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Nazi banker Genoud throws in the towel
Soviets out to sabotage U.S. x-ray laser research
For the agro-industrial development of Thailand

**The Reagan-Gorbachov summit:
Peace in our time?**



The Trilateral Conspiracy Against The U.S. Constitution: Fact Or Fiction?



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David Rockefeller: To some, the Trilateral Commission is a sinister plot by Eastern Establishment businessmen who will do almost anything—including going into cahoots with the Kremlin—for the sake of financial gain. The fact that many former members, including President Carter, are now members of the Administration is hailed as proof of how devilishly well the conspiracy works.

—Letter to the editor of the *New York Times*, Aug. 25, 1980

Moscow: The Trilateral Commission has opposed some of the military programs adopted by Washington which threaten to upset the strategic balance.

—Yu. Fedorov, in *International Affairs*, July 1985

Lyndon H. LaRouche, Jr.: The general object from the side of the Liberal Establishments was to establish a global *Pax Romana*, a thousand-year empire of shared global rule between the Trilaterals and the Soviet empire. . . . It happens, however, that the Soviets intend to cheat. They will maintain their partnership with the Liberal Establishments no longer than the Trilaterals and similar types continue to be “useful fools” working to advantage of Soviet imperial interests. Once the usefulness of those fools has been exhausted, the Soviets will variously assimilate or obliterate them.

—Foreword to *The Trilateral Conspiracy Against the U.S. Constitution: Fact or Fiction?*

To destroy the evil influence of the Trilateral Commission in American political life, one must expose the delusions in which the Trilaterals obsessively believe. *EIR's* Special Report provides a comprehensive textual analysis and refutation of key Trilateral writings, including: Zbigniew Brzezinski's delphic attacks on the Strategic Defense Initiative; George Shultz's argument for the decline of American power and influence; David Rockefeller's “socialism.” Foreword by Lyndon H. LaRouche, Jr.

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EIR

From the Managing Editor

Of special note in this issue are Lyndon LaRouche's look at the Reagan-Gorbachov summit (p. 60), the story of François Genoud's judicial capitulation (p. 28), and LaRouche's open letter to Attorney-General Meese.

As we go to press, the newspapers and television stations of the Philippines are featuring coverage of a meeting in Manila between President Marcos and General Mercado Jarrín of the Peruvian armed forces. Marcos, whose troubles stem from the same IMF usury afflicting Ibero-America, endorsed Peruvian President Garía's policy on foreign debt, and will send observers to the next Ibero-American meeting on that issue (see p. 58).

Following up on last week's exclusive interview with Filipino Foreign Minister Pacific Castro, next week's *EIR* will carry a first-hand report on the transpacific convergence emerging from the Marcos/Mercado Jarrín meeting.

From Manila, the General, whose Asian trip was jointly arranged by *EIR* and the Schiller Institute, has traveled to Bangkok, Thailand for a Dec. 2-3 *EIR* conference on Asian economic development.

The subject of this week's *Vatican* column (p. 52) and *Editorial* (p. 72) is the Extraordinary Synod of Bishops convened by Pope John Paul II in Rome. The contents of the Synod have been truly extraordinary, and heartening to all patriots of Western nations. *EIR* correspondents in Rome will be providing fuller reports on the two week Synod.

Readers may also watch for added coverage of developments in Spain and its littoral. *EIR* has just opened a new office in Madrid.

Finally, watch the Pollard spy case (p. 46), which has much bigger implications than we have so far been able to tell you about.

Vin Berg

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The banking system depends on dirty money!

by David Goldman and Mark Burdman

The stock market's rise to a record 1476 on the Dow-Jones average followed, by one day, announcement that Seattle's SeaFirst Bank had been caught with nearly 3,000 violations of the Bank Secrecy Act. SeaFirst, now a unit of Bank of America, paid the Treasury a civil penalty of \$597,000 for having accepted *several billion* dollars of suspect deposits. SeaFirst's fine conforms to the pattern of penalties imposed on other large banks for money-laundering throughout the year, in the range of a couple of days' interest on the illegal sums transacted.

