

EIR

Executive Intelligence Review

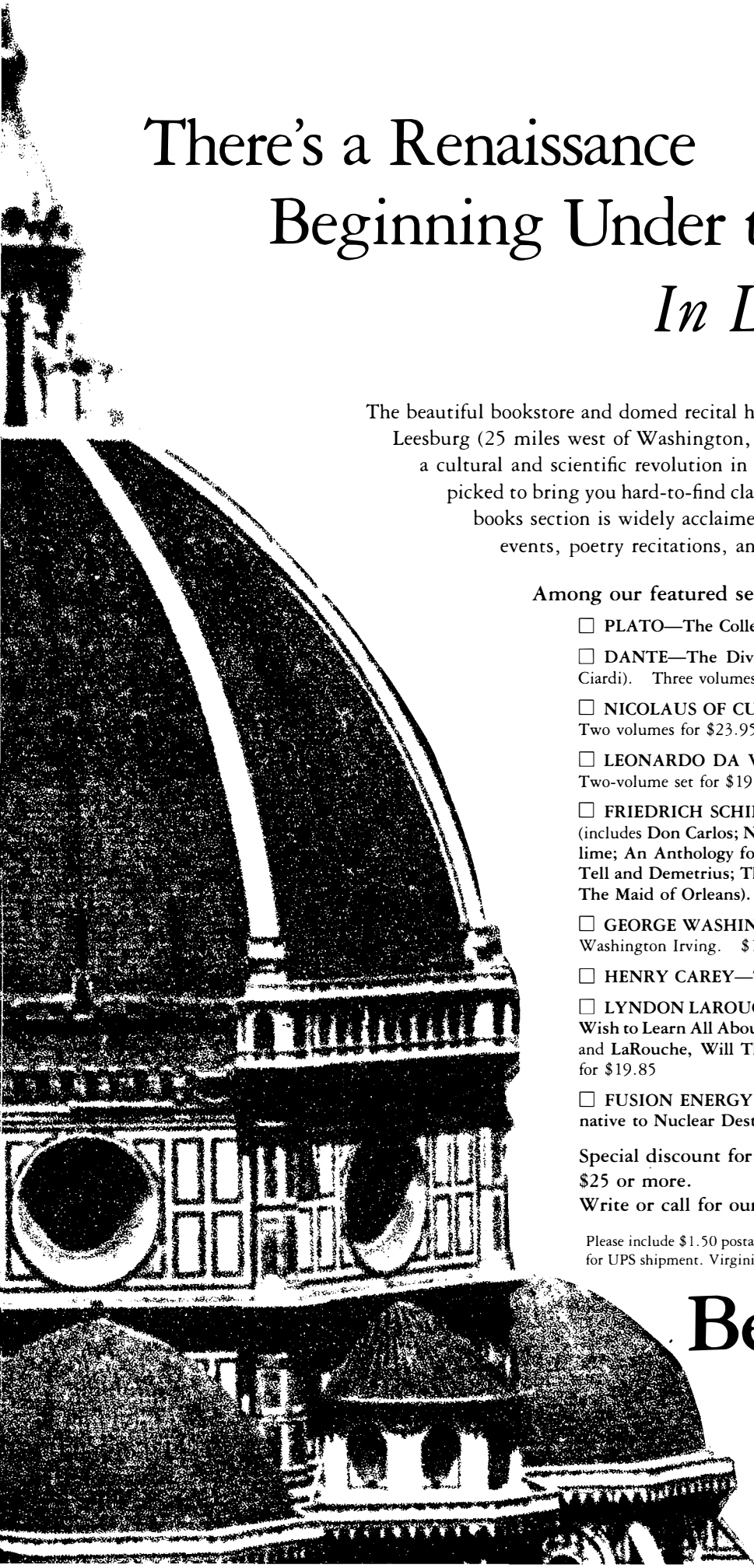
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A battle report on Ibero-America's war on drugs
After Westmoreland—the verdict on libel law

**European terror and the biggest
intelligence failure in decades**





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EIR

From the Managing Editor

The cover shows the October 1984 bombing of a French defense-related industrial facility by an "Islamic" commando group of "Direct Action," part of the terrorist offensive targeting the Western European allies of the U.S. Strategic Defense Initiative. This offensive has caught the official intelligence community napping, but it threatens the very existence of the Western Alliance, and therefore *EIR* has issued its latest Multi-Client Special Report on *European Terrorism: The Soviets' Pre-War Deployment*. A small sample of it is featured on pp. 20-29.

The full report, 115 pages long, is available for \$150 from *EIR*'s Washington or Wiesbaden office. To be frank, that's underpriced. The reason is that we intend that this report get into the hands of every policy maker, businessman, and concerned citizen in the West to ensure that the war on illegal drugs and terrorism proceeds as a unified, effective battle. *EIR*'s founder Lyndon LaRouche, one of the world's foremost authorities on terrorism, has been pointing out since we started publishing over a decade ago that the real controllers of this evil are to be sought in the titled, vastly wealthy, and very old families, who have no qualms about tying up with Moscow to destroy Western civilization.

The lead article in *Economics* summarizes *EIR* Research's profile of the real, catastrophic status of the U.S. economy: The so-called recovery represents nothing but the accumulation of a collapse potential.

In the *National Report*, we'd like to point up that *EIR* is a subscriber to the White House News Service and has taken up the obligation, abandoned by so-called newspapers of record, of publishing the Reagan administration's major initiatives, particularly in the defense area (this week, excerpts from the President's message on the MX missile and his directives to the Geneva negotiating team).

Next week, *EIR* will publish a blockbuster report on how the Kissinger crowd is giving away Asia to the Chinese and Russians, while pretending to have a "shift to the Pacific"; a cogent argument for European support of the Strategic Defense Initiative by an active-duty general in the Netherlands military; and from the archives, the record of the *New York Times*' campaign to dismember Mexico, going back more than a century.

Nora Hammerman

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To counteract the terrorist barrage now hitting Western Europe, *EIR* is issuing a new Special Report, over 100 pages in length, titled "European Terrorism: The Soviets' Pre-War Deployment." Here, we offer an abridgement of the report's Introduction.

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U.S. bankruptcy: Volcker's \$5 trillion debt bomb

by the EIR Economics Staff

The study presented here in summary form documents the looming bankruptcy of the United States.

What this magazine thinks about what is known euphemistically in the circles close to Donald Regan and David Stockman as "the recovery," is quite well known. It never happened. Below we demonstrate that while the much touted "recovery" was not happening, the United States was sucking the world as a whole into the vortex of a Second Great Depression. In the process, thanks primarily to Paul Volcker, and his supporters in the present administration like the cited Donald Regan and David Stockman, the United States was bankrupting itself.

Seldom do we hear it said precisely what we are supposed to be recovering from, or what exactly it is that we do not have, that we are recovering. We leave aside those who with a glazed-over expression eulogize our "economic strength," "our might," "our vitality," and mystical nominalisms of that sort.

The study summarized here analyzed four parameters over time. Those are:

- 1) The production of physical goods, in number, weight, or volume in the economy.
- 2) The per-capita productivity of the population producing those goods over the same time frame, in relation to the population as a whole, the labor force as a whole, and the goods-producers in the labor force.
- 3) The growth of both Gross Domestic Product as a whole, and the growth of the dollar-denominated parts of Gross

Domestic Product associated with goods production.

- 4) The growth of indebtedness, domestic and external.

A cross-section of producers' and consumers' goods was selected from a broader data base, to reflect the dynamics of the economy as a whole. These were, production of raw steel, cement, tractors, machine-tools, automobiles, and TVs, radios and tape-recorders. In every case except for machine-tools, the high point for the actual production of these representative goods was 1972. The more extensive data sample, of hundreds of products, shows the same pattern represented here by a mere handful.

Thus, a recovery could be expected to return us, minimally, to the levels of 1972, before we actually started to improve. This has not happened.

As we shall detail, there was a slight bounce, to recover up to, but not more than half of the volume of production lost in comparison with the production numbers of 1972. But it would be ridiculous to simply compare production numbers from year to year.

To maintain comparability with 1972, the productivity of the increased population, labor force, and goods-producing part of the labor force would have to be taken into account. But 1972 per-capita productivities, for all three categories, were also the highest. From this standpoint, over the almost three years of the "recovery" to date, there has been an approximate 15% annual collapse from the levels that would have been required to maintain the real productivity levels of 1972.

This rate of collapse does not include the imports of parts which, it is estimated, make up one-third of our autos, or the imports of scrap-steel fed into electric arc furnaces to inflate our raw steel numbers, or the Case tractors, which, rolled on their backs and scratched, show Japanese writing on their undersides. Nor does it include the expanding deficit in the nation's economic infrastructure. The cited rate is simply a collapse from 1972 conditions of zero-growth in apparent productivity.

With the imports, but without the infrastructure deficit, the national economy has been collapsing at an annualized rate of about 1.5% per annum since 1972. The normal statistical economist would conclude that the primarily import-based "recovery" had merely accumulated the potential for a further 5-7.5% downward ratchet in the shrinking part of the economy which produces physical goods. If the infrastructure deficit were to be included, and the imported parts and materials removed, the accumulated collapse potential should perhaps be doubled and tripled.

Inflation

But it is worse. The "recovery," so it is claimed, "reined in," or, "brought inflation under control." How could that be the case if physical goods output and productivity is collapsing, and infrastructure is not replaced?

The oracles who make these kind of pronouncements from the depths of the administration, or the Federal Reserve, or the academic departments of universities, employ the national accounting system known as Gross National Product. The GNP system assigns a monetary value to the goods-producing and services-producing sectors of the economy. In assigning those monetary values, the economists ignore the reality that the physical costs of maintaining the economy's capacity to produce have to be covered out of physical production of wealth. And that the same productive resources must be allocated to cover economic and administrative overhead costs of production, as well as debt service. The GNP economists do not distinguish between such kinds of economic activity.

Back in 1972, the monetary value assigned to the production of the nation's agriculture, mining, manufacturing, construction activity, energy production, and transportation, was \$564.1 billion. By 1984, this had grown to about \$1.4 trillion, while the production therein contained was declining at an estimated 1.5% a year. The deflated 1984 figures, in 1972 dollars, would then be \$474 billion.

The difference is an unabated 16% annual inflation in the dollar value of the physical goods component of GNP alone. But the total Gross Domestic Product increased during the same time frame from \$1.180 trillion in 1972, to over \$3 trillion in 1984. If this is deflated in the same way, the annualized inflation rate would be about 25% per annum over the 12-year period. That is, one 1972 dollar is the equivalent of \$2.50 in 1984. If the accumulated infrastructure deficit is

included, the annualized rate shoots up again to about 42%, to make a 1984 dollar the equivalent in purchasing power of about 20 cents in 1972. So much for the inflation busters. This does not include inflation imported in the form of "Eurodollars" from off-shore.

Thus, when 12.5% of the deflated 1984 goods-component of \$474 billion of Gross National Product is wiped out, the approximately \$60 billion of productive capability represented in 1972 dollar values will bring with it 300 billion 1984 dollars in a first pass.

But it is still worse. Back in 1972, the wage bill for the nation's goods-producing workers totaled, it is estimated, \$196.4 billion per annum. The total grew to \$430.8 billion in 1981, without keeping pace with inflation, declined in 1982, and then recovered to reach \$492.3 billion in 1984. That is, in 1972 dollars, the goods-producers' wage bill had been cut in half. For 500 billion 1984 dollars are equal to 100 billion 1972 dollars. Since 1972, we have had three consumer-led recoveries which have collectively cut consumer purchasing power in half.

In 1972, the goods-producers' wage bill slightly exceeded the estimated debt-service requirements on total consumer indebtedness. Each \$1.00 of the wage packet carried \$0.90 of consumer debt-service. By 1976, this had reversed. By 1984, each dollar of the wage packet carried \$1.58 of consumer debt-service. From 1972 to 1984, the consumer debt-service total had increased from \$178 billion to \$780 billion, or approximately 4.5 times—that is, almost as much as the estimated rate of inflation. Under the reduction in the dollar value of the consumers' purchasing power, the reality was that the consumer was no longer the owner, but only the borrower, of a whole class of consumer items.

Over the same time frame, thanks to Paul Volcker, the principal associated with this consumer debt-service grew from \$990 billion to about \$3,000 billion, according to the estimates of the International Monetary Fund. If the accumulated collapse potential were translated into jobs lost, and thus vanished debt-service capability, nearly \$100 billion of debt-service, tied to \$380 billion of principal, would be wiped out on the consumer side alone.

While the service requirements on consumer indebtedness alone, inside the United States, is three times the feared total of Ibero-American foreign indebtedness, and the principal about 10 times the total of the Ibero-American foreign debt, the consumer side only represents about half the total of U.S. internal indebtedness.

Thus, on the internal side of the U.S. economy alone, the potential for further collapse accumulated during the non-existent recovery can be translated into the potential for the collapse of over \$1 trillion worth of paper: \$300 billion associated with the collapsed physical goods-producing economy; \$480 billion associated with consumer debt; and as much again from the non-consumer side of U.S. indebtedness.

The estimated \$1.26 trillion 1984 dollar-value collapse

potential, accumulated during the course of what Volcker and Regan call "the recovery," is about the same size in dollars as what the economists call the "real" component of Gross National Product. That is, as we saw above, the imputed dollar value of agriculture, mining, manufacturing, energy and utilities, construction, and transportation. On the internal side of the economy alone, the "recovery" has developed the potential to wipe out everything. The total Gross Domestic Product is only perhaps three times the current dollar value of what is being primed to collapse.

But, it is still worse. The economic spokesmen of the administration have taken to berating our foreign allies for their slowness in joining the U.S. "recovery." It is a spectacle almost as ridiculous as Margaret Thatcher vaunting the "strength and unity" of the Western alliance, from the top of the rubble-heap of British industry. Led by Donald Regan, they vaunt the strength of the dollar, the "best year in living memory." Those looking at the world from the inside of Volcker's bubble cannot see how silly they appear to those on the other side. Internally, they have brought us to the edge of bankruptcy. But what about the United States in the world?

It is estimated that total U.S. indebtedness is \$6.8 trillion, out of a total world indebtedness of over \$20 trillion. The balance is made up of another nearly \$2 trillion from pathetic imperial Canada, another \$5.5 trillion from Western Europe, and \$3.7 billion from Japan. The remaining approximately \$2 trillion is the portion of the thus-estimated world debt held by the so-called developing sector, that is, about 10% of the whole.

The service charges on this magnitude of debt, which, with interest and maturity included, will approximate \$5.8 trillion this year, that is, about \$1.45 trillion every three months, exceed the world's capacity to produce. Worldwide, every one of the 330 million or so goods-producing workers must service and retire the equivalent of an amount in excess of \$15,000 worth of debt. Most of those workers earn far less than the equivalent of 1,000 U.S. dollars per annum, and do not produce anywhere near the amount required. The total is almost as much as the Bureau of Labor Statistics considers to be the average wage of a U.S. manufacturing-sector worker.

Of the total debt service and retirement, about 36% will fall to the account of the United States, in excess of \$2 trillion. Of this, \$500 billion has to be serviced and rolled over every quarter. That is, a paper amount in excess of the deflated total of the goods-production part of annual Gross National Product, must be rolled over and serviced every quarter.

The annual service and retirement requirement is thus four to five times the deflated dollar goods-production component of Gross National Product. That is to say that on the U.S. side alone, four-fifths of the amount required in debt service and retirement alone, another nearly 1.7 trillion paper dollars, is unmoored from the physical economy and its diminishing wealth-production capabilities. That amount, of the service and retirement alone, is unsecured.

Therefore, each deflated production dollar is supporting about \$4.50 of debt service and retirement requirements. The discrepancy between the two defines the potential inflation to be unleashed as the collapse implicit in what is called the "recovery" reasserts itself. The "recovery" has accumulated the potential for Paul Volcker to move us from double to triple digit inflation.

Each of the advanced sector nations, with the exception of Japan, underwent a collapse in physical-goods production less than, but comparable to, that experienced in the United States. Some, like the Federal Republic of Germany, whose economies are oriented toward export, began to collapse later than did the United States, and have not attained such a rate of collapse as the United States has during its "recovery."

However, these countries' production and productivity did decline, with the exception of Japan, where production increased in all areas over 1972, but productivity began to decline. Like the United States, what is called their Gross Domestic Product also grew.

Where the United States increased 2.5 times, the Federal Republic of Germany increased 1.9 times, France 3.6 times, the U.K. 4.4 times, Italy 6.2 times, Japan 2.4 times. In every cited case, with the exception of Japan, the increase in the GDP numbers conceals a drop in production, and a drop in productivity, and thus betrays the untrammelled progress of killer inflation, as it did in the United States.

Similarly, the internal indebtedness of the cited countries also grew, and, as in the case of the United States, the growth of internal indebtedness exceeded the growth in the national-currency denomination of Gross Domestic Product.

Take only the consumer part of internal indebtedness. While the total tripled between 1972 and 1984 in the United States, in France it increased 4.3 times (most spectacularly since the Mitterrand government took office), in the Federal Republic 2.9 times, in Italy 5.8 times, in Japan 4.1 times.

But debt is not necessarily bad in and of itself, as long as it is incurred for productive purposes, or for overhead costs of the economy, while the economy is maintained in growth.

This is shown by the growth in Japanese production of steel, autos, tractors, and machine-tools across the entire period, even if per-capita productivities began to decline. Japan may not have been growing fast enough, but it was growing. Nowhere else was that the case. For in each case, the increase of internal indebtedness has been accompanied, in some cases from 1976, in others from 1980, by declines both in production and in the three kinds of per-capita productivity that were discussed for the United States.

Thus, with the United States and its dollar in the lead, a world debt bubble was created, and the usurious demands for service of that debt were permitted to outrun the world economy's capacity to pay. If the rest of the world had followed the United States into the "recovery," as Donald Regan has exhorted them to do, perhaps this bubble would have burst already.

Now, let us turn our attention to the so-called developing-sector nations, in particular Mexico, Brazil, and India. Here it has not yet been possible to bring the production numbers up to date. However, it is possible to assert that prior to 1982, the year what is called "the debt crisis" was being unleashed, these developing-sector nations were outperforming the decrepit advanced sector.

Though Mexico and Brazil registered higher growth than did India in the production of raw steel and cement, for example, the growth of all three has to be contrasted against the concomitant declines in the advanced sector. India is shockingly exemplary. In 1972, that country produced about 17,000 tractors against the 220,000 produced in the United States. By 1982, India was producing 68,000 while the United States was producing 67,000. India's economy was being developed to meet a national commitment to produce food for the population. This effort is matched by attempts to build up industry and infrastructure in the cited countries, and elsewhere.

If physical output alone were a criteria in these matters, the currencies of these nations would have appreciated against the dollar, and against the currencies of other advanced-sector nations, perhaps down to the present day. They were increasing the productivity of their economies, while the so-called advanced-sector nations were sliding into decline.

But while their productivity was increasing, compare what happened to their Gross Domestic Products and internal indebtedness with what we saw above in the advanced-sector nations. Of the three, India does the best, for its internal indebtedness increased seven-fold against a 3.4 times increase in the monetary GDP attribute. The debt increase here must be set against the kind of production increase we saw typified in the case of tractor production.

On the other side, Mexico's internal indebtedness increased 28 times over the period from 1972 to 1984, with a 50% increase between 1972 and 1976, a near three-fold increase between 1976 and 1980 thanks to Volcker's interest rates. It then began to triple every other year down to 1984. Over the same period, Brazil's internal indebtedness increased a staggering 685 times, with the accumulated internal debt reproducing itself five-fold every other year from 1980.

These economies typify the destruction brought by the worldwide Weimar-style inflation triggered after 1978 by the Volcker debt bubble. The collapsed purchasing power of the domestic currency against the worldwide decline in production is indicative of the conditions of genocide that Volcker and his friends have spread worldwide. The cited internal credit collapses of Brazil and Mexico should be taken as an omen by those who argue that the U.S. "recovery" must be continued at any cost. For that is where the United States is

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headed, along with the rest of the advanced-sector nations, if the present insanity is not halted.

Our strong dollar, Donald Regan's panacea for all ills, only looks good to those who ignore the fact that it has already collapsed to one-fifth of its previous internal value. The external collapse of the dollar in terms of its purchasing power is much, much greater, for the simple reason that the United States no longer produces anything that anyone elsewhere in the world can buy, except unsecured debt.

The results of the 'recovery'

What then did happen to production and productivity during the "Great Recovery" of 1982-84?

Well, over the three years, we produced about 190 million metric tons of cement, 226 million metric tons of raw steel, 506,000 machine-tools of different types, 193,000 tractors, and about 19.6 million automobiles. The annual numbers do, in all cases except machine-tools, show an increase over 1981-82. In no case do they regain the highs of 1972.

But, as was reported above, the simple numbers, in and of themselves, are misleading. The population of the United States grew by about 20 million between 1972 and 1982, and has continued to grow thereafter. The labor force of the country has grown faster than the population as a whole, rising from 90 million or so in 1972 to 110 million in 1982, 112 million in 1983, and over 113 million in 1984. The productive goods-producing workforce has stagnated, remaining at an official, overestimated level of about 24 to 25 million, while the population as a whole, and the labor force as a whole, have grown.

The 1972 "high" level would therefore represent the amount of growth necessary to restore the fabled "zero economic growth," except for the constraint of providing for an expanded population at that level. It would recover what was lost. It would not represent economic advance.

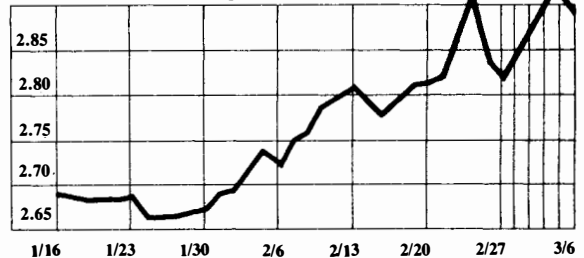
In cement, we produced about 76% of the needed zero-growth level, in steel only about 56%, in machine-tools about 50% of the requirement, in tractors about 26%, in automobiles about 66%. This, for the sum of the three years. If the margin for imported parts and equipment is subtracted in all categories, but especially autos and tractors, we would remain below, in terms of internal production, the levels hit when the economy bottomed out in 1982.

There are some who delude themselves into thinking that the "bounce back" will sustain itself. They ignore the fact that the economy is actually on a trajectory which Lyndon H. LaRouche has compared, in previously demolishing the Volcker-Regan nonsense, to "a ball bouncing down-hill." Such deluded ones should be aware that the bottom hasn't been hit yet. If their insane policy is not changed, we are facing another ratchet downwards, of about 12%, which could destabilize, internally and externally, over \$2 trillion worth of unsecured paper. Is Paul Volcker worth it?

Currency Rates

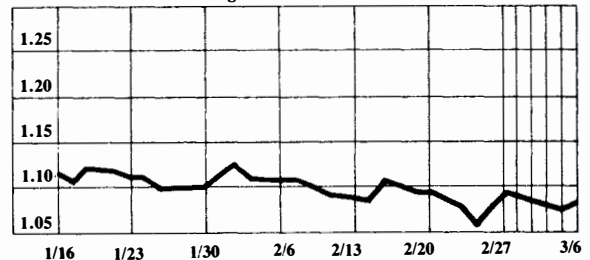
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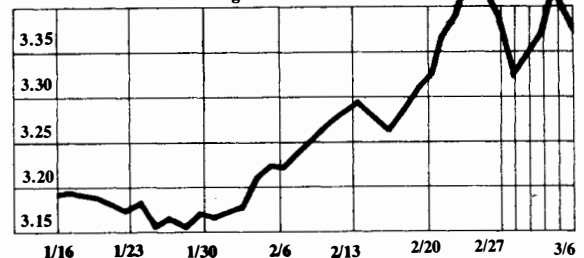
The British pound in dollars

New York late afternoon fixing



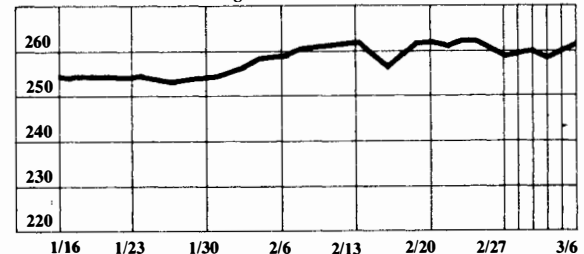
The dollar in deutschemarks

New York late afternoon fixing



The dollar in yen

New York late afternoon fixing



Nuclear-energy advocates intervene in Bangladesh to spoil solar-energy hoax

by Marjorie Mazel Hecht

Do developing nations choose low technology instead of advanced technology? The answer is that they are not given a choice. Malthusian institutions like the International Monetary Fund mandate that “appropriate technology” is all that poor countries will get.

How the no-growth lobby blocks industrialization was shown at an International Conference on Physics and Energy for Development held at Dhaka University in Bangladesh Jan. 26-29. At most international conferences like this in developing nations, the academic Malthusians predominate, spreading the lies that “small is beautiful” and that solar energy is most appropriate. Usually, they have a captive audience. But this time, the Malthusians met up with significant scientific opposition—a delegation from the Fusion Energy Foundation (FEF) and *Fusion Asia* magazine—and their game was spoiled.

The FEF group, including research director Uwe Parpart-Henke, FEF European coordinator Jonathan Tennenbaum, *Fusion Asia* editor Ramtanu Maitra, and fusion scientist Winston Bostick, was invited to participate in the conference by the Bangladesh Atomic Energy Commission, whose chairman, Dr. Anwar Hossain, is on the editorial board of *Fusion Asia* magazine.

From the very first session, the battle was on—nuclear versus solar power. The audience was mostly Bangladeshi, about 150 scientists and government officials, with three dozen or so foreigners, for the most part solar experts from Sweden, India, and the Trieste Center in Italy.

Uwe Parpart-Henke, an *EIR* contributing editor, led the attack with a hard-hitting presentation on the economics of energy, discussing the question from the standpoint of comparative energy flux density. By the time he finished showing how outlandishly expensive solar and biomass energy are compared to the more-energy-dense nuclear power, smoke was rising from the back of the room.

“It’s not true, what you said about solar,” shrieked the American solar expert Bernhard O. Seraphin, from the University of Arizona, now on sabbatical at the Trieste Center. But Seraphin could offer no facts to back up his shrieks.

Other solar advocates then argued that energy policies had to be adapted to the social and economic structure. “That’s precisely the question,” Parpart-Henke retorted. “Are you going to formulate your energy and science policy from the standpoint of adapting to and remaining in the existing social and economic structure, or from the standpoint of your future goals, your desired future economic structure?”

As the *Bangladesh Daily News* wrote in covering the conference, “Nuclear energy is the most efficient in terms of energy payback under the present technological development.” Of the presentation by Parpart-Henke, the *News* noted that the FEF scientific evaluation shows nuclear has a payback time of 1 year compared to 20.3 years for solar panels or 8.5 years for solar reflectors.

The extent to which the Malthusian solar advocates from the West have brainwashed their captive audiences in developing nations—using, among other things, “conditionalities” attached to grants from agencies like the U.S. Agency for International Development—could be seen in the next session: a fierce academic debate over how to measure the amount of solar energy falling on any given spot of land at any time! Not surprisingly, each of the developing sector participants on the panel had studied with one or another Western solar professor.

Solar fakery and the Trieste mafia

The message from the Malthusian scientists, particularly those connected to the Trieste Center in Italy, was stick to low technology, or else. For example, solar-expert Bernard O. Seraphin responded to the Parpart-Henke presentation: “These findings cannot be judged as the end of photovoltaics. A lot of research must be done. Bangladesh *must* join this club of researchers.”

This same message was conveyed via telegram to the conference by Abdus Salam, leading Malthusian ideologue at the Trieste Center: “Growing energy demands and the trend of increased fuel prices make it imperative for less developed countries to expand and control their indigenous resources. This . . . is particularly true of nonconventional energy—

solar energy conversion—whose final success will depend on high-level science.”

Salam brings many scientists from developing countries on scholarships to the Trieste Center, where a kind of solar club is formed to perpetuate the solar hoax when they return to their countries. The solar presentations by proponents of this hoax were marred by slipshod research and outright lies. One chap from the University of Kalyani in India, for instance, when his fishy data were questioned, replied that the figures for solar energy batteries as opposed to dry-cell batteries looked so attractive because “I favor solar energy.”

Other solar experts made it clear that they were not at all interested in supplying commercial or industrial power, but only agricultural power—and even then only “traditional”

Uwe Parpart-Henke, an EIR contributing editor, led the attack with a hard-hitting presentation on the economics of energy, discussing the question from the standpoint of comparative energy flux density. By the time he finished showing how outlandishly expensive solar and biomass energy are compared to the more-energy-dense nuclear power, smoke was rising from the back of the room.

agriculture, a euphemism for manual labor and rudimentary tools. Another Indian professor from Kalyani University discussed a solar “power plant” composed of photovoltaic panels spread out over a vast area of land. One Bangladesh scientist politely asked what would happen to the acres of panels during the three months of the year when Bangladesh was subjected to severe hail storms. “Why, the solar panels would have rickshaw wheels, and could just be wheeled into a nearby warehouse,” the solar advocate said. Incredulously, the Bangladeshi replied, “You mean, every six hours for three months. . . .”

One of the Indians pompously put forward the thesis that Bangladesh—which uses only one-tenth the energy per capita as other Asian nations and is one of the most densely populated nations—actually uses as much energy as any developed nation, if you count the “hours of clothes drying in the Sun or sailboats sailing in the wind.” Another in the Indian delegation declared that India was “going solar” after

making the mistake of pursuing high technology solutions—a lie countered by Ramtanu Maitra, editor of *Fusion Asia* magazine in New Delhi.

Maitra also refuted the British study touted by the World Bank that says nuclear power costs \$2,930 per kilowatt, which is more than 2½ times what it cost India to build its nuclear plants. Will nuclear power prevail?

Despite its group of Trieste-Center-trained advocates of solar power at Dhaka University, Bangladesh also has a faction of scientists and leaders who understand that nuclear energy is the only way to industrialize and bring Bangladesh out of the Dark Ages. As these pro-nuclear spokesmen noted, for Bangladesh, the question of going nuclear is far from academic; it is one of life or death. Bangladesh is the most densely populated nation in Asia, and yet consumes a miniscule amount of energy, about one-tenth of the average for Asia, according to Atomic Energy Commission head Dr. Hossain.

There are indications that the nuclear faction will win the battle. The conference was opened by Bangladesh President Lt. General Ershad, who made a strong argument for advanced technology. “In view of the high oil prices, we have to think of the alternative of producing nuclear power at a low cost,” Ershad said.

“We believe it is a necessity to install an atomic reactor in the Western region of our country. Of course, the problem is to arrange the initial funding for the installation. The government has been continuing efforts to procure funds. . . . The country’s first experimental atomic research reactor is being installed at Savar. Undoubtedly, it is a laudable effort. I believe that this reactor will provide the training and infrastructure for our nuclear power program.”

