Taxis, speaking from Munich, West Germany,
Jan. 31

"Our family is *not* involved in this, there's no way! Unless, of course, you mean my brothers Luis and Bertrand. *They* belong to Tradition, Family, and Property. The rest of us hates TFP."

—One of the 12 children of Maria Bragança of Vasouras, Brazil, speaking of brothers Luis and Bertrand,
Jan. 30

"I can't see Johannes Thurn und Taxis involved in this, he's a devout Catholic. . . . But, you know, he *does* have peculiar habits. . . . This affection for young men. The suspicion here is that he is a homosexual. . . ."

—A "high society" friend of Prince Thurn und Taxis in
the United States

An extraordinary insight into the Hobbesian, back-stabbing, dog-eat-dog life style of some of the world's oldest and most influential oligarchical families is gained by reviewing the nature of the response of scions of the intermarried Regensburg, West Germany-centered Thurn und Taxis and Portuguese-Brazilian Bragança families upon being confronted by *EIR* representatives about *EIR* editor Lyndon LaRouche's charges that the "extended Thurn und Taxis family" would be held accountable were Pope John Paul II assassinated during his Jan. 25-Feb. 5 trip to Ibero-America.

As of this writing, the dark doings of these families and their minions in such cult organizations as the Brazil-based Tradition, Family, Property have suddenly been catapulted into the daily press of many of the nations of Ibero-America. Revelations about the suspected involvement of the Thurn und Taxis and Bragança clans in coordinating the assassination plans against John Paul II have appeared in the media of Venezuela, Peru, Panama, Mexico, and, most explosively, in their favored sanctuary of Brazil.

So hot had matters become for the TFP pets of the Thurn und Taxis and Bragança families that an ad appeared in the Jan. 30 *El Universo* of Guayaquil, Ecuador, under the name

behind the TFP

“Society for Defense of Tradition, Family, and Property,” announcing that the TFP “painfully communicates to the Ecuadorian people that it will not be present in the country during the visit of His Holiness” and that TFP “members and cooperators” in both Ecuador and Peru had “decided to leave their respective territories before the arrival of the Pontiff.” This was being done to avoid the “infamy” of being blamed for an assassination attempt against the Pope should such an attempt take place!

The TFP fanatics complained loudly about a “publicity outburst which was incredibly violent in its language and gravely calumnious in its accusations” and attacked “mysterious and powerful agents of the calumny” for being behind the anti-TFP campaign.

Reports from Peru are that—as had happened with their expulsion earlier in Venezuela—their leaving Peru was not exactly “voluntary.”

Given that the Pope chose the occasion of his Caracas speech to endorse that clause of the Venezuelan constitution by which TFP had been banned in Venezuela, the organization’s controllers in the highly placed quarters of Europe evidently read the writing on the wall and decided that they had lost this battle decisively.

While the Pope’s Feb. 1-5 stopover in Peru remained fraught with potential dangers, a main source of the security threat had been substantially defused by the eve of his arrival there.

The reaction of the scions of the families themselves to the international exposés about their control over TFP has itself been most revealing. “Family solidarity” has been tossed out of the window, and Thurn und Taxis’s in Vienna, Austria and Trieste, Italy, and Braganças in the cities of Brazil and Portugal have been outbidding each other as to who can most damningly blame the next for responsibility for the intended crime.

Now that they are subject to the light of day, it can be expected that the “families” will resort to “settling of the accounts.” Not only might the TFP barbarians who harbor the fanatical Luis and Bertrand Braganças be sacrificed in the process, but one can anticipate the usual bloodletting, “scandals,” and the rest of the nasty business that always unfolds when a cherished capability has been “blown.”

‘I was around before America’

The intrigues in the plotting against the life of John Paul II lead to the empire of Prince Johannes von Thurn und Taxis

based out of Regensburg, West Germany. Prince Johannes, a man whose degenerate personal and social habits are the subject of discussion from the salons of Rio de Janeiro, Brazil to the parlors of New England “high society,” is among the very richest individuals in the world, with vast land holdings and business fronts in Brazil, Canada, the United States, West Germany, Hong Kong, and many other parts of the world. In Brazil alone, Thurn und Taxis reportedly holds a *two-million acre* plot of land, much larger than the single largest private holding by an individual in the United States.

In the privacy of his castle, Prince Johannes loves to boast about his ability to deliver whole nations (Spain, Greece, and Turkey, to name a few) to the Soviet Union, to prevent development and progress in nations of his choice (Brazil and Argentina, among others), and to assassinate opponents should his would-be imperial whim declare it.

During the course of one extended discussion with Lyndon and Helga LaRouche in 1982, Prince Johannes, on at least four occasions, threatened Mrs. LaRouche’s life. The fact that she had been nearly murdered in a “car accident” in West Germany is hardly unrelated to this. As recently as Jan. 24, 1985, when contacted by this correspondent for comment about *EIR*’s charges of his extended family’s responsibility should anything happen to John Paul II, the Prince nastily referred to Mrs. LaRouche’s “driving at 165 kilometers.” Was he implying, his would-be imperial majesty was asked, that Mrs. LaRouche had managed to ram a speeding truck into herself? Johannes spat out: “It takes two to tango.”

In the same discussion, he “advised”: “Don’t worry about me, worry about Mr. LaRouche.”

Prince Johannes’ death threats are aimed more precisely at Western civilization as a whole and at the United States, as a republic most embodying the values of Judeo-Christian civilization, in particular. It is his degenerate’s abhorrence of the values of Western civilization that leads him, as it led his family forebears, to desire the head of John Paul II as well.

“I was around before America was invented,” he growled in the Jan. 24 discussion. “You have your world and I have mine.”

That “world” has been built over centuries on the basis of piracy, chicanery, and murder. The Thurn und Taxis family wealth was accrued in the earlier centuries of this millennium through gaining control, on a private family basis, of the postal service of Europe, from which position they could spy on anybody in Europe.

One of his associates in the United States speaks admiringly of Prince Johannes: “Unlike the nouveau riche, the Rockefeller, Ford, and Dupont types, Johannes thinks in centuries. . . . Because of that way of thinking, his family managed to survive both of the wars that Germany lost in this century. . . . Who else could combine such financial brilliance with those ties to the British Crown?”

The British monarchy is in fact one of the more “prized”

features of the “extended Thurn und Taxis family.” One of Prince Johannes’ ancestors (his mother having been a Bragança) was Catherine Bragança, the wife of England’s King Charles II who presided over the notorious post-1660 “Restoration.” His great-grand-uncle, Joseph, of the Saxe-Coburg family, married Queen Victoria of Great Britain in the 19th century.

Prince Philip, duke of Edinburgh, and the rest of British royalty might not enjoy being dragged into this anti-papal mess by their distant cousin in Regensburg.

The extended family

Nor might other branches of the clan.

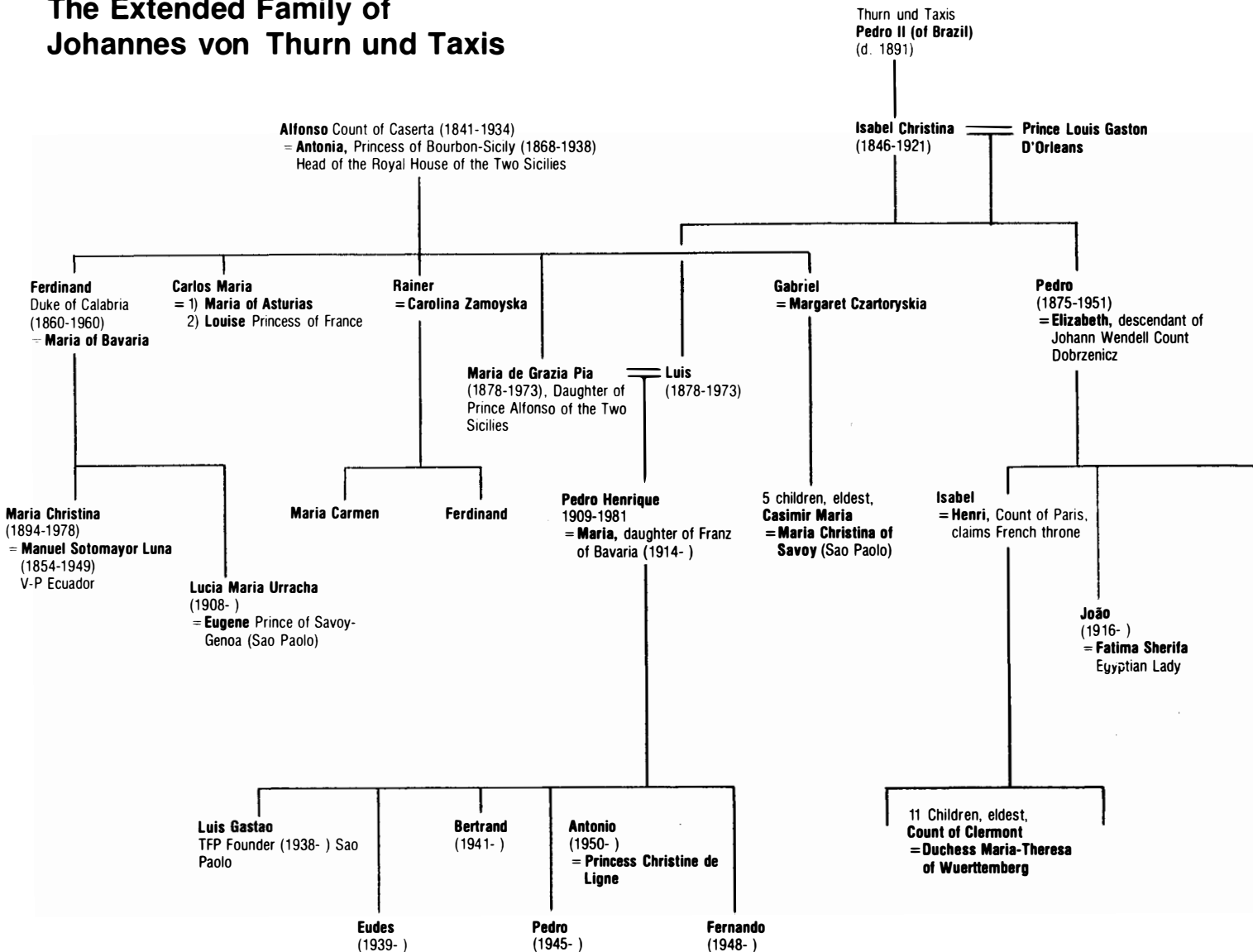
At least 10 members of the Thurn und Taxis clan, representing centuries-old Austrian and Czech-Bohemian branch-

es of the clan, live in the Greater Vienna, Austria area alone, including sister Princess Clothilde of Lichtenstein. Others, including sister Mafalda, are in Munich. Cousin Prince Raimondo Torre e Tasso (the Italian rendering of Thurn und Taxis) lives in Trieste—and is also reportedly none too happy about potential implication in his cousin’s doings. “They only see each other during Christmas, they are really not close,” an aide to the ailing Prince Raimondo speaking from his castle in Duino outside Trieste pleaded.

There is also a certain Lamoral Tasso, a scion of the Saxe-Coburg dynastic clan who resides in Brazil and is regarded by others of the clan as a “fake.”

Prince Johannes’ most regular *known* liaison with the Braganças is with Don Duarte of Lisbon, the pretender to the throne of Portugal and a leading member of the cultist Blue

The Extended Family of Johannes von Thurn und Taxis



Army of Fatima (based in Fatima, Portugal) and of the Order of Malta. Don Duarte is in a battle for the inheritance of the throne with one Maria Pia da Bragança, who lives in Rome. Maria Pia was reportedly an agent of the Italian fascist secret services during the Second World War, but now relies on the Portuguese Communist Party and the associates of Portuguese Prime Minister Mario Soares for her main bases of support. She is one of the leading figures in a neo-Nazi cult with East bloc connections known as the "Thule Society," named after the cult organization to which the inner-core of the Nazi Party (such as Rudolf Hess and Alfred Rosenberg) belonged.

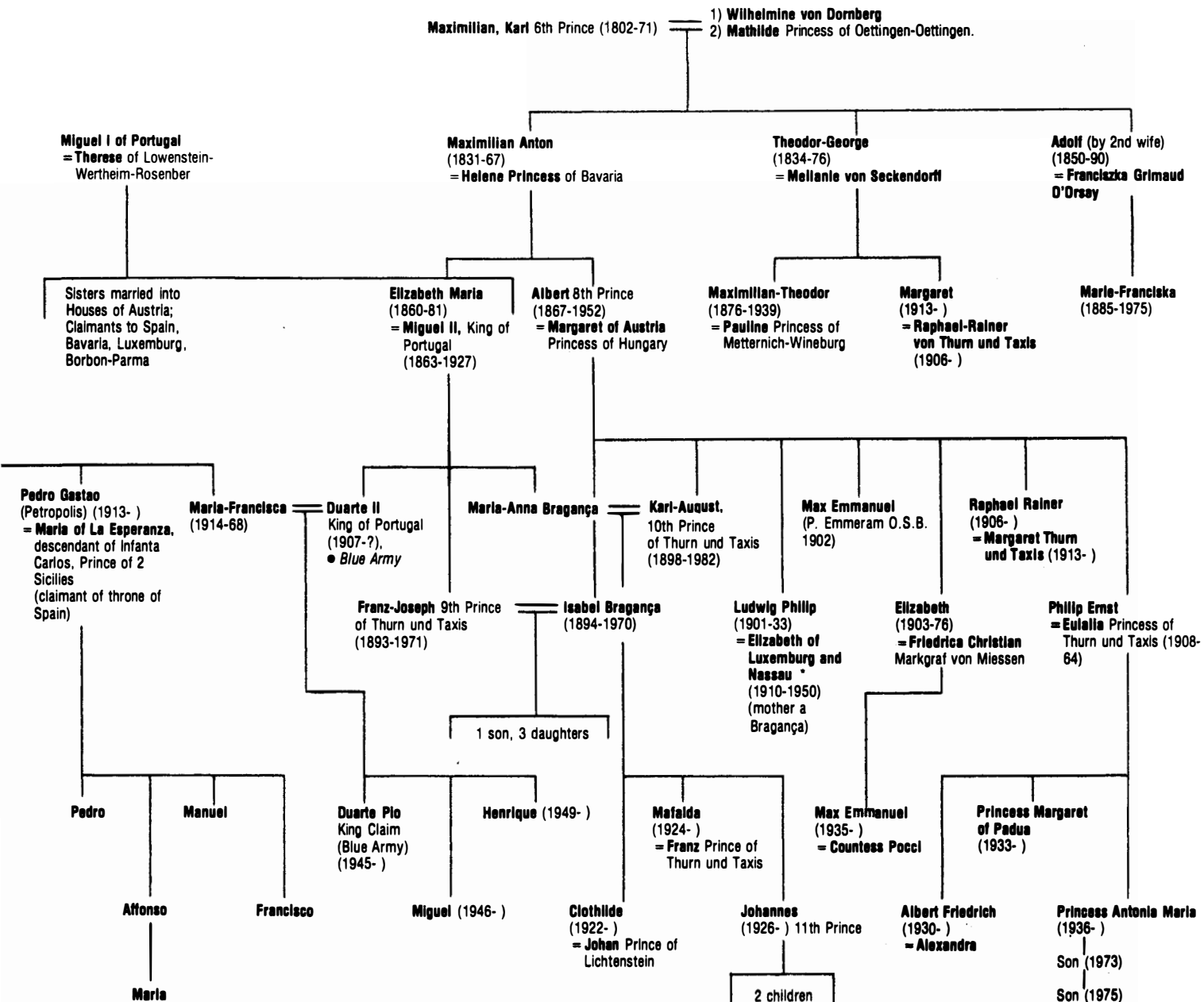
The best known family link into the TFP is through the brothers Luis and Bertrand of the Rio de Janeiro clan, two of the 12 of the brood of Maria (Wittelsbach) Bragança, who

lives in the Rio suburb of Vassouras.