Of course, the stock market was not responding to the SeaFirst case, but to the continuing, extraordinary speculation concerning large corporate mergers. They are nonetheless part of the same pattern, in which illegal money dominates the world economy.

Since 1982, when flight capital from Ibero-America brought \$33 billion in untraced dollars into the United States (reflected in the "errors and omissions" column in the U.S. balance of payments), the balance of new cash available to the American credit system has come from illegal sources: flight capital, tax evasion, and above all, the proceeds of the \$500 billion per year international narcotics traffic.

America's dependency on such funds accelerated through 1984, when the so-called Eurobond market replaced ordinary commercial bank lending in global finance. Eurobonds are sold to anonymous investors through Swiss and similar banks, in a market dominated by the First Boston-Crédit Suisse joint venture. Since Treasury Secretary Donald Regan, during his tenure as chairman of Merrill Lynch, sponsored both the First Boston-Crédit Suisse linkup and the Eurobond market's explosion, it is not surprising that the Treasury would raise no alarm at the growth of this market to a \$150 billion monstrosity.

Of the \$150 billion per annum the United States must

bring in to finance its current account payments deficit this year, roughly one-fourth will come in through so-called "errors and omissions." These take the form of unreported purchases of American securities or other assets by foreigners, and almost all are dirty. Since the tidal flow of flight capital has dried to a trickle—all the money that might have been moved has been—virtually all of the present flow represents narcotics or similar funds.

As noted, America brought in \$33 billion in unrecorded transfers in 1982; the volume fell to only \$9.3 billion in 1983, when flight capital from Ibero-America was exhausted. However, the sum rose back to \$30 billion in 1984, and International Monetary Fund estimates suggest it will rise to roughly \$40 billion for 1985.

These numbers may seem trivial relative to the volume of transactions on international markets; e.g., the Group of 30, a private banking advisory group to the IMF, reports that the *daily* volume of foreign exchange transactions on the world currency market rose to \$150 *billion*, or 21 times the volume of international trade. However, the contrary is true; as the Group of 30 emphasizes, the doubling of foreign-exchange transactions since 1978 reflects an enormous leveraging of a very thin underlying capital base. Under the circumstances, a few tens of billions of real cash money may control a pyramided position in the trillions. In that respect, the position of what we call "Dope, Inc.," has become decisive in the world economy.

The leading institutions of bank regulation, most notably the Swiss-based Bank for International Settlements, do not merely share this estimate: They are fighting to suppress any serious effort to control the narcotics traffic, or the laundering of resulting revenues, on the grounds that such action might bring down the banking system.

Well-informed European financial observers claim that

the Swiss banking establishment used monetary blackmail to make the U.S. government back off investigations of dope-money laundering. The Swiss, who host the central banks' own "central bank," the Bank for International Settlements in Basel, reportedly told American regulators that the U.S. banking system might come down if they pressed the financial underworld too hard.

Swiss sources say that Swiss and American authorities reached an agreement last summer to put a halt to investigations into drug-money laundering. A Swiss observer close to the banking community in Basel and Zurich, reports an odd "coincidence": On the one hand, "for the past two-three months, there has been no news at all about money-laundering, the scene is quiet, although before that time, this was a big issue here, with the banks always commenting on it, getting nervous about it, and so on." On the other hand, he said, in the last days of August, almost three months ago to the day, there was a meeting, in Switzerland, of U.S. officials from the Securities and Exchange Commission and other agencies with three officials from the Swiss Justice Ministry—Krafft, Schmid, and Krauskopf.