The vice chancellor of the University of Dhaka, Prof. Shamsul Huq, also argued for advanced technology in his opening remarks to the conference. “The slogan of appropriate technology was created a few years ago as a euphemism for updated traditional technology. The concept was probably well intentioned, but it was based on the unacceptable premise that the technology gap cannot be bridged.”

Without a doubt, the FEF intervention at the conference polarized the situation, and will continue to have an effect. After the first panel, for example, the panel chairman, Dr. Nazrul Islam, invited Parpart-Henke to speak further with the Bangladesh Planning Commission on the question of energy flux density. The commission is drafting its Third Plan, including a major new policy on science and technology.

At the plenary session of the conference, Dr. Anwar Hossain spoke for an hour, summarizing all the energy options and then endorsing nuclear as the most advantageous for Bangladesh. Hossain, who has been fighting to develop a nuclear plant in Bangladesh for more than a decade, described the specifics of nuclear economics. “Admittedly, nuclear plants are capital intensive, but the fuel cost is so low that the extra investment can be recovered in a matter of a



NSIPS/Uwe Parpapart

Ramtanu Maitra of the Fusion Energy Foundation examines a solar pump which cost \$16,000 to build and stops working whenever a cloud passes overhead.

few years. . . . The further development of atomic power, especially the fast reactor and fusion, will lead to inexhaustible sources of energy.”

The nuclear option

Already the advantages of nuclear power are being explored and practiced at the Institute of Food and Radiation Biology at Savar, where the Bangladeshis are beginning to commercialize food irradiation for preserving crops and fish and to develop other advanced nuclear technologies. Fresh fish, potentially a major source of protein in the area, for example, will keep refrigerated for 21 days once irradiated. At present, the Bangladeshis are exploring packaging materials to prevent the reinfestation of irradiated dried fish, and are studying large-scale storage and transportation.

The economics of such research are obvious in a tropical country, where a large percentage of basic crops and foodstuffs are lost to insects and rot. To take one example, at an international conference on food irradiation in Washington, D.C. March 4, the Bangladesh Atomic Energy Commission presented a paper summarizing the results of their studies of low-level irradiation of onions. Onions are a seasonal crop, with the peak harvest in late March, and during the next several months in storage, between 30% and 50% of the crop is lost. There is then a shortage of supplies and a price hike for this basic commodity, and the government then has to import onions. Low-level irradiation completely inhibits the

sprouting of the onions, thus eliminating the high loss of the crop.

In contrast to the advanced nuclear research, there is also a solar-powered pump project at Savar, which costs \$16,000 to build and puts out a peak 1.5 kilowatts—about \$10,500 per kilowatt installation cost. As Ramtanu Maitra noted when the FEF delegation visited Savar, the solar panels were coated with dust and had to be cleaned constantly. Furthermore, as soon as a thin cloud covered the Sun, the pump went limp. “A solar power plant would have to be 500 times this size,” Maitra said. “That’s the epitome of ridiculousness.”

Documentation

Excerpts from the inaugural speech at the International Conference on Physics and Energy for Development by Lieutenant General Hossain Muhammad Ershad, President and Chief Martial Law Administrator of the People’s Republic of Bangladesh.

. . . The appropriate use of energy and power is not only the yardstick of the progress of a country, it is also the key to development. I hope this seminar will succeed in generating fresh enthusiasm and initiatives among the scientists and technologists toward making greater contributions to national advancement.

Today’s civilization bears testimony to the talents and sacrifices of the scientists and technologists. Only those nations which have been able to make proper application of the knowledge of science and technology have been able to accelerate their pace of development. An urge and determination to improve the quality of life are the main inspiration behind the work of scientists and technologists. The time-honored contributions and potentialities of science and technology cannot remain limited to a particular class, geographical boundary, or time frame. They are the means to achieve welfare of the entire mankind for all times to come. For this reason, I would make an appeal to the scientists and technologists to rededicate themselves to the welfare of humanity from a universal point of view. I would particularly appeal to them to come forward to the well-being of the teeming millions in the developing countries.

We are engaged in building a happy and prosperous new Bangladesh. This calls for achieving self-sufficiency in all spheres of our national life. We are determined to utilize the fruit of advanced knowledge of science and technology of the world for improving the living condition of our people. We need skilled manpower and a suitable infrastructure for higher science and technology to ensure proper use of the latest developments in this field. . . . We cannot perpetually depend on financial and technological assistance from abroad. . . .



NSIPS

More than half of Bangladesh's onion crop is now lost through spoilage, but with low-level irradiation the sprouting of the onions can be completely eliminated. Uwe Parpart of the Fusion Energy Foundation (r) is shown here with an official of the Institute of Food and Radiation Biology at Sakar.

You are aware that the paucity of the source of energy stands in the way of our overall development. At present, natural gas is our main commercial fuel. The country's natural gas wealth has to be used in such a way as to derive maximum benefit out of it. . . . In view of the high oil prices, we have to think of the alternative source of nuclear power production at low cost. We believe that there is a necessity for installation of an atomic reactor in the western region of our country. Of course, it is a problem to arrange initial funds for the installation of such project. The government, however, has been continuing its efforts to procure funds for the project. I am happy to know that this conference will discuss various aspects of the use of this technology. I believe the deliberations of this conference will go a long way in helping the developing countries in the peaceful use of atomic energy.

The country's first experimental atomic research center is being installed at Savar shortly. A substantial part of the implementation work of this project has been done by our own scientists and technologists. This is undoubtedly a laudable effort. I believe this reactor will provide training facilities and help build infrastructure for our programme in this regard. . . .

Excerpts from the address of welcome to the conference by Dr. Anwar Hossain, chairman, Bangladesh Atomic Energy Commission and president, Bangladesh Physical Society.

. . . The per capita commercial energy use of Bangladesh is about 50 kg of coal equivalent and per capita electricity

consumption is about 30 Kwh. In comparison, the Asian average per capita consumption in 1981 was 597 kg and 519 Kwh, while the world average was 1,893 kg and 1,862 Kwh, respectively. Our energy consumption is roughly 0.5% of that of developed countries and only one-fourth of the consumption in the neighboring countries like India and Pakistan. On top of this, most of the energy used is noncommercial. Since agricultural and forest resources account for a substantial part of traditional sources, our ecology and environment is being adversely affected with the increasing use of noncommercial energy. We cannot afford to lose our agricultural and forest wealth any further. For faster growth of energy consumption, we have, therefore, to develop commercial energy sources. This calls for intensifying efforts to

“Are you going to formulate your energy and science policy from the standpoint of adapting to and remaining in the existing social and economic structure,” the speaker asked, “or from the standpoint of your future goals, your desired future economic structure?”

explore and exploit conventional energy sources and then look for new and renewable resources. . . .

While we keep on exploring our land for new conventional sources, we should realize that the presently known reserve of exploitable resources are much less than our needs for energy that can ensure even a modest growth of our economy. With imported oil prices beyond the reach of our economy, we have to look for alternate fuel. Nuclear energy is now considered to be proven technology for production of electricity. Nuclear power plants are highly capital intensive, no doubt, but the fuel cost is so low that the generation cost is comparable if not cheaper than other alternatives. The extra investment for a nuclear plant could be recovered in a matter of a few years' savings on fuel cost. It is true that a number of technical and other issues have constantly to be attended to, but we have to make a beginning with this source of energy, which has a big potential and is expected to last a long time globally. The conference has devoted a full session to discuss all aspects of nuclear power, including the spin-off benefits. Further development of the power of the atom, especially in the fields of fast reactor technology and fusion energy, will lead to almost inexhaustible source of energy. . . .

Science & Technology

Space program needs new launch vehicles

by Marsha Freeman

By the year 2000, citizens from all over the world should be traveling to the Moon. Before then, the United States and its allies should have deployed a directed-energy defense system to wipe out the threat of nuclear war. These projects will require the development of new launch vehicles, both expendable and reusable, both manned and unmanned, both military and civilian.

The current Space Transportation System, based on the Space Shuttle, cannot go outside of low Earth orbit, about 300 miles above the surface of our planet. Its payload capacity is limited to 65,000 pounds, and does not meet all of the requirements for military deployments because it is a manned system.

Even before the end of this decade, the Strategic Defense Initiative (SDI) program will place new demands on space launch capabilities. The Air Force estimates that by the late 1980s the expendable rockets that they have used for the past decades will have to be superseded. The SDI will likely require the deployment of large structures, such as mirrors, in Earth orbit. There is a possibility that the Moon itself may be an important listening post in the future to make nuclear war obsolete on Earth.

Today we have no way to get people to the Moon or even to geosynchronous orbit 22,300 miles high, where our military and civilian communications satellites might need repair or retrieval. The White House has directed the National Aeronautics and Space Administration (NASA) and the Air Force to do a study leading to joint development of a second-generation Space Shuttle system. Second-generation expendable launch vehicles, or ELVs, are also on the horizon.

The current Space Shuttle is a good starting point for the development of a new class of launch vehicles needed to take not only astronauts, but huge payloads into space. Such payloads could be anything from lunar freighters to lasers and mirrors for strategic defense. Many would not require a manned crew, and would only tie up a Shuttle orbiter needed for manned missions if used just to haul freight. In the case of military deployment, many missions would be better unmanned.

At the present time, the largest expendable payload carrier is the Titan 34D rocket, which can deliver 4,000 pounds

to geosynchronous orbit. The Air Force estimates that by 1989 it will need a launch vehicle that can deliver 10,000 pounds. By the turn of the century, estimates are that the military and NASA would have payloads of up to a quarter of a million pounds to take into space, far exceeding current Shuttle capabilities.

For the past year, the Air Force has been evaluating how it should meet this 10,000-pound payload requirement for the late 1980s. Unfortunately, both the Defense Department and the White House have decided, against the advice of NASA and the Congress, to modify the old Titan for this purpose. The alternative would be to start now on the more capable and expandable Shuttle-derived technology, which will be needed in any case to meet the much greater requirements past the turn of the century.

This decision by the Air Force, if not changed by the Congress, could delay the development of Shuttle-derived ELVs, which will clearly be necessary beyond the next 15 years.

A number of aerospace companies have been looking in to a Shuttle-Derived Launch Vehicle. The Space Shuttle's main engines are the most powerful machines ever built. Each one delivers the equivalent energy of seven Hoover Dams. These liquid hydrogen engines could be used, with their external liquid hydrogen/liquid oxygen tank, with cargo carriers attached to the bottom of the tank.

The solid rocket boosters that are used with the Shuttle now could also be the basis for a Shuttle-Derived Vehicle. There is a possibility to "mix and match" the booster and hydrogen engine components to come up with various configurations, depending upon how much lift is required.

In an interview with *Space World* magazine in 1982, the head of NASA, James Beggs, said the space agency was interested in large solid rocket boosters. "The United States might want to go back to the Moon one day," he stated. "It would be relatively inexpensive to develop a very high-lift booster, and the solid rocket boosters would be a good candidate for lifting a half-million pounds into space," Beggs stated.

Over the last two years, the push for a manned return to the Moon has been gaining support in the space agency. In congressional testimony on Feb. 28, Dr. John Martin, NASA associate administrator for aeronautics and space technology, included a lunar base in his outline for future NASA missions requiring new technology. Dr. Martin placed the lunar base in the post-2010 time frame, which is further away than necessary; it is, however, a new component of NASA's long-range technology plans.

The space station will be the enabling technology to take man past low Earth orbit. It will provide the space infrastructure to do the military and civilian missions in the future. When stations have to be supplied, and large pieces of equipment have to be delivered to space, next-generation expendable launchers will be the workhorses to do the job. They will make today's Space Shuttle look very small, by comparison.

Volcker demands end to U.S. sovereignty

"President Reagan must end U.S. unilateral decisions on the dollar," says a former New York Fed director.

The dollar's outlandish gyrations of Feb. 22-25 have exposed a scheme by the Bank for International Settlements and Federal Reserve Chairman Paul Volcker to turn the national sovereignty of the United States over to the BIS banking cartel. Using the hysterical debate over valuation of a mere piece of paper, the dollar, the BIS plans to grab the real prize: political control over U.S. defense and economic production.

The occasion was the dollar's ride from 3.32 German marks on Feb. 22, up to 3.44 on Feb. 25, which was blamed by the markets on President Reagan's Feb. 22 press conference. "The U.S. should not attempt to curb the dollar," he stated, despite the problems its strength presents to foreign governments. The speech caused the dollar to soar 3.2%.

Gold also collapsed by \$17 to \$282, its lowest since Aug. 8, 1979.

The speech was undoubtedly sold to the President by his "free enterprise" advisers, since it set him up so vulnerably for what followed.

Led by the West German Bundesbank and the BIS, a cartel of European central bankers dumped over \$1.5 billion on the markets Feb. 27, plunging the dollar to DM 3.18.

The central banks' one time effort was unsuccessful, as the dollar recovered to the DM 3.35 level on March 1, and may well rise further.

But the political point had been made. Volcker intends to break President Reagan's personal political power over the U.S. economy, a for-

mer top Fed official close to Volcker revealed on March 1, using mismanagement of the dollar as an excuse. "President Reagan is the problem," said Scott Pardee, head of New York's Discount Corp., former director of the New York Federal Reserve's foreign-exchange desk.

"The speech that Reagan made shows that he is the one preventing international cooperation to rein in the dollar, and so it was an open invitation to speculators to buy dollars," Pardee told *EIR*. "The problem is that the U.S. must give up unilateral decisions on its currency."

Volcker is quietly demanding Reagan give in to "cooperation" with the BIS central banks, Pardee revealed. Before the Senate Foreign Relations Committee Feb. 27, "Volcker indicated that there should be more cooperation by the U.S. authorities, for intervention jointly with the other central banks, and to manage the dollar somehow," Pardee stated. "He wants an international consensus of the central banks."

Pardee proposed that the United States join the consensus by setting up a "strategic currency reserve, modeled on the U.S. strategic oil reserve," with which the BIS could play. "The U.S. should purchase some \$30 billion of German marks, Swiss francs, Japanese yen, British pounds, and other currencies, in large amounts, to help our allies and ourselves," he said.

That is, the United States should establish a huge intervention pool. "It is strictly in the interests of the U.S.

to do this, since the rise of the dollar is killing our domestic industry at this point. Textiles, farming, steel, chemicals, paper, and other industries are going under from competition as cheap imports are flooding our markets," he said. This "consensus" or mafia-style "cooperation" is the BIS takeover of the dollar proposed by Henry Kissinger in his Jan. 24, 1983 *Newsweek* piece, "Saving the World Economy." He called for the United States to end "unilateral decisions regarding exchange rates, which have profoundly affected the world economy. Unpredictability encourages speculation. . . . An overhaul of the international monetary system is a precondition to world recovery."

Kissinger demanded the United States join the BIS cartel in BIS-mandated joint intervention. "While more fundamental reform is being negotiated, central banks could agree on a realistic range for permissible exchange rate fluctuations and take action when relationships among major currencies move outside this range."

Kissinger's aide at Goldman Sachs, Robert Hormats, told the press Feb. 28 that the BIS intervention had set up a European cartel. "The Europeans banded together, and decided it was the right time. What's impressive is not the volume of intervention, but the fact that they worked together."

Meanwhile, a study by Dallas S. Batten of the St. Louis Fed on Feb. 25 argues that the dollar's rise is really due to a collapse of U.S. bank lending abroad. Since 1983, American banks, instead of lending net funds abroad, are making net withdrawals of funds from abroad. Total new U.S. investments abroad (bank and others) fell from \$107.8 billion in 1982 to \$43 billion in 1983 and as little as \$2 billion, according to estimates based on Commerce Department figures in 1984.

America is living off Dope, Inc.

U.S. consumers are hooked on the drug money being laundered through most U.S. banks.

Recently retired chairman Richard Hill and chairman William Brown of the First National Bank of Boston, are part of a conspiracy of U.S. bankers who have turned the entire banking system into an "offshore" money laundry.

Worse, they have hooked U.S. consumers into laundering the loot.

EIR first investigated Richard Hill and the First National Bank of Boston in 1980 because he led the Association of Reserve City Bankers, the private club of the chairmen of the nation's top 134 banks, to demand the establishment of "free banking zones," International Banking Facilities (IBFs). IBFs allow Euromarket-style accounts at U.S. banks onshore. They have no reserve requirements, no interest limits, and very little regulation.

The 1980 "International Banking Facilities Committee" set up by the Reserve City Bankers to promote IBFs, gives the list of the "eight most respectable men in America," the private bankers behind Dope, Inc.: James Higgins, chairman, Mellon Bank, chairman, IBF Committee; Richard Hill, chairman, First National Bank of Boston; Frederick Heldring, chairman, Philadelphia National Bank; Willard Butcher, chairman, Chase Manhattan Bank; Walter Wriston, chairman, Citibank; Leeland Prussia, vice-chairman, Bank of America; Richard Thomas, president, First National Bank of Chicago; John R. Cummings, chairman, Industrial National Bank of Rhode Island.

In 1981, Federal Reserve chairman Paul Volcker legalized IBFs by

regulatory fiat. Since 1980, several of the above have retired or passed away, but their banks have implemented the policy. Since IBFs were legalized, they have taken in over \$170 billion in foreign hot-money deposits, drawing at least that amount onshore. IBFs allow foreign drug money to be deposited into the United States proper, much safer than some offshore island. Once the money is in, it can be laundered and loaned back to the foreign drug-money source as a legitimate bank loan, which the drug dealer then uses to buy up U.S. corporate stocks, Treasury debt, etc.

But the eight blueblooded Reserve City bankers had a much broader drug-money plan. By removing reserve requirements for U.S. banking generally, they turned the entire U.S. banking system into one large IBF. In 1982 and 1983, the Fed also authorized creation of Money Market Accounts and Super-Now Accounts, Eurodollar-style deposits with no reserves. These have grown to over \$400 billion.

It is this massive inflow of hot money which has kept the U.S. banking system afloat for five years.

Worse, the money flood has allowed the Dope, Inc. bankers to destroy the wages and living standards of U.S. consumers, without social upheaval, and to bankers' additional profit. The dope money has been loaned to U.S. consumers since 1980 at such a rate that the profit on it now dwarfs the profit on all Third World lending.

The same men of the IBF Committee are the architects of Paul

Volcker's 1978-79 rise in interest rates, from the 6% to the 20% level. The wage bill for employees in U.S. manufacturing, construction, and other production in real 1977 dollars (after inflation) rose a bit from \$254 billion in 1972 to \$261 billion in 1980, and fell back again to \$237 billion in 1982 and \$254 billion in 1984. Even these figures are grossly exaggerated. Fewer and fewer "employees" are actually producing. In addition, the wage figures include pensions and health benefits which are included in government figures on wages but deducted from actual take-home pay.

An actual 1984 real-wage bill might be less than \$200 billion.

How has this been done without revolution in America? The answer is dope money. Through deregulation, the hot dope money flowing into the United States has been loaned out to consumers as fabulously expensive "consumer credit." The debt ends up on the consumer's back. U.S. households' debt has mushroomed from \$1 trillion in 1977 to over \$2 trillion in 1984. This massive debt expansion, \$120 billion per year, was needed by the consumer just to stay alive and supplant wages. It was led by mortgages, which grew from \$635 billion to \$1.3 trillion, and consumer credit such as credit cards, which grew from \$230 billion to \$470 billion, primarily due to skyrocketing interest rates.

This dwarfs the total of all U.S. banks' foreign loans in 1984, \$282 billion, and the total lending to Ibero-America by all banks, U.S. and foreign, at \$380 billion.

The banks have profited handsomely from the entire binge. First, they have laundered their drug money to the U.S. consumer. Second, the interest bill alone paid by consumers predominantly to the banks in 1984 on this amount was some \$300 billion—larger than the wage bill for 1984 itself.

The Democrats' 'show of concern'

Once the demonstrations were over, farmers left Washington, D.C. with less than nothing.

Fields are going unplanted, herds are shrinking, and farmers are going bankrupt by the thousands thanks to the staged "show of concern" in Washington, D.C. earlier this month. For one week, the media gave prominent coverage to American Agriculture Movement (AAM) farmers who went to lobby Congress and the White House for help. The Senate and House of Representatives passed farm credit relief bills—attached to African relief authorization—and sent them to President Reagan. He vetoed them. The Speaker of the House said nothing more could be done. The show was over.

The farmers went home with less than nothing.

At this time, there are minor state-level maneuvers to pass some emergency relief measures for farm banks, and there is a class action suit in North Dakota to get relief from the Farmers Home Mortgage Administration (FmHA). But the catastrophe proceeds.

The standing relief program of the administration—enacted last fall and updated inconsequentially in February—authorizes \$650 million in debt relief to those farmers for whom FmHA or commercial bankers agree to forego some debt payments. Few rural banks are in a position to do that, and therefore much less than the original authorization has been used.

The March Senate and House measures raised the total authorization to around \$1.85 billion, and lessened the conditions for participation.

In either case, what is offered amounts to only what is termed, in the language of the International Monetary Fund, a "bridge loan"—to nowhere. What is actually required is a package of War Mobilization Board-style measures including an overall farm debt moratorium coupled with issuance by the Treasury Department of low-interest farm production credits through the rural banking and farm credit system. The objective must be to regroup the collapsing farm sector to resume maximum output for emergency food to Africa, and to ensure food security and output at home.

However, not one congressman had the sense or morality to take this approach. For his part, President Reagan stuffed his foot in his mouth the day he vetoed the congressional emergency legislation, saying that fewer than 4% of farmers "are in need of immediate help." Agriculture Secretary Block had to apologize for Reagan the next day in the Senate, saying he was "mis-quoted" in the press.

Montana's Sen. John Melcher—distinguished for the one merit of recognizing the need for more, not less, food production—attacked Reagan's intransigence and said, "This means war and there won't be any prisoners." However, no Democratic congressman used the occasion to initiate any constructive measure. Instead, they cynically used the farmers' presence to attack Reagan's other policies, such as the Strategic Defense Initiative. Sen. Tom Harkin (D-Iowa) said that Reagan wants "arms not farms."

A featured speaker at the first AAM farm rally in Washington on March 4 was Texas Agriculture Commissioner Jim Hightower—a spokesman for the 1984 Mondale nuclear-freeze drive. Hightower is one of the phoniest "friends" the farmer ever had. He is a radical environmentalist whose self-proclaimed "Farm Policy Reform Act of 1985" calls for *mandatory* farm production controls and a National Conservation Reserve to lock up farm land. Hightower's collaborator in this proposal is none other than Jim Nicholls, the agriculture commissioner of Minnesota, where Cargill, Inc. and the Swiss-based oligarchic interests are directly pulling the strings.

The farmers who went to Washington to rally and lobby were simply used as media bait for the whole stage-managed operation. Reporters and cameras crawled all over the events. The *Washington Post* claimed the March 4 rally had 2,000 people; the actual number was 700. At the rally March 6 in front of the Capitol Building, the Democratic senators dominated the occasion, by symbolically signing the Senate and House emergency bill that Reagan was soon to veto. Led by Rep. Jim Wright (D-Tex.) a string of senators—senators Exon (D-Nebr.), Boren (D-Okla.), Melcher (D-Mont.)—sounded off against Reagan. After 30 minutes of these speeches, the crowd marched to the White House, to hear a speech by Minnesota Governor Rudy Perpich, an instrument of Control Data Corp. and Cargill.

Meanwhile, many farmers made contact with the Schiller Institute farm contingent on hand to enlist people in an international rally for April 13 to link farmers with civil rights, labor, scientists, military representatives, and other layers, even whole nations, in the battle to end the IMF collapse.

Mind and immunity

New connections have become evident between mental states and physical health.

As a by-product of recent research into the immune system, stimulated by the AIDS epidemic, new information has come to light on the relationship between mental states and health. In studies of the immune system in particular, a great many reports, of varying validity, have suggested that factors such as stress could influence immune response and susceptibility to cancer and infections.

An article in the March 8, 1985 issue of *Science* magazine reviews the current state of knowledge of the interconnections between the nervous and immune systems.

It has been known for a number of years that the epithelial cells of the thymus have receptors for acetylcholine, a chemical responsible for transmission of nerve impulses from one nerve cell to another.

Karen Bulloch of the State University of New York at Stony Brook has found that the autonomic nervous system sends nerve fibers to the thymus gland in a very specific pattern, which is similar in mice and men as well as chickens and lizards. The thymus gland is now recognized as a key factor in the changes associated with aging, among other immune functions.

The nerve effect on thymus epithelial cells, which secrete the hormone thymosin, is probably responsible for the development of the T-cells, or thymus dependent lymphocytes. In mice with deficient T-cell function, the nerve pattern of the thymus is abnormally sparse.

Other researchers have demon-

strated that the spleen, lymph nodes, and bone marrow, as well as the thymus, have specific patterns of nerve fibers. These organs are also important parts of the immune system.

The nerve fibers in these organs end in areas which are rich in T-cells and avoid areas rich in B-cells, which are antibody-forming cells derived from the intestinal lymph glands.

The T-cells themselves have been shown to have two sets of receptors for neurotransmitters, the chemicals responsible for transmission of impulses from nerve to nerve. One set is for acetylcholine, and the other for norepinephrine (adrenaline).

On the other hand, there is now evidence that the immune system is closely linked to the nervous system, including the brain. Studies by Hugo Besedovsky at the Swiss Research Institute show that immune responses alter the rate of firing of neurons (nerve cells), and Besedovsky has hypothesized that the immune system informs the brain about invading foreign antigens.

The suggestion has been made that soluble chemicals released by the activated immune cells cause these changes in neuronal firing. These include interferon and the interleukins which also regulate immune cell function. This has led Allan Goldstein and Nicholas Hall of the George Washington University School of Medicine to suggest the name "immunotransmitter" for these substances.

Goldstein, who has done the most extensive work on thymus hormones,

has evidence that thymic hormones have effects on the brain. One such hormone, thymosin a1, acts on the hypothalamus at the base of the brain to stimulate the pituitary gland to secrete ACTH, which in turn stimulates the adrenal gland to produce steroid hormones. Steroid hormones, in turn, have long been known to suppress certain aspects of immune function. Along with this however, thymus hormones also promote maturation of lymphocytes, making them less susceptible to steroid suppression.

Since the lymphocyte maturation occurs early in the immune response and the steroid production later, this provides a mechanism to prevent immunologic overreaction.

Psychological stress, such as depression, bereavement, or even anxiety about academic exams, has been shown to alter immune function in a documentable way. One manifestation, familiar to many, is the activation of latent herpes virus infections resulting in the "cold sores" which appear in certain individuals under stress.

In other cases this can result in painful attacks of "shingles" caused by another herpes virus.

Another aspect of psychological effect on the immune system comes from work at the University of Rochester School of Medicine and Dentistry which indicates that animals can be conditioned to suppress their own immune responses. Although the research has shown potential benefits in autoimmune disorders, which are characterized by overactivity of the immune system, this "conditioning" approach generally increased the death rate of such animals.

The work points to the need to fund much more extensively this area of research, for new discoveries here have the potential to relieve all kinds of diseases—and to extend human life.

Business Briefs

Agriculture

U.S. farmland being bought up by nobility

An official at the Kansas City, Missouri-based Oppenheimer Industries, Inc., which specializes in brokering U.S. farmland, reported that, presently, 1% of total U.S. arable farmland is owned by "titled European, primarily German, nobility, and/or families with wealth going back generations," and that the figure could be as high as 5% within a matter of years.

"At the moment, the Swiss are taking the lead in buying up U.S. farmland for the elite and the very wealthy, who see land as the source of wealth. . . . This is definitely creating a trend toward absentee-landlordism, by necessity. . . . There will be fewer farmers yet, each with more land. . . . It is feudal in theory. . . ."

The Oppenheimer official said that the trend toward this "physiocratic" land-buying began in the mid-1970s, as high-interest rates and other factors began to make it impossible for farmers to pay the prices for tractors and other high-technology equipment needed to run a farm. The trend is particularly pronounced, in his view, in California, New Mexico, and Illinois, in the latter case "involving flight capital from rich families in Argentina and Brazil."

'Free Enterprise'

India banking scandal reveals drug ties

In a new scandal that could have important implications for the international war against drugs, the Indian government arrested three of the country's top bankers during the last week in February on charges of lending millions of dollars to firms obviously not creditworthy. This money was being funneled out of the country to phony firms based in London.

One recipient who received \$150 million is the London-based Rajinder Sethia, owner of Esal, a flim-flam investment venture. Sethia is also a close associate of Bombay mafia boss Antulay. Bombay is the major transshipment point for drugs going through India and also for export of opium grown in India.

It is very likely that the crackdown on the highest levels of finance in the country is a continuation of the investigation into the assassination of Indira Gandhi, as were recent spy scandals. It is known that the Indian government believes that drugs were central to the terror networks that carried out the assassination. During the first week of March, Indian authorities also began sweeps of major airports and rail terminals, making three major busts of heroin and hashish smugglers.

The Invisible Hand

One in 10 in U.S. now uses cocaine

The Congressional Select Committee on Narcotics Abuse and Control issued a report in early March claiming that, at present, more than 20 million Americans use cocaine regularly, and that there are more than 500,000 heroin addicts among the American population.

Twenty million Americans is almost one-tenth of the entire U.S. population!

The committee, headed by New York Democratic Rep. Charles B. Rangel, also claims in its report that sales of illegal drugs grossed more than \$110 billion in 1984, and have climbed \$10 billion per year since 1978. It says that the most "startling" new trend is the development of a network of "clandestine" cocaine laboratories across the United States for processing the drug.

The report criticizes the Reagan administration for failing to provide enough funds for the U.S. Drug Enforcement Administration (DEA), the Coast Guard, and the U.S. Customs Service to stop the smuggling of drugs and to "enable them to effectively

control the massive smuggling and distribution of cocaine, heroin and marijuana affecting the United States." It also demands more money for drug-abuse and -prevention centers.

Foreign Exchange

Japanese group demands Yen offshore market

A government committee in Japan has sent a report to the Japanese Ministry of Finance calling for the internationalization of the yen through decontrol of "Euroyen" transactions and the creation of an offshore financial market in Tokyo. The formula was proposed by the Committee on Foreign Exchange, headed by Yoshihiro Inayama, chairman of the Keidanran, the Federation of Economic Organizations. It follows the advice given by Henry Kissinger, who took a jaunt to Tokyo in January as a representative of the Amex banking combine.

The plan would turn Tokyo into a center of speculation, and turn the yen into a new "funny money," as was done to the dollar during the 1970s. The aim is twofold: to use the yen to help bail out the international monetary system, and to use the yen as a new instrument for looting Asia.

The faction represented by Inayama takes just such a policy view. In February, a Keidanren delegation was in Bangkok, where it told the government that Thailand has enough industry and should now focus on exports of raw resources and services. In answer to a reporter, the Keidanren delegation head came out against the construction of a canal through the Isthmus of Kra.

In a speech before the Columbia School of Business last year, John Hennessey, chairman of the Credit Suisse-First Boston group in London, called for the restructuring of the international financial system to allow for "perpetual speculation" 24 hours a day. This looting machine would be controlled by 10 big banks internationally, with the major centers for the operation being London, New York—and Tokyo.