During the night of July 24, Bertrand was caught in the act colluding with TFP head Plinio Correa da Oliveira at the latter's house. Caught, he hurriedly claimed he was at the house "by chance," but then told *EIR* that "I know Johannes Thurn und Taxis perfectly well."

According to one of the Bragança brothers in Rio, Luis Bragança was recruited into the TFP network in the early 1960s "while a student in Munich." The brother added, "During that time, he may have spent some time in Regensburg."

That is evidently the line of connection that Prince Johannes would have liked to have seen hushed up. In the July 24 discussion with *EIR* from his Regensburg home, he abruptly ended the exchange and hung up the phone when the names "Luis and Bertrand Bragança" were mentioned.



Colombian drug kingpin calls for armed uprising, builds rebel army

by Robyn Quijano

Colombian cocaine kingpin Carlos Lehder Rivas, now sought by the Colombian government for extradition to the United States to face charges for cocaine and marijuana trafficking, called a secret jungle press conference on Jan. 28 to announce his intention to form a half-million-man army to overthrow the government of President Belisario Betancur. Lehder's radical "revolutionary" movement for the liberation of the continent's drug traffickers went on this new offensive as Pope John Paul II traveled through neighboring Venezuela, Ecuador, and Peru in an offensive against precisely the kind of hedonism, immorality, cultism, and radical ideologies that Carlos Lehder preaches.

Lehder, who created a "National Latin Movement" several years ago in his attempt to buy himself political offices and take over his home state of Quindio in the middle of one of the big drug production zones, is determined to organize the Colombian population behind drug runners. Lehder's ideology is openly national socialist (Nazi), and he reiterated in his recent press conference his long standing admiration for Adolf Hitler. Lehder finds it useful to use the name of Hitler "to finish off the monarchical oligarchy," the name he uses for the present government and its war on drugs. "The world is very afraid of Hitler," he told the journalists.

When asked what he thinks of Hitler, he answered: "Adolf eliminated 21 million communists and 10 million enemies allied to them. He is the greatest warrior which humanity has ever had. What happens is that history is told by the Jews the way they want the world to see it. But ask the Germans what really happened. I, for example, half of my blood is German and it is as if a Brazilian were asked to speak about Colombia. He can't do it; it's got to be a Colombian who speaks about Colombia. The Jews never should have come to Germany; they should have stayed in their land."

Lehder's movement openly backs the West German Green Party, stating that their environmentalist goals are similar to those of his National Latin Movement.

Lehder learned his love of nature and radical idealism while rising quickly from car-thief to hot-shot drug connec-

tion in the United States during the 1970s, when he accumulated enough wealth to enter the big time. A partnership with world-class swindler and dirty-money financier Robert Vesco was launched with their joint purchase of a private island in the Bahamas, a traffickers' paradise equipped with guarded fortresses and refrigerated airplane hangers.

Vesco's business dealings are handled in the United States by the law firm of Kenneth Bialkin, head of the Anti-Defamation League of B'nai B'rith, which has been caught red handed financing neo-Nazi movements in the United States.

Vesco's partnership includes Fidel Castro. Lehder is the drugs-for-guns middleman between Havana and the M-19 guerrillas in Colombia. The Nazi Lehder and the "leftist" M-19 are working in concert to launch a bloody civil war which will allow great parts of the national territory to fall exclusively into the hands of the drug runners and their terrorist and military allies.

During President Betancur's December 1984 visit to Mexico, M-19 head Ivan Marino Ospina turned up in Mexico City to tell press that his organization fully endorsed legalized drugs and amnesty for the drug mafia, and called for fulfillment of the Colombian mafia's threat to murder U.S. diplomats around the world. Marino Ospina also explained: "The drug traffic has taken on a special characteristic in my country because Colombians have benefitted from this activity."

In Lehder's recent clandestine interview, he praised the M-19 as "the only movement which has declared itself against extradition," and said he would begin negotiations with Marino Ospina "because he is a nationalist and a revolutionary."

Lehder evaluated his allies among the M-19 terrorists like this: "The M-19 is a movement which has made positive changes like leaving behind extortion and kidnapping. It is the only movement which has proclaimed itself against extradition. The M-19 plays a primordial role for the masses as does the Latino [National Latin Movement] and the other political parties. Ivan's call from Mexico is a call for the guerrilla movements to incorporate themselves into the [dope] bonanza; I prefer for them to finance themselves with the

bonanza to financing with the anguish of Colombians by means of extortions or kidnappings.”

Carlos Lehder appeared in the jungle after months of running from Colombian justice to head up the public relations campaign of the international drug mafias. They believe they can stop the war on drugs launched by Ibero-American presidents over the last year—with the backing of President Reagan—by using pure terror tactics. Lehder’s wild jungle theatrics consisted of an appearance as a bearded guerrilla leader surrounded by the members of his “army,” who appeared to be foreign and carried a wide range of modern weaponry “to defend national sovereignty.” It was a publicity stunt that 10 journalists did their utmost to publicize throughout the nation.

The following is a close paraphrase of Lehder’s statement, as shown on the national TV news program of Juan Guillermo Rios: “After the execution of Lara Bonilla, I went abroad; I was away for seven months and I just got back. I’ve come back to prevent the extradition of Colombians, to be part of the national dialogue, to speak with military officers, to speak with Ivan Marino Ospina because he is a nationalist and revolutionary. I will speak with the nationalist sectors of the Colombian Army.

A war of terror

When the first four Colombian drug runners were extradited to the United States in December, the Colombian mafia put out the word that they would kill five Americans for every Colombian extradited. Now Lehder has upped the ante, threatening not only the life of President Betancur, but that of any citizen who dares to fight the dope mafia. Lehder announced that it was “the people” who had assassinated drug-fighting Justice Minister Rodrigo Lara Bonilla, to prevent more than 300 Colombians from being extradited to the United States. He said that he is convinced that “those who violate national sovereignty and those who sign a treaty to extradite our people, must be beaten with the same stick.”

Lara Bonilla had not only proposed the extradition treaty, but was responsible for busting the world’s largest “cocaine cities,” and leading the national effort to reject mafia monies in political campaigns and the “Robin Hood” gifts of housing and zoos the mafia was using to buy-off the population. Carlos Lehder and the owners of Tranquiland and other cocaine production centers have been implicated in the murder of Lara Bonilla.

U.S. Ambassador Lewis Tambs and DEA officials have gotten similar treatment. Bombs were planted in front of the U.S. embassy leading to the unfortunate withdrawal of the ambassador. Since the mafias won that round, they have more brazenly pushed their strategy of terror.

In a front-page copywritten *San Francisco Examiner* story of Jan. 31 headlined, “Hit Squad Targets U.S.; Drug Dealers in Colombia Seek Revenge Against DEA,” Phil Bronstein writes that a hit squad left Colombia “within the past few

days. . . . The Colombians, hired by major drug traffickers in their country, have been offered \$300,000. It will go to the first man to kidnap an agent alive, according to DEA memos. Any captured agent would reportedly be tortured or murdered, federal sources involved in the investigation told the *Examiner*.”

John Thomas, an assistant secretary of state, said on Jan. 31 that officials are taking very seriously the reports of the Colombia terror squad being deployed to the United States to attack federal drug enforcement agents. Thomas said that the drug runners are in “rough shape” and are “hitting back.”

“In Colombia,” Thomas said, “there have been unprecedented numbers of arrests and seizures. Next year the government of Colombia expects to destroy the vast majority of the marijuana harvest. So what you see is the terrorists, the Colombian traffickers, backed up against the wall. We’re hurting them. We know that. They’re striking back.”

A hemispheric conference

Strong determination to fight and win the war with the drug mob internationally was apparent at the Western Hemisphere Conference on Drugs sponsored by Sen. Paula Hawkins (R-Fla.). Cabinet-level officials attended from Colombia, Venezuela, Ecuador, and Mexico, and all nations of the hemisphere were represented by high-level diplomats.

Senator Hawkins announced that Nancy Reagan will be holding a “summit” of first ladies from the Western Hemisphere in Georgia in the middle of the year to coordinate efforts against drug abuse. This proposal, and the overall atmosphere of determination that governments can beat the drug traffickers, must now move forward into the economic realm. Winning the war on drugs means closing down the International Monetary Fund and the banking institutions that launder the hundreds of billion a year that the footsoldiers of Dope, Inc. produce.

Narcotrafico, S.A.

Just days before Lehder’s jungle pronouncement, the best-selling book *Dope, Inc.*, commissioned in 1978 by Lyndon LaRouche, was released in a Spanish-language edition at press conferences in Bogota and other Ibero-American capitals. With its new chapters on the Ibero-American dirty-money/drug trade, the book carries a searing expose of Lehder.

Released to the press less than a week ago, *Narcotrafico, S.A.*—dedicated to Rodrigo Lara Bonilla—is already making waves across Ibero-America. In Panama, a financial haven for the drug trade, entire chapters of *Dope, Inc.* are being read nightly on a popular radio show. In Mexico, a review of the book, emphasizing its exposure of the Nazi PAN party, was carried by the prominent Mexico City daily *El Heraldo*. In Peru, the leading Lima daily, *El Comercio*, reported on the book’s release, focusing on the portions on the synthetically created Peruvian terrorist army Sendero Luminoso (Shining Path).

West Germany's Kohl government faces explosion of Soviet-sponsored terrorism

by Paolo Serri

It is the estimate of this publication that Moscow and its Western friends do not intend to allow the Kohl government of West Germany to survive beyond this coming spring. The clearest indication of this is the wave of terrorist atrocities now escalating in both frequency and choice of targets in the nation of West Germany, by East-bloc-controlled terrorist organizations.

Ernst Zimmermann, an important West German industrialist, was brutally murdered the morning of Feb. 1 in Munich by two members of the Red Army Faction (RAF). It is the first major political assassination in Germany since 1977, when State Attorney Bubak, banker Jürgen Ponto, and industrialist Hans Martin Schleyer were killed. A nationally known figure, Zimmermann was a member of the board of the important arms-related industry MTU involved in the production of airplanes and tanks engines. Apparently, he had no police protection, although his name was reportedly found on an RAF hit list months ago in Frankfurt.

On Friday evening, Jan. 25, a three-man terrorist unit waited for French Gen. René Audran in front of his house near Paris, and a professional killer, with cold precision, unloaded his .45 pistol into the general. This dramatic event struck France with horror. Audran was the most important French victim yet.

Only few hours later, terrorists operating with military-style coordination destroyed a gigantic high-voltage tower in the village of Krümmel north of Hamburg in West Germany. Military explosives were placed at the four pillar bases of the electric tower and simultaneously detonated, collapsing the tower which destroyed two smaller ones in its fall.

The latter action was immediately defended by West Germany's neo-Nazi Green Party. Thomas Wüppesahl, the leader of the Green Party section in region where the Krümmel plant is located, said on television news that although he was against violence "personally." Wüppesahl continued: "I feel compelled to state clearly that it seems quite appropriate that such actions occur at this time, because this seems to bear the only chance for resuming the political discussion on nuclear energy."

Early the following Monday, Jan. 28, three mortar grenades were fired against some six of the NATO fleet harbored in the port of Lisbon, Portugal. Fortunately, no ship was hit.

Then, on Feb. 1, a West German army barracks in Portugal (the only one abroad) was attacked with bombs by a terrorist group, probably the same.

The current terror wave revolves around the hunger strike begun Dec. 4 by some 30 left terrorists of the RAF (formerly Baader-Meinhof gang) held in West German prisons. The strike has provided the ideological justification for all the major incidents since mid-December, which in Germany alone number over 50—more than 20 against American targets—committed in "solidarity" with the hunger strike.

On Jan. 31, two German papers received an RAF letter warning of the "execution" of 10 West German personalities as soon the first RAF hunger striker dies in jail. The RAF hit list includes: Chancellor Helmut Kohl, ex-Chancellor Helmut Schmidt, as well as a former federal attorney, a former interior minister, a judge, leaders of political parties, and intelligence and law enforcement figures. The RAF letter also threatens the interior ministers of the states where the prisons are located.

Confidential German sources report the situation of one of the RAF leaders, Christian Klar, as extremely critical and "irreversible." His and others' deaths can be expected any day.

Meanwhile, the Paris offices of the French and West German press agencies received a document written in perfect German and flawed French claiming responsibility for the Audran murder, signed by the RAF and France's Direct Action. The document expresses a "criticism" of past terrorist activities, saying the terrorists were too "Third Worldist," and stating that now the primary target is NATO, the French-German axis in particular—breaking up which is the stated aim of Soviet policy.

Target: Bonn-Paris cooperation

General Audran, the director of the weapons department in the French Defense Ministry and a personal friend of Defense Minister Charles Hernu, was in Bonn the day before his death for talks with his German counterparts and his subordinates at the "technical mission for armaments," attached to the French Embassy. This mission in Bonn was bombed on Dec. 31, 1984, just one month ago, and the hit was claimed by the RAF.

According to press reports, Audran's assassination, the first committed by Direct Action which, "might spread to other military targets" following the Italian Red Brigades' or German RAF's *modus operandi*. The French secret services fear possible attacks on "pilots of the [nuclear] Mirage IV bombers, officers of the five nuclear submarines, and men on duty at the Plateau d'Albion, where France has its base for the atomic missiles."

On Jan. 29, the German daily *Die Welt* reported that in "France people pay a lot of attention to the fact that allegedly a list was found in West Germany with 91 personalities, including French ones, who at the death of one of the hunger strikers will be 'executed.'" The next day, West German papers reported on threatening letters sent by the "RAF Commando Knut Volkert" (one of the hunger strikers) against the Christian Democratic prime minister and interior minister of the state of Lower Saxony.

The Islamic Threat

Working in tandem with the European terrorist groups, Islamic fanatics have reiterated their threats against various Western governments. On Jan. 27 the Lebanese Armed Revolutionary Fraction (FARL), which has a history of joint ventures with Direct Action, warned of reprisals against the French and Italian government if three of its members recently arrested in France and Italy were not immediately released. The same day, Belgian Interior Minister Charles-Ferdinand Nothomb confirmed to the press that the previous week a document had been found in Beirut, listing some 20 targets in Brussels, including the American, British, French, Israeli, and Iraqi embassies. It was signed by the Islamic Jihad—the group responsible for the massacres of American and French troops in Lebanon.