Swiss don't like direct U.S. probes

"The Swiss government has said, many times, it doesn't like U.S. violation of a Swiss-American 'Legal Aid Agreement,' whereby only the Swiss authorities are allowed to investigate banking affairs inside Switzerland, when a foreign government complains," the source said. "The Swiss don't like direct U.S. investigation. I don't know if this was resolved in late August, but the final communiqué talks of 'a climate of cooperation and not confrontation.' Maybe this is related to why we have not been hearing since then, here in Switzerland, about money-laundering investigations from Washington."

The Bank for International Settlements, the super-secret institution whose membership includes Soviet bloc as well as Western central banks, opposes any investigation of dirty-money laundering as a matter of principle. A senior Bank for International Settlements official, who asked not to be identified, admitted that the BIS is trying to keep a lid on any drug-money laundering investigations.

The official, with the BIS's Cooke Committee, responsible for bank regulation, said: "The banks have enough to do, without necessarily spending immense effort on whether their customers are engaging in nefarious activities or not. . . . The Swiss are always having accusations tossed at them about this, and they would argue: The fact that Switzerland has become a haven, is not Switzerland's fault, but the fault of the countries from which drug-money laundering originates. . . . In any case, my information is that the money involved in money-laundering is small; compared to overall transactions, it's peanuts. The figures involved in the Bank of Boston case and in the Crocker National case are actually very small, they have been grossly inflated by the press."

In fact, the multibillion-dollar money-laundering by ma-

ior banks which has shown up in U.S. Treasury investigations to date—including the Nov. 25 citation of SeaFirst Bank of Seattle—reflects no more than 2-3% of dope money laundered through the American banking system.

The financial cornerstone

"The Bank for International Settlements, as the central bankers' club, sees catching drug-traffickers as its last priority," a Rome-based investigator on money-laundering said. "There is an institutional conflict of goals, since the drug deposits are increasing liquidity in the banking system. And, the bankers love getting flight capital, which is so intermingled with drugs. Dirty money and flight capital have become the cornerstones of the international financial system. The tendency of the regulators at the BIS, is to quash rumors about banks involved in laundering activities. The regulators get nervous when people bad-mouth the banks."

Are the Swiss bluffing about the vulnerability of the U.S. banking system? As early as 1982, the Senate Permanent Investigations Subcommittee warned that the dependency of American banks on international dirty money was great enough to prompt a banking crisis. The Treasury's limp-wristed investigative efforts have already produced evidence that over \$20 billion in major banks' deposits during the past three years were illegal cash deposits; the actual total of such deposits for the whole banking system in that period is probably closer to \$600 billion.

According to U.S. government figures, at least \$150 billion has entered the United States from abroad in ways that the government can't account for—money that disappeared off the books. That, of course, excludes the much larger amounts of dope money moved abroad and then sent back to the United States under supposedly legitimate cover. Dope, Inc. has investments in the United States worth perhaps half a trillion dollars.

Blackmail of the administration?

"I would not be surprised if there were a connection between the administration's hopes for cooperation on the Baker Plan from the banks of the Ditchley Group, and your report that the government has backed off pursuing money-laundering cases against banks such as Bank of Boston," a well-placed London banker commented. Significantly, the chairman of the bankers' cartel Ditchley Group, also known as the Institute for International Finance, is Richard Devereux Hill, who was Chairman and Chief Executive Officer of the Bank of Boston at the time that the bank was fined for illegally laundering at least \$1.16 billion of drug and other black monies to Crédit Suisse and other banks.

Informed financial sources speculate that the Ditchley Group is being used by Bank of Boston, Chase, and other banks implicated in massive illegal laundering transactions, to blackmail the Reagan administration by threatening chaos on the international debt front if the laundering cases are aggressively pursued.

Scientists discuss AIDS in Africa

John Grauerholz, M.D., F.C.A.P.