The Debt Crisis

Ibero-American leaders urge coordinated action

Several Ibero-American heads of state who met in Montevideo, Uruguay the first week in March for the inauguration of that country's new President issued a common declaration on the continent's debt and economic crisis.

The growth of democratic systems in Ibero-America is "menaced by the most profound economic crisis since the 1930s and by the transfer of resources to the advanced-sector nations to meet debt payments, which aggravates social tensions," the statement said. The document, signed by the Presidents of Argentina, Bolivia, Colombia, Guatemala, Nicaragua, Spain, and a representative of Brazilian President-elect Tancredo Neves, emphasizes that previous regional meetings in Quito, Ecuador, and Cartagena, Colombia, have provided a "viable solution" for further action. The serious problems afflicting the region must be dealt with in a multilateral framework, "incompatible with those conditionalities [of the International Monetary Fund] which damage national sovereignty and frustrate the irrevocable goal of self-sustained, independent development."

Science and Technology

Italian economic daily promotes SDI

The Italian economic daily *Il Sole 24 Ore* published an article on March 1 detailing the prospects for Italian participation in the SDI. The article, entitled "Antimissile lasers in Rome's plans," states: "Possible Italian participation to the SDI program, both as a transatlantic cooperation version or as a more European version, as the French want, is a theme which will become very popular in the short term. And it would be wrong to

think that Italy cannot contribute much. From impressions gathered in the scientific community, it seems that Italy will be able to contribute in three specific sectors which are key to the strategic defense: the studies on directed energy (particle beams), the applications of some types of lasers, and probably macro-optics, that is, large size mirrors."

After emphasizing the spin-off effects that such a participation will have in civilian sectors, such as steel and health, *Il Sole 24 Ore* indicates that the Italian financial quota in such a project would be between 15,000 and 20,000 billion lire (from \$7 to \$10 billion).

Famine

New conditionalities for African nations

Sudan, the first country being visited by Vice-President George Bush, is one of many now being forced to accept new IMF conditionalities. The London *Times* hinted in early March that Sudan's President Numeiry will agree to change his economic policy to make it more acceptable to the International Monetary Fund. Meanwhile, 1.5 million refugees from Ethiopia and Chad are on the verge of starvation, plus 5.4 million Sudanese.

Mauritania, one of the six countries listed by the U.N. Food and Agriculture Organization as the worst affected by famine, has just implemented IMF measures, increasing the price of basic foodstuffs. Guinea, another desperately poor nation, has asked France to allow it to join the "French franc zone" in Africa; France has agreed—on condition that Guinea implement IMF conditionalities, especially the reduction of the employees of the state sector. In Africa, the state sector is virtually the sole employer, with each employee supporting 15 or 20 others persons.

Countries formerly seen as "Marxist-Leninist" or pro-Libyan, such as Burkina Faso (Upper Volta), Ghana, Benin, and Madagascar, are now turning towards the United States, hoping to get help. What will the American response be?

Briefly

● **ARMANDO SANCHEZ** Bueno, a leading member of Venezuela's ruling Acción Democrática party, warned in early March that "foreign groups are seeking to get a hold of Venezuela's oil," taking advantage of the country's current debt crisis, and that foreigners are buying up Venezuela's public debt on foreign markets, giving them leverage against the government and allowing them to pay lower interest rates than the government on that debt.

● **CHASE MANHATTAN** Bank officers were instrumental in setting up the First Interamericas Bank shut down on March 1 by Panamanian authorities after the discovery that the bank was laundering Colombian drug money.

● **LUIS ESCOBAR CERDA**, the finance minister of Chile until his replacement in early February, had been general manager of the Santiago branch of the world's premier dope-money laundry, the HonkKong and Shanghai Bank, prior to becoming finance minister. Escobar's main job was negotiating the foreign debt with the International Monetary Fund.

● **THORNTON BRADSHAW**, the Aspen Institute bigwig who chaired NBC-TV's parent company, RCA, during NBC's campaign of outrageous slanders against Lyndon H. LaRouche, is now stepping down as chairman of RCA. Bradshaw's retirement is the third in a series of reorganizations at NBC since the network's "First Camera" slander of LaRouche, which include the removal of "First Camera" from the air and a thorough shakeup in the news division.

● **THE U.S.**, once a key exporter of both nitrogen and ammonia fertilizer, has become an importer of both, according to a source at the Fertilizer Institute in Washington.

European terror and the worst intelligence failure in decades

by Jeffrey Steinberg

The terrorist barrage which is now hitting Western Europe is the result of one of the worst intelligence failures by Western agencies in decades. To counteract this, EIR is issuing a new Special Report, over 100 pages in length, titled "European Terrorism: The Soviets' Pre-War Deployment." It is intended to alert and mobilize policymakers and leading private citizens in the United States and Europe to defend the Federal Republic of Germany from the Soviet threat. Unless the control apparatus of the terrorists is well understood—and West Germany's fascist Green Party banned—there will be no stopping the combined forces of the Soviet Union, the Nazi International, and the European oligarchical families. The material presented in this dossier will also be critical to ensuring President Reagan's personal security during his upcoming trip to Bonn for the economic summit of Western leaders.

We publish here an abridgement of the Introduction to the Special Report. The full dossier is available from EIR.

On Dec. 4, 1984, thirty jailed West German terrorists—all members of the Red Army Faction (RAF)—initiated a hunger strike. Within 60 days:

- Over 50 bomb and arson attacks had been conducted in West Germany alone, virtually all targeted at U.S. and NATO military facilities and personnel. Through these actions, the RAF-centered terrorist apparatus demonstrated a logistics and intelligence capability in depth that has not been seen since the height of the Baader-Meinhof Gang assassination rampage of 1977-78.

In one exemplary attack on Dec. 18, a lone terrorist successfully drove onto the NATO Training School compound at Oberammergau, Bavaria, using a stolen U.S. Marine uniform, forged U.S. government identification papers, and stolen license plates issued for an American registered car. The trunk of the car was packed with over 50 pounds of explosives and three propane gas tanks connected to a sophisticated timing device in a case in the back seat. Contrary to published reports, U.S. intelligence sources have acknowledged that the bomb was defused with only 12 minutes left on the timer. It was only on the basis of the car being



NSIPS/Stuart Lewis

The terrorist international is targeting heads of state for assassination, and the threat will grow in the coming weeks unless the intelligence agencies of the United States and its allies take on the real terrorist-contol apparatus. Shown: President Reagan with the later assassinated Indian Prime Minister Indira Gandhi.

illegally parked just 10 meters from the main training building that a bomb search was ordered. Oberammergau officials acknowledged that had the bomb blown up, a large number of U.S. and NATO officers would have been killed or injured. The fact of the RAF terrorists adopting the *modus operandi* of the Islamic fundamentalist terrorists who blew up the U.S. embassy and the Marine compound in Lebanon was not missed by Western security services evaluating the "new" profile of the European terrorists.

- Two prominent NATO-linked officials have been assassinated in France and West Germany. René Audran, a top official in the French defense ministry with particularly close ties to West German and U.S. military officials, was gunned down near his Paris home on Jan. 25, 1985. One week later, on Feb. 1, RAF terrorists broke into the Munich home of Ernst Zimmermann, the head of the West German Defense Contractors' Association and a manufacturer of jet and tank

engines, and shot Zimmermann in the back of the head. In July 1984, West German police had found Zimmermann's name and home address among a pile of documents seized at an RAF safehouse in Frankfurt.

- NATO ships docked in the harbor of Lisbon, Portugal have been hit with grenades fired by FP-25 terrorists using grenade launchers believed to have been stolen from NATO arsenals.

- A public support apparatus for the RAF terrorists numbering over several thousand has been surfaced on the streets of Frankfurt, Stuttgart, and Karlsruhe for pro-hunger-strike marches and rallies.

- A series of communiqués has been issued to the European press announcing the formation of a Western European Political-Military Front against NATO unifying the West German RAF, the French Direct Action, the Belgian Communist Combatant Cells (CCC), and the Italian Red Brigades.

The credibility of these joint command communiqués was established when NATO security found that the explosives used by the RAF in the Oberammergau car-bomb attempt were from the same cache of stolen explosives used by Direct Action in an Aug. 23, 1984 bomb attack against the Paris headquarters of the Western European Union, and by the Belgian CCC in a series of successful pinpoint bomb attacks against secret NATO pipelines on Dec. 11 (on Dec. 18-19 another NATO oil pipeline connecting the U.S. submarine base at Rota, Spain with the U.S. Air Force base in Torregon was blown up in three separate locations).

All told, 815 kilograms of explosives were stolen on June 4, 1984 from a supply depot near the Belgian city of Ecausines. This theft, which has already been linked to the bomb attacks in the Federal Republic of Germany and Belgium, is one of a dozen such large-scale arms and explosives heists carried out against NATO facilities in the past year.

In all of the instances of anti-NATO violence, the terrorists demonstrated detailed access to classified security information concerning the precise NATO response plan to a Soviet military move into Western Europe. Unlike previous periods of terrorist upsurge including even the 1977-78 "Politics of Tension" when Buback, Ponto, Schleyer, and Moro were assassinated, the current terrorist offensive represents a targeted assault against the European NATO structure. As such it has been correctly, if belatedly, described as a component of Soviet military deployments preparatory to the outbreak of actual hostilities.

On Dec. 12, 1984, *Die Welt*, the largest conservative daily newspaper in West Germany, charged that the Belgian pipeline bomb attack by the CCC was conducted on orders from Moscow using detailed intelligence on NATO military refueling plans stolen by East German intelligence services through a spy, Lothar Erwin Lutze, who had been infiltrated into the West German Defense Ministry. *Die Welt* characterized the action as a "drill" by networks attached to Soviet spetsnaz "sleeper" networks infiltrated into the West and

assigned to carry out specific acts of sabotage and assassination on "Day X," the moment of Soviet military occupation of Western Europe. The spetsnaz commandos are under the direct control of the Soviet military intelligence service, the GRU.

West German authorities subsequently revealed that at least one copy of the stolen NATO document describing the secret pipeline in southern Germany and the Benelux countries was found at the RAF Frankfurt safehouse raided in July 1984.

Why the intelligence failure?

West German security officials have bluntly conceded that the terrorist activation is "out of control."

On Jan. 10, 1985, Heribert Hellenbroich, head of the Bundesverfassungsschutz (BfV) law enforcement agency, declared on the national radio station Deutschlandfunk that the RAF activation had created a "very serious situation." Hellenbroich admitted, "Neither the police nor the federal prosecutors nor the BfV are in position as of now to rein in the RAF."

Privately, U.S. intelligence counter-terror specialists have gone one step further in their characterization of the European security situation. Several specialists interviewed by *EIR* disclosed a massive intelligence failure. Estimates of the strength of the RAF infrastructure and its level of support among an organized radical base within the European population were *off by six months*. The level of terrorist activation which followed the RAF's Dec. 4 hunger strike announcement was considered impossible until summer 1985 at the earliest. Official Washington finally caught wind of the bungled intelligence job when a dissenting field report from a West German-based U.S. intelligence agent broke through the bureaucratic red tape at Foggy Bottom a week before the bombs hit. By then the situation was already out of control.

Formally, every facet of the post-Dec. 4 terrorist offensive was known *in detail* by no later than July 1984, when West German police raided a Frankfurt safehouse of an RAF cell and carted off a roomful of documents and equipment. In addition to the estimated 1,000-person hit-list that included RAF victim Ernst Zimmermann, the police discovered an April 1984 RAF-Revolutionary Cells (RZ) planning document spelling out a late-autumn offensive—to be activated by the announcement of an RAF prisoners hunger strike and to be principally directed against U.S. and NATO military targets. The plan called for anti-personnel attacks as well as attacks against installations vital to NATO operations in the continental European theater.

The intelligence failure underlying the present terrorist onslaught against the United States' continental Western European NATO allies was, therefore, *not* due to a shortage of intelligence data on the plans by the terrorist hard core. The intelligence failure was *strategic*, and led to a fundamental misestimation of the powerful forces *in the West* that are committed to lending their resources to a Soviet move to

drive the United States out of Western Europe and effect a new global strategic alignment called the "New Yalta," or the "Andropov Plan."

Among the leading guilty parties in the "intelligence blinding" operation was U.S. ambassador in Bonn Arthur Burns. Since his appointment to the critical ambassadorial post, the former chairman of the U.S. Federal Reserve Board has been the champion within the Reagan administration of the German Green Party (*Die Grünen*). Not only has the Green Party been known for the past 18 months, through an official and widely circulated BfV document, to be funded to the tune of over 60 million deutschmarks per year by the Soviet KGB and the East German Stasi; the party also represents an explicit revival of the Weimar-era Nazi Party. As such, the Greens represent an asset of the same "black" nobility families of Western Europe and their U.S. cousins who sponsored and financed Adolf Hitler's rise to power in the 1920s and 1930s. (In Europe, the term "black" nobility refers to the feudal titles that pre-date the creation of modern nation-states.) Among these families, our attention will shortly focus on the Thurn und Taxis clan of Regensburg, Bavaria.

The failure of the Reagan administration to take timely action against the Greens and their oligarchical patrons was the single most important contributing factor in the misevaluation of the state of the terrorist infrastructure. The failure to revive the indispensable 1926-45 counterintelligence category of U.S. Army G-2—"Nazi/communist"—in assessing the Western European security situation and the role of the Greens is another way of stating the same point.

U.S. intelligence sources have reported that Arthur Burns was the author of a series of diplomatic cables beginning in 1981 urging the Reagan administration to open a "constructive dialogue" with the Greens. Burns argued that the Green Party represented the sentiments of a growing vocal youth movement in the Federal Republic and therefore had to be "courted" in order to prevent its wholesale capture by Moscow.

Burns maintained this policy long after Green Party members played a prominent role in the armed assault against Vice-President George Bush's motorcade visit to Krefeld, Federal Republic of Germany on June 25, 1983, and long after leading figures in the Green Party met with and openly embraced the violent anti-American policies of Libyan dictator Muammar Qaddafi.

Burns's policy was formally adopted by the State Department and successfully foisted on both the Pentagon and the White House, reportedly through Henry Kissinger's networks still in place at both locations. As a result, Green Party delegations have swarmed all over the United States, and Green leader Petra Kelly has been a guest lecturer at the U.S. National Defense College. The most recent Green Party tour of the United States took place during the first week of January 1985—simultaneous with the Party's official endorsement of the RAF hunger strike. In a scandalous meeting with the assistant secretary of the Ministry of Justice in Bonn on Jan. 31, a delegation of three leading Green Party members

stated that the demands of the RAF hunger strikers for group rather than individual imprisonment were allegedly "humanitarian requirements" and should be met.

Ambassador Burns's personal associations with leading figures in the Nazi/communist Green Party have been recently underscored by a series of publicized meetings and social get-togethers with Green Party figure Otto Schily. A former attorney for the Baader-Meinhof Gang and an active figure in the "Self-Help Network" behind the violent West Berlin squatters' movement, Schily has led two Green Party delegations to Tripoli, Libya for consultations with Qaddafi. Up until April 1984, Schily was one of three official Green Party spokesmen in the Bundestag.

Burns's complicity in the "spiking" of the U.S. intelligence evaluations of the Green Party's pivotal role in the buildup of terrorism goes beyond his public-relations effort for the Greens. U.S. intelligence officials have told *EIR* that Burns's Bonn office issued a series of internal State Department communiqués harshly critical of Mrs. Helga Zepp-LaRouche, chairwoman of the European Labor Party (EAP) and founder of the Schiller Institute, for her public exposures of the Green Party as a new Nazi menace steered from the East. While Burns was advocating collusion with the Greens, his office was under top down orders to suppress *EIR* counterintelligence material on the Green Party and its sponsors.

The intelligence cover-up of the Green Party file was implicitly confirmed in a Jan. 15, 1985 front-page story in the *Washington Post* by staff writer John Mintz. In the final article of a three-part, 26,000-word series on Lyndon H. LaRouche, Jr. and *EIR*, Mintz interviewed former CIA Deputy Director Adm. Bobby Ray Inman. Inman described a 1981 meeting with Lyndon and Helga LaRouche in which

Mrs. LaRouche provided a detailed briefing on the danger of the Green Party:

She [Mrs. LaRouche] gave enticing information about the West German Green Party, an anti-nuclear group. "At the time, nobody [in intelligence] was covering them at all," Inman said of the Greens.

Burns's duplicity flowed from his own support for the New Yalta plan, a plan that has been embraced across the board by the entire Western foreign policy establishment associated with the name Henry A. Kissinger.

The Andropov-Ogarkov-Aliyev Plan

On Dec. 5, 1984, one day after the RAF hunger strike began, Soviet President Chernenko warned the United States that all hopes for strategic arms negotiations were down the drain unless the Reagan administration dropped its plans for a Strategic Defense Initiative (SDI), a proposed shield to defend the populations of the United States and her allies from nuclear attack. Two weeks later, during a state visit to London, Politburo member Mikhail Gorbachov gave President Reagan until March to drop the SDI "or it would be too late."

Prior to President Reagan's March 23, 1983 announcement of the SDI, the Soviet command had every reason to believe that before the end of the decade their hopes would be realized and Russia would emerge as the single great military superpower on earth—the center of what Russian Orthodox Church and Soviet Communist figures alike have called the Third and Final Roman Empire.

The precise parameters of this Soviet Russian imperial design were spelled out in no uncertain terms by one of its

Who is controlling the European terror wave?

EIR's new Special Report on European terrorism includes:

- A foreword by Helga Zepp-LaRouche, chairman of the European Labor Party in the Federal Republic of Germany and founder of the Schiller Institute;
- The Nazi Ideology of the Green Party—with profiles of leading Greens in West Berlin and a historical analysis of the Nazi forerunners of the Green Party;
- Nazis, Communists, Terrorists, and Thugs—profiles of the Green Party's national leadership;
- The Terrorist Connections of the Green Party—and the role of the "non-violent" support apparatus;
- The Thurn und Taxis Clan: Profile of a Venetian

Oligarchical Family—and their relations, with case studies of these noble families' role in installing Hitler in power and in the plot to assassinate Pope John Paul II;

- The Schlumberger Family Banking and Terror Network—its link to the Kennedy assassination and the creation of terrorist cults;

- The Institutions of Mitteleuropa—historical precedents of the Green-Red coalition; dossiers on the Cini Foundation, Club of Rome, Société Européenne de Culture, Mont Pelerin Society/Siena Group, World Wildlife Fund, and Aspen Institute for Humanistic Studies;

- Major European and Related Terrorism Incidents—a grid from Oct. 8, 1984 through Feb. 3, 1985;

- Current Russian Plans for Military Confrontation—an appendix by Michael Liebig of *EIR's* Wiesbaden bureau.

110 pages, available for \$150 from Executive Intelligence Review Research, 1010 16th St. N.W., Washington, D.C., 20036.

principal architects, the late Soviet President Yuri Andropov, in an unusually forthright interview published in the West German newsweekly *Der Spiegel* in April 1983. In speaking about U.S. covert operations against the Sandinista government of Nicaragua, Andropov graciously acknowledged U.S. rights to militarily suppress a Soviet threat within the Caribbean “sphere of influence” of Washington. All Andropov demanded in return was a similar U.S. recognition of Russia’s right to militarily dominate its own “sphere of influence.” In Andropov’s scheme, the new Soviet zone of hegemony should include the entire Eurasian landmass, north Africa, the British Isles and even Iceland (the strategic-military reason for this being the denial of any U.S. port access to Western Europe). Moscow would, in return, concede U.S. “great power” hegemony over all of the Western Hemisphere and southern Africa.

Like the postwar Yalta Agreement, Andropov proposed a superpower *modus vivendi* taking into account the military, economic, and cultural collapse of the West and the Soviet achievement of an absolute conventional military superiority in Eurasia and a marginal but potentially decisive superiority in thermonuclear first-strike capacity.

This “New Yalta” proposal is more appropriately called the Andropov-Ogarkov-Aliyev Plan. While the late President and former KGB chief Andropov was the overall architect of the current quest for what has been a Russian imperial dream for centuries, it has been Marshal Nikolai Ogarkov and Politburo member Geidar Aliyev who have played pivotal roles in the preparation for Russian world domination.

Soviet Marshal Ogarkov, still today the key figure within the Soviet National Defense Council (contrary to false Western reports of his demotion in August 1984), has overseen the reorganization of the Russian military and integrated civilian command in preparation for a total preemptive war with the West. As early as September 1984, convinced that the United States was committed to proceeding irreversibly with the SDI, Ogarkov reportedly pressed the Soviet Presidium to go to war. In an uneasy compromise, that decision was, according to Western intelligence sources, postponed until early 1985—precisely the time frame referred to in Gorbachov’s warning to the British parliament.

Geidar Aliyev, the leading Andropov protégé within the ranks of the KGB, is Moscow’s leading international terrorist, responsible for reviving the 1921 Comintern policy of building assets within the “revolutionary peoples of the East”—a euphemism for the insane Islamic fundamentalists and other integrist and separatist movements that have proliferated under Aliyev’s sponsorship in the past decade. This proceeded through Soviet co-opting of the hard core of the Lausanne, Switzerland-based Nazi International of François Genoud, Jacques Verges, Carlos “the Jackel,” and Ahmed Ben Bella, producing a highly professional, spetsnaz-trained terrorist network spanning all regions of the globe.

Moscow’s four strategic options

Since the Reagan Strategic Defense Initiative was given an overwhelming show of support with the President’s landslide re-election victory over Walter Mondale, Moscow has been confronted with four strategic options for realizing the Andropov New Yalta objective:

1) **Achieve the New Yalta design through an unconditional political capitulation by the United States.** While this most desirable (from Moscow’s vantage point) route was a highly probable option during the Carter-Mondale period, and remained a serious option during the summer 1984 Kissinger revival within the first Reagan administration, recent policy pronouncements by President Reagan and Defense Secretary Caspar Weinberger have all but ruled out this “Neville Chamberlain” option for the time being.

2) **Employ “pinprick warfare,” terrorism, financial warfare, and other active measures below the threshold of general war to force the decoupling of Europe from the United States**—thereby achieving the essential objective through the enforced isolation of the United States within the Western Hemisphere. This policy has been the cornerstone of Russian diplomacy since March 23, 1983. As typified by the Sept. 1, 1983 downing of the Korean Air Lines commercial flight and Moscow’s sponsorship of the current terrorist assault against continental Western Europe, this represents an adoption of the Hitlerian concept of “diplomacy by terror.”

3) **Launch preemptive war against the United States.** Under the Ogarkov Doctrine, the Soviet General Staff has developed and test-manuevered a series of war plans. All of these plans revolve around a single objective: the total Soviet military occupation of continental Western Europe, the British Isles, and Iceland within the first 11 days of engagement. From his new position as commander of the Soviet High Command, Western Strategic Direction, Marshal Ogarkov is well placed to implement the warfighting doctrine that bears his name.

4) **Accept President Reagan’s offer for joint U.S.-Soviet development and deployment of the SDI system under the terms of a new strategic doctrine of Mutually Assured Survival.** Moscow would *only* accept this fourth option—which means foregoing the quest for world domination for several generations—under conditions in which the National Defense Council of the U.S.S.R., the actual ruling body, was convinced that the war-victory objectives defined by the Ogarkov Doctrine were unattainable within the parameters of acceptable losses (best estimates are 30 million Russian casualties).

In all probability, the early months of 1985 will determine whether Moscow succeeds in carrying the second option—pinprick warfare—through to the achievement of the Andropov Plan. Failure to reach this objective will necessarily drive Moscow to choose between the latter, mutually exclusive options.

It is in this context that Moscow's role in the present terrorist offensive against Europe in general and against the Federal Republic of Germany in particular is to be evaluated.

The European equation

The fate of Europe and, therefore, of the NATO alliance, presently hangs on a very precarious thread. Since the Gorbachov visit to London last December, the British Royal Household has, despite public appearances of support for President Reagan, cut a deal with Moscow in the spirit of the Russian New Yalta plan. The designation "Anglo-Soviet" has increasingly become an epithet describing some of the nastiest clandestine intelligence operations directed against U.S. strategic interests—including some of the terrorism currently being thrown at the population of Western Europe.

One among many public signals of this Anglo-Soviet deal was a Jan. 31, 1985 speech by Lord Peter Carrington, the secretary general of NATO and a retainer of the British Royal Household, denouncing the Reagan SDI plan as unrealistic and "fantastic" for the foreseeable future. Carrington proposed that NATO orient toward a conventional buildup and a greater reliance on Western European indigenous military forces—a plan patently absurd given the magnitude of Soviet conventional superiority in Europe.

British Secret Intelligence has furthermore placed its resources at the disposal of the terrorist international, largely through a fourfold increase in sophisticated arms shipments to the Khomeini regime in Iran over the past four to six months, and through the training of the Iranian Air Force over an even longer period of time.

The Greek government of Andreas Papandreu has steered that nation into de facto membership in the Warsaw Pact, a fact signaled by Papandreu's announcement that all Greek military forces previously stationed on the Warsaw Pact border were to be redeployed along the Turkish border. Since the arrival in Athens in April 1984 of the new Soviet ambassador, Igor Andropov, son of the deceased President and a ranking KGB official, continental Greece, the Greek Mediterranean islands, and Cyprus have been converted to bases of operations and transit for terrorist networks passing between the Middle East, North Africa, Malta, and Europe.

Papandreu is personally under the thumb of one of the most notorious KGB "Nazi/communists" in Europe, Michel Raptis (a.k.a. Pablo). A suspected wartime Abwehr-agent-turned-Trotskyist, Pablo was a pivotal figure in the late 1960s buildup of the terrorist infrastructure in France, as the Paris-based recruiting officer for the Black September Palestinian terrorist group headed by Abu Nidal, a nephew of Hitler's closest Arab collaborator, the Grand Mufti of Jerusalem.

It was in part through Pablo's connections to Regis Debray, the French Socialist Party figure, suspected KGB agent, and controller of the Elysée presidential palace, that Papandreu arranged a Nov. 12, 1984 meeting on the Greek island

of Crete between French President François Mitterrand and Libyan dictator Col. Muammar Qaddafi. In the aftermath of that meeting, which occurred at the very moment that Libyan hit teams in Egypt were attempting (with aid of British Intelligence) to assassinate former Libyan Prime Minister Abdul Hamid el-Bakoush, the Elysée joined the Moscow bandwagon, dropping all lip-service support for Washington. Within days of his return from the Crete summit, Mitterrand fired his foreign minister, Claude Cheysson, and replaced him with an unabashed Moscow apologist, Roland Dumas. The former attorney to RAF terrorist Klaus Croissant and to radical French existentialist Jean-Paul Sartre, Dumas was the official French mediator of the Mitterrand-Qaddafi rapprochement. France has subsequently joined the British in pouring advanced military equipment into Teheran.

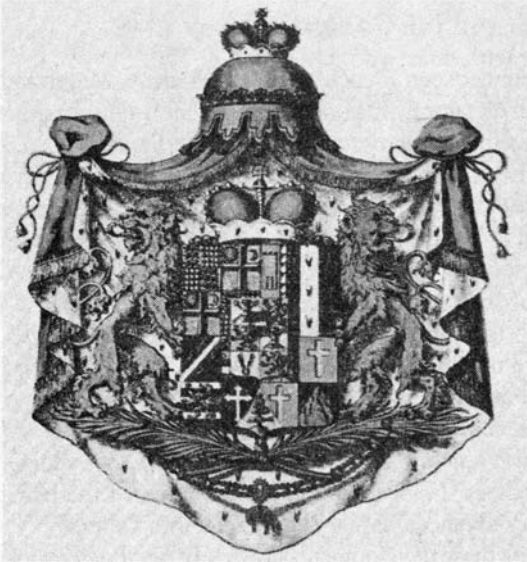
With these developments flowing in rapid succession, the fate of the Western Alliance has been largely compressed into a battle for West Germany. This critical fact having been stated, it is necessary to review several intersecting issues before returning in more detail to the political-military onslaught presently focused at the Federal Republic.

Russia's useful fools

On Sept. 19-20, 1983, representatives of wealthy and powerful European oligarchical families assembled at the Duino Castle near Trieste on the Italian-Yugoslav frontier. While the ostensible purpose of the gathering was a conference on "The European Significance of *Mittleuropa*," the underlying agenda was the consolidation of central European approval of the Russian New Yalta plan. Had any official Western intelligence service bothered to profile the participants and rigorously track their financial and political assets, it would have realized that the quaint gathering had drawn together many of the leading financiers and ideologues of what has been described as the "New Hitler Project." Not surprising, considering that many of the princely families represented at Duino Castle had been the driving force behind the original Nazi movement and had considered the Allied defeat of Hitler a mere setback, delaying by several decades their quest for a "universal fascist" order or—in the words of Dr. Armin Mohler—the "conservative revolution."

Hosting and co-chairing the Duino Castle gathering was Prince Raimondo Torre e Tasso, a scion of the Trieste branch of the Thurn und Taxis family. The Thurn und Taxis family, perhaps the wealthiest family in the world, traces its roots to the Holy Roman Empire, when it ran the intelligence service of the Venetian doges by controlling the European postal services. It was at the Regensburg Castle in Bavaria of Thurn und Taxis that the Thule Society planned the creation and rise to power of "initiate" Adolf Hitler; and it was at the same castle that the "princely" Allgemeine SS, the financial elite of the Nazi apparatus, directed the Hitlerian war effort.

U.S. G-2 officials who were stationed in Bavaria in the



Coat-of-arms of the Thurn und Taxis family.

1950s and 1960s have complained bitterly that all counter-intelligence reports detailing the role of the Thurn und Taxis family in financing the birth of the pro-terrorist ecology movement were suppressed back in Washington—largely through the intervention of the Dulles brothers. As the result, another major controlling factor within the terrorist command has been left to operate with impunity. Had these enforced blinders been removed, the Thurn und Taxis hand in the two major assassination attempts against Pope John Paul II—in league with the Bulgarian branch of the Soviet KGB—would have been a matter of public record today.

The successful coverup of the Thurn und Taxis ties to Mehmet Ali Agca and Juan Fernández Krohn has reportedly emboldened the family. According to recent visitors to the Federal Republic, the Thurn und Taxis “organization” has surfaced publicly on a scale unseen in decades. As a result, leading political and financial institutions in Bavaria are reportedly tripping over one another to make far-reaching accommodations with the East.

Returning to the Duino Castle gathering, among the other notables in attendance were: Otto von Hapsburg, the recently deceased Club of Rome founder Aurelio Peccei, and Denis de Rougemont. The latter runs the Geneva-based Centre Européen de Culture and Ecoropa, both leading agencies exerting control over the European terrorist scene. These centers financed the launching of the 1960s ecology movement. Many leading activists like Green Party parliamentarian and pro-Qaddafi fanatic Roland Vogt got their start as board members of de Rougemont’s Ecoropa.