U.S. and other intelligence sources have reported that the Iranians are involved directly with European groups. The Iranian embassy in Brussels, a key center for Iranian terrorism, saw its influence increase last year when French security expelled or put under tight surveillance several of the Iranian "diplomatic corps" in Paris.

The Italian daily *La Repubblica* wrote on Jan. 29 that "many of the pistols and submachineguns found in the past in Direct Action safehouses originate from the same British merchant who supplies Libyan embassies in Europe."

Mitterrand government complicit?

As several commentators have noted, Audran's murder puts in a very dubious light the government and presidency of François Mitterrand, who has maintained a shocking silence after the death of this top military officer. The appeasement and even complicity of the regime on the terrorist question, transforming Paris into a sanctuary for international terrorists, is becoming the final element in discrediting the Socialist government.

Returning from an official U.S. visit, Italian Defense

Minister Giovanni Spadolini said on Jan. 28 that "the terrorism multinational has its base in Paris and is in a position to launch attempts against both personalities and institutions of the Atlantic alliance in Europe." Protesting the French government's refusal to extradite hundreds of wanted Italian terrorists living in Paris, Spadolini blasted the false concept of the "right to asylum, anachronistic as well as self-destructive, which ignores the huge suffering endured by Italy" from terrorism.

The Soviet hand

One of the most significant comments in Europe on the possible international "stringpullers" of the current terror wave came from the Italian Christian Democracy's daily, *Il Popolo*, which on Jan. 29 wrote that "Europe is at the center of a destabilization chain. Here there is the design of the Moscow rulers aimed at making Europe, if not neutral, at least less bound to the solidarity links with the American ally. . . . From left to right, terrorism is once again used in a political function as a master key to break democracy from some of its fundamental roots in the Western world. . . . Direct Action and the RAF probably are not simple tools of the KGB, but the documents speak clearly and state that the red thread between Moscow and all subversive movements in the West . . . was always present. Similarly for our Red Brigades, who often found refuge and 'comfort' in the countries of 'real socialism.'"

Italian Interior Minister Oscar Luigi Scalfaro, in Brussels at the end of January to meet with Interior Minister Nothomb, asserted the same: "The new terrorism has an international center. The question 'cui bono?' has a very clear answer. Who would profit from the assassination of the Pope? Surely the interests behind terrorism belong to one camp rather than another. This is a modern way of conducting a war." Scalfaro and Nothomb discussed a European-wide coordination against "the international war of terrorism."

Soviet involvement in the recent wave of anti-American terror attempts in Europe was also indicated on Jan. 31 by Stefano Silvestri, head of the Italian Institute for International Affairs, who wrote in the economic daily *Il Sole 24 Ore* that the recent terrorist acts "brought to light a network of contacts between left-wing and right-wing groups, normal criminals and, probably, some secret services of the East."

The new terror movement, he explains, does not attack both imperialisms, but "has made a choice" and has recruited the "most violent factions of the peace movement." This is proven not only by the targets they chose in Belgium, West Germany, France, and Italy, but also by the fact that the joint document signed by the terrorists of the RAF in Germany and of Direct Action in France states that NATO is involved "in preparing a war against the East bloc countries." The present terrorist movement is "de-ideologized, well trained, well funded, and unscrupulous in choosing its allies," Silvestri wrote.

Moscow's 'Greater Bulgaria' project sets pogroms against Turk minority

by Konstantin George

Since last summer, and with vastly increased intensity in the last two weeks of January, Bulgaria has been engaged in a massive forced "Bulgarization" pogrom against its 800,000-member Turkish ethnic minority. In village after village inhabited by Turks, armed state-security goons have attempted to coerce Turkish-minority Bulgarians to change their names from, say, Mustafa Ates or Ibrahim or Ali Kocakerim to "Ivan Ivanovich Christov." These pogroms have provoked violent ethnic riots and disturbances, brutally suppressed by Bulgarian army and security units. The entire area around the city of Momcilgrad, one of the centers of the Turkish community in Bulgaria, is now sealed off to all outsiders.

According to well-informed Turkish and East European exile sources contacted by *EIR*, at least 140-160 Turks have been massacred by the Bulgarian authorities recently. West German press accounts speak of a death toll between 40 and 160, while Turkish newspapers talk of "no fewer than 160 and up to 800 deaths." These occurrences signal the reactivation of both Russian and Soviet-directed "Greater Bulgaria" expansionist policies in the Balkans and West Asia, echoing the postwar Stalin era.

At that time, against a backdrop of territorial demands on Turkey issued by Stalin and Molotov for Soviet control of the Turkish Straits (the Bosphorus and the Dardanelles) and the Northeast Turkish provinces of Kars and Ardahan (adjoining Soviet Armenia and under Czarist rule from 1878-1914), the Soviet-installed regime in Bulgaria forcibly expelled or coerced into emigration between one-third and one-half of the Turkish ethnic minority then living in Bulgaria.

In parallel with that pogrom, Bulgaria advanced annexationist claims against its two other non-Soviet-satellite neighbors, claiming the Yugoslav and Greek provinces of Macedonia, and the Greek province of Thrace bordering on Bulgaria and European Turkey.

Last March, the Soviet and Bulgarian armed forces, in their joint exercises "Soyuz-'84" ("Alliance-'84"), rehearsed a blitzkrieg seizure of European Turkey and the Bosphorus and Dardanelles.

The current Bulgarian atrocities have sparked an official letter of protest from the pro-American Turkish president, Gen. Kenan Evren, to Bulgarian leader Todor Zhivkov, de-

manding a cessation of such state-run coercion and violence. Evren, during the Korean War, was commander of the much-decorated Turkish Brigade that fought alongside U.S. and U.N. forces; he was military ruler of Turkey from 1980-83. During his tenure as Turkey's ruler, he achieved distinction for stamping out the large armed gangs of both extreme right and extreme left terrorists, as well as Kurdish separatists whose late-1970s terror wave killed thousands and brought Turkey to the brink of civil war. Evren's coup saved Turkey. The military seized about a million illegal arms from the insurrectionaries, ranging from pistols to mortars and heavy machine-guns.

It is directly relevant to the analysis of the Bulgarian pogrom now under way that the bulk of those weapons seized, which flowed throughout the decade of the 1970s, reached Turkey through Bulgarian and Syrian centers of embarkation. That is, the two Soviet client states of Bulgaria and Syria, both with well-documented "Greater Bulgaria" and "Greater Syria" pretensions, were officially lending their territories, port and trade facilities, and intelligence agencies to the Nazi International-Soviet policy goal of breaking up Turkey. In both cases, a strategic weakening or break up of Turkey is a key component in the advancement of "Greater" Bulgaria and Syria policies.

It should be recalled in this context that Bulgaria was a voluntary ally of the Nazis in World War II, and in that capacity was rewarded by Hitler, who granted Bulgaria every territorial claim expressed in the "Greater Bulgaria" repertoire. Under that arrangement, Hitler's junior partner, Bulgaria, annexed or occupied: Yugoslav and Greek Macedonia, the Nis region of Yugoslav Serbia, the southern part of Romanian Dobrudja (the area between the Danube and the Black Sea), and Greek Thrace. Bulgaria was a unique ally in one clinically crucial respect. It was the only one of Hitler's junior partners which never declared war on Russia, and refused to contribute one iota of effort to the war against Russia.

This documentation provides a stunning note of irony to the ongoing Soviet campaign against so-called "German revanchism." If the Soviets were not hypocrites, but honest in dealing with "the revanchist question," Moscow would leave West Germany alone and focus on its ally and satellite, Bul-

garia. Of all the states that fought on the side of the Axis in World War II, only Bulgaria harbors revanchist territorial aspirations.

Arms and drug smuggling

The Bulgarian and Syrian roles in the mass arming of extremists and separatists to reduce Turkey to chaos and fragmentation were well documented in a lengthy series of articles in the early 1980s in the leading Turkish dailies *Mil-liyet* and *Cumhuriyet*, in background briefings given to *EIR* by Turkish experts on the matter, and most recently, by the U.S. Drug Enforcement Administration report issued in July 1984 on Bulgarian involvement in the international arms and drug traffic.

The DEA reported that “the largest single source of Western foreign exchange” for Bulgaria in 1982 was arms sales, which amounted to “9% of total Bulgarian exports.” The DEA report also singled out Bulgaria’s role as an arms supplier during the 1974-75 period launching and feeding the Lebanese civil war which raged in full force during 1975 and 1976: “Prior to the Civil War in Lebanon, in 1974 and 1975 Bulgaria sold several shiploads of arms to right-wing Christian militias. . . .”

The ties of the Assad regime in Syria to certain dirty factions among the Lebanese Christians, including the Chamoun clan and the Franjeh clan based in the northern Lebanese port of Tripoli—in the Syrian-occupied part of Lebanon—are well documented. The DEA report states further: “Kintex [the Bulgarian state trading company] chiefly has supplied weapons through Turkish traffickers to leftist terrorist groups in Lebanon and Turkey.”

The Lebanese civil war demonstrates how the “Greater Bulgaria” and the “Greater Syria” operations, both undertaken with Moscow’s blessing, actively supported each other. The Lebanese civil war, which Bulgaria played a key role in fueling and promoting, opened the way for Hafez Assad’s Syrian army intervention into Lebanon in 1976, ostensibly to “bail out” the beleaguered Christian militias. That the Syrian invasion saved some lives is true. But that, of course, was not Moscow-asset Assad’s motive. The 1976 Syrian military occupation of large parts of Lebanon (where they remain to this day) marked the decisive first step down the “Greater Syria” expansionist road.

Assad, as is well documented, plays a Soviet surrogate role as the key supplier and transshipper of arms to Khomeini’s Iran for use against Iraq in the Iran-Iraq War. One of the latest major examples of this, covered recently in the West German newspaper *Die Welt*, is the transfer by the Soviet-allied Mengistu regime in Ethiopia of F-5 fighter aircraft—supplied to Ethiopia by the United States during the Haile Selassie period—through Syria for refurbishing and final shipment to Iran as badly needed replacements for Iran’s force of F-5s, depleted by four years of war losses against Iraq.

Project ‘Kurdistan’

Nothing brings into clearer focus the close operational ties of Moscow’s “Greater Bulgaria” and “Greater Syria” assets than their joint support for Kurdish separatism, with the goal of using the “Kurdish card” to assist in the break-up of Iraq and Turkey.

The Kurds inhabit an area encompassing Western Iran south of Iranian Azerbaijan, the northern mountains of Iraq along its borders with Iran, Turkey, and Syria, and South-eastern Turkey along Turkey’s border with Iran, Iraq, and Syria. The number of Kurds in Turkey (there officially called “Mountain Turks”) is estimated at between 6 and 8 million.

In late August—at about the same time that Sofia launched the “Bulgarization” campaign—armed bands of Kurdish guerrillas using territory in Iraq and Iran as sanctuary, began “hit-and-run” attacks against isolated Turkish army patrols and mountain villages in eastern Turkey. These attacks, which continue into the present, have killed dozens of Turkish soldiers and villagers.

The guerrilla war is now in a tiny, embryonic form, with such “pinprick” attacks posing no threat per se. It is, however, the first time since the Greek civil war of the late 1940s that an armed insurgency, aided by Soviet surrogates, is under way in the mountain regions of a NATO ally. As in the transformation of the Greek civil war from the mere pinprick attacks of 1945 to a full civil war by early 1947, all that is required is a political decision by the Kremlin to have its surrogates undertake the appropriate escalation in support of the insurgents, who already have secure sanctuaries on Iranian and Iraqi territory.

That the two Soviet surrogates Bulgaria and Syria are the key logistical backers of Kurdish separatism (Kurdish separatism politically being a pet project of the Swiss-based Nazi International and Moscow) is well documented. Bulgaria’s role as a key base of operations for Kurdish separatists has emerged on numerous occasions. One such example was the “airline shuttle” flights organized by Bulgaria’s Balkan Air, planeloads of Kurdish political activists flown from Sofia to Stockholm’s Arlanda International Airport during 1982, where they all asked for political asylum in Sweden. This “Kurdish shuttle” was exposed in the Swedish newspaper *Aftonposten* at that time.

The Turkish mafia is based in Bulgaria, at the center of massive international arms and drug smuggling, and the recipient of much well-deserved publicity around the 1981 Agca-Antonov assassination attempt against the Pope. This Turkish mafia is largely a Kurdish mafia. As the DEA painstakingly asserts in its report: “Smugglers are permitted to conduct their activities within and through Bulgaria. In effect, Bulgarian officials, through Kintex, designate ‘representatives’ to operate as brokers who establish exclusive arrangements with smugglers. . . . These representatives and smugglers are non-Bulgarians, *primarily composed of Turkish nationals of Kurdish ethnicity* [emphasis added].”

The food crisis caused by the IMF

The Schiller Institute's rally in Bonn made the point about Africa's famine that was missed by the "Day for Africa."

Kicking off a worldwide series of rallies and parades, 500 supporters of the Schiller Institute gathered at the Kennedy Bridge in Bonn on Saturday, Jan. 26, and marched across the Rhine to the Münster Platz, the West German capital's central market square. They challenged Chancellor Helmut Kohl and U.S. President Reagan to take the lead in rapidly bringing about a new world economic order that can ensure the inalienable right of all people to economic development.

In a statement read at the Bonn rally and in 50 other cities around the world, Schiller Institute founder Helga Zepp-LaRouche said, "We need a renaissance of the American Revolution." Mrs. LaRouche, who also was the West German European Labor Party's candidate for chancellors in the last elections, renewed her call for an "Indira Gandhi Memorial Summit Conference" of governments to put together a new international monetary system within the next three months.

Parade participants marched with two large brass bands, a color guard with flags of 15 nations, figures of the American Revolution and the Statue of Liberty, and carried large banners with quotes from Friedrich Schiller's poetry, calls for the inalienable rights of man, and demands for massive high-technology exports to the Third World. Children carried balloons and pictures of Mrs. Gandhi, alongside signs urging that German technology be used to develop the Third World—even if Henry Kissinger, West German Foreign Minister Genscher, or the Greens

strenuously object!

The rally made the point about the causes of the catastrophe in Africa that had been sidestepped in a nationwide mobilization three days earlier, when on Jan. 23, all of the West German media, parliaments, official institutions, and many private aid societies and charities held a "Day for Africa" in support of the millions of Africans hit by famine. Mayors, parliamentarians, the President, bishops, opera singers, and pop singers participated in the events, which called on citizens to give money for a special emergency aid program for the famine belts.

More than 100 million deutschemarks came in for immediate relief programs for Africa—an impressive amount, given the relatively puny European Community relief programs of 1-2 million deutschemarks. Yet not one speech by a prominent politician on the "Day for Africa" addressed the "conditionalities" of the International Monetary Fund (IMF) which have imposed genocidal austerity on Africa and blocked the large infrastructure projects that could make Africa self-sustaining.

In the Bonn parliament, which held a special "Africa Debate" plenary session on Jan. 23, the IMF conditionalities were never mentioned. The dimension of the African famine was addressed in speeches like the one given by the vice-president of the Assembly, Mrs. Annemarie Renger, who warned that "150 million Africans are directly or indirectly threatened by famine and misery." But even Mrs.