Over 700 scientists from Europe, Africa, and North and South America gathered in Brussels, Belgium for an International Symposium on African AIDS. The conference, organized by physicians from the University of Brussels and the Paris Pasteur Institute, took place on Nov. 22 and 23 in the Palais des Congrès (Brussels Congress Center). In addition to oral presentations on the epidemiology, virology, and clinical aspects of AIDS in Africa, there were 59 poster presentations dealing with these matters.

The presentations

The opening scientific presentation was given by Dr. Robert Gallo of the National Cancer Institute, U.S.A. He discussed therapeutic approaches to treating AIDS based on interfering with cell to cell transfer of the virus, or attacking or deceiving reverse transcriptase, the enzyme responsible for converting the virus RNA into DNA in the host cell. He then asserted that the virus was spread by sex and blood, and discussed the spectrum of disorders caused by HTLV-III/LAV (the AIDS virus). In addition to AIDS and ARC (AIDS Related Complex), these include neurological (brain disease, which is becoming extremely important in the United States), congenital malformations, bleeding disorders due to destruction of platelets, and various cancers, such as Kaposi's sarcoma and lymphomas. After discussing the biology of infection by the AIDS virus, he then stated that the virus had been found in saliva, semen, tears, urine, blood, and brain and bone marrow.

Heterosexual transmission of AIDS in Africa was heavily emphasized in the next scientific presentation, entitled, "Sexually Transmitted Diseases in Africa" by Dr. H. Nanze of the Fiji Islands, and by most of the other speakers who addressed the question of epidemiology of the disease. This had certain consequences in the course of the meeting, which I shall report in more detail in the next issue, giving details of the oral presentations and a comprehensive overview of the political operations which took place.

After Dr. Nanze's presentation, Dr. Nathan Clumeck of the St. Pierre University Hospital in Brussels, the chief organizer of the conference, gave his presentation, "Overview of the AIDS Epidemic and Its African Connection." After reviewing the data from the United States and Europe, he concluded that AIDS did not exist in the United States before

1978, and that the same evidence exists for European cases among homosexuals, I-V drug users, or hemophiliacs whose infection can be traced to American contacts.

He then discussed a group of cases of heterosexual Africans, living in Europe or referred to Europe for medical care, which represented 12% of the total European cases. These cases came from 21 different African countries, mostly Zaire, Congo, and other Central African nations. Subsequent studies then revealed a high prevalence of AIDS cases and presence of antibody to AIDS virus in Uganda, Rwanda, Zambia, and Uganda, and AIDS is a leading cause of death in specific groups. He then referenced data that suggested strongly that AIDS virus, or a related virus, was present in Africa since the early sixties, particularly a study on serum from children in Burkina Faso, collected in 1963, which showed 2.8% of them to be positive by Western blot test.

After mentioning that 15% to 22% of AIDS cases in Central Africa are children, he discussed potential cofactors in African AIDS. These included environmental factors such as malaria infection, parasites, hepatitis-B, malnutrition, and poor sanitation, as well as possible genetic factors. Clumeck then concluded by calling for national surveillance systems and large sero-epidemiologic studies.

The next presentation by Dr. P. Van de Perre, entitled "HTLV-III/LAV Infection in Central Africa," discussed 31 adults with AIDS diagnosed in Kigali, Rwanda in January and February of 1984, and then reported studies on blood donors, hospital workers, young urban adults, young rural adults, and infants. These studies showed AIDS present in 10.5% of the blood donors, 18% of hospital workers in Kigali, 17.5% in young adults in Kigali, 3% in rural young adults, and 4.5% in rural children. The important factors apparently were: history of sexually transmitted disease, number of medical needle injections, and transfusions. Van de Perre laid heavy stress on the higher rate in urban areas, and among prostitutes, as the basis of a not-so-subtle polemic against cities and for the use of condoms.

This polemic was continued by the next speaker, M. Carael of the Institute for Sociology, University of Brussels, speaking on "Socio-Cultural Factors in Relation to HTLV-III/LAV Transmission in Urban Areas in Central Africa." This was an extensive discussion of the sociology of prostitution in Kigali, Rwanda, and heavily referenced the imme-

diately preceding talk on heterosexual transmission in the urban population.