Collectively, these oligarchs—who despise on principle the republican tradition of the United States and long for a return to a feudal world order with the modern trappings of the technetronic society—are prepared if necessary to deliver all of Europe to Moscow for the next 50 to 100 years, provid-

ed it means the extermination of the United States as a constitutional republic serving as a “beacon of liberty” in the eyes of the world. They are genuinely convinced that Soviet Russia will fall early prey to the imperial tendency to over-extend her conquered territory and will become vulnerable to “defeat from within.” Once imperial Russia has collapsed under the weight of her own greed and been taken over by her own European satraps; the Thurn und Taxis, Hapsburg, de Rougemont families, et al. plan to restore their own “Western Empire,” with Trieste occupying a place of honor as the imperial capital.

These Western oligarchs are referred to in Moscow as the “useful fools.” There is every indication that once the Soviet Union has overrun Western Europe—either by political or military means—these “useful fools,” including their American cousins of the liberal Eastern Establishment—Averell Harriman, McGeorge Bundy, Robert Strange McNamara, Henry Kissinger, and the rest—will be the first to test the cold efficiency of the Russian firing squads.

Guns for drugs: the ‘Bulgarian connection’

In the interim, the European “black” nobility comprises Moscow’s leading business partners in the international guns-for-drugs bazaar which constitutes the infrastructure of all international terrorism.

At a December 1980 West Berlin conference of the Mont Pelerin Society, Baron Max von Thurn delivered a keynote speech advocating the legalization of all forms of black-market economy, citing the international drug and arms trade as one of the few “growth areas” in the world economy over the past decade. A review of the Thurn und Taxis banking and commercial empire’s interface with the Bulgarian Kintex and Foreign Trade Bank strongly suggests the dimension of East-West collusion in the \$400 billion per year guns-for-drugs business. In matters of “black” commerce, the infrastructure of the New Yalta is already fully operational.

U.S. intelligence sources have underscored the pivotal role that the East-West drug trade has played in the buildup of the terrorist apparatus in Europe. Soviet KGB “nationality” sections have been deeply engaged in drug-trafficking into the West since at least 1967—the year Yuri Andropov assumed the reins of the KGB.

According to a former Bulgarian State Security (KDS) official named Sverdlev, at a Moscow meeting of the interior ministers of all of the Warsaw Pact nations that year, orders came down from Dzerzhinskii Square, headquarters of the KGB, to “accelerate the disintegration of Western society” through support for the drug trade. Toward this end, the Bulgarian KDS created a string of state-owned trading companies, foreign-exchange banks, tourist services, and trucking companies to interface into the already thriving heroin and other hard-drug-smuggling networks in the West.

By 1970, Sofia had already emerged as the commercial center of the guns-for-drugs trade, absorbing under the Kintex export-import company the remnants of the old Vichyite

“French connection” heroin ring and the Turkish-Syrian mafia responsible for the Middle East hashish trade and for the laboratory refining of Far East “Golden Triangle” opium.

It was not until Nov. 23, 1982, when Italian authorities raided the Milan headquarters of Stipam International Transports, a subsidiary of Kintex, that a serious dent was made in investigating the “Bulgarian connection.” Documents carted out of the Stipam offices revealed a worldwide “barter” arrangement accounting for tens of billions of dollars in drugs and guns per year dating back to 1967, when Stipam director Henri Arsan set up the Milan operation out of a villa in Sofia that was provided to him by Kintex. The Stipam connection funneled tons of sophisticated arms into the hands of such diverse terrorist groups as the Red Brigades, the Armenian Secret Army for the Liberation of Armenia (ASALA), the Popular Front for the Liberation of Palestine (PFLP), the Turkish neo-Nazi Grey Wolves, the Italian fascist New Order, factions of the Lebanese Falange linked to the Nazi International, the Sandinistas, the Pinochet government of Chile, the Afghani Mujahadeen, and the Khalistani (Sikh) separatists.

It was through this drugs-for-arms-for-terrorists triad that the Agca assassination attempt against Pope John Paul II on May 13, 1981 was carried out from beginning to end. It was on a forged Sikh passport in the name Yoginder Singh that Mehmet Ali Agca traveled to Sofia, Bulgaria in the summer of 1980 to receive instructions and the initial payment for the assassination plot. And it was through the Thurn und Taxis-linked Bayerische Vereinsbank that the Bulgarian funds were transferred into West Germany for Agca’s use.

Beginning with the Khomeini coup in Iran in February 1978, the focal point of international opium production dramatically shifted from the Far East to the “Golden Crescent” region of Iran, Afghanistan, Pakistan, and sections of the Punjab region of India, center of the Khalistani (Sikh) insurgency. All of these areas were either under direct Soviet control or under the control of “separatist” elements linked to Aliyev’s “foreign nationalities” division of the KGB and to the Nazi International. With the Iran-Iraq war consuming enormous quantities of military hardware, Teheran became a principal stop on the dope-for-arms underground railroad, and Iranian territory became a preferred training ground for foreign nationals—including Western Europeans—receiving terrorist instructions from top-level Soviet military personnel at 12 camps inside Iran. The continuing involvement of the British and Israeli governments in the sale of enormous quantities of arms to Khomeini served up until late 1984 as a “blinder” to the fact of extensive Soviet GRU operations inside Iran—with the blessing of the inner circles around Khomeini.

Recent U.S. Defense Intelligence Agency (DIA) studies have underscored the role of the Soviet guns-for-dope trade in Western Europe in providing reconnaissance and logistics for terrorism, especially through “nationality” cutouts such as the North Koreans, the Bulgarians, and the East Germans.

Vesco and the Cubans

Simultaneous with the expansion of the drugs-for-arms infrastructure into all the major capitals of Western Europe, a Bulgarian-Cuban interface with the old Meyer Lansky-run Caribbean drug syndicate was achieving enormous increases in the narcotics flow within the Western Hemisphere. Here again, the unmistakable imprint of Marshal Ogarkov’s doctrine of “pinprick warfare” gave the narco-terrorist offensive a “Made in Moscow” stamp of approval.

Immediately upon the November 1980 election of Ronald Reagan, the Cuban government with KGB consultation prepared an insurgency program called “Plan Bravo,” according to CIA sources. The plan called for the flooding of Miami, New York City, New Orleans, and other urban centers of the U.S. eastern seaboard with cocaine. The revenues were largely plowed back into the buildup of a narco-terrorist infrastructure throughout the hemisphere.

Plan Bravo was facilitated by the recruitment of two allied capabilities.

First, U.S. drug and dirty-money kingpin Robert Vesco was co-opted into the Cuban intelligence service, probably through longer standing Vesco ties into the Bulgarian smuggling networks, including the Stipam group. Now residing on an island villa just outside of Havana, Vesco brought over to the Cubans a Caribbean-U.S. apparatus of dirty banks and other money-laundering facilities originally built up through the Swiss and British Rothschild family-sponsored Investors Overseas Service (IOS). This apparatus included a criminal infrastructure inside the United States operating at least in part under the cover of the Anti-Defamation League of B’nai B’rith, whose national chairman Kenneth Bialkin helped create the IOS hot-money sieve; the direct interface with the Colombian centered Ibero-American cocaine mafia through Vesco’s business partner Carlos Lehder; and blackmail files on prominent political figures in every American administration from the period of Richard Nixon through the Carter administration of “Billygate” fame. Vesco, it should be recalled, was the original “back channel” between the Carter White House and Libyan dictator Qaddafi.

Before landing in his Havana villa, Vesco spent much of 1981-83 shuttling between the Bahamas, Nicaragua, and Panama, overseeing the creation of the financial linkups between the burgeoning cocaine families of the continent, the Cuban intelligence services, and the Sandinistas.

Meanwhile, the second allied capability, the “Bulgarian connection,” was sinking deep roots into South America. In 1979, Colombian President Alfonso López Michelsen, who had just finished his term of office, made an extended visit to Bulgaria, and established personal relations with Bulgarian President Todor Zhivkov, his daughter Lyudmila Zhivkova, and her husband Ivan Slavkov. Lyudmila, a Bogomil mystic, facilitated the buildup of the cultist and narco-terrorist Gnostic church throughout Ibero-America, while her husband Ivan Slavkov became the principal contact point for Bulgarian guns-for-dope transactions into the Western Hemisphere, op-



Drugs are sold on the open market in Laos. The guns-for-dope trade provides the economic underpinning for international terrorism.

erating through a West German national, Peter Mulack, in Miami. Among the recipients of Slavkov-Mulack arms, according to an April 1984 report on Danish television, were: the Colombian M-19 terrorists, the Sandinista government of Nicaragua, and the Chilean DINA (secret police).

With the Bulgarian connection penetrated into the Western Hemisphere, Nicaragua was further transformed into a central dispatch station for all international terrorist operations in the region. By the early part of 1983, the Iranian embassy in Managua was functioning as the bursar's office for insurgency efforts in Central America, Mexico, the United States, and parts of South America. Training operations and safehousing were being provided to European and Middle Eastern terrorist groups, with a direct linkup to the West German pro-terrorist "scene" through Hamburg resident and frequent Managua visitor Philip Agee. The German link to the narco-terrorist activities in South America were further established last year when a Green Party delegation traveled to Peru to join support networks of the fanatical killing cult Shining Path (*Sendero Luminoso*); and when Vesco partner and avowed neo-Nazi Carlos Lehder, the head of one of the three largest cocaine organizations in Colombia, and reputedly one of the creators of the MAS "death squads," announced that he was financing the formation of a Green Party affiliate in Colombia.

During the spring of 1984, in preparation for a renewed activation of terrorism in Italy, the Red Brigades also deployed numbers of exiled members from Paris to Managua to facilitate deeper operational ties to other international terrorist cells.

The importance of the Western Hemispheric component of the Russian-directed terrorist international is underscored by the continuing personal role played by leading French government official Regis Debray. Author of *Revolution in the Revolution*, a handbook of urban insurgency that spelled out the *modus operandi* of the first generation RAF and Red Brigades, and founder in 1966 of the Havana-based Tricontinental Congress, Debray has been the responsible figure in the Mitterrand government for Paris's current status as the leading terrorist safehouse in continental Europe.

U.S. and French intelligence officials have privately stated that the assassination of René Audran by the RAF was approved within the Elysée by the Debray apparatus—as a message to any leading French military figure committed to backing the U.S. SDI program. The assassination of Audran, 24 hours after his return from a high-level diplomatic mission to the Federal Republic concerning French-West German cooperation on military R&D matters, has prompted an alert around the French-German joint laser installation in Alsace, one of the most important military research centers in Europe.

Despite Debray's Cuban connections (he was a professor for several years at the University of Havana), his former membership in the French Communist Party, and his key role in the present Euro-terrorist upsurge, it would be an error to label Debray a "KGB agent." Debray is acting on behalf of Soviet Russian state policy because his controllers within the French Synarchist circles are acting out their strategic deal with Moscow. (The Synarchy was the secret racist organization which spawned both the Nazi and communist movements in France in the 1920s, '30s, and '40s.)

The most prominent among the "old families" directing Debray's treachery is the Schlumberger family, one of the principal financial backers of the Mitterrand presidential campaign. Swiss Protestants who founded the 16th-century Banque Schlumberger, Neuflyz, Mallet, the Schlumbergers have been a controlling factor in every "jacobin" movement in France since the time of the French Revolution, including the French Communist and Socialist parties today. Despite this fact, Schlumberger heiress Dominique Schlumberger de Menil, a resident of Houston, Texas, is a converted Sufi dervish and a leading patroness of avowed Hitler-lover and Muslim Brotherhood fanatic Ahmed Ben Bella. Madame de Menil's deceased husband, Jean de Menil, was a board member and shareholder in the Permindex Corporation of Montreal, named as the masterminds of the 1963 assassination of President John F. Kennedy, and a proven funding conduit for the Sinarchist Secret Army Organization (OAS) assassination plots against French President General Charles de Gaulle throughout the early 1960s.

The terrorist core

The terrorist apparatus unleashed against the population of Western Europe on Dec. 4 by Moscow is operating on three distinguishable but interfaced levels.

1) **The control.** The precision targeting of critical components of the NATO command is being accomplished through detailed intelligence beyond the capacities of the terrorist underground acting alone. This intelligence—typified by the access to the NATO secret pipeline map and the identification and profiling of Audran and Zimmermann—is the kind of information only accessible through *state* security services with the depth of operational capabilities of a KGB or Stasi.

Next to the Warsaw Pact intelligence services themselves, the most important official intelligence service exerting control over the European targeted terrorist infrastructure is the Syrian. Deeply interpenetrated into Geidar Aliyev's "Islamintern," Syrian intelligence was also the postwar product of the Lausanne, Switzerland-centered Nazi (Malmö) International through Alois Brunner, the number two figure in the Syrian foreign ministry and a wartime Nazi SS official.

Through the Syrian-Turkish opium mafia colony in Aleppo on the Turkish border, a tight interlock exists to the Bulgarian-Turkish black market route into Eastern and Western Europe and to the Swiss dirty-money centers. Aleppo is also a point of intersection with sections of Israeli intelligence linked to former Defense Minister Ariel Sharon. Through this channel, Israeli arms sales to Ayatollah Khomeini have been facilitated and "mutually beneficial" terrorist operations conducted by Syria and Israel. Exemplary of the latter is Syria's ongoing assassination spree against the Saudi-backed moderate faction of the Palestine Liberation Organization (PLO) associated with chairman Yasser Arafat.

U.S. intelligence specialists are projecting an increasing role by sections of the Israeli Mossad in Moscow's terrorist deployment against NATO. Since December 1984, when Soviet asset Armand Hammer made a visit to Tel Aviv en route to Moscow, the Soviet-Israeli back-channels have been burning up in preparation for a fundamental shift in relations between the two countries. Hammer and Sharon, according to Israeli sources, are seeking to work out a *modus vivendi* between Russia and Israel. In early January, an unusual summit took place quietly in Teheran between top officials of the Soviet KGB, the Mossad, and British intelligence, concerning plans to shut the United States out of the Persian Gulf.

The potential for such an Israeli double-cross has grave implications for the European terrorist efforts. The Mossad has virtual *carte blanche* to operate in the Federal Republic of Germany, literally controlling the Frankfurt International Airport, running the pornography district of Frankfurt, and enjoying the right to kill with impunity on West German soil. The number-two man in East German intelligence, Marcus Wolf, is believed to have close ties to the Mossad.

2) **The "terrorist scene."** In September 1984, at the outset of the NATO Autumn Reformer maneuvers, the West

German "peace" movement, in one 24-hour period, cemented shut nearly every "shape charge hole" in every bridge and tunnel in the Federal Republic. The holes are part of the defense of Europe against a Warsaw Pact invasion, permitting quick demolition of key bridge and tunnel access of Russian tank and armored personnel carrier columns into West Germany.

This sabotage action starkly illustrates the link between the broad-based terrorist and pro-terrorist "scene" and the Soviet spetsnaz units.

During the spring of 1984, European newspapers reported that Soviet and Bulgarian specially equipped TIR trucks, driven by spetsnaz drivers, had conducted a thorough profiling of the highway, bridge, and tunnel system of continental Western Europe, as part of the Kremlin's updating of its invasion plans. It is virtually certain that the TIR surveillance-reconnaissance missions provided the intelligence data for the "peace movement" sabotage.

The broad-based pro-terrorist "scene" has 2,000-10,000 members capable of being mobilized for actions ranging from demonstrations to low-grade bombings and other sabotage. These activists provide a cover for KGB operations and ensure that Western counterterrorist resources are stretched to the limit. The role played by West Germany's Green Party in these pro-terrorist networks is central; indeed, the toleration of an East bloc-dominated neo-Nazi movement within Western Europe is *the* single greatest breach of NATO security.

3) **The spetsnaz teams.** It is the Soviet professional sabotage and assassination teams which are carrying out the most sophisticated terrorist attacks, including the Audran and Zimmermann assassinations and the pipeline bombings. Local pro-terrorist circles are normally kept in the dark about operational details.

It is presently believed that this spetsnaz third level is comprised of no more than 18-24 active operatives at any given time inside Western Europe. These operatives in many cases receive spetsnaz training in Iran, where the Soviets run 12 special commando schools.

While the past year's exposure of the Soviet spetsnaz squads served a valuable educational purpose, one dangerous false impression was communicated, particularly through a Soviet defector source code-named Boris Suvorov. That was the false report that spetsnaz training and membership is restricted to Russian nationals and predominantly to Slavs. Under the Aliyev "foreign nationalities" program, foreign nationals have been fully integrated into the spetsnaz apparatus.

Within this effort, spetsnaz "cells" are known to be operative within the IRA, the ASALA, and the Basque ETA. Since the 1983 car-bombing of the U.S. embassies in Beirut and Kuwait, at least a section of U.S. intelligence has viewed the Islamic Jihad group as a virtual "key and code" for Middle East-based units of the expanded spetsnaz.

Marshal Ogarkov opens his wartime headquarters

by Konstantin George

The Soviet wartime "High Command, Strategic Direction West" responsible for winning the war against the NATO foe, and commanded since its September inception by Marshal of the Soviet Union Nikolai Ogarkov, now has a *functioning, secret wartime headquarters*. This fact singularly demonstrates that the Soviet Union is on a war footing, and is actively considering the exercise of military options against the United States and its European NATO allies as the response to the U.S. Strategic Defense Initiative (SDI) and to the growing European support expressed for it.

West German defense-related sources have revealed to *EIR* that Ogarkov has established his wartime headquarters for an attack on Western Europe in Legnicza (Liegnitz), in southwest Poland near the Neisse River, which forms the East German-Polish border. Legnicza, was, until this past autumn, the headquarters for the Northern Group of Forces, as the Soviet forces stationed in Poland are called. These units were then moved into a new headquarters, 20 kilometers south of the Polish Baltic port of Gdansk (Danzig). Legnicza, meanwhile, was converted into the wartime High Command headquarters to direct the offensive that would tear through West Germany and reach the Atlantic Coast.

The establishment of a wartime headquarters is but one of the latest in a series of Soviet command reorganizations and combined troop and hardware war preparations documented by *EIR* (e.g., "Soviets Create a Wartime High Command," *EIR*, March 5). These command changes—without precedent in any previous non-wartime situation—are still ongoing, and have produced at least 12 new Military District commanders (out of a total of 20 Military Districts), the establishment of wartime High Commands for each "Strategic Direction," plus numerous other high-level changes—all within barely a year.

These preparations have made Marshal Ogarkov a very

busy man. Since his September promotion from chief of the General Staff to wartime commander, he has been regularly traveling in East Germany, Poland, Czechoslovakia, and Byelorussia. As one source stated: "Ogarkov is now regularly commuting between Zossen-Wünsdorf and Minsk." Minsk is the capital of Byelorussia and site of the headquarters for the Byelorussian Military District, which forms the heart of the Red Army's Second Echelon (the First Echelon being formed by the Soviet forces in East Germany, Poland, Czechoslovakia, and Hungary) in any attack on Western Europe. Zossen-Wünsdorf, south of Berlin, is the headquarters for the Soviet ground and air forces stationed in East Germany.

Besides his "shuttle" between Zossen-Wünsdorf and Minsk, Ogarkov has been spending a lot of time in Eastern and Central Europe, "at the Front, so to speak, where it counts," as one source put it. In February, he was seen in both Czechoslovakia and Poland, and was present in East Germany for nearly the entire first half of the month, during the Warsaw Pact maneuvers which he oversaw. Ogarkov was again spotted in East Germany on Feb. 21. These are all part of the pre-Geneva deployments you never read about from the *New York Times* or the *Washington Post*.

It is now confirmed that the Warsaw pact maneuvers staged in East Germany Feb. 2-10 were rehearsing the function of, and the staff coordination of, an Operational Maneuver Group (OMG). The OMG is a *blitzkrieg* offensive task force, consisting of a core of motorized infantry and armored units, with added armor, artillery, and helicopter units, for maximum speed of advance and striking power. This combination is designed to maximize the speed and intensity of the breakthroughs required in the initial phase of war.

Sources report that the last two days of the maneuvers witnessed a rapid advance westward by combined Soviet, East German, and Polish forces, assembled west of Berlin,

to the Elbe River and across it to the Letzlinger Heide near the West German border. The advance featured a bridging of the Elbe at Herrenkrug under simulated combat conditions in only 45 minutes. In this operation, troops and combat engineers were lifted by helicopter to seize a west-bank bridgehead, and thus began bridge construction from both banks simultaneously.

Ogarkov directed some 20,000 troops drawn from the following units: the entire Soviet 21st Guards Motorized Rifle Division based at Perleberg, far to the northwest of Berlin, formed the core of the OMG; units from the East German 4th Motorized Rifle Division, based at Erfurt in Thuringia; and Polish armored units approximating regimental strength. Filling out the OMG were additional Russian helicopter, artillery, and combat engineer units.

A key feature of the maneuvers was that they were under exclusively Russian command at all levels higher than unit commander. Thus, despite the multinational unit composition of the OMG, the Russian higher command structure was the same as that in the large, exclusively Russian, *blitzkrieg* maneuvers of last summer—the largest Soviet maneuvers held since the Second World War.

New ultimatums to Washington

While Ogarkov oversees front-line war preparations, representatives from the Soviet General Staff have fanned out on missions to Western countries to convey pre-Geneva-conference ultimatums concerning the SDI. The Strategic Defense Initiative is intolerable to the Russian Empire, as it holds the promise of stopping cold their pretensions to global domination.

Soviet Politburo member Vladimir Shcherbitskii, Ukrainian Party boss, noted for his close ties to former KGB boss and General Secretary Yuri Andropov, arrived in the United States at the beginning of March for a 10-day tour, as head of a 10-man Supreme Soviet delegation. The tour featured meetings with President Reagan, Secretary of State Shultz, congressmen, and corporate and banking leaders in New York, San Francisco, and Texas. The delegation is profiling the U.S. factional situation, probing for levers against the SDI. Shcherbitskii is the first Politburo member, aside from Foreign Minister Andrei Gromyko, to set foot in the United States since 1973.

Accompanying Shcherbitskii was Col. Gen. Nikolai Chervov of the General Staff. In a discussion with *Washington Post* editors, Chervov issued the following threats, covered front-page by the *Post*: "As a representative of our General Staff, I can tell you that we'll certainly find a way to respond to that kind of a situation, and that response will not at all be to enhance the security of the United States. . . . We're not going to sit on our hands and wait. . . . We'll start to perfect our strategic forces before that time. You develop one system. We are going to develop another system to counter it."

On March 5, another representative of the Soviet General

Staff, Adm. Nikolai Amelko, deputy chief of the General Staff and deputy head of the Staff's Main Operational Directorate, held talks in Paris with French Rear-Admiral Brusson, a deputy chief of the French General Staff, which discussed, according to Radio Moscow, "preventing the militarization of space."

And General of the Army Mikhail Zaitsev, commander in chief of the Soviet forces in East Germany and one of Ogarkov's main subordinate commanders, is quoted in the latest issue of the East German defense ministry publication *Volksarmee* reiterating that the Soviet position in the Geneva talks is "to not permit the militarization of space."

Buy time, prepare for war

Ogarkov's policy was clearly laid out in January, in an address to the conference of the Komsomol of the Armed Forces in Zossen-Wünsdorf. He hammered on the theme that this is a pre-war period, in which the priority political task for the Soviet Union is to buy time, while preparing for war. That theme, then only covered on the military station Radio Volga, is now openly stated in an article written by Marshal Sergei Akhromeyev, Ogarkov's former deputy and now chief of the General Staff, in the latest issue (no. 3, 1985) of the civilian party journal, *Kommunist*.

Akhromeyev's article hailed the wartime command role of Josef Stalin. It also announced that the demands made by Ogarkov during his tenure as chief of the General Staff, as necessary to bring the Soviet Union to war readiness, are being or have already been implemented. This is done through a description of the first weeks and months after the Nazi invasion of Russia in 1941, with the conclusion that although "a lot was done," yet the "organizational structure and preparation" of the Soviet Armed Forces did not "correspond to the demands of modern war. . . . History left us too little time." Akhromeyev stressed that never again will a situation be allowed to develop in which "not everything was favorable" when war broke out, concerning "the organizational structure of the forces," "the organization of the commands," and the "mobilized readiness of the forces."

Akhromeyev underlined Ogarkov's emphasis on establishing a war command structure *before* war breaks out: a *Stavka* (Supreme Command), which defines "Strategic Directions"—each with its wartime High Command. The decisive "Strategic Directions" are the ones with the highest concentration of troops and weapons (e.g., the concentration of forces facing West Germany). In a pointed message regarding the Soviet military command's wartime reorganization, Akhromeyev singled out for praise Ogarkov's forerunners as *Stavka* representatives at the Front, citing "the military talent, organizational capabilities and excellent leadership qualities of the *Stavka* representatives at the Fronts, G.K. Zhukov, A.M. Vasilevski, and S.K. Timoshenko."

Akhromeyev concludes ominously that the United States will never be permitted to "hide behind a space shield. . . . We will keep our powder dry."

Behind Hans-Dietrich Genscher's whirlwind tour of the East bloc

by Rainer Apel

As could be predicted, the West German foreign minister, Hans-Dietrich Genscher, chose a moment of political confusion in Bonn to leave for another of his famous blitz-tours through Moscow and other Warsaw Pact capitals. During the weekend of March 2-3, Genscher packed his bags for a surprise visit to Moscow to meet Soviet Foreign Minister Andrei Gromyko. As the official story goes, the trip was arranged so hurriedly that Genscher and his diplomatic entourage didn't even have time to fill out their visa forms for Moscow. But this was no problem, since the Soviets had the visas ready when the German delegation arrived on Moscow Airport.

Why the big hurry? Why did the Soviet ambassador to Bonn, Vladimir Semyonov, bypass all diplomatic routines and invite Genscher to Moscow "on the spot"?

Genscher said on departing from Bonn on Sunday, March 3, that "this visit is useful because there is new motion in East-West relations." What the foreign minister did not say was what kind of "motion": This surprise trip, followed by trips to Finland, Poland, and Bulgaria, had been prepared over several weeks, in close collaboration among the U.S. State Department and the French, Italian, and British foreign ministries. These are the strongholds of the arms-control mafia, from which the fiercest Western opponents of the U.S. Strategic Defense Initiative are recruited. Days before Genscher left for Moscow, his Italian colleague Giulio Andreotti had received Gromyko in Rome and assured him that "the Italian government is skeptical of the perspectives the SDI policy offers." Three weeks earlier, Geoffrey Howe, the British foreign secretary, during a visit to Sofia, Bulgaria, announced that "the British government will spare no effort to prevent a competitive race between the superpowers in being the first to establish a space-defense system."

But President Reagan had already declared the SDI a "national U.S. security policy" and pledged he would *not* make it a bargaining chip for the Geneva talks with the Soviets. This implied that no other power, not even among the West European allies, could stop the SDI policy.

The pro-SDI speech the West German Chancellor Helmut Kohl gave on Feb. 9, at the Munich Wehrkunde gathering, had signaled to the Soviets that their normal channels of stalling and sabotage of the SDI through the arms control mafia no longer worked, that instead of being decoupled from

the United States, the Bonn government was trying to get involved in the missile defense program. *Pravda's* Bonn correspondent Yuli Yakontov noted, in a television talk show, "Without Bonn's support, the SDI would not be secured." This was not true—but it signaled that Moscow would make Bonn the main target of its attacks against the SDI.

According to the model script of Soviet propaganda, it meant 1) escalation of black propaganda against West Germany, 2) escalation of the anti-defense movement in West Germany, 3) extended military exercises near the Warsaw Pact-West German borders, to demonstrate the Red Army's ability to "strike West" at any chosen moment. All of this occurred. The anti-defense mob geared up again with new mass rallies, the propaganda against the bogeyman of "German revanchism on the Rhine" stepped up, and the winter maneuvers of the Red Army in East Germany rehearsed surprise attacks against West German cities.

What is Genscher's role in all this? Why did he rush to Moscow? What was the Soviet interest in having him?

When Genscher arrived in Moscow, Gromyko handed him a barely veiled ultimatum. He said, "Since the Bonn government lent support to the plans of the American administration to make all of space an arena for a new arms race, the Federal Republic of Germany has become an accomplice in planned U.S. violations of the 1972 ABM Treaty." Gromyko threatened "inevitable consequences" for Bonn if this pro-SDI stance was not repealed. Genscher hastily stressed that "our country's policy is to have prophylactic arms control in space." Gromyko responded by attacking the bogeyman of "circles in your country which do not want to respect the territorial integrity of the postwar peace order in Europe."

Ironically, the two Warsaw Pact governments whose foreign ministers Genscher met in the next days—Poland and Bulgaria—attacked Bonn at the same time Genscher was meeting Gromyko: General Jaruzelski met Todor Zhivkov in Sofia, Bulgaria, and both issued a communiqué denouncing "revanchism in West Germany . . . which finds support even among government officials in Bonn."

Genscher told the media after his talks with Gromyko that this meeting in Moscow had been "useful," but the Soviet media's coverage of it mounted into an attack against Genscher, accused by TASS of "having presented the usual

and well-known Bonn positions." Radio Moscow added that Genscher had tried to "present the real meaning of Bonn's support to the SDI in a distorted way." In short, Moscow is not satisfied with what Genscher offered them under the label, "prophylactic arms control in space."

It was left to the official Polish daily, *Trybuna Ludu*, which wrote that Genscher's position was "quite close to the realistic policy of the Social Democrats," to hint of what the Warsaw Pact wants from Genscher. Moscow foresees his future role in Bonn as forming a firm alliance with the Social Democrats, whose leaders have already announced their campaign against the SDI. Meanwhile, the Warsaw Pact leaders are making showy overtures to the Social Democrats, inviting them to the East bloc for high-level meetings.

Combined with the attacks on Chancellor Kohl and his government coalition, and the veiled threat by numerous Warsaw Pact leaders to react in some yet undefined way with "military counter-measures" against the SDI, this adds up to a "layered" Soviet intimidation campaign against West Germany. The message the Soviets handed to Genscher in Moscow is something like this: "Either Chancellor Kohl repeals

Gromyko threatened "inevitable consequences" for Bonn if its pro-SDI stance was not repealed. Genscher hastily stressed that "our country's policy is to have prophylactic arms control in space."

his support to the SDI, or he will be overthrown by the SPD. In case the SPD also fails to do what we tell them, we will send the Red Army!"

Taking all of this into account, Chancellor Kohl has plenty of reason to not repeal, but even intensify his support for the SDI, for he will need American support against the Soviet threat in the next weeks. He should also look for a pro-American foreign minister to replace Genscher.

East German: LaRouche is forerunner of SDI

Lyndon LaRouche was an intellectual architect of President Reagan's "Star Wars," says the January 1985 issue of the East German publication *Kernenergie* (Nuclear Energy), in a review of LaRouche's book *There Are No Limits to Growth*, which has been published in English and German.

The review, signed "D. Albert," reads: "The above text, which would like to see growth as unlimited, aroused our interest, as we have been hearing since the beginning of the 1970s about the world model of limits to growth of the Club of Rome, but ourselves believe that these limits can themselves grow, if there is progress in scientific and technical development. So we think that we have found a specialized book that gives us new arguments against the persuasive ecology movement of the Greens, and against the anti-nuclear energy campaign which is becoming fashionable. But this turns out to be only partially so.