Renger, one of the few moral persons in the parliament, overlooked the conditionalities. Nor did anyone address the question of human rights.

It was left to the Schiller Institute to create some momentum: The president of the German branch of the Institute, Renate Müller, intervened in the Africa Day rally in Hamburg with the institute's Declaration of the Inalienable Rights of Man, and Dr. Desmond Tutu, the 1984 Nobel Peace Prize winner, quickly signed it—pointedly ignoring the protests of the Social Democratic politicians who had invited him to honor their rally!

The Hamburg incident is telling: West Germany's political establishment—Social and Christian Democrats alike—doesn't like straight talk on Third World matters.

Straight talk was the hallmark of the Schiller Institute's Jan. 29 rally. There, the president of the Nigerian Students Organization in Germany, Mr. Rashid Alabi, told West German citizens, "I thank you very much for the 100 million deutschemarks which you contributed for African relief programs. But next time you give money, write on your check: 'This money is not for food, but for technology,' because that is what Africa needs. We Africans don't just need something to eat, we need technology and the infrastructure to produce food ourselves."

Seen against the dimension of the real requirements for securing food for all of Africa, the 100 million DM collected on Jan. 23 are just a drop on a hot stone. If the politicians in Bonn had some courage and got themselves together for a resolution calling for an end to the IMF conditionalities policy, Africa would be relieved of several billions of dollars of annual debt payments. The day this occurred would be a real "Day for Africa."

Is the Communist faction fight real?

Or is the Kremlin pursuing a two-track policy as it has several times in the past?

For the first time in the history of the French Communist Party (PCF), several departmental federations, the largest local bodies of the party, more or less equivalent to state organizations in U.S. parties, have rejected a motion prepared by the Central Committee in preparation for the party's 25th Convention on Feb. 6-10. So far, three federations have rejected the motion outright, and several others have "amended" it.

It is the typical issue over which communists fight, whether to be isolated sectarians or opportunists swimming in a sea of alliances.

Is there a *fronde* in the PCF? Is there going to be a schism in the party, similar to what happened recently in Spain, where there are now two parties, one entirely obedient to Moscow while the other has ostensibly gone free-lance?

Well, three federations (out of 95) is not yet very much. However, for the first time in the party's history, some form of organized opposition to the central leadership will express itself at a party convention. Furthermore, the opposition will be led by several of the party's top figures, including one member of the Politbureau, party spokesman Pierre Juquin, and at least one of the four former Communist ministers in the Mitterrand government, Marcel Rigout; it might include a second former minister, Anicet Le Pors.

The leadership still controls the party machine quite well; the opposition will certainly fail to gather a ma-

majority for any proposal contrary to the Central Committee's. However, it is not likely that the leadership will be able to just sweep aside and expel these opponents as "typical petty bourgeois intellectuals" or "class traitors," as was sometimes done in the past. Marcel Rigout is very popular with "the grass-roots membership." Any hard-line approach might produce a major schism in the party, something that the party leaders will apparently try to avoid.

The origin of the fight in the PCF lies in the series of electoral fiascos it has suffered in recent years, falling at the polls from the 22-25% average of the late 1970s to an historic low of 11% in the European Parliament elections of June 1984. This led the Communists to walk out of their cabinet coalition with the Socialist Party in July 1984—strangely enough, precisely when Mitterrand's Socialist government was going through a pro-Soviet shift.

Sources in Paris think that this party opposition may have been boosted by Socialist Party operations, perhaps even by some byzantine maneuvers directed by the Elysée. The Elysée's hand was clearly in evidence in the recent publication of a book under the pen-name "Fabien" containing the "secret diaries" of the late pro-Soviet *apparatchnik* Jean Kanapa—a "forgery" said the PCF.

Some observers think that Mitterrand, whose situation at the polls is, if not as disastrous as the PCF's, at least very bad, might be trying to create a "second PCF," which would join a

government coalition and save the Socialists in the 1986 general elections.

But there is another possible explanation, not necessarily in contradiction with the first one: Moscow might well be willing to split the Communist Party, pursuing a two-track strategy: one hard-line neo-Stalinist Party, strictly obedient to the Kremlin's orders, and a broader-based peace movement modeled on the German Greens and fostering general destabilization. This, at least, was recently hinted at by "red billionaire" Jean-Baptiste Doumeng, a kind of French Armand Hammer (although not quite as rich). An unofficial representative of the Soviet government in France, Doumeng said that the future belonged to an anarcho-socialist, neutralist environmentalist movement, rather than to a pure communist party.

This scenario would explain Pierre Juquin's recent critical "contribution" to the party newspaper, *L'Humanité*—and the fact that it was not censored. In his article, he rejected the PCF's hard line, proposing to "search for the necessary alliances [with] other communist parties, socialist parties, greens, pacifists, Third Worldists, some religious forces in the Third World . . . in order to oppose Americanization in France [and] in Europe."

In short, his program is not very different from that of Roger Garaudy, a party Politbureau member kicked out in 1969 and recycled into support of the environmental-peace movements then being launched by the Kremlin, as well as the Islamic fundamentalists of the Nazi International's Ahmed Ben Bella, also supported by Moscow.

The creation of a French peace movement would fit perfectly with Moscow's goals, as would, in that case, a split in the Communist Party, only re-enforcing Soviet influence in French politics.

Can the Communists topple Craxi?

Angry over Italy's "rush to Washington" in support of U.S. defense strategy, they may have the opportunity in a new scandal.

The official visit to the United States of Italian Defense Minister Giovanni Spadolini was not yet complete when the Italian Communist Party began a "Watergate"-style campaign to topple the Craxi government. After the statements in favor of U.S. beam-weapon development by Spadolini, who met with Defense Secretary Caspar Weinberger and President Reagan, and after the announcement that Prime Minister Bettino Craxi would meet with Reagan on March 5, the Communists accused the regime of starting a "rush to Washington."

However, other grounds were chosen to demand the government's "impeachment." An artificial scandal exploded toward the end of January: a meeting in Paris between the present labor minister, Gianni De Michelis, and the fugitive Italian terrorist, Orreste Scalzone. Scalzone has been sought by Italian authorities for various crimes, including the 1978 kidnap-assassination of former Premier Aldo Moro.

The scandal exploded when President of the Republic Sandro Pertini leaked to the press a confidential letter to Craxi in which Pertini demanded De Michelis' resignation because of his meeting with Scalzone. The "confidential letter" is now the talk of the nation, and its publication provoked a series of protest messages back and forth from Palazzo Chigi, seat of the Italian government, to the Quirinale, seat of the President.

A few weeks earlier, at a conference on the postwar Communist lead-

er Palmiro Togliatti in Rome, Pertini had proposed that Togliatti's mistress, Nilde Iotti, a Communist leader who now heads the Chamber of Deputies, become the next President of the Republic! He was so concerned to give publicity to the De Michelis/Scalzone scandal that he kept bringing it up during his state visit to Spain, astonishing his hosts when in the middle of a visit to the Prado museum in Madrid, he started shouting: "I am an honest man, I would never shake hands with a terrorist."

There is, of course, nothing wrong in demanding the resignation of a minister who entertains relations with fugitive terrorists. But the fact is, the Italian Communist Party, which not only entertains relations, but also supports terrorists, is using the fight between Palazzo Chigi and the Quirinale to demand Craxi's impeachment. "Nixon was impeached for his lies," they announce. Craxi should be impeached, too, for declaring, "There is no De Michelis case."

The Communists do not hide the fact that America's Strategic Defense Initiative is the real cause of their anger. They have repeatedly attacked Spadolini, "who stopped criticizing the 'Star Wars' strategy of the United States," and also attack the government for sticking to its decision to station U.S. missiles in Comiso, Sicily, despite the decision of the Belgian government to postpone their installation.

In an editorial in the Communist paper *L'Unita*, editor Emanuele Ma-

caluso took the opportunity offered by the De Michelis/Scalzone controversy to list all of the possible causes of a government crisis in Italy: the scandal itself; the freeing of SS Nazi war criminal Walter Reder, sent to Austria where he was welcomed as a hero, provoking a government crisis there; the terrorist train massacre two days before Christmas—the Communists accused the state of covering up fascist terrorism, because it had warned of a revival of left-wing terrorism a few days earlier; unemployment; and the snow emergency in Italy.

While the Communists blame the government for terrorism, Defense Minister Spadolini in New York accused the French authorities of safehousing terrorists. Paris still refuses to extradite 150 Italian terrorists now in France. "My judgment on the French policy in this connection is very harsh," he said. "Paris shows an excessive toleration toward the Italian terrorists." Spadolini also asserted that "France hosts a terrorism multinational."

The issue was also raised by Interior Minister Oscar Luigi Scalfaro in discussions with French Justice Minister Pierre Joxe. Scalfaro pointed to the role of the Italian terrorists in the assassination of French defense ministry official General Audran, his nation's NATO coordinator, and reminded the French that "there are supranational terrorist centers" abroad which use terrorism "as a way to conduct war." Speaking at the opening ceremonies for the academic year at the Police School in Rome, the interior minister called for a stricter coordination between the United States and Europe in the fight against terrorism and drugs, emphasizing the collusion "between right-wing terrorists, left-wing terrorists, criminals, and drug smugglers."

The mad house

The addresses of 49 dignitaries on peace and disarmament were really quite incidental to the occasion.

The Athens Conference for Peace and Disarmament on Jan. 31, sponsored and organized by Prime Minister Andreas Papandreou, was an exquisite occasion for the first notable fashion show displayed by the upwardly mobile, ambitious, and status-conscious ladies of Greece's new Socialist society.

Ladies whose soft fingers were once, in the distant past, testimonials of conscientious housewives who lacked washing machines, showed up at the "peace conference" with exotic coiffures, oil-dripping layers of eye makeup, long rows of cultured pearls hanging heavily from their necks, donned in garments which are supposed to be taken as "creations" and prepared to receive lavish compliments, admiring looks but—most of all—very much prepared for that much sought after and much dreamt of "unexpected," whatever the "unexpected" might be in the dreams of upwardly mobile ladies of Athenian society nowadays.

Professor Georgii Arbatov, basking in the Attic sun in the style inaugurated by Russian Ambassador Igor Andropov, was seen mingling graciously among the ladies, following Prof. John Kenneth Galbraith's clues for the proper execution of hand kissing. Wicked tongues insisted that Galbraith himself was trying to imitate Pierre Elliot Trudeau's hand-kissing style. More wicked tongues insisted that hand-kissing was the least of Trudeau's talents. Most wicked tongues intimated that Trudeau was more "unexpected" than the upwardly mobile

Athenian ladies dared hope.

Incidental to the grand social occasion was the presence of 49 notables from around the world brought to town by the enterprising Greek prime minister, acting like a proud, newly elected Boy Scout troop leader under the approving eyes of his wife Margaret, née Chadd, daughter of a founder of the Communist Party of Minnesota and ambassadress of the Mondale machine in Greece. Our 49 notables droned for a few hours as the crowd around them buzzed incessantly, displaying a profusion of social graces.

When their task was mercifully over and the speeches ended, a joint communiqué was given to the press:

"We the participants of the Athens Conference for the Initiative of the Five Continents met today, Jan. 31, 1985 and exchanged views in the context of the New Delhi declaration regarding the best possible means and methods by which the Peace Initiative of the Five Continents will most productively realize its objectives. . . .

"For this purpose we shall spare no effort in mobilizing the peoples of the world against the threat of nuclear holocaust. . . ."

The society ladies were most impressed with the charming wit of Georgii Arbatov, trying so meticulously to accustom himself to Mediterranean climes as to have earned the ladies' verdict that he is a very cute Russian indeed. Olof Palme also made a certain impression on the well-coiffured gathering, eager to learn if the Swedish premier ever was upset by his wife's tryst with Andreas.

Prime Minister Papandreou's press aide praised the "Latin Americans, precisely for their spontaneous and explosive temperament." Argentina's President Raul Alfonsín, representing the "temperamental Latin Americans," reciprocated: "I believe that Andreas Papandreou is the soul, the moving force behind this international movement for peace."

Andreas Papandreou, striking a momentary, uncharacteristically thoughtful pose, mused to himself, wondering how impressed Ambassador Igor Andropov might be with all this. The entire jamboree, for Andreas, was simply a little preparation to set the tone for his upcoming state visit to Moscow next week. Did Igor like it? Would Igor approve? It was for his ears, for his approval that Andreas had declared during the proceedings that Greece would unilaterally enforce a "Balkan Nuclear-Free Zone," that he would "remove the American nuclear warheads," regardless of what Bulgaria would do. Would Igor appreciate this?

Andreas idly observed other men around kissing *hands*. "I should have their luck," he mused, as he imagined the Russian's sizable posterior looming high above his head. Reportedly, Ambassador Andropov had turned his back to the Athens Peace Conference proceedings. He was preoccupied with more important tasks. He is an important link in the chain of command which is assigned to launch a terrorist bloodbath against Western Europe. He must make sure that what the conference participants pledged, i.e., "to spare no effort to mobilize the peoples. . . ." be fulfilled.

The next day, Feb. 2, the KGB launched a new bloodbath in West Germany, with the murder of Ernst Zimmerman.

Palme's legal '1984' state

A prominent Stockholm professor of public law scores the Orwellian transformation of Swedish family law since 1969.

Professor Jacob Sundberg, professor of public law at Stockholm University, recently gave *EIR*'s correspondent a chilling view of how Sweden has been turned into something dangerously close to the fascist state of George Orwell's *1984*.

"The major change in the past 15-20 years in Sweden has been the increased power of the bureaucracy over the lives of ordinary people. Look at the question of family life," Sundberg said. Up through the 1960s, families usually cared for their pre-school children at home.

"Today, you must place your child in one of the [state-run] Day Homes. This is primarily because of the change in the tax system in the early 1970s which increased the taxation of families so much that it became economically necessary for both parents to go out and work merely to make ends meet. In addition, the Social Democrats, as well as the other parties, campaigned to create what they called 'equality of the sexes.' This all combined to create a child problem which was then 'solved' by the nationwide creation of public Day Homes."

Sundberg elaborated: "The expanding social bureaucracy to staff these new public child care centers was being trained in the 1960s. During that time, the social school faculties of the universities in Sweden were dominated by Marxist social work and sociological theories.

"Today, some of these Day Homes operate as a kind of 'spy center' against the families." The family becomes "more careful." A creeping fear of the

power of this social bureaucracy grows among parents.

So-called "for the good of the child" proceedings can be used by the state to take custody of children and to prosecute parents for maltreatment. "It is through these child custody cases that the social bureaucracy has become very powerful. These social bureaucrats develop a kind of power lust, faced with responsibility to destroy entire families with their testimony," Sundberg charged. "Even doctors are involved and have become afflicted by this power disease."

But even more grotesque, in 1979 the Swedish political parties passed a new law, which makes so-called "humiliating" treatment of a child a criminal offense. Incorporated into this new Parents' Code is a provision which states that parents may not subject their children to "corporal punishment or any other humiliating treatment."

"You as a parent with your own child, can you call him stupid if he does something, or slap his face if he misbehaves? Under this law, the child is entitled to the same legal rights as a total stranger by Swedish law. You no longer enjoy a privileged relation to your own children. It was actually the Liberal Party which drafted this new law, but all the parties backed it.