This was followed by "Sero Epidemiological Studies of HTLV-III/LAV Infections in Southern African Countries" by Dr. R. Sher of Johannesburg, South Africa. Blood tests conducted in these countries revealed that 119 of 661 Zambians tested were positive for antibody to the AIDS virus (18%) and 21 of 87 individuals from Malawi were similarly positive (24%). The remaining southern African countries, including South Africa, had few, if any positives. Dr. Sher expressed his concern that these results did indicate that the virus was beginning to spread into Southern Africa.

The final paper of the epidemiology session was "HTLV-III/LAV Infection in Patients at the Internal Medicine Department of University Clinics of Monto Alba-Kinshasa XI," presented by Dr. Z. Lurhuma of Zaire. This reported on detection of AIDS virus by both antibody studies and virus cultures in patients with a spectrum of diseases associated with AIDS in Africa. These included, in addition to frank AIDS and Kaposi's sarcoma, tuberculosis, malaria, intestinal disorders, malignant lymphomas, and dermatitis. All told, 60 of 117 patients had evidence of infection by AIDS virus.

In the clinical sessions, a presentation on the "Clinical and Biological Profile of African AIDS" described the different presentation of the disease in African patients, as opposed to U.S. and European patients. Weight loss, diarrhea, and itching skin lesions are common in African patients, whereas swollen lymph glands are less common. Pneumocystis pneumonia, the commonest opportunistic infection in CDC-defined AIDS, is relatively uncommon, and infections by parasites, such as toxoplasmosis, and fungus, such as cryptococcus, are more common in Africans.

Kaposi's sarcoma, a tumor of blood vessels, has been endemic in Africa for many years. It is frequently seen in AIDS patients in the United States and Europe. The next two clinical presentations discussed the relation between AIDS and Kaposi's sarcoma in Africa. The conclusions were that the majority of so-called endemic Kaposi's sarcoma cases in Africa were not AIDS-related, but that a more aggressive clinical form, which is AIDS-related, is now spreading in Africa, but not replacing the endemic type.

The next clinical paper, "Cryptococcal Meningitis and AIDS in Kinshasa, Zaire," described a 7.5-fold increase in this fungus disease of the brain between 1978 and 1984 in one referral hospital. These cases were AIDS-associated, and had a much higher fatality rate than earlier cases treated in this hospital.

A good deal of turmoil was created by a paper entitled "HTLV-III/LAV Antigens and Detection of Possible Variants in Lymphocyte Cultures of AIDS Patients and Healthy Carriers from Central Africa and Belgium," in which it was reported that 27% of spouses of AIDS and ARC patients were *virus carriers, who were negative by antibody testing*. Another paper, "HTLV-III/LAV Infections of Humans and

Chimpanzees," provided additional evidence for a prolonged antibody-negative virus-carrier state.

The final paper was "Simian T-Lymphotropic Virus Type III (STLV-III AGM) in African Green Monkeys and Its Relationship to Human Retroviruses in Africa," presented by Dr. Myron Essex of the Harvard School of Public Health. In this presentation, Dr. Essex described a virus present in African green monkeys, which shows strong serologic cross reaction with the AIDS virus. In addition, he reported studies in Western Africa which indicate that many people have antibodies to the monkey virus, but not to the AIDS virus.

The politics

The political undertone of the conference was set by a delegation of a dozen Yugoslavs, and a half-dozen Poles, who, working under the supervision of two Russians, were spreading the KGB line that the CIA developed AIDS as a biowarfare weapon, and that the Western countries were using the conference to blame the disease on the Africans. At the same time, some of the Belgian doctors were presenting such formulations as choosing between screening blood transfusions for AIDS virus or hepatitis-B virus, or finding some way to safely re-use disposable needles. The conference had started out with rumors that the Africans would stage a boycott, but this did not materialize. On the last day, the Africans met as a group and produced the following document.