"Certainly, several reasonable standpoints are put forward: The danger of a global nuclear war threatens life on all continents; the conviction, that the most pressing problems in the world can be solved through technological progress; the conclusion, therefore, that the projections of the Club of Rome fallaciously—through linear equations

for rates of resource use—presuppose a sudden and absolute end of technological progress. Although the author is advised in physics questions by the Fusion Energy Foundation (U.S.A., Dr. J. Tennenbaum), the book remains essentially stuck below the popular scientific level, in the genre of science fiction. It superficially talks about nuclear fusion, directed-energy beam and particle beam technologies, as well as about biotechnology. The vision of the colonization of Mars by man remains downright vague: agro-industrial complexes under giant plastic domes, and by 2100 about 10 million people on Mars.

"In its historical statements, the book is more detailed. The roots of Malthusianism are 'traced out,' its advocates in the past (all the way to Bertrand Russell and the Pugwash Conferences!) are 'unmasked.' Many of the assertions are to me absurd and abstruse. Historians, sociologists, and philosophers will have to make their evaluation.

"The ideological connection to current imperialist tendencies is clear. The author, co-founder of the so-called Club of Life in 1982-83, is a supporter of replacing the military strategy of deterrence with the strategy of anti-missile systems with beam weapons, so-called ABM systems, i.e., he is a direct forerunner of the military doctrine pronounced by Reagan about a year ago, which leads to qualitative re-armament and a possible 'war in space.'

"We are dealing here with a performance which offers little to the scientist and energy expert, and which is more suited to the analysis of late-capitalist ideologies including religious zealotry."

Venezuela's dope-running families ban EIR's *Narcotráfico, S.A.*

by Cynthia Rush

The Venezuelan branch of Dope, Inc. has lashed out desperately to protect its assets, even while its counterparts in Panama, Colombia, and Mexico are feeling the pressures from the international war on drugs launched by the Reagan administration in collaboration with several Ibero-American governments.

On March 5, a circuit judge in the state of Miranda issued a constitutional injunction prohibiting the circulation within Venezuela's national territory of *Narcotráfico, S.A.*, the book that exposes the workings of the international drug cartel menacing Venezuelan sovereignty. Published by *Executive Intelligence Review*, whose correspondents were illegally expelled from Caracas on Feb. 8, the book is an updated Spanish-language edition of *Dope, Inc.*, originally published six years ago. It has been updated with new chapters, including a section on the Cisneros banking clan of Venezuela, which coordinates with the Caribbean-Cuban drug trafficking networks in the laundering of dirty money.

This is the first time since 1958, when Venezuela returned to a constitutional democracy after 10 years of military dictatorship, that a book has been banned. The judge's decision stands in opposition to the most elementary concepts of constitutional law. If it is allowed to remain on the books, it will not only vitiate Venezuelan President Jaime Lusinchi's stated policy of combatting the drug trade; it will put in jeopardy the very existence of the Venezuelan republic.

The injunction was purportedly issued in accordance with articles 49, 50 and 66 of the national constitution, and article 89 of Venezuela's Law Governing Narcotic and Psychotropic Substances. In a legal argument that turns reality on its head, the presiding judge claimed that *Narcotráfico, S.A.* "could lead to the mistaken belief that drug trafficking is a possible and highly profitable business, which is run under the cover of legal activities and is carried out with impunity and directed by persons or institutions that society holds to be honorable. So interpreted, the text could constitute a stimulus, a subliminal message, which is prohibited by the above-cited law."

According to this logic, anyone who attempts to expose or denounce the drug mafias and their "respectable" backers in the banking and business community, is *encouraging* the

drug trade! The court ordered all judicial, police or administrative authorities to seize any copies of *Narcotráfico, S.A.* still circulating in Venezuela.

Mafias are hurting

The judge's decision reflects the fact that the international war on drugs is making it increasingly difficult for the Venezuelan oligarchy and its drug assets to operate with impunity. In the aftermath of the *EIR* expulsion from Caracas, U.S. congressional sources in Washington, D.C. have begun to reveal intelligence on the major Venezuelan banking groups involved in drug-trafficking, with promises of more to come. The Venezuelan national congress has also recently initiated an official investigation into the laundering of drug money inside the country.

The extreme response to *Narcotráfico, S.A.* is explained by the fact that the forces associated with 1984 U.S. presidential candidate and *EIR* founder Lyndon H. LaRouche are in the forefront of the anti-drug fight, providing directives and intelligence that are some of the weapons in this war.

Nor is Venezuela the only place where the mafias are feeling the squeeze. In Colombia, those pro-drug forces who understand that LaRouche's intervention is crucial to the success of President Belisario Betancur's antidrug offensive, launched a wild slander campaign against LaRouche in the daily *El Tiempo*. A mouthpiece for the drug interests grouped around ex-President Alfonso López Michelsen, *El Tiempo* began a three-part series on March 2, rehashing charges made by the *Washington Post* earlier this year that LaRouche was a fanatic, anti-Semitic cult leader whose primary activity was slandering "prestigious" political figures and selling disinformation under the guise of intelligence.

The giveaway in the *El Tiempo* series is that it was penned by journalist Daniel Samper Pizano, brother of drug-legalization advocate Ernesto Samper, who managed López Michelsen's failed presidential campaign in 1982. On March 3, *El Tiempo* whined that when in 1978 Ernesto "proposed the legalization of marijuana in Colombia, the [Andean Labor Party—PLAN] took to the congested streets of Bogotá with loudspeakers and leaflets against Samper's proposals." Ernesto obviously never recovered from the humiliation he

suffered at the hands of the Colombian Anti-Drug Coalition, which made his role as a towel-boy of the drug mafias known internationally.

El Tiempo further lamented that “when former President [López Michelsen] and the attorney general met with representatives of the drug traffickers in Panama, Maximiliano Londoño, head of the PLAN, issued a leaflet with the headline ‘Kissinger, López Michelsen and [pro-drug novelist] García Márquez seek to assassinate Lara Bonilla again.’” (Justice Minister Lara Bonilla was assassinated by drug mafias on April 30, 1984.)

Warfare accelerates

The financial oligarchy that controls the drug trade understands that its success rests on its ability to destroy the collaborative relationship that has developed between the United States and several Ibero-American governments—both by the kind of recent provocations launched against Mexico, and by insuring that the Reagan administration does not break with the policies of the International Monetary Fund that are so beneficial to the drug mafias.

In recent weeks, several Ibero-American governments have taken initiatives to strengthen cooperation with other governments in the region as well as with the United States. On April 4, President Betancur of Colombia will be meeting with Reagan for a “working visit” to review the status of the anti-drug effort. On March 6, the Colombian head of state signed extradition orders for three Colombians sought on drug-trafficking charges by the United States, bringing to 12 the number ordered extradited to the United States on these charges.

On March 3, Betancur and Argentine President Raul Alfonsín signed a joint communiqué stating that [because] “the traffic of drugs and psychotropic substances has become a criminal activity whose roots extend to many parts of the world, and the fight which the affected states separately wage against it is insufficient to eradicate it, [the Presidents] expressed their intention to promote coordinated international action which is necessary to extinguish said illicit traffic, which can well be characterized as a crime against humanity.” Alfonsín will be meeting with Ronald Reagan in Washington on March 19, and it is expected that the topic of the drug trade and efforts to combat it will be discussed extensively.

In Panama, the offshore banking haven that has for years catered to drug traffickers, President Nicolás Ardito Barletta is responding to pressure from both Reagan and Betancur to take aggressive action against drug networks. On March 1, the National Banking Commission of Panama cancelled the operating license of the First Interamericas Bank for its involvement in “unethical” operations. The majority of the bank’s stock is held by Colombian Gilberto Rodríguez Orejuela, now under arrest in Spain pending extradition on drug

charges to the United States.

The bank intervention occurred on the same day that President Barletta issued a call to the banking community “to jointly seek a solution which avoids the use of our banking and financial system by narcotics traffickers.” Sources in Panama report that the government has agreed to waive its banking secrecy laws to let DEA officials investigate bank records of individuals clearly involved in the drug trade.

Brazil, recently criticized by a House Foreign Relations Committee report for not aggressively combatting drugs, launched a major anti-drug sweep called “Operation Eccentric” at the end of February, planned in collaboration with the DEA. Brazilian federal police used long-accumulated intelligence to bust up half a dozen major drug operations over a 2,000-mile strip along its borders with Paraguay, Bolivia, Peru, and Colombia. DEA and Brazilian agents discovered thousands of acres of coca bush plantations just inside the Colombian border as well as Brazil’s first modern cocaine refinery near the Bolivian border.

President Reagan might get the hint that there’s something wrong with IMF policy if he looks at the case of Jamaica. David Rockefeller’s model of free enterprise development only seems to be efficient in producing marijuana. On Feb. 18, U.S. Customs agents seized 5,900 pounds of marijuana on an Air Jamaica airbus at the Miami International Airport. The Seaga government made a show of firing the men who had run the loading of the plane and announcing it would have dogs sniff all cargo headed for the United States.

But one week later on Feb. 22, customs officials again discovered 40 pounds of *ganja* (marijuana) stuffed into mailbags on an Air Jamaica jet at Kennedy International Airport. The airline was fined \$1 million.

Drug interests have dragged out the same old toadies to try to disrupt the developing collaborative relationship among nations. NBC-TV, the same U.S. network that vilified LaRouche in several news broadcasts in early 1984, charged in a March 4, 1985 news program that the government of Mexico is doing little to halt the flow of drugs into the United States, citing corruption in the government. The report was issued just as the Reagan administration and the de la Madrid government had ironed out problems stemming from the anti-drug fight and resolved to work more closely together.

The office of Mexican attorney general Sergio García Ramírez quickly put NBC in its place. A March 4 statement charged that the NBC program “had absolutely no basis in reality. This transmission made slanderous and defamatory accusations against Mexico and its government. . . . The government of Mexico rejects these slanderous imputations. Topics as delicate as those pertaining to drugs merit serious journalistic treatment, with facts that adhere strictly to reality. To disseminate false information with notorious irresponsibility discredits with malicious intent and produces injury and offense.”



Venezuelan Labor Party challenges the drug traffickers

Alejandro Peña is secretary-general of the PLV (Partido Laboral Venezolano) in Venezuela, a new party which has been the subject of great controversy in recent weeks. The party has been attacked for association with Lyndon LaRouche, slandered by press outlets in Venezuela as "another Charles Manson." The background to this is that LaRouche, EIR's founder and chief executive, commissioned the book Dope, Inc., The New Opium War, which came out in January in Spanish. The book's exposure of figures, families, and funds long thought "above suspicion" so terrified the Venezuelan dope lobby that it moved illegally to ban the book.

EIR interviewed Peña by telephone from Caracas.

EIR: You and your party have been the subject of controversy. What's happening in Venezuela?

Peña: First, you have to talk about Ibero-America, because Venezuela is just part of this. We're really in a crisis. In Ibero-America, there are 80 million unemployed, and it is clear that it is getting worse. What you have seen in Ethiopia this last year, you are next going to see across Ibero-America. There is an external debt that Ibero-America simply cannot pay—\$350 billion. The service on that debt, alone, we couldn't pay. We have to do something fast if we expect to avoid a repeat of Ethiopia here.

We are calling upon honest people in the United States who understand that human life is worth defending to battle with us to save life on this continent.

EIR: What is Venezuela's economy based on?

Peña: Right now in Venezuela, we import 70% of what we eat. Anywhere in the world, that's an emergency. For 95% of its income, the country depends upon the export of oil. You know, of course, the price of oil has gone down. It's going to continue to go down, after winter is over in the United States and Europe. A third of our national income, 33%, goes to pay the interest on that external debt. There is only 67% remaining to pay the regular costs of a country, to pay hospitals, schools, government, and transportation. There is nothing left for investment in things that will make profit—infrastructure, technology, and energy development.

We have 16 million people; 80% of the population is under 40 years old. Under these circumstances, to have 1

million of these unemployed, and combine this with the situation with food and oil—this place is a powder keg.

EIR: Are people in Venezuela aware of what is going on?

Peña: People know something is very wrong; they know it because the price of food is going up; they can't get jobs, they go to the public hospitals and can't get medicine, because many times there isn't any. But they don't want to grasp that it is going to get a great deal worse unless we do something. They don't understand the economic causes—interest rates and flight capital.

Henry Wallich testified in the United States that 90% of the credit that Venezuela received from 1974 to 1982 left the country; it went back to other, more "stable" countries. Understand though, that we are paying interest on this credit that left the country as soon as it got here.

EIR: Who is doing this?

Peña: It is being done because of the wrong policies of the International Monetary Fund and the people behind it, who are termed in your country the Eastern Establishment—in combination, of course, with a large group of traitors in this country. I don't want to say specifically who these traitors are right now. But there are people here who have contributed to the money leaving the country. Some of the information given in the national press here is that the amount of money that these traitors have in overseas banks is about \$34 billion. Guess what the Venezuelan external debt is? Pretty close to \$34 billion. Now compare this to what the income in oil here is, which is about \$15 billion a year. We have a debt which is more than double our national income. And we have traitors who have that same quantity in overseas banks.

David Rockefeller came here a couple of weeks ago to say that the conditions in this country are not good enough to invest. This can provoke more capital flight out of the country. Rockefeller, of course, visited with certain people here who own certain enterprises.

* Our party has been slandered for working with Lyndon LaRouche, but it is important that this is understood: LaRouche's proposal, *Operation Juárez*, is the *only* solution to this mess. It is important for the people of the United States to understand that if we continue to pay this debt, that not

only is our economy and our democracy going to be destroyed, but banks are never going to recover their investment here. It's not just us; we are talking about the whole international economy. The whole thing is about to explode. We must form a debtors' cartel in Ibero-America and then negotiate with the banks for an arrangement by which we can develop our countries. Ibero-America is incredibly rich: We have minerals, we have water, energy; this continent is a potential paradise. With the great projects that LaRouche has on the drawing boards, this country will explode into a technical and scientific renaissance. We have the potential of gearing this up, and once we do this, it will permit us to pay this external debt.

We have to have low interest rates, long-term loans, and most of all, technology transfer from the United States.

EIR: You have been in on the ground floor of establishing a new political party in Venezuela?

Peña: This new political party, Partido Laboral Venezolano, the PLV, is composed of primarily younger people, primarily professionals, engineers, workers, and artists, Venezuelans who have taken on the responsibility of fighting for a country that is falling apart.

Legally, we have been in existence for less than a year. Six months ago we secured a permit to begin circulating petitions to sign up members. We secured 40% over the signatures we needed from the most populated part of Venezuela which is around Caracas; this is the federal district. We got over 30% more than we needed in the very large state of Amazonas. In late January, we submitted these signatures to the Supreme Electoral Committee, and we are waiting for the committee's answer. Across the board, we filed more signatures than were needed.

The attacks that we have been receiving in the last few weeks, we believe, are because people fear the success that we have achieved in really a very short time. We weren't attacked at all until we filed for status as a political party. We have been successful, but it's because the rest of the political parties here have no proposals to save the country. We are not an opposition party, I explain to people; we are a proposition political party, we are proposing the ideas on which people here can unite in order to save the situation. Henry Carey did it in the United States; we plan to do it here.

EIR: What did you do in Venezuela before you began forming this political party?

Peña: I'm a mechanical engineer; I graduated from a very good university here—Simon Bolivar University. I also got a masters in business administration. I had several of my own companies, which were involved in construction and development. I had to travel all over the country as a developer, so I became a pilot also. I was also at one time the Venezuelan national karate champion. I realized that even though I was doing well, one's personal project really doesn't have much value if his country is falling apart.

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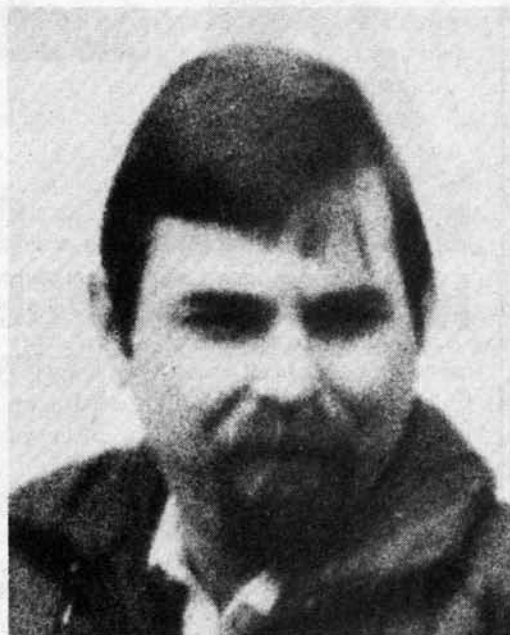
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Cisneros sends strange messenger to *EIR*



Arpad Bango, former head of Venezuela's political police (DISIP), photographed in New York City on Feb. 19, 1985, during his strange mission on behalf of Gustavo Cisneros.

In mid-February, Venezuelan business magnate Gustavo Cisneros sent a former high-level government official to New York City to meet privately with *EIR*'s editors, and deliver a "message" (see photo). Cisneros a few weeks earlier had flipped out at the publication by *EIR* of its new book *Narcotráfico, S.A.*, which is an exposé of the international drug trade and which documents the extensive business and political links of the Cisneros clan to international financial circles involved in laundering dirty money. Cisneros had *EIR*'s Caracas office raided, the books seized and burned, *EIR*'s four foreign correspondents arrested and deported, and a violently defamatory campaign launched against *EIR* and LaRouche in his own mass media empire.

Arpad Bango, the director of Venezuela's political police (DISIP) in 1983-84, told *EIR*'s editors that Cisneros was enraged at the publication of *EIR*'s book, and planned to launch similar all-out attacks in other countries around the world, in particular Mexico, El Salvador, and Spain. Bango suggested that *EIR* founding editor Lyndon LaRouche might do well to send a conciliatory "message" back through his good offices. LaRouche did send a message back to Cisneros. But due to the fact that *EIR* has received reliable reports of

unfortunate inaccuracies in Bango's transmission of the various "messages" back and forth, the editors of *EIR* have chosen to report here the essential facts.

LaRouche, who did not meet personally with Bango but had his views transmitted through *EIR*'s editors, asked that Cisneros be informed that, in his vituperative overreaction to *EIR*'s book, he was making a mistake typical of the *nouveau riche* who constantly overestimate their own importance. LaRouche wished the Cisneroses to know that he does not view them as a major enemy of humanity: That would require an oligarchic pedigree of at least 600 years, such as that possessed by the evil Thurn und Taxis family of Germany. They are truly principal enemies of humanity. The Cisneros clan, however, LaRouche explained, began as Studebaker salesmen and bus-ticket vendors just a few decades back, and made their fortune thanks entirely to the good graces of the Rockefellers—and everyone knows that Thurn und Taxis's view of Rockefeller is that he would never even bother to urinate on Rockefeller's pants-leg.

Thus, LaRouche asked Cisneros to please not continue overrating his own importance in *EIR*'s catalogue of enemies of humanity.

Greens set for new wave of violence

During the first week of March, West Germany's Green Party, a revival of the Weimar-period Nazi movement, this time as a Soviet asset, held meetings to plan a new wave of violence against the West German state. At two strategy sessions, one in Bonn and one in Muenster, the Greens resolved to hold a wave of "mass protests" against the "summit of the Western industrial nations which pursue policies of war, impoverization, looting, and oppression"—the world economic summit scheduled for Bonn on May 2-3.

The Greens explicitly declared their intent to carry out "conscious violation of laws" and "actions as radical as possible" against the summit meeting. In speeches at Muenster, direct reference was made to emulating the actions taken against U.S. Vice-President George Bush in May 1983. Bush was pelted with stones during that visit, in a melee that resulted in the death of one bystander.

Since that time, however, the European Labor Party has carried out a campaign against the Greens, featuring the distribution of millions of leaflets on "Days of Resistance" Oct. 17, 1984 and Feb. 27, 1985, which has put them on the defensive and led to their condemnation as Nazis by leading Christian Democratic officials and SPD trade unionists (see *EIR*, March 5, 1985).

At the European Labor Party's conference in Mainz on March 2, chairman Anno Hellenbroich stressed that the time has come to finish the job. He re-issued the party's call to outlaw the Green Party by May 8. Quoting heavily from the Greens' own words, Hellenbroich documented for anyone willing to admit the truth that this "ecologist" party is a Soviet-backed Nazi grouping, and therefore unconstitutional under West German law. Quoting ELP chairwoman Helga Zepp-LaRouche, Hellenbroich noted that banning the Greens by May 8, V-E Day, would be the best contribution West Germany could make to celebrating the world's victory over the Nazis 40 years ago.

Documentably fascist

Using the Greens' own words, Hellenbroich demonstrated once again that the Greens are a fascist organization which has adopted the central elements of fascism: 1) hedonistic irrationalism and the mystical cult of blood and soil; 2) anti-technology economic policies of decentralization and manual labor; and 3) hatred of constitutional democracy.

Particularly striking were Hellenbroich's quotes from Rudolf Bahro, a 50-year-old Green Party leader who was a member of the East German Communist Party for 25 years before "converting" to the West.

At the Green Party Congress in Hamburg in December 1984, Bahro declared: "Yes, we Greens have to see ourselves in the tradition of the Nazi, Nietzschean, and Gnostic movements of the last decades. We are a Nazi-communist movement rejuvenating elements of the cultish irrationalism and nihilism of the synarchist thinking of the 19th century."

Bahro's speech outlined clearly the fundamentalist premises which underlie the Green movement, and would have pleased Alfred Rosenberg and other Nazi ideologues no end:

"The present system is doomed and will be destroyed. We only have a chance to prevent the apocalypse if we think it is probable. The present system with its state-theatre is unsalvageable. The salvation through a grand transformation can only come with an alliance of 'invisible churches' which have to lead the movement of a new 1,000-year Reich. The present crises go deeper than the crisis which erupted between 1918 and 1933. The social crises, mass unemployment, and problems of identification in a technical and highly industrialized world create the preparedness inside the population to try something completely new."

Bahro's sentiments are fully substantiated by the actions of the Greens, many of whose leaders currently run around with parliamentary immunity because of their position in parliament. During the recent hunger strike by Baader-Meinhof terrorists, the Green parliamentary faction made a move to ban sections of the Constitution which make it illegal to support and advertise for terrorist and criminal associations.

On the defensive

Hellenbroich stressed that the ELP and the associates of Helga LaRouche internationally have already hurt the Greens a great deal. Two "Days of Resistance" held throughout the world resulted in the circulation of millions of leaflets documenting the Greens' fascist links. Especially effective as well was the half-hour television documentary aired in the United States by the Lyndon LaRouche presidential campaign in 1984, which exposed the links between KGB agent-of-influence Walter Mondale and the Greens.

The Greens have responded with lawsuits, one against the ELP in Paris and the other against Helga LaRouche personally. And they have called for their side in the Paris trial none other than Willy Brandt, head of the West German Social Democratic Party and the Socialist International.

The Greens are feeling the pressure, Hellenbroich concluded. They had to dissolve their West Berlin branch on Jan. 27 due to exposure of its leaders as members of neo-Nazi groups involved in anti-Semitic activities, promoting pagan Germanic literature, and so forth. With further international mobilization, they must now be forced to dissolve themselves nationally as well.

All roads lead to Damascus

The first in a series on Syria: the evil of terrorism, by Middle East Editor Thierry Lalevée in Wiesbaden.

Revelations made since late February have more than underlined the prime role played by the Syria of Hafez el-Assad in international terrorism. These concern:

- the arrest in Luxembourg of an Albanian intelligence service agent;
- the trial of three members of the Armenian terror group ASALA responsible for the death of eight passengers in July 1983 at Orly airport;
- the Red Army Faction (Baader-Meinhof) support network in West Germany;
- the takeover of Southern Lebanon by the "Crazies of Allah," the infamous Hezbollah.

Yet, some in Washington's State Department are seriously considering removing Syria from the list of countries harboring or fostering international terrorism which includes Libya, Iran, North Korea, and others. This has nothing to do with political blindness, stupidity, or lack of information. It simply represents a political deal with Syria's Big Brother and protector, Moscow, to strangle in the cradle the peace motion engineered by some of America's most reliable allies such as Egypt and Saudi Arabia, as well as Israel.

The rationale of Moscow and Damascus is simple enough. A peace process would be more effective in destabilizing the bloody regime of the Assad Alawite clan, Moscow's most reliable ally, than any covert operations.

The fact that the State Department move comes only a few weeks after the Vienna meeting between Undersecretary Richard Murphy and Soviet envoy Vladimir Polyakov gives more than a strong hint of what was discussed there. Polyakov, it turns out, was the Soviet ambassador whom Egyptian President Sadat had expelled from Cairo for his involvement in running the terror network that ultimately killed Sadat on Oct. 6, 1981.

Whether the deal on Syria was made with or without White House knowledge or approval remains to be seen. However, Moscow made its point that outright American support for the Amman Feb. 11 agreement between the Palestine Liberation Organization (PLO) and King Hussein of Jordan, and for President Mubarak's initiative, would be understood as offensive.

The first to pay the price would be the four Americans kidnaped more than a year ago in Lebanon by the "Islamic Jihad" but in fact held under the control of Syrian intelli-

gence. There is little doubt that the escape of CNN correspondent Jeremy Levin in February, after a year's captivity, was deliberately organized to confirm that the four others were still held hostage. Coinciding with the meeting in Vienna, Islamic Jihad announced that it had "judged and condemned to death" one of the remaining four as a "proven CIA agent," and said that his body would soon be handed over. As days went by, nothing more was heard of it. Was a deal struck somewhere?

According to some intelligence sources, one of the unwritten but mutually agreed-to commitments taken by Murphy and Polyakov would be that both superpowers will not become directly involved in the present Middle East peace overtures for the time being. If this is so, it amounts to giving the Soviets a blank check to mobilize their numerous terrorist assets in the region to physically eliminate the leaders of the new peace initiative while the State Department sits by and watches. Indeed, while Syria engineered the resurrection of a new Abu Nidal (the most notorious "Arab terrorist," supposedly dead last fall), who promptly announced his intention to assassinate at least Yasser Arafat and King Hussein and also issued dire threats against President Hosni Mubarak, the State Department went on record that the "time is not ripe for the United States to become involved in the Middle East," in the words of Kenneth Dam.

Such behavior gives credibility to the assertions of PLO chairman Yasser Arafat to the Paris based magazine *Al Watan Al Arabi* on March 7 that there is a "mutual understanding between Moscow and Washington" to back the PLO's arch-enemy Syria, to foster a "security agreement between Israel and Syria over Lebanon." This would have been discussed, continued Arafat, in meetings held in Washington, Tangiers, Geneva, and Kenya!

Autopsy of a global terror network

Hence, what the State Department is ready to cover up, as we will describe in upcoming articles of this series, is that Damascus is not only essential to terror in the Middle East, but essential, in cooperation with East bloc intelligence services, to anti-American terrorism in Western Europe. Investigations in France and West Germany are unveiling precisely the chain of command linking Syrian intelligence, Bulgarian and East German services, and local Mideast terror groups to the European left and right-wing terror groups.

As revealed in *Le Point* in early March, it is directly from Damascus that the violent “support committees” for the jailed members of the Red Army Faction have been steered. Under the leadership of a West Berlin lawyer who has been coordinating the pro-RAF support work in West Germany, as well as in France for the Direct Action terrorists, a major terror action is planned for West Germany, with the aim of forcing the release of the RAF members.

The kidnaping of a leading political personality, or a mass-terror operation aimed at forcing Bonn to back down to the RAF, could be on the agenda. These were talked about at the meeting this same lawyer held in Damascus with intelligence personnel and is known to have continued on his way back to West Berlin, in East Berlin, with representatives of the Popular Front for the Liberation of Palestine of Assad’s ally George Habash. As exposed by the daily *Die Welt*, it was a meeting of Syrian and PFLP intelligence officers held in East Berlin in early January which had decided on the January terror wave.

The role of the PFLP, an integral part of Syria’s intelligence apparatus, was also exposed at the end of last month in Paris during the trial of ASALA terrorists Waroujan Garbidian, Ohannes Semerci, and Soner Nayir, who were condemned to life imprisonment and 15 and 10 years in jail, respectively, for the July 1983 Orly terror bombing. Found in the Armenians’ apartment were numerous false passports as well as two actual passports given to them by the PFLP and Syrian intelligence. The last belonged to two members of the neo-Nazi terrorist group *Hoffmann Wehrsportgruppe*, Uwe Mainka and Udo Albrecht, who had been trained in 1980 in Lebanon by the PFLP. Udo Albrecht, as the weekly *l’Express* reported, is an internationally wanted terrorist who is known to live quietly in a city where such warrants have no effect—East Berlin.

Weapons bought in Austria in 1975 by the Bulgarian drugs-for-arms company, Kintex, were also found in the apartment of these same Armenians!

The very same combination was found in a more active operation recently as Luxembourg police arrested last Feb. 24 an Albanian intelligence service agent preparing a series of terror bombings against the NAMSA NATO firm in Luxembourg. Holder of a false Yugoslav passport, the Albanian worked together with some members of the European terror groups, Direct Action (France), the West German RAF, and the Belgium Communist Combatant Cells who succeeded in escaping after having stolen more than 347 kg of explosives from a nearby company.

The arrest of the Albanian proved the case of the direct involvement of East bloc intelligence services in European terrorism, but also brought to light the strange role played by Albania with East bloc intelligence as well as its longstanding relationship with Mideast terrorism. The flow of Iranian and Syrian delegates in recent years to Albania should remind us that Albania’s capital, Tirana, actually means “Little Teheran”—and was purposely named so.

France

Fight surfaces over beam-weapon defense

by Laurent Rosenfeld

In the Paris daily *Le Figaro* of Feb. 22, General Etienne Copel, former deputy chief of staff of the French Air Force, published a vigorous defense of the U.S. Strategic Defense Initiative, taking open issue with the official stance of the French government.

Less than two weeks later, on March 6 *Le Monde*, the other major Paris daily, ran a front-page analysis over the pen name “Hoplites,” by a top-ranking active-duty general. He called for full mobilization of the nation’s resources for a French Strategic Defense Initiative.

Copel and “Hoplites” are only two of several voices in France, particularly among high-ranking military leaders and strategists, which have started publicly contesting the Mitterrand regime’s policy of parroting the Soviet line on “Star Wars.” Officially, the Mitterrand government claims that President Reagan’s Strategic Defense Initiative would trigger a new arms race in space—precisely the lying Moscow line.

This pathetic policy was put out early last month in Munich, at the same Wehrkunde (military strategy) meeting of Feb. 9-10 where West German Chancellor Helmut Kohl had announced that his country was firmly on board with the SDI. There, French Defense Minister Charles Hernu announced, “France wants space to remain peaceful.” Many French political and military figures share his attitude: not so much out of concern for peace in space, as from fear of seeing France’s nuclear forces, its *force de frappe*, become obsolete—fear of seeing France unable to retain its traditional “strategic independence,” or keep up with the high rate of progress the SDI implies.