"After this 1979 law, a religious group challenged this new law before the European Commission on Human Rights based on the Biblical injunction that parents have a duty to 'chastise' their children. The Swedish government defended its stand by saying that no criminal punishment under this

law had yet been applied against the religious group bringing the case. So the case was dismissed for technical reasons by the European Commission."

The architect of this series of incredible laws in Sweden was Carl Lidbom, the Socialist justice minister in the Palme government from 1969 to 1978. Sweden even has a term, *Lidbommari*, to describe this process. When he became justice minister in 1969, he reorganized the entire ministry and initiated a deluge of new legislation. The philosophy behind these laws was Lidbom's notion that new laws should be the locomotive of social change.

The two most important changes created under this process were the increase of the enormous power of the tax bureaucracy and the power of the National Trade Union Bureaucracy in Sweden. The process was completed by the so-called Bourgeois Government (1979-82). Since the 1970s, the state's tax agencies have become staffed by economists trained in chasing fraud and tax cheating rather than lawyers. Legal considerations became marginal; investigations to catch "tax cheats" become primary.

"The tax system became all-pervasive, so that people must now consider the tax implications before doing anything. For example, you can be ruled a 'tax cheat' if, say, you do not bill a friend or neighbor for a simple favor."

At the end of the 1970s, people began to realize that under the enormous tax burden, they could get more social benefits if they lived together without being legally married. "But the tax authorities have now calculated that the state is being cheated of billions of kroner by such practices, so now they want to computerize where everybody lives to be able to control this."

'In Sonora the republic's at stake'

Patricio Estévez's book on the upcoming Sonoran elections uses his own explosive recollections.

A great political impact, and tremendous consternation in establishment circles, has been set off in the northern state of Sonora by the recent book whose title translates, *In Sonora the Republic Is at Stake*. The author is Patricio Estévez, executive committee member of the Mexican Labor Party (PLM), a fraternal organization of the economist Lyndon H. LaRouche.

The book is a thundering denunciation of the state's networks and oligarchs, who together with henchmen of the U.S. State Department have been manipulating the electoral process since 1967, culminating in their big project to elevate the Nazi-Communist PAN party to the governorship next July.

The unique power of these charges is not just that they are made by the PLM, the PAN's most relentless opponent, but also that Estévez was inside the 1967 Sonoran student movement, parent of the national student movement of 1968, which threatened the very basis of the Mexican political system.

Estévez testifies that the movement was a "deliberate political prolongation of the pre-election process in the state, which was manipulated from the outset by different factions disputing the governorship." He also notes that "the role of U.S. intelligence services who operated in the state capital under the rubric of USIS (United States Information Service), where the student leaders worked, was decisive." Estévez adds that among the student leaders were some linked to the "right-wing clergy and econom-

ically powerful families of the north, sprinkled with left elements at the time dependent on the Mexican Communist Party."

Once repression started against this manipulated movement, Estévez reveals that "the students, parents, and other professionals of the political clergy who participated actively in the movement's violent actions, were pulled out of Sonora to the city of Tucson [Arizona], with the logistical support and in private and U.S. government cars by employees of American origin who worked as agents of the USIS, which set up a bridge of 'exiles' to get the persons facing arrest warrants out of the country."

Estévez comments on how they got information to give, not only to Mexican authorities, but also to USIS agents and representatives of certain reactionary families who were financing and backing them.

He concludes: The interests who were so brilliantly manipulating the students, "are the same interests today toying with this other 'brilliant and audacious youth,' Adalberto Rosas López, PAN candidate for state governor," who is endorsed by the *New York Times'* James Reston and U.S. Ambassador Gavin to win the July election.

In luxuriant detail, Estévez explains why Sonora has been virtually adopted as a laboratory and political trampoline for local bosses, who in tandem with the U.S. southern border mafia, are puffing themselves up as a local insurgency against Mexico's presidency.

Such was the case of the young "playboy" Carlos Armando Biebrich, who became governor of the state in September 1973, backed by local mafias and by then-Interior Secretary Mario Moya Palencia. The game was nationally steered by ex-President (now deceased) Miguel Alemán Valdes, who wanted to install Moya Palencia as President and Biebrich as interior secretary. Alemán planned to later make Biebrich President, to give free rein to his ideal of liberating Mexico from "nationalists" who oppose legalized casinos, drugs, and prostitution.

Estévez recounts that after the noisy fall of Biebrich in 1975, Sonora's oligarchs decided to revive the corpse of the PAN, supported by the Calles-Alemán duo. Rodolfo Elías Calles, the son of Plutarco Elías Calles (ex-President of Mexico expelled in 1938), had from the 1930s laid the basis to destroy the Agrarian Reform and meet U.S. bankers' demands in support of the big private landholders. With this policy, the local bosses reinforced the local political clergy and the PAN. From here arose the powerful families who bankrolled the 1967 movement and who today finance the PAN's Rosas López, Biebrich's crony.

The book hones in on Adalberto Rosas López, "candidate of the oligarchy," with a panorama of his business activities, his marriage with one of the rich Mazón heiresses, his intimacy with other businessmen such as accused drug-trafficker Manuel Clouthier de Sinaloa. Estévez writes, "The personality of Adalberto Rosas is intrinsically perverse, because his sick fight for power has never been oriented by an idea of the good, but concentrates the oedipal-neurotic-infantile character of the neo-PANists, pushers of the degraded colonialist counterculture and anti-government propaganda."

International Intelligence

Bangladesh conference backs nuclear power

The International Conference on Physics and Energy for Development, co-sponsored by the Bangladesh Physical Society, the Bangladesh Atomic Energy Commission, and others, opened on Jan. 26 in Dhaka. Center-stage from the start of the four-day proceedings, in which 175 scientists—140 Bangladeshi delegates and 33 foreign participants—are involved, is a fight between the advocates of a high technology path for developing nations and the proponents of “appropriate technology,” solar energy, and the rest of the Malthusian litany.

Bangladesh President Lt. Gen. Ershad inaugurated the conference with a strong statement for advanced science and technology as a priority part of Bangladesh’s next Five Year Plan now being formulated. Ershad stated his government’s commitment to build a nuclear power plant, the country’s first, in the western part of the nation—a project for which Bangladesh Atomic Energy Commission Chairman (and Fusion Asia Advisory Board member) Dr. Anwar Hossain has been fighting for years.

Prof. Shamsul Huq, Vice Chancellor of Dhaka University, laid the ground for conference deliberations in an opening speech declaring “appropriate technologies” most inappropriate. “The slogan of ‘appropriate technology’ was created a few years ago as a euphemism for updated tradition technology,” he said. “The concept was probably well-intended, but it was based on the unacceptable premise that the technology gap cannot be bridged.”

IMF policies cause starvation in Argentina

Argentina’s Health and Social Action minister reported on Jan. 27 that 40% of all children under two years of age in the country suffer from malnutrition. “This is shameful in a food-producing country,” he said. In the province of El Chaco, the IMF austerity measures have forced the cutting

of the school lunch program this year, which will leave more than 60,000 children without food, the children of very poor families whose only meal has been that at school.

The food situation is so critical in Argentina, one of the world’s largest exporters of food, that President Alfonsín has been forced to start an emergency food distribution program—the Pan—which has reportedly reached 700,000 families.

At the same time, the government has begun a program of teaching poor families how to grow food on small plots of land, obviously for subsistence agriculture. The health minister also reports that there is now a housing deficit of 2.5 million units in country. In the northern province of Chaco, it is reported that over 30% of the population suffers from Chagas disease. Chaco is one of the poorest of Argentina’s provinces, characterized as a zone where Chagas is endemic due to the proliferation of vinchuca bugs which are carriers of the disease.

Panamanian labor leader wants debt moratorium

Panamanian labor leader Eduardo Rios, a member of the Schiller Institute’s Labor Commission, has created an uproar in his country by coming up with a magnificent solution for the budget crisis.

At present, Panama has a budget of \$2.7 billion, of which \$839 million—one-third—is to go for debt service. The budget deficit will be \$190 million, and to trim it back, the government was planning to implement the IMF program—firing 20,000 state-sector employees, shutting down industries, and increasing taxes.

Rios, after reading a section of the newly released Spanish-language version of *Dope Inc. (Narcotrafic, S.A.)*, proposed on his nightly radio show that if Panama were to subtract \$200 million from the \$839 million in debt service, the problem could be solved. No one would have to be fired, taxes would not have to go up, and the banks would be getting \$639 million, which should make them happy.

The simplicity of this solution has made

it immediately popular, and Rios has been invited by the National Assembly and the Budget Commission to make presentations on the subject. He has also been featured in many radio programs to debate his thesis, and it has been widely covered in the press.

The influence of the Schiller Institute, founded by Helga Zepp-LaRouche and now leading a campaign to reorganize the world monetary system, has become so extensive in Panama, that in order to stop it, Lane Kirkland’s AIFLD institute has deployed the Interamerican Regional Labor Organization (ORIT) to sponsor a conference of labor leaders in Panama. Every single labor leader in Panama was invited except Rios—who happens to be the official head of Panama’s labor movement!

Syria, Libya, and Iran meet to ‘fight imperialism’

Over the Jan. 26-27 weekend, the foreign ministers of Syria, Iran and Libya gathered in Teheran to “coordinate policies against the United States and Israel” and develop “joint actions against imperialism and Zionism,” according to press reports which leave little doubt as to what was actually discussed between government representatives at Shariar, Ali Treiki and Ali Akbar Velkayati. Such a gathering occurs as Syria and Iran have strengthened their policy coordination in recent weeks, and as Syria has stepped in as an intermediary to strengthen relations between Iran and the Soviets. On Jan. 21, the Iranian deputy foreign minister, Sheikh Islamzadeh, met in Damascus with Akal Valimov of the government of Uzbekistan.

Many Iranians have recently entered Europe—France in particular—with Syrian passports. This apparently includes many of the same Iranians who were expelled from Paris in December 1983, now returning as “Syrians.” The French government of President François Mitterrand, however, is perfectly aware of the Syrian deployment, but is doing nothing about it.

For example, in December French police shut down a Syrian-owned printing shop in Paris through which 2,800 North African

workers had been recruited over the last 18 months and sent to Iran and Syria for terrorist training. The shop was closed down. But, as revealed by the weekly *Minute* on Jan. 19, not only was no one arrested, but the owner, a Tunisian Muslim fundamentalist, went to Lille in northern France to continue his operations close to the Belgian border. Meanwhile, the very same shop, whose printing equipment is used for clandestine and opposition magazines in North Africa, was reopened elsewhere in Paris and functions just as before.

East Germans: Bonn plans attack on Poland

The East German government has used the recent writings of a 21-year-old West German offspring of Silesian refugees to back-up a charge that the West German government has a military plan to invade Poland. An article that appeared in the official party paper as well as all other East German dailies during the last week of January charged that the 21-year-old's written description of a West German Army conquest-"liberation" of Eastern Europe was actually based on another article written by Colonel Hubatschek of the West German General Staff in the military magazine, *Europäische Wehrkunde*.

The East Germans charge that "confidantes of Defense Minister Manfred Woerner" are responsible for this "concept of aggression." "The author [referring to the 21-year-old] . . . got the recipe to change the European postwar order and to recreate the German Reich within its 1937 borders, a recipe which openly calculates the option of war, from West German Army Colonel Hubatschek. . . ."

For all of East Berlin's pious concern for the "borders of Poland," the East Germans never signed any agreement recognizing their own border with Poland. The 1950 "Goerlitz Agreement" signed by East Germany and Poland, which hailed "the border of peace" on the Oder-Neisse between East Germany and Poland, refused to place the word "German Democratic Republic" in the text, defining the Oder-Neisse only as the

"border between Germany and Poland." If Poland should ever get out of hand, from Moscow's standpoint, perhaps East Berlin and Moscow are the ones contemplating "revanchist" border changes?

FEF beam book unveiled in Bonn

The Fusion Energy Foundation (FEF) held a press conference on Jan. 31 in Bonn to present the first book written in German on the Strategic Defense Initiative (SDI), which was published by the prestigious Verlag fuer Wehrwissenschaften, a military publisher in Munich. Editors Michael Liebig (*EIR*) Heinz Horeis (FEF), and George Gregory (*EIR*), one of the authors, discussed the book.

The audience included representatives of the Bundeswehr, the defense ministry, Chancellor Kohl's office, journalists from the Finnish radio, the Finnish paper *Sanomat*, the *New York Tribune*, the German daily *Die Welt*, the German weeklies *Die Zeit* and *Bunte Illustrierte*, the German military publication *Soldat und Technik*, the office of a journalist working for several German regional papers, and the Chinese news agency Xinhua. Embassies represented were Japan, Yugoslavia, Algeria, and Ivory Coast. Four private military consultants also attended.

Amnesty International report attacked in Peru

The Amnesty International report on Peru's human rights abuses, released the week of Jan. 22, has come under intense attack in Peru. The Bishop of Ayacucho, Msgr. Federico Richter Prada, who hosted the Pope during his current tour, attacked the report, saying, "I have been able to observe, with all the bishops, the image that Peru is receiving in other countries, and that pains me very much, because it does not fit reality."

The report characterized Shining Path—the savage terrorist group—as carrying on justifiable "guerrilla" actions against an oppressive regime.

Briefly

● **IL GIORNALE**, the Italian daily, described the "brown [fascist] ingredients" of the German Green Party in an article by its Bonn correspondent Michel Topa on Jan. 30. The recent expulsion of neo-Nazis from the Green Party in Berlin, he writes, means nothing, for it then "became clear that the Berlin Green Party was full of neo-Nazis." The expulsion of some . . . is not at all sufficient. . . . Under the Green label, there are Nazi nostalgics who live together with Marxists."

● **THE SOVIET UNION** is behind the killing of Fr. Jerzy Popieluszko, a prosecuting lawyer for the Roman Catholic Church implied at the murder trial of security officials in Torun, Poland on Jan. 30. "No group in Poland could have wanted such a provocation. Someone wanted to poison the home country," said lawyer Jan Olszewski. He said that the four accused were acting "in the interests of a foreign power. . . . Every child who has been taught history thoroughly in Poland knows who is interested in weakening this country."

● **LORD CARRINGTON**, business partner of Henry Kissinger and secretary-general of NATO, told a Cambridge University audience on Jan. 31 that he is skeptical about President Reagan's Strategic Defense Initiative. Carrington cannot understand, he said, how a system that merely protects can maintain deterrence at the same time.

● **THE ORGANIZER**, a major New Delhi weekly, reported in late January that the Soviet deputy military attaché in New Delhi was implicated in the current espionage scandal. The attaché was able to leave India because discovery of his involvement was leaked to the Soviets before being made public.

The *present danger* posed by negotiator Kampelman

by Criton Zoakos

Chief arms control negotiator Max Kampelman is pursuing a negotiating strategy on arms control which, if allowed to be implemented at the scheduled March 12, 1985 Geneva meeting, will pose a major threat to world peace and a catastrophic danger to United States national interests. To borrow a phrase from Mr. Kampelman himself, historical circumstances (and he himself) worked to promote him to the unenviable status of being the greatest “present danger” facing this nation and world peace. He has ended up becoming a one-man Committee of Present Danger.