But two months ago, Jean-François Revel, a journalist connected to important political-strategic circles, wrote an article calling on Europe to keep up with the new military, scientific, and industrial challenges posed by the SDI. After Revel wrote, other articles began to appear which, if not always well informed, created intense debate on the subject.

The French government reacted with self-serving comments—“The SDI is not going to work before 20 or 30 years anyway; we have time to think about it”—and with, at least officially, a policy of “hardening” French missiles to try to preserve the kill capability of the *force de frappe*. But several

military spokesman warned against the "Maginot Line" obsolescence of rejecting changes in strategic doctrine which are inevitable.

Copel: Europe must not block SDI

In his Feb. 22 piece, Copel attacked the French specialists who try to "keep alive the outmoded dogma" of nuclear deterrence. Copel, who resigned last year over disagreements on defense policy, recalled how the same genre of specialist claimed, in 1940, that the Maginot Line would be invulnerable for decades; in 1945, that the U.S.S.R. would not be able to build nuclear weapons for 20 years; and, in the late 1950s, that, though it was possible to launch objects into outer space, to do so would be so costly that only America would ever be able to manage it—and that not before many years had passed.

General Copel wrote that although it is not yet possible to draw up a precise schedule for actual deployment of anti-missile defense systems, still, it is ridiculous to claim nothing will be done before the year 2010. "The U.S. program is launched, and well launched," said the General. "President Reagan's will to succeed is identical to Kennedy's will to send a man to the Moon within 10 years, and the difficulties are no greater."

Copel refuted the claim that the SDI might "decouple" Europe from an SDI-protected "Fortress America." He asserted, "The American will to defend Europe seems indisputable." If the United States feels itself to be protected, it can reinforce its determination to defend Europe.

He remarked that those who attack anti-missile weapons oppose only the U.S. program; they seem to forget Soviet efforts—which began much earlier and thus were the first program to "militarize space." He concluded, "Instead of trying to block the U.S., Europe should do its best to assist them."

A few days later, in a column in *Le Monde*, strategist and ambassador François de Rose warned the West against giving into Soviet propaganda aimed at the SDI. Rather than endlessly discuss the alleged risks of decoupling, Western Europeans "should discuss practical problems. . . . That is how at least a partial protection against missiles could apply to Europe. . . . Progress cannot be stopped. And if these technologies have a future, anti-missile technologies will be born, whether we like it or not. Instead of trying to [stop it], Europeans should study, among themselves and with the Americans, how their labs can participate in that research and their factories in that production."

Then, on March 2, Prof. Joseph Rován, a prominent Paris-based specialist in German language and civilization, wrote a commentary in *Le Monde* which he titled "Star Peace," opposing that conception to the standard "Star Wars" propaganda against the SDI. Showing that the Europeans have no way to stop President Reagan's commitment to develop these technologies, Rován amassed arguments in favor of European participation.

The "Hoplites" article, by a prominent active-duty general, followed four days later in *Le Monde*. "In the last three months," the general wrote, "the French have finally started to discover the implications of President Reagan's March 23, 1983 SDI. . . . In keeping with their habits, the Kremlin immediately resorted to the delaying maneuvers that had worked so well against the 'neutron bomb,' which was the best way of sending the Warsaw Pact's armor to the junk-heap before it could even move. Today, the aim is the same: Preserve the Soviet stockpile of strategic missiles. . . . But Reagan's SDI will result in a reduction of the threat against Western cities and military forces. . . ."

"Hoplites" continued: "In the last 20 years, nuclear deterrence had given us a convenient intellectual comfort. . . . Space war will compel us to review concepts, programs, and forces. We can already observe the damage provoked by a mixture of fear and intellectual myopia. . . ." Quoting a 1930s popular tune which symbolized the defeatism of pre-war France, the general added, "The Manhattan Project . . . demonstrated the American capacity to meet a challenge. So did Kennedy's decision to put a man on the Moon. . . . Any delay, any time-lag today will weigh heavily in the scales 20 years hence. . . ."

Disarmament will mean nothing, and "if we wait to see what comes out of future talks on space arms control, we will lose another five years and the door opening into the technologies of the future will irretrievably shut right on our nose. . . . Rather than risking a nuclear exchange, should we not have means to protect four or five of our major cities and mobilize our nuclear arsenal? As for any innovation, the first steps and the research are costly. It is now that we must mobilize our capabilities to think, to innovate, and our intelligence service, to keep up in the space war. Europe will follow, if France, Britain, West Germany do not give up. . . ."

"Hoplites" ended with a proposal: "The Atomic Energy Commission fulfilled its task. Today we need a Space Technology Commission. Tomorrow, power and autonomy will be based on our mastery of space technologies: telecommunications, intelligence, and defense. We have already been too tardy. Compared to the Russians and the Americans, we are but turtles: We must get moving today."

As for political circles, the only party that has endorsed the SDI is the Parti Ouvrier Européen (POE), which is based on the ideas of American economist Lyndon LaRouche. Indeed, the POE launched the debate on the SDI. LaRouche is known as an intellectual author of the program.

Recently, Marie-France Garaud, a politician of the Heritage Foundation stripe, has endorsed a strange mix of SDI and the absurd High Frontier program. Beyond that, only the RPR, the Gaullist party, is cautiously trying to evaluate the merits of the SDI. François Fillon, a young RPR deputy and defense specialist, has been assigned by the party to review French military doctrines, sorting out those which might turn out to be obsolete. Its military links eventually should push the RPR to endorse the SDI.

Papandreou, Treholt, and 'the Baker'

Arne Treholt, the ex-press spokesman of the Norwegian foreign ministry caught spying for the Russian KGB, is in the third week of his trial in Oslo. About a dozen of the 91 scheduled witnesses for the trial have already testified behind closed doors. Both defense and prosecution are now going through the motions to decide if the rest of the trial should be open to the public.

Despite the secrecy, one important fact has been established. Andreas Papandreou's immediate political circle in the United States, especially in New York City, first recruited Mr. Treholt into the ranks of the Russian KGB. Treholt's former wife, Britt Groen, testified that starting in late 1967 her ex-husband was holding frequent meetings with a KGB official named Yevgeni Belyayev "discussing matters pertaining to Greece and NATO."

Further, the West German daily *Die Welt* reported on March 4 that Treholt's intelligence liaison for his espionage activities were Greek, pro-Papandreou circles in New York City. This was while Treholt was living in New York City as a Norwegian government representative to the United Nations. The obvious inference is that while Andreas Papandreou was still imprisoned by the Greek military government, Papandreou's political sponsors in the Greek and Greek-American community in New York and around the United Nations had already recruited Mr. Treholt into the Russian KGB. Papandreou himself was released from jail in the beginning of 1969 when Kissinger was made National Security Adviser and after Treholt's initial recruitment.

Be it also noted that Treholt's current trial has confirmed that the payments which he was receiving from the Russians were being dispatched from the Athens residency of the KGB. Part of these moneys was deposited in Switzerland, where at least one account of Treholt's has been located, containing \$50,000.

There are enough leads for beginning a profitable inquiry into the question of "who are the pro-Papandreou Greek-American circles in New York City and around the United Nations which recruited Mr. Treholt into the Russian KGB." Some hints are in order here:

At the United Nations itself, the senior pro-Papandreou person was the deputy director of UNCTAD, Mr. Gerassimos Arsenis, currently minister of national economy in Papandreou's government. Arsenis's younger brother, Vincent

"Takis" Arsenis, is today general manager in Papandreou's National Greek Munitions Industries which supplies the Libyan government with most of its small arms and ammunition. Vincent Arsenis was one of the principal "gun runners" for the Papandreou organization's terrorist wing, aided in this by, among others, one Professor Kalambokides of Minnesota, the home state of Andreas' American wife, Margaret née Chadd, daughter of a founder of the Minnesota Communist Party. Others in this circle in New York at that time were Melina Merkouri and her brother Spyros, one Prof. Stephen Rousseas, and another Prof. Adamantia Pollis of the New School. A longstanding KGB journalist at the United Nations, of Greek extraction but U.S. citizenship, also kept a visible interest in this KGB-Papandreou interface.

Cyrus Sulzberger of the *New York Times* and his Greek-born wife were among the high patrons of the group; Zbigniew Brzezinski, then still at Columbia University, was reportedly close to Gerassimos Arsenis. Henry Kissinger's known role in this context is that he in effect induced the Greek military government to release Papandreou from jail, despite the public myth that credits John Kenneth Galbraith's intercessions.

The juiciest part of this "New York pro-Papandreou circle which recruited Treholt to the KGB" is this: When Kissinger got Papandreou out of jail and Papandreou came to North America in a drunken stupor, a mysterious man provided for Papandreou's physical security. For now let us call this person, now deceased, "the Baker."

Papandreou's protector, the Baker, had a brother in Romanian intelligence, a family in Switzerland, had been a personal acquaintance of Leo Trotsky, and until the day of his death, exerted an overwhelming influence on the notorious Michel Pablo, a.k.a. Michael Raptis, the general secretary of the Fourth International. The Baker also exerted, until his death, a powerful influence over the Algerian Ben Bella. The Baker had influence over two members of the Politburo of the pro-Moscow Greek Communist Party then still exiled in East Germany. The Baker had known Papandreou since 1934, through association in a Trotskyist cell. He, the Baker, despite his professed "Trotskyism," was known to display only one emotion: pride in the prowess of the Russian military. At the time of his death, there was speculation that the Baker was a senior Russian military intelligence officer.

The Baker protected the man whom Kissinger freed from a Greek military jail. After he kept him alive, the rest of the circle of "pro-Papandreou Greeks in New York" financed and built a political party which finally propelled Papandreou to power in Greece. This seems to have been the circle that recruited Arne Treholt to the KGB.

One final loose end: The Baker was a native of the same tiny island which produced Gerassimos Arsenis, formerly of UNCTAD, now Papandreou's minister of national economy, a friend of Zbigniew Brzezinski, and an "intimate house guest" of Robert S. MacNamara.

Soviets mobilize their Church networks

Catholic and Lutheran groups alike are allied with the Socialist International's KGB wing to try to stop the SDI.

LIn the campaign against West Germany to knock out the Kohl government's support for the U.S. Strategic Defense Initiative (SDI), the Soviets are playing every game in the book including psychological warfare. They have started to revive the "collective guilt campaign" of the postwar period around the upcoming, 8th of May commemoration of Germany's capitulation 40 years ago, and for this their networks in the Lutheran and Catholic churches are fully geared up.

The current church-linked activation draws on decades-old Anglo-Soviet secret intelligence cooperation. After World War II, the British used the Lutheran Church in particular to tell all Germans that they had been guilty of the crimes of the Nazis. This campaign helped to break Germany as a nation psychologically and set it up as a bargaining chip in the Yalta order.

Timed with the general Soviet mobilization against the Western allies of the SDI, "Action Reconciliation" of both East and West Germany put out a statement dressed up as an appeal to both superpowers for the 8th of May anniversary. It calls on the "former allies of the Anti-Hitler Coalition to do everything possible today to not expand the arms race into space but to stop it on earth." Dripping with hypocrisy, the declaration demands that both superpowers instead form a "global anti-hunger coalition" to fight the hunger catastrophe in the Third World. Not a word is said, of course, about the International Monetary Fund and the KGB-backed Club of Rome's

austerity policies that are killing off millions in the Third World!

The appeal then develops its main theme that fascism and Nazism "could not have come about accidentally, but had its roots in the fatal traditions of our history. The fascist state owed its initiation a great deal to the economic interests of big industry. Our people became guilty and only part of the sufferings we caused fell back upon us. . . ."

What is Action Reconciliation? This Protestant church group has a long record as a valuable asset of the Soviets since World War II.

The whole operation started in the 1950s when East and West Germans were brought together especially to do reconciliation work in Poland, the Soviet Union, and Israel. Behind the scenes, the Soviets built up an operation which they have used ever since to push their strategic aims. Recently, the East and West German affiliates of Action Reconciliation acted as major logistical and propaganda arms of the West German peace movement. The two groups have been promoting the strategic decoupling of West Germany from the United States, by backing the KGB-authored plan for a nuclear-free zone in Central Europe.

Such Action Reconciliation leaders as Andreas Zumach have been in tight collaboration with the circles of Olof Palme, Andreas Papandreu, and Willy Brandt of the Socialist International—all currently being exposed in the Norwegian spy trials as direct conduits of the Soviet KGB. Leading

members of Action Reconciliation sat on every board and steering committee which prepared the big peace demonstrations and violent activities of the peace movement.

But Catholic networks are also much involved in this same dirty work. Especially telling is the timing of the statements for the 8th of May, issued weeks in advance of the event. In early March, the Catholic bishop of Berlin, Jochen Meissner, published the sermon he will give in East Berlin's St. Hedwig's Cathedral on the 40th anniversary. His statement attacks the worldwide arms race and the destruction of the natural environment by man, and charges that arms buildup means stealing because it takes the bread away from the poor of this earth. This shows high-level Catholic circles in Germany moving against Kohl's Christian Democrats, and in bed with the opposition West German Social Democrats (SPD), whose party chief Hans-Jochen Vogel lauded the anti-SDI initiative of the U.S. Catholic Bishops in the pages of the SPD party organ *Vorwärts*.

Last December, Pax Christi, the Catholic "peace" organization, started a big campaign to turn the Catholic Church against those bishops in the United States, France, Germany, and Italy who would not fight the Reagan administration's Defense Initiative.

But Catholic networks are into even dirtier operations. When over the March 2-3 weekend 120 people of the pro-terrorist Berlin squatters scene, militant anti-nuclear groups, the "revolutionary voice of American soldiers in Europe," the communist Turkish Youth, and members of radical autonomist groups met in Muenster to map out violent protest actions against President Reagan's May visit to Bonn, the meeting took place at the house of the *Catholic University Community*.

'We don't want to end up with toys'

Craxi agreed to support the American beam-weapon program and its economic spinoffs.

Every European government has been forced into a deep reflection on the Strategic Defense Initiative program. It is clear that nobody wants to be stuck in 10 years with technologies that are just toys." This statement was made by Prime Minister Bettino Craxi at a press conference in Washington after a meeting with President Reagan on March 5. Craxi was responding to a question posed by *EIR* concerning the economic spinoffs resulting from the SDI.

President Reagan told the press that Craxi "assured me of Italy's full understanding of the program's objectives, and we agreed on the great potential benefits this research effort could provide. We firmly agree that now is the time for alliance solidarity. And our goal remains the reduction and eventual elimination of the means of aggression, nuclear and conventional."

Craxi's endorsement of the SDI did not please the U.S. press, which downplayed or distorted the outcome of the visit. The *New York Times* buried its coverage in the back pages of the paper March 6, headlined "Italian Leader Avoids Outright 'Star Wars' Endorsement." The *Washington Post's* reporter at the press conference asked whether it would not be better to forget about the SDI and thus preserve peace with the Soviets.

Yet the issue of the economic benefits of the SDI was a leitmotif of Craxi's speeches and statements in the United States. At the White House, Craxi said: "I am convinced that the

fundamental objective of the United States remains the defense of peace. President Reagan assured me that this objective will be pursued with the SDI, from whose research program we can obtain mutual benefits in the scientific and technological field."

And in his press conference: "It is clear that such a gigantic research program will greatly increase the number of technological discoveries for civil and productive use."

Craxi insisted: "Our European computers and technologies will be just toys when the U.S. has developed its program. And remember, a technology is a technology and thus can be used both for peaceful and military uses."

A senior U.S. administration official, in a background briefing to reporters, stressed, "The President assured Prime Minister Craxi that the administration had every intention to work closely with the allies as the research program on Strategic Defense progresses."

Craxi, in turn, assured Reagan "that the Italian government, as have other governments who have spoken to the Soviets, took a common position. . . . Craxi was in a sense telling the President, 'Well, stick to it. Do try to get your arguments across in your conversations with the Soviets.'"

Other major items on the agenda, the U.S. official reported, were terrorism and the war on drugs. "Both the Italian prime minister and the Italian foreign minister said that there was a clear link between drugs and terror-

ism. This met with agreement from the President and others on the American side."

President Reagan told the press that the two leaders were committed "to improve our coordination against narcotics. . . . Our common fight against terrorism is another area of close cooperation, and Italy deserves accolades for its courageous struggle against terrorism."

Craxi also underlined that there would be no decoupling of the European allies from the United States. "There is no conflict, for us," he said to a joint session of Congress, "between Europeanism and Atlanticism. We consider the relations of friendship and cooperation between Europe and the United States as indissoluble and permanent."

"There is in American history a great tradition of the defense of the principles of liberty," he said. "It has its strong roots in the conscience of your country. Many European politicians erred in their estimates of what the United States would do in the face of the First and then Second World War. Theirs were shortsighted calculations. They did not understand just how attached the American democracy was to the democracy of the old world, which had been an inspiration for America from its very birth as a Nation. . . . All freedoms are united; an offense to one is an offense to all of them."

The question now is whether Craxi will be able to keep up this support for the SDI and the United States, resisting the threats of Moscow and Henry Kissinger—who may try to give him the "Moro treatment" (see *Kissinger Watch*). Or will he join his foreign minister, Giulio Andreotti, whose line is: If you want to deploy the new weapons, first we must get the o.k. from Moscow.

Narcotráfico, S.A. points to the PAN

EIR's Spanish language best-seller is unmasking the National Action Party of Henry Kissinger's friends.

In the midst of one of the most ferocious battles against the illegal drug traffic undertaken by the U.S. and Mexican government, the book *Narcotráfico, S.A.* published by *EIR* and declared "illegal" in Venezuela, is circulating like hotcakes through the Mexican republic, above all in the north, where the dope business put down deep roots.

On March 7, the same day the corpse of kidnaped Drug Enforcement Administration agent Enrique Camarena turned up, the biggest newspapers of several border states in northern Mexico published long excerpts of the chapter, "The mob and the Nazi-communist Mafia: Is the PAN Mexico's Shining Path?" from the cited book. The evening paper *El Centinela*, of Baja California Norte, published with the news on Camarena a prominent headline, "PAN accused of narcotics trafficking." *Novedades*, of Mexicali, Baja California Norte, ran the same headline in eight columns. *El Sonorense* and *La Tribuna del Yaqui*, Sonora papers, also played up the news. They all said that the investigation of the book *Narcotráfico, S.A.* was commissioned by economist Lyndon LaRouche, and said that the probe points to the "National Action Party (PAN), as a participant in the drug trafficking in the north, with which it finances its political campaigns to obtain power and unleash upheavals like that of last Dec. 30, when more than a thousand persons set the city hall of Piedras Negras, Coahuila on fire."

In most Mexican political and security circles, the articles were interpreted as a clear warning that the Mexican government is taking the fight against drugs seriously and that, as we have constantly said in this column, it is time to target certain citizens widely believed "above all suspicion."

The newspapers stressed that "in *Executive Intelligence Review's* investigation of drug trafficking appears a chapter dedicated to the blue and white [the PAN], whose history is commented upon and whose secret alliance with the Nazi-fascists criticized. Turned into a book with more than 100,000 copies printed in the U.S., the *EIR* investigation into the world drug traffic concretely fingers as mixed up in the traffic in illegal drugs: Agustín Antuñez Estrada, alias El Chato, Manuel Salcido Uzueta, Miguel Ángel Felix Gallardo, Enrique Orozco Ocegüera, the current local deputy from Sonora [PAN deputy in the state House], Jaime Figueroa and many others from Sonora, Sinaloa, Chihuahua, Durango and other states."

Not accidentally, after these news stories on the controversial book, none other than Manuel J. Clouthier, ex-president of the Mexican businessmen federation, and now a PAN candidate in Sinaloa, whom some Mexican newspapers have exposed as a drug runner, called the U.S. war on drugs "interference into Mexico's internal affairs" and said that "the problem of the closing of the border as well as anti-drug trafficking campaigns, are

being used to distract the Mexican people's attention from important national problems such as the increasing slippage of the peso vis-à-vis the dollar, the growth of inflation, and the rise in prices of basic products."

Joining with Clouthier in the notorious Nazi-communist alliance, the communist party, PSUM, and the Socialist Workers Party practically said the same thing through spokesmen. The PSUM-linked university teachers' union even held a rally before the U.S. embassy to protest the war on drugs, which they call a "pretext to meddle in domestic affairs."

What these political forces want to hide is obvious. But despite the protests of these "opposition" parties, the anti-drug fight is alive and kicking; and far from undermining the direct relationship with the U.S. President, it may strengthen it. This is exactly what Clouthier and the Nazi-communist alliance fear, that the government may deepen its investigations following *EIR's* approach, which has caused fissures in political and financial circles in Ibero-America and the U.S.A.

One proof that the U.S. Justice Department wants to keep cooperating with Mexico in the war on drugs is the fact that it recently deported the PAN leader in Piedras Negras who was involved in the burning of City Hall and other vandalistic acts which had led to deaths, and who then fled to the United States. Expelled, he is now back in Mexico—and in jail.

The PAN leaders are desperate. The support the State Department was giving it to win the July elections in Sonora and other border states is starting to get shaky. Henry Kissinger must be very unhappy, because his scheme to set off violence in the elections may backfire. And his name has starting coming up in the inquiry into the Camarena case.

Palme's dirty Iran connection

In a nervous overreaction against the ELP, Palme exposed a deal with KissAss's Pehr Gyllenhammar of Volvo.

In a March 1 letter to the editor of Sweden's largest-circulation newspaper, *Expressen*, Premier Olof Palme went ape, accusing the chairman of the Center Party, former Prime Minister Thorbjörn Fälldin, of having joined LaRouche's co-thinker organization, the European Labor Party (ELP).

The background to this astonishing conclusion is that in criticizing Palme's foreign policy, the Center Party leader in mid-February had brought up an old, incriminating Palme quote from 1980. Palme had praised the Iranian revolution carried out by the butchers' regime of Khomeini and his crazed mullahs, asserting that "with almost pedantic thoroughness, they have tried to build up democratic institutions, viz. a new constitution, elections of a president and parliament."

For reasons which will become clear, the usually reptile-quick Palme waited for two weeks, and only then launched a counter-attack against Fälldin. Responding in fact to more current events, Palme began his letter to the editor of *Expressen* as follows:

"Now, even Thorbjörn Fälldin has joined ranks with those who want to criticize the government's foreign policy with the aid of an incomplete and out-of-context and nearly five-year old quote about what I allegedly [sic!] said regarding conditions in Iran.

"In the beginning, it was the crazies in the so-called European Labor Party who took up this question in or-

der to try and link me to all sorts of subsequent phenomena in Iran. Then the Moderate Party picked it up and continued the campaign. So now, even the Center Party leader has grasped this straw. . . ."

The real background to this outburst by Palme, lies in the fact that between Fälldin's attack on Palme (Feb. 14) and Palme's reply (March 1), something very interesting had happened. A weighty Iranian delegation came to visit Stockholm, holding secret meetings with Palme and with Volvo boss Pehr Gyllenhammar, an executive board member of both Kissinger Associates and the Aspen Institute. When news of a major deal with the Iranians leaked out, Palme got nervous about opposition from certain members of parliament. But above all, Palme got nervous about the ELP.

According to available accounts, the Iranian delegation, led by the Iranian vice foreign minister, arrived in Stockholm late on Feb. 21, for two days of secret meetings with government and industry representatives.

After the visit, Swedish Deputy Foreign Trade Minister Carl-Johan Åberg announced that Sweden has signed a contract for oil purchases from Iran of \$400 million in 1985. Most of this will directly go to Volvo, while the state-owned Swedish Petroleum will also buy.

Meanwhile, exports to Iran are being expanded, including a contract by Saab-Scania to build a truck factory there. The only other truck manufac-

turing facilities in Iran are Volvo and Mercedes, reflecting the massive involvement with the mullahs of both the Swedes and Germans.

Iran is today Sweden's biggest trade partner in the entire Third World. More than half of that trade is directly between Iran and the Volvo company of Kissinger Associates' Pehr Gyllenhammar. Now Palme wants to place even stronger emphasis on the horror regime of Khomeini. Stated Deputy Foreign Trade Minister Åberg, "After the visit of the Iranians, including their talks with Olof Palme, I am very optimistic about further expansion of trade with Iran."

This policy is not strictly speaking conducted as the foreign policy of Sweden as a sovereign nation, but rather reflects the corporate interests of Henry Kissinger's private business entity. In Kissinger's seventh syndicated article, published Feb. 4 by the *International Herald Tribune* and other newspapers, the line peddled is that more support must be given to the Iranian butchers, as one-sided support for Iraq in the ongoing Gulf war will drive Iran into the arms of the Soviet Union.

Rather than defeating the Iranian regime, Kissinger argues that according to United States and Western interest in the region, both the parties in the Iran-Iraq war must be prevented from gaining victory, as "the Soviet Union would greatly benefit if Iran emerged from the war fatally weakened and in irreparable disarray." Presumably, this call for an unending Gulf war of genocide and destruction is the spirit which has also guided Olof Palme in his efforts as U.N. mediator in the Iran-Iraq war.

It seems that whatever the Socialist International's Olof Palme is doing with regard to Iran can be traced to the drawing boards at Kissinger Associates and the Aspen Institute.

Worse than a 'cold shower' for Mubarak

There won't be a peace process without a change in U.S. economic policy.

The chance for a breakthrough in Mideast peace negotiations, which began to emerge around Saudi King Fahd's Feb. 10-15 visit to the United States, is now in serious jeopardy. The agreements with Mideast moderate leaders that were carefully constructed by Defense Secretary Caspar Weinberger will be smashed if there is not a drastic shift in administration economic policy.

The State Department, with its pursuit of a "New Yalta" deal with Moscow and its consequent boosting of Syria, is the principal obstacle to progress in the peace effort.

Rumors are rife in Washington that the Reagan administration may cut economic and military aid to Cairo—reports that were confirmed on March 6 by Deputy Undersecretary for Defense Gen. Kenneth Burns, who told Congress that Egypt's inability to repay some \$285 million in debt service on loans last year, means that Cairo will fall by early summer under the category of the "Brooks amendment," which halts all economic aid to a country unable to pay its debt.

Even worse, Egyptian Defense Minister Marshal Abu Ghazala was in Washington the week before and was told nothing about this impending move. Three days before the arrival in Washington of Egyptian President Hosni Mubarak, this was seen in Cairo as not merely a "cold shower"—as the daily *Le Monde* described it—but a diplomatic affront. *Le Monde* added that a few days before, President Mubarak had publicly voiced strong "dis-

satisfaction" with the way the White House was handling the aid package to Egypt.

As Mubarak will put it bluntly to Washington bureaucrats, although Egypt is not yet paying on the principal, but only on the interest of the loans, this amounts to close to \$450 million for the military component alone. Add to that another \$450 million for the civilian credit, which is 25% of the income of all Egyptian exports, and you have close to a \$1 billion in debt payments for interest alone, while Egypt is requesting this year some \$1.7 billion in aid. Hence Egypt will directly request a debt moratorium and that \$1.1 billion of military aid be considered as non-reimbursable grants.

Short of such a gesture, Washington will give Egypt the very same treatment it gave Sudan some three weeks earlier.

Israel will not be spared a similar bashing. An unnamed State Department official was quoted on Radio Jerusalem on March 7 declaring that "anyway, the Israeli economy is in such a mess that any additional economic aid will be useless."

More officially, Undersecretary of State for Monetary Affairs W. Allen Wallis announced that Israel had not done enough yet to restructure its economy and impose austerity to deserve further aid. Washington and Israel signed a free-trade agreement which means the opening of Israel's economy to Dope Inc., in the same way that the Red Sea resort of Eilat is

soon expected to become a free zone which, far from promoting industrial activities, will be a hothouse for casinos, gambling, and drugs.

These facts are essential to understand why Washington has remained so silent on the Middle East since the visit of King Fahd to Washington, during which he proposed a \$40 billion plan for the economic development of the entire Mideast region, including Israel. The project would be financed by the United States, Western Europe, and the oil-producing states of the Mideast, and would provide an ideal means for underwriting a peace settlement.

Contrast the State Department's statements on economic policy with the visit of Vice-President George Bush to Africa, where he told the Sudanese about an American plan for great projects in the region, including the building of new irrigation dams. The State Department is still withholding \$150 million in economic aid to Sudan.

The resolution of the implicit fight between the State Department and the White House will determine whether there is a chance for peace in the region. President Mubarak has now been mandated by both the Palestine Liberation Organization and Jordan to organize a meeting between an American delegation and a joint Jordano-Palestinian delegation. But the proposal was immediately rejected by Secretary of State George Shultz, who stressed that there would be no meeting with the PLO as long as it "does not acknowledge the U.N. Resolution 242 explicitly and recognize Israel."

Such a session would be only a first step toward direct discussions between the Israelis and a similar Jordano-Palestinian delegation, which Israeli Prime Minister Shimon Peres said he was ready to "meet any time, anywhere."

A test-case for U.S. Africa policy

Bush is restoring some of the aid to Sudan frozen by the State Department, but serious emergency measures are needed.

American Vice-President George Bush ended his visit to Sudan at the beginning of March by restoring part of the \$150 million in U.S. economic aid that had been frozen by the State Department as "punishment" of Sudanese President Gaafar Numayri for not implementing the austerity demands of the International Monetary Fund. Now Sudan will be enabled to buy fertilizers and pesticides—for the princely sum of \$15 million.

Bush also announced that the United States would send an additional 150,000 tons of emergency food aid for the victims of famine in the region. Most significant, however, was the report that Bush proposed American help in building a great project to enable Sudan to increase its agricultural production. The Paris daily *Le Monde* reported that this involved the construction of new dams for irrigation—a significant step in the direction of the necessary policy of using American technology to end famine and develop Africa.

Whether this policy is consolidated, however, depends on the outcome of the factional debates in Washington. Unless the influence of the State Department is overturned, the genocide in Africa will continue.

Bush is scheduled to go on to Niger and Mali, with the official aim of "examining American action to help Africa," and then to a special United Nations meeting in Geneva on March 11, where donor governments are to be asked to increase aid to drought-stricken areas of Africa.

Sudan is one of the 20 worst-affected countries on the continent, and millions could die this year. Four years of drought have drastically cut local food production, and lack of foreign exchange means there are no funds to purchase food. There are shortages of diesel fuel and gasoline. Hundreds of thousands of refugees are flooding into the country from even worse-hit areas such as Chad and Ethiopia. There are reportedly 1.5 million refugees in the country, with reports that another 600,000 could arrive from the Ethiopian province of Tigre in the next months.

A representative of the British charity Oxfam said that 250,000 refugees are in immediate danger of death from malnutrition and disease.

A disagreement over distribution has meant that the European Community has only provided 3,500 tons of food aid to Sudan so far this year. The Sudanese authorities wish to sell the food provided on the open market, while the EC wants to have it delivered to the refugee camps. As a result, 150,000 tons of food are simply waiting to be sent.

The U.N. Office of Emergency Operations for Africa in New York has issued a report on the situation of the 20 worst-affected countries, prepared for the March 11 conference. It calls for some \$1.5 billion of additional funds to meet the needs of Angola, Botswana, Burkina Faso, Burundi, Cape Verde, Chad, Ethiopia, Kenya, Lesotho, Mali, Mauritania, Mozambique, Niger, Rwanda, Senegal, So-

malia, Sudan, Tanzania, Zambia, and Zimbabwe.

The report describes "an unprecedented crisis which shows little sign of abating in the near future." Over 30 million people are affected; at least 10 million have abandoned their homes and land in search of food and water.

The report calls for \$1 billion of food aid—\$185 million for agricultural inputs, \$70 million for health care, \$52 million for relief survival items, \$32 million for water projects, and \$40 million for additional logistics.

However, even if all this aid is sent, it is nowhere near the \$20 billion that *EIR* has estimated as the minimum to end the famine on the continent and start development projects that could begin to get the continent producing food. African spokesmen have also called for major development efforts as well as food aid, and have stressed the fact that it is the economic crisis which has hit Africa which is to blame for the famine, not the drought as such.

At a meeting of the economic ministers of the Organization of African Unity which opened in Addis Ababa on Feb. 26, OAU Secretary General Peter Onu warned that Africa was facing "a catastrophe without precedent in the history of mankind" unless immediate and drastic measures were taken. He called for urgent action, not only to save the lives of the millions faced with starvation, but to build up agriculture and industry on the continent.

The Ethiopian head of state, Mengistu Haile Mariam, told the meeting that "no region of the world has been so hard hit by the world recession as Africa," as it faces falling prices for its exports of commodities and raw materials, rising prices for its industrial imports, and an increase in its foreign debt. He called on African nations to undertake a common initiative to obtain debt relief.

International Intelligence

Anzus Treaty breaks up, Moscow moves in

Australian Prime Minister Robert Hawke announced on March 4 that the annual meeting of the Anzus treaty partners—the United States, New Zealand, and Australia—was “indefinitely postponed.” His foreign minister, Bill Hayden, reported the same day that Soviet Deputy Foreign Minister Mikhail Kapitsa had accepted his invitation to visit Australia later in March.

The Anzus treaty is a “dead letter,” said Hawke.

The elimination of the U.S. presence in this area is a direct outgrowth of the 1969 Guam Doctrine of Henry Kissinger for the strategic withdrawal of the United States from the Pacific. The break-up of the Anzus treaty has drawn no complaints from the State Department, and Hawke even announced that he had postponed the Anzus meeting at the request of Secretary of State George Shultz.

Meanwhile, New Zealand Prime Minister David Lange, whose decision to refuse port to an American warship precipitated the current crisis, is treating the United States as the enemy of the Pacific countries. In a speech at Oxford University, Lange justified his government's move: “There is no sense in inviting these ships into waters where no imbalance exists, to deter an enemy that does not exist. . . . To force a country to accept nuclear weapons against its will is to take the moral position of totalitarianism.”

Qaddafi: Terror command must fight ‘traitors’

Libyan dictator Muammar Qaddafi has called for the creation of a “Revolutionary Command” to fight the “Zionist and imperialist” plot represented by the ongoing peace effort in the Middle East. In a speech early in March, he denounced Jordan's King Hussein and PLO chief Yasser Arafat as “traitors.”

He vowed his support to “European progressive forces”—i.e., terrorists—naming the Irish Republican Army, Red Army Faction, and Red Brigades.

The terrorist command, he said, should be made up of Libya, Syria, and Algeria, and should follow the model of the “Morocco-Libya Union of States.” Though there has been no answer from the Algerians to this “offer,” Syrian Vice-President Abdel Khalim Khaddam was in Tripoli when the proposal was made.

While Qaddafi was proclaiming that Libya has the “right and the duty” to kill its opponents, a Libyan Jew was killed in Rome March 3, apparently by Qaddafi's commandos. Although no group has taken responsibility for the murder, Italian police say they believe it was politically motivated.

Portugal's military chief advocates beam defense

Portuguese Chief of the General Staff Gen. Lemos Ferreira “has defended the Strategic Defense Initiative (SDI)—‘star wars’—of the American President,” according to *Diario de Noticias* of March 3. The plea was made “upon his return today from a visit to Belgium,” where he met with NATO Supreme Commander Gen. Bernard Rogers at NATO headquarters.

The report continues: “The project of space-based anti-missile defense, which has raised some skepticism and even outright rejection on the part of European NATO allies, stated Lemos Ferreira in a statement to [the Portuguese news agency] NP, shows a concern to use an advanced technology to define solutions more appropriate to our time. The SDI also means new or emerging technologies and will allow the preservation of the status quo, the possibility of disarmament, and the pursuit by NATO of a firm, logical, and coherent attitude with respect to the U.S.S.R.,” the chief of the General Staff stressed. He also emphasized “the extraordinary growth in the last few years of the Soviet and Warsaw Pact military potential.”

“Referring to concerns that exist in various sectors of the Alliance concerning the enormous cost of the SDI—more than \$26 billion for the next five years—Lemos Ferreira replied that what is being done in the field of advanced technology permits us to make progress in other areas and is a factor of progress, exemplified by the breakthroughs registered in computers thanks to the American space program in the 1950s. There are differences between some Allies and the U.S. concerning ‘star wars,’ but what remains to be seen, according to Lemos Ferreira, is ‘who is going to move and who will join the projects.’”

Germany's Willy Brandt seeks a ‘Grand Coalition’

Willy Brandt, the president of the Socialist International and chairman of the German Social Democratic Party (SPD), is contemplating a “Grand Coalition” government with the Christian Democrats (CDU). The move is aimed to undermine the position of Christian Democratic Chancellor Helmut Kohl, who has recently come out strongly in favor of West Germany's alliance with the United States, and for cooperation with the U.S. Strategic Defense Initiative program.

In an interview with the weekly *Der Spiegel* published March 4, Brandt used the term “national responsibility” to hint at the necessity of forming a government that would include the two big West German parties—the SPD and the CDU.

Brandt laid out five goals which the two parties should achieve together:

- bring down the high unemployment rate;
- prevent the destruction of the environment;
- carry out a pension reform;
- achieve the unification of Europe, including establishment of a European Currency Union “to gain some independence from the dollar.” Brandt added, “Instead of getting pulled into such adventurist things as the American space program, we should examine, in coordination with the French

and the British," how to build a non-military space effort in Europe;

- launch a "second round of *Ostpolitik* [détente]" to work out a deal "with realistic circles in the other camp."

Brändt defended the Green Party, saying that it is wrong to "demonize a new grouping—this is what I maintain."

West German President calls for beam research

At a press conference concluding his state visit to Finland March 9, West German President Richard von Weizsäcker stated his support for the U.S. Strategic Defense Initiative and said he believed that Europe should join in the research effort. His statement reflects the growing support for the policy in the government since Chancellor Helmut Kohl officially endorsed the SDI on Feb. 9.

The Soviets are doing research in this field, he said, and so "as many nations as possible should participate in the research on such space-based defense systems."

Weizsäcker said that the notion of "Star Wars" was wrong, because the SDI was aimed at "finding a defensive system." Future work on weapons technology only made sense, he said, if it succeeded in reducing the potential of aggressive weapons.

"The more the U.S.A. involves its alliance partners and the rest of the world in this effort, the better it will be for securing peace," he added. "The more these new technologies prove capable of encouraging the process of arms control and disarmament, the better it will be."

Andreotti under fire for support of Qaddafi

Italian Foreign Minister Giulio Andreotti is coming under growing criticism for his defense of Libyan dictator Muammar Qaddafi, who has been making public terror threats against Italy, the United States, and other

countries. Andreotti ordered the foreign ministry to conduct an "investigation" before taking any actions against Libya, in order to determine whether Qaddafi really mentioned Italy and the Italian Red Brigades in his recent speech.

The Italian translation of the release on the speech by the Libyan news service JANA made no mention of the Red Brigades, but only of the West German-based Red Army Faction and the Irish Republican Army.

Andreotti's pro-Libyan policy was denounced as a "total failure" by a group of Italian parliamentarians, who emphasized that Qaddafi's threats are coherent with the present wave of terrorism against NATO. The Catholic daily *Avvenire* emphasized that the Libyan threats to Italy are the result of "Andreotti's pro-Libyan policy." This indicates that strong opposition to Andreotti exists inside his own Christian Democratic party.

Israeli parliamentarian denounces Green Nazis

Likud Party member of the Israeli Knesset (parliament) Ehud Olmert, speaking from his office in Jerusalem March 6, issued the following statement to the Schiller Institute on the subject of West Germany's Green Party:

"The attitude of the Green Party towards the State of Israel reflects an attitude based on prejudices and a bias which is distorting the real perspective of the Middle East problems. The terms, the manners, and the techniques of these groups reflect attitudes which remind many Israelis of other groups in the past of Germany which we believed would never reappear. In modern times, groups which use terms such as 'changing the world' usually are associated with the arch enemies of the State of Israel, those who are committed to its liquidation. The latest visit of the delegation of the Green Party to Israel only helped to reemphasize and strengthen those impressions."

Olmert is a leading anti-drug fighter in the Knesset.

Briefly

- **MAY 8, V-E DAY**, will be the culmination point of the Stalin revival in the Soviet Union, Mideast intelligence sources report. Look for Stalin's picture everywhere on that day.

- **AFTER ALL THAT TALK** about Robert Vesco being in Cuba, it appears that he is in Panama instead. Why isn't Castro protesting?

- **THE SWISS EDITION** of *Readers' Digest* is the first periodical other than this one to detail the control of the Ayatollah Khomeini over the international terror network that reaches all the way into the United States. Particularly noteworthy is the magazine's mention of David Belfield, a.k.a. Salahuddin, who killed a prominent Iranian opposition leader in 1979, and escaped thanks to the protection of officials of the Carter administration.

- **A DEAL WAS STRUCK** between U.S. State Department negotiator Murphy and his Soviet counterpart Polyakov at the Vienna talks on the Middle East, our sources report. Both sides agreed not to intervene in upcoming hostilities between Israel and Syria.

- **SADDAM HUSSEIN** of Iraq has created a special brigade of 5,000 men ready to intervene in southern Lebanon to prevent an Iranian takeover of that region, according to the French weekly *VSD*.

- **SOCIAL DEMOCRATS** from West Germany, led by oligarch Peter von Oertzen, went to Rome for three days of meetings with the Italian Communist Party at the beginning of March. The PCI newspaper *L'Unità* reported that the discussions led to agreement on the necessity "to create a European bloc on the world market." Only in this way will it be possible to oppose "American economic-military superiority."

Swiss targeted in war on drugs; will IMF be next?

by Mark Burdman

"Is there some big crap game going on over in Switzerland? I can't wait to get to Boston!"

The speaker was Democratic Congressman Fernand St Germain of Rhode Island, head of the House Banking Committee, speaking in the House of Representatives on March 5. His Committee's Subcommittee on Financial Institutions will be holding hearings on-site in Boston on March 20 to investigate the case of the First National Bank of Boston and its alleged laundering of \$1.2 billion in suspected narcotics-related revenues.

These hearings, and the Bank of Boston case more broadly, have taken on new historic dimensions in view of high-level Reagan administration officials' targeting of Switzerland and Swiss banks' secrecy laws, as the culprit behind international narcotics money-laundering.

The leading Swiss banks—Union Bank of Switzerland, Crédit Suisse, Swiss Bank Corporation, and others—over the years have expressed privately and publicly their extreme displeasure at this publication's spotlighting of their ties to drug trafficking and to drug-trade-derivative "Nazi" and "Communist" forms of international terrorism. Now, the Reagan administration itself is casting Switzerland in the role of Public Enemy #1 in its war on drugs.

'Consistent with money laundering'

Following his March 5 briefing before the Subcommittee on Financial Institutions, U.S. Assistant Treasury Secretary for Enforcement John M. Walker, Jr. told reporters, "There's every indication of money laundering" in the Bank of Boston case, "specifically drugs. That's what we have seen frequently elsewhere."

Walker asserted that tracking down the drug money was unnecessarily complicated because of Swiss banking secrecy laws. But, he added, "Common sense tells you that huge amounts of small bills coming in from Switzerland like this

are consistent with money-laundering."

In his actual testimony, Walker had indicated that the Bank of Boston case was much more comprehensive, in time and in space, than many had imagined. He revealed that the bank was only one of 41 now under investigation by U.S. federal authorities for suspicious money-laundering activities. He also stressed that the Bank of Boston had been informed *as early as 1982* that it had "problems" in its procedure for reporting money transactions, and was simply not telling the truth by asserting that such "problems" had only begun in 1984: "For the Bank to say the problems were only recently brought to its attention is burying its head in the sand. There were ample red flags and there should have been a full-scale investigation and compliance in 1982."

Walker's colleague, James D. Harmon, Jr., executive-director and chief counsel of the President's Commission on Organized Crime, threw the focus of the subcommittee onto Switzerland. He revealed that his office was working on a case specifically involving heroin traffickers from Sicily using Switzerland to launder money. More broadly, he asserted that crime syndicates in Sicily, Hong Kong, and Tokyo were using the banking system to launder billions per year. He said his commission was dealing with a situation similar to that of the Bank of Boston, in which the Hong Kong branch of a large West Coast bank collected more than \$1 billion in cash and sent half of that to banks in Switzerland, which then transferred the money in small bills to the United States. Because this West Coast bank was cooperating with U.S. authorities, he said, he could not reveal its name.

The heat is on. The Bank of Boston, through its spokesman Barry Allen, asserted on March 5 that it was the Swiss banks that were at fault. Said Allen: "The international transactions between banks were always at the initiation of the foreign banks. We do not have any way of knowing the origin of the cash transactions, and there is no way for individuals

to have access to the cash transactions.”

In 1978, a team of investigators commissioned by Lyndon H. LaRouche, Jr. triggered a giant international controversy by publishing the book *Dope, Inc.*, depicting on its cover the British flag and British crown with a heroin addict's needle superimposed. Now, indeed, with leading administration officials in a combative mood, U.S. anti-drug officials have for the first time arrested a paid colonial servant of the British Monarchy in a drug sweep. Prime Minister Norman Saunders of the Turks and Caicos Islands, located just off of the Bahamas, was arrested on March 5 in Miami, along with two other Turks and Caicos government officials and a Canadian businessman, on charges of conspiracy to use the small island as a transshipment point for bringing narcotics from Colombia into the United States.

Said Peter F. Gruden, special-office agent for the Drug Enforcement Administration in the Miami area: “This is the first time we have filed complaints against what would be the chief officials of a foreign country, and certainly the first time there have been any arrests.”

The brawl in Washington

St Germain's committee, Walker's Treasury group, and Harmon's Commission are only a few of the investigative bodies actively pursuing the Bank of Boston case. The Senate Permanent Investigations Subcommittee, headed by Senators Rudman (R-N.H.) and Roth (D-Del.), and joined by the Senate Banking Committee's Subcommittee on Security headed by Sen. Alphonse d'Amato (R-N.Y.), is opening up hearings on March 12, with Justice, Treasury, and other government officials called to testify.

Capitol Hill observers describe the mood in Washington over the Bank of Boston case as “a real brawl,” with the bank and its collaborators reportedly involved in intensive behind-the-scenes arm-twisting and intrigue. One noteworthy sign of this was the behavior of the U.S. Comptroller of the Currency's office, which early in the week of Feb. 25 had accused the Bank of Boston of having known its currency reporting procedures were illegal since 1982. Within 48 hours, the office recanted and claimed that its earlier statement had been “in error.”

Other intrigue and blackmail is reportedly emanating from the offices of the Anti-Defamation League, whose officers have launched a national campaign, through the media and other channels, to smear U.S. Attorney General Edwin Meese on “corruption” charges. Meese is known to want to clean the Department of Justice of pro-drug operatives in the department's second-level officialdom; since this would target some of the ADL's own precious assets, the ADL has gone on preemptive attack.

A New York investment bank official indicated another potential line of attack. He recalled that ex-New Jersey Sen. Harrison Williams, now in jail on an FBI “Abscam” sting, “committed his act of political stupidity by deciding to open up an investigation into the Swiss banking-secrecy laws.”

As the battle over the Bank of Boston and Switzerland intensifies, however, Switzerland's U.S. assets are going to come under hotter and hotter attack, in particular, U.S. Attorney for Massachusetts William Weld. From the inception of the Bank of Boston case, Weld has been trying to put a lid on it, including a \$500,000 “sweetheart deal” fine of the bank. Of course, any further tracking of the Bank of Boston's dealings with Crédit Suisse bank would open the files on his own family funds, accrued by the White Weld securities empire under the direction of Weld's father David Weld, in association with Crédit Suisse from the 1930s up through the early 1980s, when White Weld was dissolved into numerous pieces under the overall control of First Boston, Crédit Suisse, and New York's Merrill Lynch.

What of the IMF?

The intensity of the fight against the drug traffickers corresponds to a realization of the enormity of the strategic and economic stakes involved in international narcotics trafficking. In a report issued early in March, the Congressional Select Committee on Narcotics and Drug Abuse, under the chairmanship of Charles Rangel (D-N.Y.) revealed that approximately 20 million Americans are now using cocaine regularly and 500,000 Americans are addicted to heroin. Rangel's Select Committee asserted that the drug trade has grown internationally at the rate of \$10 billion per year since 1978.

Drug traffickers “have declared war on the United States,” Rangel said in a statement issued upon release of the report. He urged measures to “repel the invader.”

While commending the military for having made inroads in fighting drug abuse within the armed forces itself, the Select Committee report criticized the Reagan administration for failing to provide enough funds for the Drug Enforcement Administration (DEA), the Coast Guard, and the U.S. Customs Service to “enable them to effectively control the massive smuggling and distribution of cocaine, heroin, and marijuana affecting the United States.”

A bipartisan group of U.S. senators introduced a bill on Feb. 27 entitled “The Readiness Enhancement of Air Force Reserve Special Operations Act of 1985.” According to chief sponsor Dennis DeConcini (D-Ariz.), the measure represents “a bold new step toward bringing the Department of Defense more deeply into our war against the narcotics traffickers.” (See *Congressional Closeup*.)

However, the administration's war on drugs cannot be pursued in a war-winning way as long as the administration continues to support the policies of the International Monetary Fund and the “free enterprise” advocates around the world. Until the equation IMF + “free enterprise” = narcotics-trafficking is understood by the President and leading members of his administration, the U.S. government will be combatting drug-trafficking with its left hand, while unwittingly encouraging the “citizens above suspicion” who control the drug trade with its right hand.

Developments in U.S., Soviet capabilities

The just-released 18-page report of the White House to the U.S. Congress detailing the case for construction of the MX missile contains sections dealing with both Soviet and U.S. development of strategic capabilities during 1984. Excerpts from these sections follow.

On the Soviet side:

- Modernization of the Soviets' fourth generation Intercontinental Ballistic Missile (ICBM) continued with the modification and deployment of an additional 30 SS-19s (carrying a total of 180 highly accurate warheads). At the same time, development and flight test of both the new SS-X-24 ICBM with 10 warheads and the single-warhead SS-X-25 ICBM continued (despite the fact that SS-X-25 testing violates at least two provisions of the unratified SALT II Treaty as documented in the February 1985 Report to Congress on Soviet Noncompliance). We anticipate that both SS-X-24s and SS-X-25s will be deployed in silos as well as on mobile launchers over the next few years.

- Three types of strategic bombers are in production or development. Production continues on the Backfire and Bear H bombers. The Bear H achieved its Initial Operational Capability (IOC) with the new AS-15 air-launched cruise missile during 1984. This deployment is advancing more rapidly than we projected one year ago. Advanced development of the new Blackjack bomber, similar to but larger than the B-1B, also continued, and we expect it to be ready for deployment before the end of the decade.

- An additional Typhoon-class missile submarine (SSBN) (the third) joined the Soviet Navy, as did the first and second ship of a second new class of SSBNs, the *Delta IV*. Testing of the *Delta IV*'s sea-launched ballistic missile, the SS-NX-23, also continued throughout 1984, and an IOC in the near term is expected. In a related development, flight testing of a long-range sea-launched cruise missile (SS-NX-21) appears to have been completed and the missile may already be operationally deployed on submarines near U.S. coasts.

In addition to this accumulation of offensive intercontinental nuclear forces, the Soviet Union in 1984 continued to:

- improve its massive air defenses;

- upgrade the Moscow anti-ballistic missile (ABM) system and construct large phased array radars (one of which constitutes a violation of the legal obligations under the ABM Treaty);

- perform extensive research and development (R&D) on a rapidly deployable ABM as well as extensive R&D on a space-based strategic defense system, and on new air defense missiles with capabilities against some types of ballistic missiles; and,

- Deploy significant numbers of new intermediate- and short-range nuclear missiles and artillery systems.

On the U.S. side:

- The remaining two squadrons of B-52Gs identified for conversion to air-launched cruise missile (ALCM) carriage became operational, bringing the total to five squadrons (90 B-52s with 1,080 ALCMs). Additionally, preparations to begin ALCM conversion of the B-52H force proceeded on schedule, with modification of the first aircraft scheduled to start in July 1985. Moreover, our first new long-range strategic bomber aircraft in over 30 years, the B-1B, was delivered for test and evaluation in October 1984. The B-1B is scheduled to enter the Strategic Air Command's inventory next year.

- The Trident submarine USS *Georgia* began operational patrol, the fourth Trident, USS *Florida*, was commissioned and the fifth Trident, USS *Henry M. Jackson*, began sea-trials. *Florida* began operations recently, and the *Jackson* will begin regularly scheduled operations later this year. Additionally, in June 1984, the nuclear version of the Tomahawk land-attack cruise missile (TLAM-N) achieved its scheduled IOC aboard selected submarines and surface combatants.

- The Ground Wave Emergency Network (GWEN) achieved its initial connectivity capability, thereby increasing the difficulty of attempting to preempt U.S. retaliation by attacking our command, control, and communications system. The third electro-magnetic pulse (EMP) hardened National Emergency Airborne Command Post (E-4B) was delivered last year. Additionally, we began improvements to the Ballistic Missile Early Warning System (BMEWS).

- 1984 also witnessed three more highly successful Peacekeeper test flights (the fourth, fifth and sixth tests in that series) concluding Phase I of the test flight program. The seventh test flight, which occurred on Feb. 1, 1985, was also successful. The Peacekeeper continues to perform exceptionally well, achieving accuracies which are better than design requirements. Additionally, production of the first 21 Peacekeeper missiles is underway, as well as support facility construction. All aspects of this program are progressing smoothly and are well within cost estimates. In fact, with the release of the FY 85 funds, the program will be over 50% complete in terms of total program funds.

After General Westmoreland's trial: the verdict on libel law

by Edward Spannaus

Until a few years ago, it was virtually impossible for a public official or prominent public figure to bring a libel case to trial in the United States. Under the prevailing doctrine of *New York Times v. Sullivan*, a public figure had the burden of showing "actual malice"—nothing to do with real malice, but defined as publishing a "knowing falsity" or acting "in reckless disregard of the truth." Most cases were summarily dismissed before trial. In effect, the press was above the law, possessing the right to defame or lie about a public figure—so long as the victim could not prove, with "clear and convincing evidence," that the reporter either knowingly lied or acted in reckless disregard of the truth.

This unchallenged reign of the media was threatened in 1979 in a famous footnote in which the U.S. Supreme Court suggested that no longer should libel cases brought by public figures be dismissed at the summary-judgment motion stage before going to trial. Since 1979, a number of prominent figures have been able to get their cases to trial, and have been awarded large money judgments by juries, only to have awards reduced by trial or appellate court.

Over the past six months, three major libel suits by public figures against pillars of the "Eastern Establishment media," NBC, CBS, and *Time* magazine, have gone to trial, giving rise to an unprecedented amount of publicity and public attention on libel law. The overwhelming volume of press coverage was given to two of these cases—the Sharon and Westmoreland trials—while the third, that of Lyndon H. LaRouche against NBC, received little press coverage outside this news service and the *Washington Post*. But ultimately, the LaRouche case may be the most important in bringing the media to task: In this case, the errors and deficiencies of current libel law were most glaring.

The question of truth

The striking difference between the Sharon and Westmoreland cases on the one hand, and the LaRouche case on the other, was that in the first two, the trial centered on the search for the truth; whereas in the latter, the trial from the outset centered on the so-called state of mind of the reporters and what they knew or claimed not to know, not on the truth or falsity of the statements broadcast.

The process is best illustrated in the Sharon case. There, the jurors decided the statements by *Time* against Sharon were false and defamatory, by stating or implying that Sharon

encouraged massacres in Palestinian refugee camps. Morally, Sharon claimed victory. The jury ruled in favor of *Time*, however, finding that it had not acted with reckless disregard of the truth.

In *Westmoreland*, the general conceded and settled when he—and his financial backers—became convinced that the testimony at trial was so damaging that the jury would find that CBS had told the truth when it said that Westmoreland had participated in a conspiracy to understate enemy troop strength in Vietnam.

In neither case did the full truth come out. In fact, Sharon probably was guilty of what *Time* reported. In fact, it was not Westmoreland but his underlings—such as Lt. Gen. Danny Graham—who falsified enemy figures to the level politically acceptable to President Johnson. But, in contrast to the LaRouche case, in *Sharon* and *Westmoreland* the issue of truth was fought out in an adversary proceeding. In the LaRouche case, truth was barred at the courtroom door.

This was accomplished in *LaRouche v. NBC* through a number of legal ruses, the most important of them rulings by Federal Judge James C. Cacheris of the Eastern District of Virginia which gave full credence to the arguments of defense counsel that the issue was not the truth or falsity of the alleged libelous statements, but, rather, whether the reporters in question *knew* the statements were false or had serious doubts about their veracity. Thus, Cacheris excluded whole areas of testimony and evidence—such as background on NBC's and the Anti-Defamation League's key sources, or evidence in the public domain of LaRouche's actual political views—on the grounds that these were irrelevant unless it could be proven that NBC were aware of such matters prior to the broadcasts in question.

Most egregious was Cacheris's "Caspar the Ghost" ruling on confidential sources. The jury was instructed that NBC could rely on so-called confidential sources as support for its statements, without having to name the sources or present any collateral evidence which would back up charges made by these unnamed sources. In consequence, the trial revolved around the issue of what the reporters said they *believed*, rather than the truth or falsity of statements about LaRouche. As the outcome of the Sharon trial showed, this is a secondary issue and should be so treated, even though the technical outcome of the trial may ultimately depend on this. Sharon's jury found he had been defamed, but it could not be proven

that *Time* knew the statements were false, or had acted in reckless disregard of the truth. But first, the matter of truth had to be resolved.

NBC's \$3 million 'mega-verdict' knocked out

A bizarre byproduct of Judge Cacheris's rulings, "barring truth at the courtroom door," was the \$3 million judgment awarded by the runaway jury to NBC for alleged "interference in business relations" by Lyndon LaRouche.

On Feb. 20, Cacheris reduced NBC's "mega-verdict" to \$200,000, knocking out \$2.8 million of the \$3 million damages judgment as "excessive." But in so doing, Cacheris predictably upheld the jury's verdict, despite the complete lack of evidence sufficient to support the jury's finding.

After LaRouche sued NBC and the ADL one year ago, NBC subsequently filed a counterclaim, charging LaRouche

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with interfering in NBC business relationships by way of an alleged call made by a LaRouche supporter canceling an interview of Sen. Daniel Moynihan to be conducted by NBC reporter Pat Lynch. (The counterclaim also charged LaRouche with a racketeering violation—a charge later dismissed by the court.) The counterclaim was filed for harassment value, and should have been thrown out of court.

However, during the trial the jury became so contaminated and inflamed—by unsubstantiated hearsay from "confidential sources," and lying *Washington Post* reports of "threats" to NBC reporters—that one juror was excused because she expressed fear of a sketch artist associated with LaRouche! Repeated motions by LaRouche attorneys for a mistrial were denied by Cacheris.

Under these conditions, it was a foregone conclusion the jury would find against LaRouche on the libel claim. After 13 hours' deliberation, the jury awarded NBC \$2,000 in actual damages and \$3 million in punitive damages. This was a cause for concern even to pro-media libel lawyers, who have been climbing the walls about "mega-verdicts" awarded

by juries to libel plaintiffs; this was the first time such a judgment was awarded to a libel defendant.

LaRouche's post-trial motions sought to have the counterclaim verdict set aside or reduced, on the grounds that: 1) The verdict was unsupported by the evidence presented at trial. 2) The verdict was the product of "passion and prejudice" on the part of the jury. And 3), the damages were excessive beyond any known standard—a ratio of \$3 million punitive damages to \$2,000 compensatory (actual) damages was beyond any known precedent.

In libel cases, "hearsay" evidence is permitted for a limited purpose: demonstrating the state of mind of a reporter, insofar as the reporter claims he or she relied on certain statements and believed them to be true—*ergo*, no "reckless disregard of the truth." In *LaRouche*, this was carried to ludicrous lengths by Cacheris. When the jury deliberated on the counterclaims, it clearly relied on evidence that was perhaps admissible as hearsay on the libel case, but had no probative value with regard to the counterclaims, like videotapes of Lynch's interview with Senator Moynihan.

Ruling on the post-trial motions, Cacheris held there was other evidence—not hearsay—to justify the verdict. He cited the fact that since LaRouche had said he was "investigating" NBC and its reporters, his testimony "proved that he interfered with NBC's business relationships."

To justify the award of punitive damages, Cacheris argued that "the jurors heard many examples of similar harassing tactics employed against reporters who were attempting to do stories about LaRouche." The "examples" cited by Cacheris included incidents which never happened, and, of course, which never were proved in court except by outrageous hearsay. One such "example": Supporters of LaRouche picketed Pat Lynch outside NBC's New York office! In most courtrooms, picketing is protected by the First Amendment to the U.S. Constitution. In Judge Cacheris's courtroom, it will subject the demonstrator to liability for heavy damages for "harassment."

Cacheris also adopted the arguments of NBC counsel—wholly unsubstantiated by evidence—to justify the award of \$200,000 damages, "the maximum sum for punitive damages the law would accept in this trial." "LaRouche's lavish lifestyle discussed at trial shows that he lives like a millionaire," wrote Cacheris. The only person who discussed LaRouche's "lavish lifestyle" was NBC lawyer Thomas Kavalier; there was no testimony or other admissible evidence to this effect.

"LaRouche also testified that his presidential campaign was spending a great deal of money on television advertisements, paying as much as \$250,000 for a single program." This is supposed to be further evidence of LaRouche's ability to pay. But of all people, a federal judge ought to know that the collection and spending of election campaign funds is strictly regulated by federal law—such funds cannot be used either to support a "lavish lifestyle" or to pay a court judgment.

How LaRouche's trial was different

EIR interviewed Michael F. Dennis, an experienced libel lawyer who was a trial attorney representing Lyndon H. LaRouche in the case LaRouche v. NBC and ADL.

EIR: What is the significance of the outcome of the Sharon and Westmoreland trials?

Dennis: In the Westmoreland and Sharon trials, the courts were interested primarily in determining the truth of the allegation, unlike the court in LaRouche, which tried to determine whether NBC had a right to rely on its sources, whether true or false. The criteria used in the Westmoreland and Sharon cases were correct: that first and foremost, the important thing is whether the statements made were true or false. Then, once that was established, did they have a right to rely on the sources they used?