His policy is to sell out President Reagan’s Strategic Defense Initiative in the upcoming Geneva talks.

The evidence is his own words, laid out in a Jan. 27, 1985 article published in the *New York Times Magazine*, over the signature of himself, the notorious Zbigniew Brzezinski, and Goddard Institute scientist Robert Jastrow. The article’s title is *Defense In Space Is not “Star Wars,”* and the uninformed reader might mistake it as an argument in support of President Reagan’s Strategic Defense Initiative.

Before the specific proposals and policies outlined in the article are examined, a few words about the article’s surrounding circumstances. Some bureaucrats in Washington have argued that the article does not represent the policies which Mr. Kampelman intends to pursue, as it was written before he had been appointed chief negotiator for the Geneva talks. Nonsense. Not only the article’s contents are exactly what Kampelman intends to do in Geneva—if he is allowed to get there unscathed—but also, that insufferable slickster, Secretary of State George Shultz, proposed Kampelman for the job because Kampelman had outlined to Shultz this strategy of destroying the SDI.

It is a plain fact of life that George Shultz is an enemy of

the Strategic Defense Initiative. Shultz was the man who, before Jan. 7, 1985, had designated the SDI a “negotiating chip at the bargaining table.” It was Shultz who had then to be called on the carpet by President Reagan to be told that the SDI is not a “bargaining chip to be negotiated.” And after this dressing down, it was Shultz who pushed, shoved, insisted, and cajoled to have Kampelman appointed chief U.S. negotiator at the new arms-control talks in Geneva.

For those with short memory: Max Kampelman was Walter Mondale’s chief “arms-control” advisor during the presidential campaign, was he not? The Mondale campaign’s chief slogan was to stop Reagan’s “Star Wars,” was it not? One would be fair to argue that Max Kampelman, together with McGeorge Bundy, was the chief architect of Mondale’s anti-SDI campaign strategy, would one not?

The Chief Arms Control Negotiator and the Secretary of State are in collusion with the Russians to stop the SDI. We shall present this fact after we have dealt with what Kampelman has to say in his *New York Times* article.

Max Kampelman’s signal to Moscow

This review has enough evidence in hand to show that the single most important formulation in Kampelman’s article is a seemingly obscure little phrase, buried in a sea of speculative platitudes toward the end of the text. It reads: “. . . It is no longer possible to limit space-based systems without imposing a simultaneous limit, along the above lines, on terrestrially deployed systems. . . .” The affirmative formulation of the same argument reads, “. . . *It is possible to limit space based systems while imposing a simultaneous limit, along the above lines, on terrestrially deployed systems. . . .*” and was written and published for the purpose of signalling to

Moscow how Shultz's negotiating team under Kampelman intends to torpedo President Reagan's SDI.

The scheme is pivoted on Kampelman's argument "*along the above lines*." These stipulations, almost pure speculations of what he wishes to believe the SDI will degenerate into, are as follows, in his own words:

- ". . . We can now construct and deploy a two-layer or double screen defense, which can be in place by the early 1990s at a cost we estimate to be somewhere in the neighborhood of \$60 billion. . . ."

- ". . . It would prevent the Russians from concentrating their warheads on such high-priority targets as the national command authority, key intercontinental ballistic missile silos or the Trident submarine pens. . . ."

- "Simply a so-called "point defense" of our missile silos, it has been suggested, would be sufficient to restore much of the credibility of our land based deterrent. . . ."

- "The Russians can overwhelm any point defense we place around those silos, if they wish to do so, by allocating large numbers of warheads to these critical targets. But if we include a boost-phase defense to destroy their warheads at the time of firing, their objective becomes enormously more difficult to accomplish."

- "The likely technology for an early use of the boost-phase defense would use 'smart' nonnuclear projectiles that home in on the target, using radar or heat waves, and destroy it on impact. The technology is close at hand and need not wait for the more devastating but less mature technologies of the laser, the neutral particle beam or electromagnetic rail gun. The interceptor rocket for this early boost-phase defense could be derived from air defense interceptors that will soon be available, or the technology of antisatellite missiles (ASAT) launched from F-15 aircraft. These rockets could weigh about 500 pounds, the nonnuclear supersonic projectiles about 10 pounds."

". . . The technology used for the terminal defense could be a small, nonnuclear homing interceptor with a heat-seeking sensor, which would be launched by a rocket weighing one to two tons and costing a few million dollars each. . . ."

The cost for the *boost-phase* defense "would be roughly \$45 billion. That price tag includes 100 satellites each holding 150 interceptors—sufficient to counter a mass Soviet attack from all their 1,400 silos."

The cost for *terminal point* defense "would be about \$15 billion and include \$10 billion for 5,000 interceptors, plus \$5 billion for 10 aircraft carrying instruments for tracking of Soviet warheads."

What is wrong and what is impracticable

It is Danny Graham's High Frontier scheme, and all the criticisms applied to that apply to the Kampelman proposal. Specifically, it relies on technologies of the 1950s which had been ordered stashed away by Robert McNamara by way of Project STRAT-X. Especially the boost phase, space-based component of Kampelman's scheme will not work. The sat-

ellite-launched "nonnuclear projectiles" supersonic though they may be, would be travelling, under the most charitable assumptions, at twice the speed of the Russian ICBMs. Their size, weight, and fuel limitations (to fit 150 of them in one satellite), makes them difficult to maneuver in the final kill phase of their trip, and thus not exactly reliable in a combat environment. Given that fewer than half of Kampelman's satellites would be in a position to shoot in the event of a massed Russian attack, one could generously concede that his boost-phase screen might, under most fortunate circumstances, intercept 15% to 20% of Russia's warheads.

Anyone who has thought this matter through knows that such performance of a boost-phase defense is catastrophic for the defending force. The terminal point defense line, armed with 5,000 of Kampelman's interceptors, would have to contend with 7,000 to 8,000 Russian warheads. If the Russians time their land-based ICBM launch with a "pin down" attack from submarines stationed near the American coast, at a distance of 2-3 minutes flight time, most of Kampelman's 5,000 "terminal defense interceptors" either would be destroyed or could not be launched on time to stop the incoming warheads.

Even though numerous scenarios could be spun out along similar lines, the basic point to be made is that Kampelman's scheme is fake because no effective strategic defense can work if the terminal point defense has to deal with 80%, 70%, or even 50% of the nuclear warheads the Russians are known to possess at this time. The problem is that Kampelman's boost-phase defense component has no credibility as a *defensive* strategy.

Could it therefore be an *offensive* strategy that Kampelman is concealing behind his proposal? Theoretically, the only defensive usefulness of Kampelman's scheme might be *after* the Russian ICBM force had been significantly reduced by a U.S. first-strike.

Also, theoretically, the Russians should be howling to high heavens as soon as they read in the *New York Times* Max Kampelman's and Zbigniew Brzezinski's ravings. But the Russians have not howled at the Kampelman version of "Star Wars." They have merely continued to scream and rave against President Reagan's Strategic Defense Initiative, and they have vowed from the pages of *Pravda* to "stop" the "technological revolution" which President Reagan promised in his remarkable Inaugural Address.

The Moscow-Kampelman deal

In the matter of the Kampelman version of "Star Wars," Moscow had difficulty concealing its ecstasy.

According to our exclusive information, the Russian government's negotiating strategy for the Geneva talks which begin March 12 will be centered around a "generous" offer to reduce Russian nuclear missiles by around 10% if the United States agrees to limit its Strategic Defense Initiative to some version of Kampelman's "defense of silos and national command authority" and firmly and unequivocally

abandon forever the pursuit of those laser and particle-beam technologies, those "new physical principles" which alone can guarantee an effective defense against nuclear weapons.

There is no mystery why the Russian military would gladly go along with Mr. Kampelman's scheme of a High Frontier-type of strategic defense. One might argue that the Russian leadership would be interested in encouraging follies such as Kampelman's as a last resort effort to derail Reagan's SDI. Kampelman's scheme, a partial and dubious defense of missile silos and command centers inside the U.S.A., is advantageous to the Russians both militarily and diplomatically.

Militarily, the Kampelman type of strategic defense can easily be overwhelmed. If the United States were to be persuaded by guile to adopt Kampelman's approach, at the end of that effort, some time in the 1990s, the strategic assets of this country would enjoy the kind of defense which the Soviet Union's strategic assets are already enjoying in the mid-1980s, as a result of the combined civil-defense, silo- and bunker-hardening procedures and the massed deployment of interceptor missiles which, even though masquerading as anti-aircraft missiles, can fulfill significant anti-missile missions because of their 100,000-foot-plus combat ceiling. Of such anti-missile missiles, the Russians have already manufactured, deployed, and stored scores of thousands. For every one American warhead, the Russians already have 10 such interceptor missiles.

What would oblige the Russians to make their anticipated "generous offer" to Kampelman in Geneva?

Simply, the hope that in this way they may force the United States to either stop or slow the effort to construct a four- or five-layer-deep space-based defense employing a diverse variety of laser and particle-beam technologies. A growing body of evidence accumulating since 1977 keeps pointing to the conclusion that the Russians could be ready to deploy their first, however primitive anti-missile laser weapon some time in 1987 or 1988. If they can delay or slow down the American laser and particle-beam program until then, they will have won the race and, with it, the world for a long time to come.

As Marshal Nikolai Ogarkov emphasized to Russian troops in mid-January in East Germany, the current purpose of Russian strategy is to "buy time." Ogarkov drew an analogy between this year's arms negotiations and the 1939 Hitler-Stalin Pact. In both instances, he argued, Russia entered into agreements with "the devil" for the purpose of "buying time." One might add a few further analogies: Now as in 1939, the Russian imperial leadership is in bed with the Gnostic oligarchy of the West. The interests which today, in the West, are promoting the Kampelman accommodation with Moscow are the same families which put Hitler in power.

What is involved, however, is not exactly "buying time," in order to accelerate further a Russian military buildup. As that buildup has been going on at breakneck speed for some time now, and as it cannot best its 1987-88 deadline, the only

form of "buying time" available to Ogarkov et al. is to either derail or slow down the American attempt to catch up with Moscow.

For this, Moscow is prepared to generously accept the Kampelman scheme, and throw into the bargain a rhetorical promise to reduce its offensive arsenal by 10%. If the United States accepts, the result will be that by the year 1995 or so, American strategic defenses will be where Russia's were in 1983-84. Russian strategic defense, however, will be well into the 21st century, and in a position to dictate terms to this country.

Also to bear in mind are two unspoken assumptions.

One is the unspoken assumption in the Russian diplomat's mind, which in part will guide the form in which the offer to Kampelman will be presented next March in Geneva, is that America's European allies will bolt from the Alliance, because either a) Kampelman accepts the Russian offer and the U.S.A. reneges on its commitment to defend Europe by becoming preoccupied with defense of its own silos and command centers, or b) Kampelman rejects the offer and thus "misses the opportunity" of reducing Russian strategic forces by, say, 10%.

The second unspoken assumption, in Kampelman's mind, derives from the currently circulating euphoric reports regarding the presumed backwardness of the Russians' own laser- and particle-beam defense program. It is said that the haste with which Moscow returned to the negotiating table proves how frightened it is by the President's SDI. This fear itself, the argument goes, shows how hopelessly behind the Russian program is.

All this is nonsense. For all we know, the Russians are ahead in the technologies which manage long distance laser-beam transmission of high energies, and relatively behind in the microtechnologies of target acquisition and tracking. They are confident that a combination of research and stealing will help solve their problem. They have no fears in this area. If they have been able, through their political penetration, to secure the appointment of Max Kampelman as chief American arms negotiator, they just might have enough similar resources to secure for them the timely stealing of a few technical secrets in optical mirror and microcomputer technologies.

The source of the Russians' fear is only one: that American society might undergo a revolutionary transformation in scientific and technological practice as a result of the imminent technologies of the President's SDI. All their endeavors are concentrated on preventing this scientific and technological revolution, which the President promised in his inaugural speech and which *Pravda*, the following day, vowed to prevent.

Max Kampelman's self-designation as a "conservative" derives from his pathological opposition to the prospect of this technological and scientific revolution. He is a conservative in the same sense as a cow who would rather die than improve her habits.

Dope mafia out to stop Meese appointment

by Nancy Spannaus

Desperate to prevent the full implementation of President Reagan's war on drugs and terrorism, the international dope mafia is pulling out all stops to block the appointment of close Reagan associate Edwin Meese as attorney general of the United States.

While the public side of the smear job—which has already prolonged hearings on the appointment for four days—is being run by former Watergate Special Prosecutor Archibald Cox, the conspiracy behind the scenes is controlled by Walter Sheridan-linked sections of the Justice Department, corrupt elements in the FBI, and the Anti-Defamation League of B'nai B'rith (ADL).

The initial efforts of this same crew to foil the Meese appointment when President Reagan first nominated him in 1984, were foiled by the judgment of a special prosecutor that Meese had committed no wrongdoing. Now the same forces who illegally leaked information to prevent Meese's confirmation at that time, are redoubling their efforts.

The motive for the smear job against Meese lies with their fear that the new attorney general will move to break up the political protection which the Sheridan-linked sections of the Justice Department have been running for the dope lobby since the time of J. Edgar Hoover. *EIR* sources on Capitol Hill indicate that these fears are indeed well founded.

Even if they fail to stop the appointment, however, the dope lobby forces hope to tie Meese's hands, so that he cannot bring into the Justice Department those trusted associates who could carry out the clean-up. Potentially problematic to Meese's efforts would be the remaining associates of Cox in the Justice Department.

Meese's friends and foes alike are indicating privately that they expect him to be confirmed eventually. The opposition, however, has kept their show going considerably longer than most had expected.

The real conspirators

An *EIR* investigation into the forces which are instigating the move against Meese has identified the following key actors in the plot:

1) Walter Sheridan. Formerly a leading official in Division Five of the FBI and in the Justice Department, and now a staff member of Sen. Ted Kennedy, Sheridan heads a network which has consistently blocked any U.S. government

action against international drug mafia figures, including drug kingpin Robert Vesco.

Sheridan's own organized-crime connection run through Meyer Lansky's Resorts International. The security arm of Resorts, Intertel, is known to be an unofficial branch of the FBI, and is completely staffed by "former" FBI and Justice Department officials associated with Sheridan, such as Robert Hundley. This interface between Sheridan and his networks in the Justice Department has given Vesco, currently said to be operating out of Cuba, a free hand.

2) Corrupt elements in the FBI. These elements were the source of the initial leaks which stopped the Meese appointment. They work with corrupted elements in other government agencies to protect both drug and terror networks.

3) The Anti-Defamation League. The ADL would best be described as the organized-crime wing of the Socialist International, due to the involvement of its leading representatives in drug and dirty money operations. For example, according to court records, it was ADL President Kenneth Bialkin, who helped launch Vesco on his international crime spree, by orchestrating his takeover in Bernie Cornfield's Fund of Funds. Bialkin's lawfirm of Willkie, Farr, and Gallagher, who served as Vesco's lawyers in the takeover, in January 1980 were ordered by a court to repay investors!

The ADL, in combination with Sheridan and his networks in the Justice Department, also provides the political protection for such notorious narco-terrorists as Carlos Lehder, Vesco's Colombian connection and currently one of the most wanted criminals in that country. Lehder's narco-terrorist networks, who took to the airwaves Jan. 29 to threaten to kill any opponent of the Colombian drug mob, are currently involved in a live assassination plot against Pope John Paul II (see story, page 32).

The mob surfaces

A review of the individuals and institutions who have come to the fore against Meese shows that they are all intimately related to the ADL and other pro-dope lobby institutions.

First, there is Sen. Howard Metzenbaum, Democrat from the Cleveland, Ohio area. Metzenbaum is a close associate of dope mafia figure Max Fisher, and is a political spokesman for the ADL.

Second, there is the complex of organizations around Common Cause, the liberal lobbying organization now headed by Archibald Cox. Joining Cox, who wrote a 70-page document against Meese for the hearings, on the stand are such ideological compatriots as Joe Rauh, Jr., and Father Robert Drinan, S.J.

Third, there are the *New York Times* and *Washington Post*, both papers which have gone on record for liberalization of laws against drugs. In fact, the *New York Times* could not have been more blatant, since it followed its editorial attack on Meese with an endorsement of a bill to legalize heroin for "medical purposes."

LaRouche testimony supports Meese

Testimony of Lyndon H. LaRouche, Jr. on the confirmation of Edwin Meese to be U.S. Attorney-General, on Jan. 29:

I declare myself in support of our re-elected President's wish to place his trusted collaborator, Edwin Meese, in the position of Attorney-General of the United States.

The frustrating failures we have suffered during most recent years, in our national efforts to crush the international drug trafficking into our nation's neighborhoods and schoolyards, shows us the urgency of a general shake-up in the Federal Bureau of Investigation in particular and in the Department of Justice in general.

In this time and place, it is not necessary that the members of the Senate speculate upon the attitudes toward drug enforcement of particular members of the Department of Justice. The failures of the Department of Justice, on this account, are to be seen chiefly as typical of the diseases to which any large part of a permanent bureaucracy is subject, merely by virtue of the fact that it is a powerful and entrenched bureaucracy. Periodically, the permanent bureaucracy of various sections of government must be purified by those same methods which the fabled Hercules employed to cleanse the Augean stables. The Department of Justice has been long overripe for such purification; we shall not defeat this pestilence of the drug traffic until that purification is accomplished.

I testify as one who has become expert in the pestilence of the international drug-trafficking problem, and the connection between drug trafficking and terrorism. For the sake of brevity, I outline one of the aspects of the international drug trafficking which threatens the United States most directly: the interface between the circles of the fugitive Robert Vesco and Cuban and Bulgarian intelligence services in the Caribbean region.

It is our best information at present, that the Soviet bloc's leading participation in the international drug traffic dates from the time of a Warsaw Pact ministers' meeting in 1967, and that the most significant Warsaw Pact figure associated with the weapons-for-drugs traffic has been a Bulgarian of-

ficial, Ivan Slavkov, the son-in-law of Bulgaria's President Todor Zhivkov. This is the same Bulgarian connection featured in the case of the dissolved weapons-for-drugs trading enterprise, Stipam, International, the same Bulgarian connection under continued investigation in the matter of the attempted assassination of Pope John Paul II by the Turkish professional assassin Mehmet ali Agca. This is the Bulgarian connection to Fidel Castro's client, Robert Vesco, and to the kingpin of the Colombian drug trafficking, Carlos Lehder.

In my functioning as contributing editor for the international newsweekly *Executive Intelligence Review*, I have had the opportunity to share investigative information with representatives of governments and of influential religious and other private circles among the nations of the Caribbean and South America. It is established beyond reasonable doubt, that the major drug trafficking and terrorism in the Caribbean and South America are all of one common piece. It is established that the core of the cocaine and marijuana traffic into the United States from the Caribbean region is controlled by a network most efficiently and correctly identified as the Nazi International of Switzerland's François Genoud, and that the Soviet bloc interests participating in this drug trafficking are working in close and witting collaboration with both this Nazi International's network and with elements of organized crime.

It is also established that the proceeds of the drug traffic are in the order of hundreds of billions of dollars, most of which revenue is extracted from the streets and school yards of the United States. In addition to the central role of the drug traffic in organized and local crime, major financial interests cooperating with the so-called offshore banking interests, "launder" these billions of drug-trafficking revenues through cooperation of persons and financial institutions often classified as "above suspicion."

Since approximately 1977-80, on the issue of drug trafficking and drug-related crime, the U.S. Department of Justice has had its priorities upside-down. Today, the United States is suffering an economic loss which is greater in amount than the defense budget of the nation, as a result of the combined direct and indirect costs of the drug trafficking, an amount far in excess of the Federal budget deficit. In addition, the drug traffic and the role of drug-traffic revenues in supporting Bulgarian-Cuban-linked terrorism in this hemisphere, is the greatest single internal security threat to this hemisphere as a whole. During the recent eight years, or so, the priorities of the Department of Justice have reflected a liberal toleration of the spread of drug usage, a softness toward the lobbying efforts of such agencies as NORML, *High Times*, and the fellow-travelers of this so-called "drug lobby."

The Department of Justice needs a "new broom." It is in the vital interests of our nation, and of the interests of the victims of crime in our nation, that the Honorable Edwin Meese be afforded the support he requires to be that "new broom."

A challenge to Dr. K. and friends in the Dominican Republic

The opening sessions of the Chamber of Deputies in the Dominican Republic in early February promise to be more exciting than usual.

No one is predicting how far matters may proceed, but the process now unleashed may do considerable damage to the interests and influence of Dr. Henry A. Kissinger throughout Ibero-America and the Caribbean, and may also adversely affect some of Henry's superiors among the European noble families associated with a certain Prince Johannes von Thurn und Taxis in Regensburg, West Germany.

A member of the Chamber's Foreign Relations Committee, Miguel Angel Velazquez Mainardi, plans to renew the challenge he began in late December 1984 before the Dominican Republic's Parliament recessed, to have the government of President Jorge Salvador Blanco rescind an award given Kissinger on Dec. 23.

For services rendered in arranging a \$50 million loan from the U.S. Agency for International Development strictly earmarked for repayment of interest on the Republic's debt—a first-ever excursion of AID into the debt-repayment business—Kissinger was honored with the Duarte Medal, the highest award of the nation.

In a Feb. 1 discussion with *EIR*, Velazquez Mainardi, who is also a popular columnist for the Dominican Republic's *El Nacional* daily, stated that his original protest against the award to Kissinger cited "the criminal antecedents of Sr. Kissinger," whom the parliamentarian charged with responsibility for the mass-saturation bombing of Vietnam, for the murder of Chilean President Salvador Allende, and for other crimes. "Nobody

with that record is entitled to receive the highest decoration of a democratic country like the Dominican Republic," he added.

Velazquez Mainardi went on: "Kissinger is an enemy of the development of the countries of the South, particularly the countries of Ibero-America. No doubt he hopes to use his influence as a go-between with the IMF, whose policies are aimed at mortgaging the sovereignty of our nation and other nations of Ibero-America."

He emphasized that his effort against Kissinger is now receiving support from "political organizations, cultural groups, and sporting clubs" across the country, and hopes that other members of the Chamber of Deputies will follow suit.

Given Velazquez Mainardi's track record in fighting organized crime and drug-connected networks in the Dominican Republic, Kissinger has cause to be concerned. The parliamentarian reported that his campaign against the extension of the New Jersey-based Resorts International mob into the Dominican Republic has stalled attempts by Resorts to build up a "tourist company" infrastructure in the country.

Kissinger's unsavory connections

In this regard, attention is being focused by North American investigators on Dr. K.'s friendship with a former Dominican Republic ambassador to the United States, one Enriquillo del Rosario.

Aside from being a self-professed good buddy of Kissinger, del Rosario shares with him a mutual friendship with the Dominican Republic-based degenerate fashion designer Oscar de la Renta, at whose condominium Kissinger stayed during his stopover to receive his award. De La Renta is

known to be an asset of the Gulf and Western interests, who have for years treated the Dominican Republic like a plantation. Gulf and Western is part of the financial empire of organized crime's Lindner family and of New York financier interests politically tied up in deals with Moscow.

Del Rosario is married to one Audrey Zauderer, formerly married to the now-deceased George Zauderer, who ran a New York real-estate investment firm. Audrey is one of the closest regular contacts in the United States of the aforementioned Thurn und Taxis of Regensburg, who reportedly stayed at her house during a private visit to the United States in 1981 and who has maintained relations ever since.

Audrey also maintains ties of an unknown sort to one of Thurn und Taxis' contacts in the shady financial oligarchy's underworld, Britain's Lord Weidenfeld, who happens to be Dr. K.'s most regular liaison in Great Britain. When Kissinger likes to plot and intrigue with his British friends, more often than not it will be at his Lordship's house or a meeting elsewhere arranged through his Lordship.

Sometime in 1982, Audrey Zauderer and Weidenfeld had meetings on matters of mutual concern in Jamaica. Around the same period, his Lordship consorted with Prince Johannes at a meeting of the Munich Finanz Club, at which one of the prime reported subjects of discussion was how to deal with the "problem of Lyndon and Helga LaRouche."

During the first weeks of 1985, Weidenfeld has been staying at New York Carlyle's Hotel. The significance of this will not be lost on those "in the know": It is the Carlyle where, according to informed sources, both his Lordship and Dr. K. most regularly indulge in the kinds of pederastic practices that might oblige a latter-day Dante to invent a still lower circle in Hell.

Schiller lobbyists greet the 99th Congress

The 99th Congress of the United States, which took office during the first week of January, has experienced a force previously unknown to its members and staff. The shock first hit this Congress on Martin Luther King's Birthday, Jan. 15, 1985, when Mrs. Helga Zepp-LaRouche, the founder of the Schiller Institute, led a rally of 10,000 supporters

This, the largest demonstration formed anywhere in the world for King's birthday, was, as everyone on Capitol Hill knew, built without the slightest bit of help from the mass media, or from any major financial backers, against the strenuous objections of the *Washington Post* which published 15,000 words of page-one articles during the three days preceding the rally in an attempt to sabotage it. The creatures of Capitol Hill saw a mass movement which is being built totally independent of the control or influence of the Eastern Establishment. No "major" national news media even admitted the rally had occurred.

On Jan. 29, in order to bring the requests of the 10,000, and the hundreds of thousands yet to come, directly to Congress, 250 Schiller Institute delegates from Pittsburgh, Philadelphia, New York City, Maryland, Virginia, and Washington, D.C. vigorously greeted the Congress as it entered its first full week in session. After a rally and informational picket line which featured addresses from Pennsylvania farm leader and former congressional candidate George Elder, Lyndon LaRouche's agricultural policy advisor Lawrence Freeman, Rev. Raymond Robinson of Washington's Israel Baptist Church, and Paolo Raimondi of the Institute's military policy advisory board, the Institute delegates divided into squads of 6 to 10 to visit congressional offices and

press.

Their demands were for a crash program to deploy beam-weapon defense systems, emergency legislation to end the famine in Africa, and support for Mrs. LaRouche's proposal for an "Indira Gandhi Memorial Summit" to eliminate the International Monetary Fund and reorganize the world debt structure.

The delegates, many of whom had never before had experience with Congress, were shocked at the vacuousness, stupidity, and venality of the congressmen and staff with whom they met. Although many with whom the delegations met expressed support for some part of the Institute's program, in almost every meeting, congressmen or their aides complained that they couldn't comprehend the "connection" between the SDI, the IMF, and hunger in Africa. At one point, an exasperated aide was asked for her bosses' position on the SDI, and snapped back, "I already told you I don't know anything about Africa, I'm a defense-policy expert."

Lobbyists investigate Capitol Hill 'Inquisition'

The Schiller Institute lobbying was supplemented by investigating the "Inquisition" on Capitol Hill. "Truth squads" visited the offices of Walter Sheridan on Jan. 16 and Sen. Howard Metzenbaum (R-Ohio) on Jan. 29.

Sheridan, who is nominally employed as an aide to Sen. Edward Kennedy (D-Mass.), has had a 30-year career with the Kennedy family, the FBI, and NBC News, working to smear, persecute, and intimidate elected officials as well as labor leaders including such figures as Teamster President Jimmy Hoffa, who was eventually assassinated. When a group of 12 Schiller Institute delegates visited him to interrogate him on the kinds of blackmail and terror which have immobilized Congress, he at first pretended

not to be himself, but when the delegation made it clear that they recognized his twisted features, he invited them in for a meeting in his office.

He denied that in his 30 years of political experience, he had ever known of any threats, pressure, blackmail, or terror being used against public figures, but when one of the delegates said, "Look at what happened to President Kennedy, he was assassinated," Sheridan ominously replied, "Yes, and so was his brother Robert." He was struck speechless when one delegate asked him, "Even if you are not aware of any such pressures in Congress, you would agree that it is necessary to eliminate the source of such terror, wouldn't you?" He said nothing. Then he asked the delegation to leave without venturing a reply.

On Jan. 29, twenty Schiller delegates cornered an aide to Senator Metzenbaum to ask him about his reasons for persecuting President Reagan's nominee for the office of Attorney General, Ed Meese. Although the aide could not explain why he thought there was anything particularly immoral or unacceptable about the business practices for which Meese has been villified by Metzenbaum, Common Cause, the *New York Times*, and others, he did vigorously defend the genocidal policies of the International Monetary Fund.

Black Caucus supports genocide against Africa

In particular, it was noted that every member of the Congressional Black Caucus and the House Select Committee on Hunger, with whom the delegates met, went on record in support of the International Monetary Fund's policy of genocide against Black Africa and the rest of the Third World. One Washington, D.C. deacon remarked, "These congressmen don't want to get food to Africa; they only want to look good doing something."

No less than four members of the Black Caucus or their aides rudely shut down meetings when the delegates tried to win them away from their support for the IMF.

It was noted that almost every office was infected with the "limits to growth" ideology against which the founders of the Schiller Institute have been fighting and which President Ronald Reagan challenged in his historic Jan. 21 Inaugural Address.

Delegates from New York were treated to a direct example of the way American "pragmatic" thinking paralyzes even well-meaning congressmen. Rep. Edolphus Towns (D-N.Y.), a Black Caucus member from Brooklyn, New York, hundreds of whose constituents participated in the Jan. 15 rally, opened a meeting with 10 delegates by saying, "I agree with most of what you say. Your problem isn't with me, it's with the offices where they won't even let you in the door because they disagree." He then added that, in his view, it would be necessary to balance the budget by raising taxes and cutting defense spending.

The delegation told him repeatedly, in different formulations, that he only thought this was necessary because he had been "perhaps not brainwashed, but certainly affected by the pervasive zero-growth mentality." "What if we could have 20% or higher annual growth rates? What if we could carry out the kind of economic expansion which Hamilton initiated after the Revolutionary War, which Lincoln implemented even during the fighting of the Civil War, or which Roosevelt implemented in 1939 to fight the Second World War?" one delegate asked him. When he repeated that the problem was with those who did not share a "consensus" and would not discuss these issues as he was willing to do, he was told, "No, that's not really true. Since our 10,000-man rally, we find almost everyone is trying to convince us they agree with us. The problem is

getting them to actually do something concrete. Where do you stand on the IMF?"