EIR: How was the LaRouche case different?

Dennis: Truth was totally obscured in our case. All kinds of prejudicial garbage was allowed in that shouldn't have been allowed in. Since so much hearsay was allowed in, we made an offer of proof regarding Gordon Novel, for example [principal source used by NBC to charge that LaRouche plotted the assassination of President Carter and members of his cabinet].

We made an offer of proof regarding Novel. We should have been allowed to put before the jury the truth about Novel. That offer of proof was designed to show that Novel was totally beyond belief. . . . That offer contained court documents that showed Novel had been involved in many presidential assassination plots, including involvement in the Kennedy assassination. If put before the jury, we would have shown that this man deals in fabricated assassination plots, and that NBC knew or should have known that this man was a liar. . . .

We elicited an admission from Pat Lynch that Gordon Novel was a convicted felon, but the court would not allow us to go into the background. . . . The court allowed all kinds of hearsay to stand, including Novel's TV statements. LaRouche had a number of witnesses, who were present. . . . They gave the total lie to Novel's story. NBC didn't present any witnesses, yet the jury believed Gordon Novel, because we were prevented from presenting the truth.

In the Westmoreland and Sharon cases, and in other libel cases I have been personally involved in in New York, the

courts have permitted the plaintiff, particularly a public figure, sufficient pre-trial discovery. This is essential in order to meet the extreme burden of proof which a public figure has to meet, to show reckless disregard of the truth. In this jurisdiction [the Eastern District of Virginia, in Alexandria] we were permitted only five non-party witnesses—although we managed to get six—out of a total of 187 possible witnesses [which NBC had claimed to have interviewed about LaRouche]. . . . The other rule in that district is that a case must go to trial within six months. We had witnesses all over the U.S. and Europe. . . .

EIR: Did the issue of confidential sources figure in the Sharon and Westmoreland trials?

Dennis: Confidential sources were not an issue in the Westmoreland case. In the Sharon case, they were, and Judge Sofaer was very good on this. *Time* claimed that the proof lay in confidential Israeli government documents. But because the Israeli government wouldn't disclose them, they claimed to be at a terrible disadvantage. Judge Sofaer wrote to the Israeli government, and was informed that there was no such statement in the Kahan Commission report that would support reporter David Halevy's allegations about Sharon encouraging the massacre. Under Judge Sofaer, *Time* could not say they relied on a confidential source, whereas in the LaRouche case, the court allowed NBC and the ADL complete freedom to rely on confidential sources—on people who were nameless, faceless, who couldn't be cross-examined, who wouldn't testify at trial.

The court allowed NBC to have it both ways: They could broadcast statements, relying on sources without names, and yet cite these nameless, faceless sources as proof of the truth. In New York, you can't have it both ways; you can't rely on confidential sources unless you name them. If you won't name them, then you can't prove your case by them, you have to prove it through other means. . . .

The LaRouche trial was essentially and substantially different. In *Westmoreland*, there were no confidential sources, but the general got two years of discovery before trial. In *Sharon*, there were two years of discovery, and no limitation on non-party sources. By implication, the court said: "You can't rely on confidential sources; that's not good enough."

EIR: What do you think the outcome of this round of cases will be?

Dennis: The outcome will be mixed. First, the costs were substantial. Secondly, defendants like NBC and CBS have the wherewithal to withstand trials like this. Thirdly, plaintiffs don't. Westmoreland ran out of money. This will tend to limit libel suits by public figures.

These cases, especially the Sharon case, establish that the media has to be a lot more careful. But for the finding of the jury, that *Time* did not act with reckless disregard, Sharon would have won.

Reagan gives orders to U.S. Geneva team

At a White House sendoff meeting on March 8 for the U.S. negotiating team at the upcoming U.S.-Soviet arms talks in Geneva, President Reagan stressed that the United States would seek verifiable reductions in the two superpowers' arsenals as a primary goal in the talks.

The President said: "The challenge of statesmanship is to have the vision to dream of a better, safer world and the courage, persistence and patience to turn that dream into reality.

"Since the dawn of the nuclear era, all God's children have lived with the fear of nuclear war and the danger of nuclear devastation. Our moral imperative is to work with all our power for that day when the children of the world can grow up without the fear of nuclear war. So, today, we reaffirm that vision—a world dedicated to the elimination of nuclear weapons, a world in which technology provides ever greater safety rather than greater fear. Today, we set out on a new path toward agreements which radically reduce the size and destructive power of existing nuclear missiles.

"Soviet leader Konstantin Chernenko said last month, 'Our ultimate objective here is the complete elimination of nuclear weapons everywhere on this planet, the complete removal of the threat of nuclear war.' Well, I welcome that statement and assure Mr. Chernenko that the elimination of nuclear weapons is also the ultimate objective of the American government and the American people.

"It's now our task and responsibility to take practical steps to turn this vision into reality. We should have no illusions that this will be easy since any venture of this magnitude will take time. And since the most vital security interests of both sides are at stake, this will clearly be long and difficult. We're realistic because we know that our differences with the Soviet Union are great. Patience, strength and unity—Western unity—will, therefore, be required if we're to have a successful outcome.

"Next week, the United States and the Soviet Union meet in Geneva to begin a new dialogue on these issues. And above all, we seek agreement as soon as possible on real and verifiable reductions in American and Soviet offensive nuclear arms. For our part, the United States is ready with firmness, patience and understanding to negotiate fair and equitable

agreements reducing the dangers of nuclear war and enhancing strategic stability.

"I've just concluded a very good meeting with our three negotiators, Ambassadors Max Kampelman, John Tower, and Mike Glitman, which culminates an extensive round of preparation.

"In the meeting, I gave my instructions for the first round of talks. These instructions enabled our negotiators to explore every promising avenue for progress. And they have my personal support.

"Like Americans everywhere, I want these negotiations to succeed and will do everything I can to ensure that this happens. And I pray that the Soviet leadership is prepared to make the same commitment. . . .

"Ambassadors Kampelman, Tower, and Glitman, and all the members of our negotiating team—I know that all of our fellow Americans wish you every success. And I know from my conversations with the bipartisan leadership of the Congress that the Congress of the United States joins in supporting you. . . ."

In a followup briefing, National Security Adviser Robert McFarlane elaborated on the "three baskets" of negotiations—strategic forces, Intermediate Nuclear Forces (INF), and Ballistic Missile Defense—for which separate and to a large extent specific instructions were given. On Strategic Forces, the U.S. objective is twofold: to reduce the overall size of intercontinental missile forces on both sides and to reduce the existing Soviet superiority in advanced, hard-target kill weapons; on the INF negotiations which involve nuclear forces in Europe, the U.S. proposal would be the old "zero-zero" option, i.e., zero Soviet SS-20 and related weapons and zero American "Euromissiles," and no inclusion of French and British deterrent forces.

On strategic defense and space defense talks, here is how the White House described the U.S. approach:

"The third basket of negotiations deal with defense and space arms. The President has stressed in his instructions of more than a dozen pages that we should begin in this session to establish the United States view on the relationship between offense and defense, to present the United States' concerns on the erosion of the ABM Treaty, to provide the Soviet Union with a comprehensive rationale for the United States Strategic Defense Program, and to take up some dozen different issues with the Soviet Union—including our view of the current strategic situation imbalance; our strategic concept which was laid out at Geneva as to how we view the evolution in strategic forces in the next 10 years and the transition over time away from offense and toward defensive forces; a treatment of why we're concerned about the erosion of the ABM Treaty; a treatment, *in extenso*, of our concerns over compliance with it; a discussion in depth of our concern about air defenses and the potential for upgrade and their use as antiballistic missile systems; a discussion of emerging technologies, and how and why we believe that they can lead to a more stable framework for deterrence."

Kissinger Watch

by M.T. Upharsin

An 'American gift' to Bettino Craxi

Imagine the following scenario unfolding some time during the coming weeks or months:

Henry A. Kissinger walks into the Customs Service, or whatever it might be called, in Rome, or Rio di Janeiro, or for that matter, New York, with the intent of answering some routine questions which have arisen during an investigation. As he enters, officials calmly walk up, put handcuffs on him, and say, "Dr. Kissinger, you are under arrest."

Sound too incredible? Perhaps not.

Exactly that sequence of events happened to one of Kissinger's friends in the "citizens above suspicion" world of real controllers of organized crime. "Businessman" Francesco Pazienza, a fugitive from Italian justice for the past four months, walked into a New York Customs office voluntarily to answer questions of U.S. investigators looking into missing funds from the deceased Roberto Calvi's Banco Ambrosiano. As he walked through the door, he was arrested.

"I don't think he was aware of the warrant on him," U.S. Customs Service Deputy Chief for Investigations Patrick O'Brien said. "He was shocked."

Pazienza, reputedly a prominent figure in the Propaganda-2 (P-2) Freemasonic lodge, has been sought by Italian authorities for:

- his role in the suspicious death of Calvi, who was found "suicided" one morning, hanging from scaffolding under London's Blackfriars Bridge;
- involvement in a Camorra/Mafia construction-contract scandal in Naples;
- involvement in an alleged se-

cret group within Italy's Sismi military intelligence service, called "Super S," believed to have used the service to carry out activities including embezzlement and money laundering. Customs agents identify Pazienza as a former assistant to Sismi's deputy director.

As news of the arrest broke in Italy, certain highly interesting little matters began to surface in the Italian press. March 6's *Il Giornale* showed a picture of Pazienza standing next to Alexander Haig, former U.S. Secretary of State. *Il Giornale* was yet more direct, noting Pazienza's years of close friendship with Kissinger himself. Some speculated that Kissinger and his piggy-bank, David Rockefeller, might decide to put up the bail money to get Pazienza out.

But "there's no honor among thieves." When Kissinger Associates' office in Washington was called March 6 and queried on the case, an aide screeched, "We never heard of Francesco Pazienza!" and slammed down the phone.

'The Moro treatment' or 'Pazienza treatment'?

Of course, Dr. K and his piggy-bank know *extremely well* who Francesco Pazienza is, and what the implications of his arrest might be.

Several of Italy's papers termed the arrest "an American present to Mr. Craxi," referring to the Italian prime minister. The fun is that on the same day that Pazienza was arrested, Mr. Craxi was beginning a four-day visit to the United States. For months, law-enforcement authorities of Craxi's government had been trying to apprehend Pazienza, but had been impeded primarily by Swiss authorities.

The crowning irony is that on the morning of March 4, only hours before Mr. Pazienza's woes, Bettino Craxi was having (one should certainly not say enjoying) breakfast at Henry A. Kissinger's apartment, at the same table as David Rockefeller, John Gutfreund of Salomon Brothers, John Reed of Citibank, a Mr. Vale of Lazard Frères, Australian publisher Rupert Murdoch, and the *crème de la crème* of Establishment bankers.

According to highly informed sources, Kissinger used the occasion to give Craxi what is referred to as "the Moro treatment." Those with good memories recall that it was at a "breakfast party" at his house that Kissinger had given the ultimatum to former Prime Minister Aldo Moro that preceded the Red Brigades' kidnaping and murder of him. "These people are threatening Craxi," the source said.

Craxi had already announced last month that his name was among those on a hit-list of the Red Army Faction terrorists of West Germany. Spokesmen for Craxi emphasize that a "new terrorism," organized by Moscow and aimed at political leaders of Western Europe, is imminent.

According to first-hand accounts, Craxi emerged from the meeting "visibly shaken."

Kissinger and his banker and mafia buddies are none too happy that Craxi has aligned with President Reagan on both the U.S. Strategic Defense Initiative and the fight against narcotics-trafficking and drug-related terrorism.

Hence, "the Moro treatment."

However, with the other event in New York City on March 4, the handwriting on the wall might rather be directed to Dr. K himself.

Should we begin to speak of "the Pazienza treatment"?

Congress to vote on fate of MX

With just a few weeks to go before Congress votes on whether to release funds for the MX missile, President Reagan and other key administration representatives have been busily applying the screws to ensure a pro-missile outcome, and several developments indicate that the administration's campaign is working.

On March 5, according to press reports, five influential members of Congress agreed to postpone any full-scale review of the MX until the summer. The five included House Armed Services Committee chairman Les Aspin (D-Wisc.), Rep. Norm Dicks (D-Wash.), and Sens. Albert Gore (D-Tenn.), William Cohen (R-Maine), and Sam Nunn (D-Ga.).

Not one could be considered a friend of the administration's overall military posture; in fact, it was Aspin who fashioned the "compromise" that has held up the \$1.5 billion in MX funding voted by Congress for FY 1985. Thus, their decision could turn the tide in the administration's favor. Reliable sources report, however, that they may be demanding a very heavy price—namely, administration agreement to reduce funding for the MX and SDI in the FY 1986 budget.

Soviet delegation on 'special mission' against SDI, MX

A Soviet delegation headed by Vladimir Shcherbitsky—the first Politburo member to visit since 1973—concluded a three-day visit to Washington March 7 with a gala love-fest hosted by House Majority Whip Tom Foley (D-Wash.), chairman of a bipartisan congressional group which arranges

exchange visits with Soviet officials.

The delegation, which included Moscow's chief "Americanologist," Georgii Arbatov, and general-staff member Col. Gen. Nikolai F. Chervov, descended on Capitol Hill on the eve of the Geneva talks and just days before Congress votes on the MX missile. Although the delegation met with Secretary of State George Shultz, defense department officials, and the President himself, its main target was Capitol Hill, where members engaged in intensive discussions with the House and Senate foreign affairs committees, the leadership of both houses, and other interested parties.

Speaking at an American Legion convention on March 5, Edward Rowny, Reagan administration special adviser on arms control, charged that the Shcherbitsky visit was aimed at undermining the Strategic Defense Initiative and the MX.

"Shcherbitsky is here on a special mission," said Rowny, in response to a question posed by *EIR*. "His aim is to convince people we don't need the SDI or the MX. The timing of his visit is no accident. They [the Soviet delegation] are here working on elements of our democratic society and are putting their arguments to people who are either uninformed or who are so desperate for an [arms] agreement that they are willing to overlook the true situation. . . ."

Rowny's characterization of the trip was right on target. While details of the various têtes-à-têtes have been carefully guarded, *EIR* has learned that the Kremlin's emissaries hammered away at the administration's alleged "lack of sincerity" on arms control, and warned that the United States better abandon the SDI—or else.

Interviewed on Washington television, delegation member Arbatov

said he and his comrades had told Congress that Moscow is "very pessimistic" about the Geneva talks. Arbatov claimed that the administration is either "not very honest" or "maybe something has changed" since the January meeting between Soviet Foreign Minister Andrei Gromyko and George Shultz, adding that the Reagan request for "billions of dollars in new military appropriations" and his commitment to the SDI proves that he isn't interested in arms reduction.

The Soviet threats were made more explicit by Colonel General Chervov, to the *Washington Post*. Chervov told the *Post* that Moscow "will develop and perfect [its] strategic offensive arms" rather than negotiate reductions if the United States continues the SDI program.

"We are not going to sit on our hands and wait until you decide whether or not it would be worthy to deploy such a system," he warned. "You are working on your system, and that means we'll start perfecting our strategic offensive arms. This is not something for the future. It is something which is going to happen in practice." Chervov charged that the three-fold increase in SDI funding which the Administration has requested for FY 1986 is an effort to make "Star Wars" irreversible.

'We can't negotiate from a position of strength'

Shcherbitsky's "secret mission" has already borne fruit. One of the congressional participants in the têtes-à-têtes with the Russians, Rep. Tom Downey (D-N.Y.), confided to this news service that the major thing he learned from them is that the United States "must not negotiate from a po-

sition of strength, because this implies weakness on the other side."

Downey, who was recently called a "draft-dodging wimp" by Rep. Dornan (R-Calif.) on the floor of the House, added that he's now certain the MX will be defeated. "I believe we will defeat it in the House, although it'll be close."

The congressman made his comments at a reception thrown for the Soviet delegation by the Kennan Institute. Feasting on shrimp canapes and Bloody Marys (White Russians were strictly *verboten*) were such distinguished Soviet fans as Sen. Claiborne Pell (D-R.I.), who was seen huddled with cable-TV czar Ted Turner and KGB Mata-Hari Carol Rosin of the Institute for Security and Cooperation in Outer Space; former ambassadors to Moscow Tom Watson and Malcolm Toon; several congressmen, including Jim Wright (D-Tex.), Tom Foley (D-Wash.), and ADL operative Henry Waxman (D-Calif.); the *New York Times'* Bernard Gwertzman; the *Washington Post's* Ben Bradlee and Robert Kaiser; State Department official Mark Palmer; and Sovietologist George Kennan.

Bill introduced to expand Pentagon's drug-fighting role

A bipartisan group of U.S. senators introduced a bill into Congress on Feb. 27 to expand the Pentagon's role in the war on drugs. Entitled "The Readiness Enhancement of Air Force Reserve Special Operations Act of 1985," the measure represents, according to chief sponsor Dennis DeConcini (D-Ariz.), "a bold new step toward bringing the Department of Defense more deeply into our war against the narcotics traffickers."

The bill's other major sponsors include Sens. Abdnor (R-S.D.), D'Amato (R-N.Y.), Chiles (D-Fla.), Cochran (R-Miss.), and Paula Hawkins (R-Fla.), chairwoman of both the Senate Subcommittee on Alcoholism and Drug Abuse and the Senate Drug Enforcement Caucus. Hawkins has been particularly outspoken on the need for a major offensive against the global drug-and-terrorism networks.

In a statement published in the *Congressional Record*, DeConcini said the bill's aim is to "pave the way for the Department of Defense to assume a peacetime, drug surveillance mission as part of an overall national security strategy to protect our vulnerable southern borders from drug smugglers, terrorist insurgents, and unidentified, low-flying aircraft. . . . No longer can we afford to sit idly by and be outgunned day in and day out by a well-financed, well-organized army of drug smugglers that is penetrating our borders with record loads of cocaine, marijuana, and heroin."

The measure mandates the creation of an Air Force Reserve special operations squadron that, "for the first time in history, will have a peacetime drug interdiction mission." The unit will include 16 P-3 aircraft equipped with extremely sophisticated surveillance capabilities.

The bill would also make the Defense Department's Task Force on Drug Law Enforcement a permanent office of the Pentagon.

Budget panel actions signal rocky going for Reagan

The Senate Budget Committee began deliberations on the Reagan administration's budget package for 1986 dur-

ing the second week in March, and promptly rejected some of the major issues of the administration's proposals.

On March 5, the Republican-controlled panel voted to cut the administration's proposed Pentagon budget for fiscal years 1986 through 1989 by a whopping \$79 billion. That figure exceeded even the \$66 billion in defense reductions advocated by committee chairman Pete Domenici (R-N.M.). The only senators voting against the cuts were Orrin Hatch (Utah), Steve Symms (Id.), Robert Kasten (Wisc.) and Dan Quayle (Ind.)—all Republicans.

White House spokesman Robert Sims told reporters, "We're very disappointed by this vote. We want the president's [defense] proposal the way he proposed it, and he'll continue to seek that on the Hill."

The defense vote was just one of the actions taken by the committee signaling that Congress and the administration are headed for a major confrontation on the budget. Aside from slashing military spending, the committee rejected many of the administration's reductions in various domestic programs, opting instead for freezing spending at current levels.

The panel voted 13-9 against the administration's proposal for paring \$6 billion from federal agriculture-support programs—although it did vote to slice them by \$200 million on the grounds that, as Sen. James Exon (D-Neb.) put it, "Agriculture must play a part in the deficit reductions, but not such a Draconian part."

Not once during the entire proceedings did any committee member suggest that the deficit be reduced by cutting some of the \$197 billion in debt service which is set to be gouged from U.S. taxpayers' pockets.

National News

Benedictines for Peace takes over Pax Christi

"Benedictinism all throughout history has been somewhat countercultural. It grows out of the heart of Benedictinism to challenge the American government. The Rule of Benedict, our charism, demands that we challenge the unjust structures," said a Benedictine sister who is one of the core organizers of Benedictines for Peace (BFP).

BFP specializes in "nonviolent civil disobedience," operating from its headquarters at the Holy Wisdom Monastery in Wake Forest, N.C., and is particularly active in the Midwest. Outgoing BFP head Sister Mary Lou Kornacki has just taken over leadership of the American branch of Pax Christi, a KGB-linked Gnostic-cult organization based in Vatican City. This takeover gives the Benedictines a strategically key position in the U.S. "peace movement," especially within the U.S. churches.

The cultist nuns are trained at "Madonna House" in Canada, which was founded by a Russian-emigré noblewoman named Katherine deWeck Dougherty. Madonna House has set up a cluster of "prayer houses" across North America modeled on the hesychastic "pustinias" in Russia.

Sen. Hawkins refutes NBC's lies on Mexico

Senator Paula Hawkins (R-Fla.) met with Mexican President Miguel de la Madrid recently and reported that he was shocked by her briefing on the international extent of drug trafficking.

She directly countered the attacks on Mexico by NBC and *Newsweek*, saying that Mexico runs one of the most aggressive wars on drugs in the world. The United States,

she said, gives Mexico a great deal of money to fight drugs because the present administration is serious about stopping them. She called for increased such funding to Mexico.

Georgetown study: SDI 'not realistic'

A 32-member panel put together by Henry Kissinger's Georgetown Center for Strategic and International Studies released a report on March 4 entitled "Reducing the Risk of Nuclear War," which asserts that "a ballistic missile defense that could protect American and allied populations with tolerably low leak rates does not now appear to be a realistic possibility."

It seems "illusory to expect that we can escape the condition of mutual vulnerability that has prevailed through much of the nuclear age," says the report, asserting that while the United States may engage in research on a "broad technological front," the U.S. focus in the near term should be on protecting missile forces and defense infrastructure, rather than population centers. It also insists that "the restoration of clear-cut [American] military superiority is . . . beyond our reach."

One of the report's signers is Alexander Haig, Jr. Henry Kissinger, although a member of the panel, chose not to associate himself with the report officially, hoping to protect his new "pro-SDI" image.

Jastrow: 'All normal people support SDI'

Astrophysicist Dr. Robert Jastrow told the American Legion's national conference in Washington on March 5 that "all normal people" support the SDI. "It's only academics and Ph.Ds" who oppose it, Jastrow said.

"They're hostile to it, but they refuse to admit it. Instead, they come up with 'scientific' arguments against it that any physics undergraduate could blow holes in."

Jastrow also reported on the results of a poll commissioned by the George C. Marshall Institute that came up with these intriguing findings: 83% of those polled did not know that the United States had signed a treaty (the ABM treaty) forbidding the development of a defense against nuclear attack; 90% wanted the U.S. government to develop such a defense; 75% support Reagan's \$26 billion request for the SDI; and more than 50% think that the United States should spend more on strategic defense.

Weinberger blasts 'military reformers'

In a speech to the American Legion national conference in Washington, D.C., March 5, Secretary of Defense Caspar Weinberger took aim at the "military reformers" and "bookkeepers" who want to pare down the U.S. defense budget: "For 12 long years we have debated the merits of our new strategic missile. During those years the Soviets fielded three types of new fourth-generation ICBMs and flight-tested two fifth-generation missiles. Already, the Soviets have deployed six times more MX-like ICBMs than are contained in our entire MX program. Note that I said *deployed*. Not a single MX missile has yet entered our arsenal."

He had particularly harsh words for the "military reformers," a group of Congressmen and think-tankers set up by Georgetown CSIS and the Heritage Foundation to campaign for a return to cheaper, simpler weapons and equipment:

"Those who would have us do without this modern equipment and make do with cheaper, less sophisticated models have failed to add two things to their calculations—the quality of the Soviet equipment

they might have to face, and the value of human life. . . . But I have a responsibility. . . . I do not want to send our men out to fight with equipment we know is inferior to the Soviets."

Washington Post boosts Farrakhan

The *Washington Post* recently published a giant spread advertising Black Muslim leader Louis Farrakhan, who has been implicated in Malcolm X's murder, as having perhaps the fastest-growing movement among blacks in the United States. The article, entitled "Black Separatist Farrakhan Widening Support," claims, "Black audiences around the nation are cheering and turning out—in increasing numbers and with increasing passion—for Farrakhan." Farrakhan has recently spoken to "unusually large crowds numbering in the several thousands in Detroit, Atlanta, Philadelphia, and Houston."

It was at one such Farrakhan conference in Chicago on Feb. 24 that Libyan dictator Muammar Qaddafi via satellite vowed to provide arms and financing to American black soldiers to desert from the army and "destroy America."

At a Feb. 28 press conference in Washington, Farrakhan said: "I agree with 95%" of what Qaddafi says. He denounced those who labeled Qaddafi's call "a lunatic suggestion": "If this suggestion is a lunatic suggestion, then that should be applied across the board. I think that Mr. Qaddafi is using the same logic that is used by the American administration." Farrakhan also admitted that Qaddafi has offered his Nation of Islam money: "We are hoping that he will help us."

Of course, should Qaddafi-funded terrorists in Europe succeed in their aim of bombing U.S. military installations, *it will in large part be black soldiers who are killed!*

DOD: SDI is solution to 'nuclear winter'

A new Pentagon report, "Potential Effects of Nuclear War on the Climate," says that although aspects of the "nuclear winter" theory may be true, since nuclear war may generate "significant" weather changes, this is all the more reason for the United States to push ahead vigorously with the Strategic Defense Initiative: The aim of destroying nuclear missiles before they reach their targets "may provide a greater mitigating effect on atmospheric consequences" of nuclear war than do arms control agreements.

"Nuclear winter" propagandist Carl Sagan responded to the Pentagon study by saying it was "sad" that the report agreed with the basic premises of his study to justify the SDI. A Sagan supporter in Congress, Rep. Timothy Wirth of Colorado, said: "All the Pentagon has done is use this as a soapbox for defending 'Star Wars.'"

Jackson leads march and covers for IMF

None other than Rev. Jesse Jackson showed up to lead a march commemorating the 20th anniversary of the bloody Selma civil-rights march of 1965. Jackson told attendees that "Nicaragua and South Africa" were the next civil rights causes, and, as usual, said not a word about famine in Africa, the International Monetary Fund, or any real issue affecting the lives of black citizens.

Six weeks earlier, the leader of the original march, Amelia Robinson, gave a speech to the Fourth Schiller Institute conference in Virginia on the events in Selma, and hailed the Institute's pledge to destroy the IMF as the new hope for civil rights of people throughout the world.

Briefly

● **FED ADVISER** Larry Marso, in a letter to the *NY Times*, says, "The austerity measures the United States supports [for Israel] are similar to those that would be mandated by the International Monetary Fund. . . ."

● **"MARTIN STANSFELD**, New York-based editor of a series on "The American Peerage" being prepared by the London-based *DeBrett's Peerage*, claims that America has evolved its own aristocracy which should "knock entrepreneurial America around a bit. . . . That's the way to deal with this 'Star Wars' . . . get the Rockefellers and their think tanks into motion, they're really good at slaughtering ideas."

● **THE DEMOCRATIC** Party of New Jersey isn't hiding much these days. It's holding its state convention at Resorts International, the leading representative of legalized crime in Atlantic City.

● **THE ADL** and Common Cause don't intend to let up their pressure on new attorney general Edwin Meese, now that he is in the position to carry out his pledge for a full war on drugs. The ADL has a lobbyist at the Department of Justice every day. And our sources report that ADL-controlled sections of the KKK and other racist militarist sects can be expected to be revved up.

● **FBI OFFICIALS** who were responsible for that agency's COINTELPRO operations against Lyndon H. LaRouche, Jr. are currently being deposed by LaRouche's attorneys in a suit brought by the former presidential candidate. So far, the individuals are showing very poor memories, thus putting principal defendant William Webster on the spot.

Editorial

Send an American ambassador to Bonn

Rumors are thick in Washington, D.C. that the new U.S. ambassador to West Germany, to take over in May when current ambassador Arthur Burns is slated to resign, will be Richard R. Burt. Burt's appointment would be a disaster for the Western alliance.

Although our sources indicate that it is very late to try to stop this appointment—which is over 90% certain—we have determined to wage a campaign to block it. Burt's is just the first of a series of ambassadorial replacements coming up in Western Europe, including France and probably Italy. And if the same thinking which went into the Burt choice continues for those of the other countries, we all might as well begin our classes in Russian.

There can be no question in the mind of any sane person about Burt's "liberal KGB" pedigree. Burt, only 37 years old, started off as a reporter for the *New York Times* and an associate at the London International Institute for Strategic Studies, the institution which has led the way in opposing the Strategic Defense Initiative and which has consistently followed the Pugwash line. Currently he is assistant secretary of state for European affairs.

All the information needed to show Burt's dubious loyalty to the United States can be found in the record of the hearings held to confirm him in his current post. Burt was branded by Sens. Goldwater, Helms, and Wallop as a security risk for having leaked classified materials to the *New York Times*.

The incident occurred in June 1979, when Burt, then a *Times* reporter, wrote an article titled "U.S. Plans New Way to Check the Soviet Missile Test." The article leaked classified information on an operational intelligence satellite system, code-named Chalet, which had been planned by the U.S. military and the NSA as a replacement for lost intelligence capabilities in Iran. Burt's article wreaked havoc with the countries who had secretly agreed to the new plan. An FBI investigation was begun which, true to the FBI's character, was never completed.

When questioned on this issue during his nomination hearings for the State Department in 1982, Burt admitted the conscious leak; he "assumed that it prob-

ably was" classified when he wrote the story.

If the relevant administration officials needed any more indication of the pro-Russian m.o. of *New York Times* reporters turned government bureaucrats, they need only look at the recent scandal around Leslie Gelb. Gelb, a *New York Times* writer who headed the State Department's Bureau of Politico-Military Affairs under Carter, was just declared *persona non grata* in his old department because he leaked classified information on U.S. war-contingency plans.

Ironically, Richard Burt's record of virtual treason is not only known to the administration, but is being used as an argument for "getting him out of the State Department" and into the most sensitive ambassadorial job in Western Europe!

It is a long and honorable custom in U.S. politics to "kick someone upstairs" when you want to get rid of him. We would hazard the view that this is one of the things wrong with the U.S. Congress right now—when the local guys got sick of certain pols, they decided they would do less damage in Washington.

Not so, of course. With a bunch of liberals, incompetents, pederasts, and outright KGB agents in the Congress, we have suffered a paralysis of government which, although not impossible to overcome, has nonetheless done plenty of damage.

Should Richard Burt be "kicked upstairs" to be ambassador in West Germany, he will not be taken out of the sensitive SDI negotiations, for example, as some patriotic conservatives may hope. Instead, like Arthur Burns, he will be in place to sabotage the SDI within West Germany's government and political system.

How this can be done has been shown par excellence by Burns. Beginning with his talking down the deuschemark, Burns has proceeded step by step to promote dialogue with the KGB-backed Greens, and to undermine the necessary offensive by Bonn against terrorism and the Soviet onslaught against the SDI.

Richard R. Burt smells like a KGB mole, looks like a mole, and runs like a mole—despite his latest posturing for the SDI in the *Frankfurter Allgemeine Zeitung*. Let's treat him like a mole, and not appoint him ambassador to West Germany!

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