For approximately a half hour, he skirted the issue, saying, "We don't have any consensus yet on that." Asked if he understood that the IMF was founded to further Nazi economic policies, he refused to say what *he* knew, but said, "I've heard that said, but if you ask the people involved in the IMF, everyone will disagree with you." When he was challenged to forget what people think and "do what LaRouche did. Do what's right and let public opinion, consensus, and the media hang. By that method we got 10,000 out here for Martin Luther King's birthday while Jesse Jackson, with over \$1 million in free media advertising, could only get a couple of hundred. That's how many we have here today just by calling on our networks," he stated. "I'm a practical man. I get votes, I get into office," replied the congressman. "And do nothing," a delegate added. He then blew up, and said, "Okay, this meeting is over, get out. If you want to talk to me you have to show some respect. I'm through." When he was warned he would never be reelected on that basis, he said, "I don't care. I'll practice law."

An aide to Rep. Walter Fauntroy (D-D.C.) answered the first question about the IMF by asking, "Are you from D.C.? . . . I'll only answer questions from the district." When the guests from the district said they were in full agreement with the others, the meeting was quickly terminated.

Aides to Rep. Augustus Hawkins (D-Calif.) and William Dixon (D-Calif.) said they supported the IMF "because it creates jobs in the United States." Schiller delegates remarked that they couldn't believe anyone would say he would support genocide to create jobs, even if it were true.

Among "conservatives," similar bestial attachment to the IMF was not-

ed. Aides to Rep. Beverly Byron (R-Md.) said that she opposed the IMF only because "polls show that most people in our district are opposed to any foreign aid," and that "my boss" would therefore not support any African relief effort. An aide to Congresswoman Marjorie Holt of Maryland threw a delegation out, shouting, "You can't come here and make statements like that against the IMF and U.S. government officials."

'They don't understand and don't know what to do'

The high point of the day was a one-hour meeting between 60 delegates from Pennsylvania, plus 30 others, and aides to Pennsylvania's two Republican senators, John Heinz and Arlen Specter. The two aides became increasingly haggard as the delegates explained everything from culture, to the euthanasia issue, to the impact of the SDI on economic policy. Toward the close of the meeting, Heinz's aide hung his head in resignation when, after he said, "I don't know my boss's position on euthanasia," two delegates from Philadelphia quoted Heinz's public statements in support of using the Social Security system to create incentives for signing Living Wills. At approximately 4:55 p.m., the two aides exchanged looks, announced, "We only have this room 'till five o'clock," and walked out.

The response of participants to the day's events was typified by one Washington churchman who had been assigned by his pastor to attend. "This was very important," he said. "It's clear they don't understand anything and don't know what to do."

EIR renews its Congressional Closeup coverage with this special report on the Schiller Institute's intervention into the deliberations of U.S. congressmen. Next week, we will return to our regular news format.

National News

SDI goes into expansion mode

According to small laser firms and private laboratory sources, the Strategic Defense Initiative Office significantly expanded activities during January. The Pentagon has notified large contractors of more precise demands of SDI systems and begun a "sweep" of small businesses and labs soliciting innovative, advanced technology proposals for the SDI. According to the Jan. 26 *Defense Daily*, the proposals sought cover "eighteen broad areas, including laser and particle beam weapons and kinetic energy weapons."

An extensive Air Force Association (AFA) report just released quotes SDI Director Gen. James Abrahamson that the speed of development of the program now is crucial. "The key threat is to stretch the program, for that could be the end of SDI," stated Abrahamson. Stretching, or "whittling away," the program is the strategy Henry Kissinger has recommended to his friends in Congress, in the State Department, and, no doubt, in Moscow.

One of the leading tasks assigned to industry and labs is that of breakthroughs in the speed of computation with computers which are nonetheless small enough to be used in battle management satellites as well as ground stations. Even as the specifications ("the equivalent of placing two very large Cray II computers into orbit at once") have been made more exact and public, Bell Labs in New Jersey has announced that it is verging on the required theoretical breakthroughs in computer software which can make possible "real time" management of beam weapons and other anti-missile defenses in battle.

According to the AFA report, the cost of delivering a joule of laser energy to a test target has been reduced in the last two years from \$10,000, to \$40, and work under way may lead to early further reductions to the range of \$5—cited by Abrahamson as an example of the rate at which the superiority of defense over offense is emerging toward reality. The report reveals that tests are being

conducted at a Hawaiian Island site of ground-based lasers transmitting energy through the atmosphere to relay mirrors and then down to targets that simulate ballistic missiles in their boost phase.

A visit to Detroit ADL headquarters

The Detroit branch of the Schiller Institute held a press conference in front of the Anti-Defamation League's Detroit headquarters Jan. 25, carrying signs reading: "Expose the Strange Bedfellows: ADL, Jesse Jackson, South African Government."

Schiller Institute leader Doug Mallouk announced that the Institute would be sponsoring a motorcade the next day, organized around the theme: "Use American Technology to Feed Africa and Kill Nuclear Missiles." He accused the ADL of attempting to disrupt the activities of the Institute and its founders, Helga and Lyndon LaRouche.

Just a week earlier, Mallouk noted, Pittsburgh-based black leaders reported receiving messages from ADL-linked sources to the effect that the LaRouches were out to "split" the black movement; that the Schiller Institute's Martin Luther King Day March on Washington would be violent; and that the buses going to Washington would be bombed.

He noted that the ADL's Pittsburgh chief, Philip Baskin, has acknowledged that he is a former lawyer for the South African government.

Mallouk challenged ADL head Lobenthal to come out and respond to these charges, as well as Mallouk's recollection that Lobenthal had been stationed in the ADL's Louisiana chapter in the 1960s, and that during that period, the head of the New Orleans ADL, Adolph "Sam" Botnick, was found to have paid \$36,500 to two Ku Klux Klan "informants," directly resulting in the murder of one Kathy Ainsworth.

Black TV station WGPR filmed Mallouk's challenge to Lobenthal and then went into the ADL's headquarters to film Lobenthal's response. "He's off the wall; he's off the wall," Lobenthal said." "LaRouche is a

small-time Hitler; that's all." The exchange became the lead item on WGPR's evening news broadcast.

NASA chief calls for U.S.-Soviet space mission

James Beggs, the head of the National Aeronautics and Space Administration, said Jan. 30 that a joint manned mission involving the U.S. Space Shuttle and the Soviet Salyut spacecraft could be launched within a year. This space mission could be followed, he continued, by a joint U.S.-Soviet mission to Mars. Beggs made the remarks to the Georgetown University Foreign Service Institute.

Reminding the audience of President Reagan's invitation to the Soviets to join the United States in a manned mission, Beggs noted: "So far, the Soviets have not accepted this offer. But if they were to accept, we could probably work it into our Shuttle schedule within a year. We would like to do it, and it would demonstrate our capabilities to work peacefully together. . . . Future East-West cooperation in space exploration could be a fertile field. . . . Here, the United States and the Soviet Union share similar interests, which extend even to sending manned expeditions to explore Mars some day."

Last fall the Congress passed a resolution asking the President to make such an overture to the Soviets, and President Reagan made an offer recently to demonstrate a Shuttle rescue capability for the Soviet Salyut space station, in the interest of the safety of all manned space flights.

The 'right to die' in New York's subways

New York City subway gunman Bernhard Goetz became the target Jan. 29 of a \$50 million civil suit on behalf of one of his victims, a comatose teenager represented by pro-terrorist lawyer William Kunstler. Kun-

stler claims Goetz intentionally tried to kill Darrell Cabey, 19, one of four black teenagers who allegedly tried to mug him, and that the shooting was racially motivated.

Meanwhile, U.S. Attorney Rudolph Giuliani met with black leaders to look into the possibility of filing federal charges against Goetz for violating the civil rights of the four wounded youths who had tried to rob him the night of Dec. 22 on a New York City subway. A New York grand jury cleared Goetz of all charges except gun possession.

The assistant director of the Metropolitan Transit Authority, which oversees the New York City subways, is one Anthony Smith, also a director of the New York Society for the Right to Die, formerly known as the Euthanasia Society of America.

Smith's boss at the MTA is Robert Kiley, a former CIA officer and director of the British Tavistock Institute's Law Enforcement Assistance Administration (LEAA) program in Boston, Massachusetts. During his tenure, Boston was marred by the worst racial violence in its history.

EIR asked Smith whether the New York City subway situation was itself an example of the "right to die" principle in action on a broad scale. "Ha, ha, sure, you could say that the New York City subways are an example of the right to die—but, ha, ha, certainly not with dignity!" He said. "We're in a very difficult position. We're having real problems. It's an absolutely horrendous capital improvement problem. It will get worse and hit a bottom line."

Senate committee chair backs beam defense

Senator Richard Lugar (R-Ind.), the new head of the Senate Foreign Relations Committee, came out strongly for the Reagan administration's Strategic Defense Initiative Jan. 24. Lugar said he backed a continued military buildup while arms-control negotiations proceed.

Lugar made his statements in an address to the National Press Club, the first policy speech he has made since taking over the Senate committee.

As head of the committee, Lugar replaces Sen. Charles Percy of Illinois, a leading opponent of the SDI who was defeated for re-election in November.

Lugar told the Press Club that it was the space-weapons initiative that had brought the Soviets to the bargaining table, and added, "We should be prepared for the fact that this research effort is here to stay and that its consequences will be great."

Lugar said, "I firmly believe that without the introduction of the new SDI, we would have little reason to hope for any substantial or positive development in arms-control negotiations."

Lugar also implicitly rejected the Pentagon budget freeze proposal now being studied by Senate Republicans, stating that such a plan could disrupt U.S.-NATO relations.

Dope/liquor magnate to visit Moscow

World Jewish Congress President and leading Dope, Inc. figure Edgar Bronfman announced Jan. 27 that he has accepted an invitation by the Soviet Union to visit Moscow in March for discussions ranging from the emigration of Soviet Jews to the Middle East conflict. The Seagrams liquor magnate made his announcement from Vienna, where he presided over a conference of the World Jewish Congress governing board called to discuss "arms-control" and President Reagan's defensive weaponry initiative.

Bronfman said he believed he was asked to Moscow because Soviet leaders desire to demonstrate good will. "I have convinced some of them that one way of demonstrating a sense of good will would be to deal with human rights issues with someone like me, who doesn't have cruise missiles, rather than bending to the United States," he said. "They can demonstrate good will at my insistence rather than U.S. insistence."

In late December, Bronfman wrote an op-ed for *The New York Times* calling on American Jews to make their first priority pressuring President Reagan to reach an arms-control agreement with the Soviets.

Briefly

● **BRUNO KREISKY**, former Chancellor of Austria and leading Socialist International figure, will be hosted by the World Affairs Council of Cleveland in the second week of February. Kreisky will also speak before the Pittsburgh branch of the council. The World Affairs Councils are affiliated with the New York Council on Foreign Relations.

● **BOB DOLE**, the Senate Majority Leader from Kansas, a leading farm state, called for farm support programs to be cut in half in a statement Jan. 26. Dole said, "I think farmers should be optimistic; we're not going to pull the rug out from under them. . . ." Asked whether his new Senate Majority Leader position would be a springboard to the presidency in 1988, Dole replied: "It may be a springboard into oblivion." Soon perhaps?

● **RICHARD LAMM**, the Colorado governor who has announced he will not run for reelection so that he can campaign full-time for what the Nuremberg Code defines as Crimes against Humanity, will be speaking in New York City during the first few days of April, sponsored by the Society for the Right to Die, formerly the Euthanasia Society of America. In a speech given in Berkeley Jan. 24, Lamm moved to a new level: "The famines [in Africa], I suggest, are God's way of reasserting balance."

● **THOMAS PICKERING**, as George Shultz's choice, will in all likelihood be nominated to be next ambassador to Israel, according to Washington sources. The only question is whether or not the nomination will go unchallenged by Israelis and Jewish leaders in the U.S.A. Pickering was one of the architects of the Carter administration's Global 2000 Report, which called for elimination of one-third of the world's population by the end of this century—a plan which replicates the economic policy of Nazi Germany.

Convicting Nazi Richard Lamm

"It is my conclusion that 'Toughlove' means that we let God's judgment take place in much of the Third World and that by trying to relieve this suffering all we do is postpone it."

"We demand, for our sake and the sake of our nation, the right to timely suicide. . . . We demand that all hospitals, V.A. centers, and nursing homes be required to provide the *coup de grace* pill to those of us who need and desire such help."

These outrageous remarks, worthy of the most demented mental patient or of a Hitlerian dictator, were not made by such an individual. Rather, they were made by the current governor of the state of Colorado, before a group of theologians at Graduate Theological Seminary in Berkeley, California less than two weeks ago.

In literal terms, these remarks of Gov. Richard Lamm qualify him to be removed from office for cause and tried before a reconstituted Nuremberg Tribunal for crimes against humanity. For advocating the deliberate murder—euthanasia—of the old and sick, as well as the deliberate starvation of an entire continent such as Africa, Lamm deserves to be condemned to the same fate as the doctors, politicians, and judges who "knew, or should have known" that their activities would lead to barbaric acts of genocide.

There is literally no difference between the "humanitarian" appeal of Governor Lamm for freeing people from the "dying process," and the statements of humanitarian concern made by Nazi Doctor Karl Brandt and Adolf Hitler himself in justifying the murder of thousands of mental patients and sick and elderly under the Nazi regime.

The question arises: Is there any political force in the United States, or anywhere else in the world, with the political morality to take such action?

Lamm believes not. And he believes not, because the leading institutions of our society have already so compromised themselves with Nazi practices, that he

has every reason to believe they will never act.

Take the United Nations, for example. Legally, it is the responsibility of that organization to defend the principles of civilization and prosecute the crimes against humanity as defined by Nuremberg. Yet the United Nations is the host agency for the International Monetary Fund, the systematic perpetrator of mass murder within the Third World. The U.N., which allows the IMF to cut off the life-saving technologies which would feed and cure Africa, is not about to condemn Governor Lamm.

What about the Congress and Senate of the United States? Can the same individuals who fear even to question the policies of "leading bankers" such as the IMF, and who turn their backs on famine throughout the world in order to try to "balance the budget," be expected to stand up and fight against murder of the elderly and the starving? Don't hold your breath.

And what about the private institutions, the entrepreneurs, the labor unions, and the churches? Well, Blue Cross, the leading private health insurance company, is offering cash breaks for the signing of living wills; the unions are out to cut health costs; and the churches are hosting "ethicists" like Nazi Governor Lamm. Would you expect these compromised institutions to even raise their voices in protest?

There is one force alone which has taken up the battle to eliminate the political power of the chief enforcers of Nazi genocide throughout the world today. That force is represented by two organizations founded by Helga Zepp-LaRouche, the Club of Life and the Schiller Institute. Both these organizations, since their inception, have fought to bring the Nazis to trial.

At this point, these institutions are poor, small, and relatively powerless. That leaves it up to you—the moral citizen—to determine the outcome of the battle. Will you join with the Schiller Institute and the Club of Life to bring Nazi Governor Lamm to Nuremberg, or will you allow our civilization itself to die?

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