The recommendation of the African participants

1. a) During this symposium, papers presented did not show any conclusive evidence that AIDS originated in Africa. It is a global problem and *not* an African problem alone. Therefore, efforts directed in African association with AIDS do not contribute to future control programmes.
b) There is no evidence of any relationship between AIDS and endemic Kaposi sarcoma in Africa.
2. The group considered important aspects related to AIDS management in Africa. These include:
 - a) Knowledge of the epidemiology of the disease.
 - b) Clinical definition of AIDS with characteristic features to Africans.
 - c) Development of simple and inexpensive laboratory procedures for diagnosis.
 - d) Combined actions in control measures.
3. Recognize that heterosexual promiscuity with multiple sexual partners is one of the high-risk factors for AIDS and therefore the public should be informed.
4. Intensified research and training efforts need to be made at the regional, subregional, and national levels.
5. That these controlled efforts should be aided and funded by active participation of WHO, OAU, major donor agencies, and national STD control committees.

To be continued.

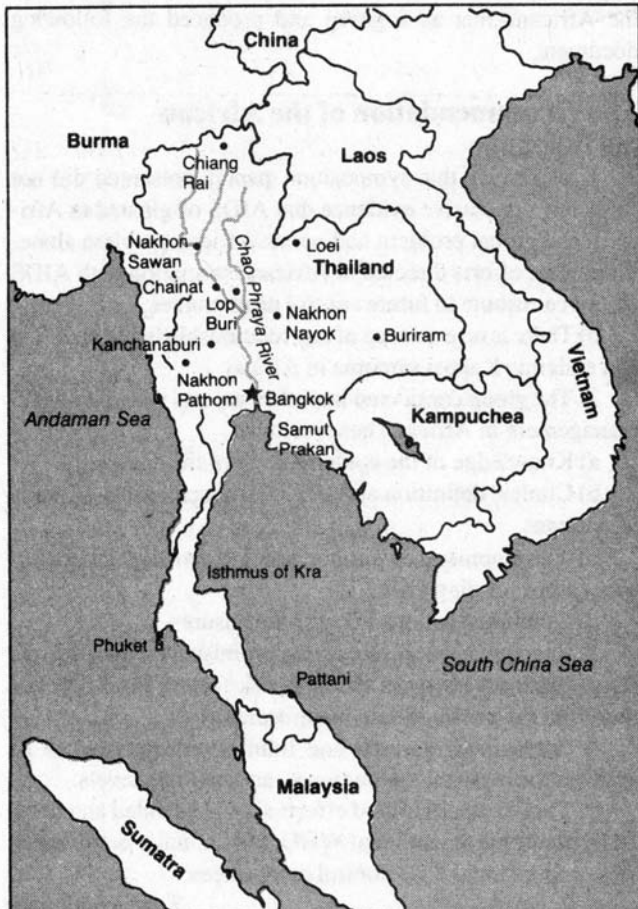
A strategy for the agro-industrial development of Thailand

by Uwe Parpart-Henke

Even though economic growth has not been arrested entirely, it is generally acknowledged that Thailand's economy today faces its most severe difficulties of the past quarter century and perhaps since the post-World War II reconstruction. However, there is little or no agreement as to the precise causes of the crisis or appropriate measures to alleviate it.

Clearly, external factors—ranging from massive oil price increases in the 1970s to the usuriously high interest rates of the past five years—have significantly contributed to the slowdown. Still, several other developing sector economies, faced with the same depressed world economic environment, have demonstrated remarkable resiliency and flexibility in coping with it; Thailand has not. There are two related sets of reasons accounting for this failure. First, the government so far has proved itself incapable of decisive action, reacting to each problem as it arises in piecemeal fashion and without any discernible underlying strategic concept. Second, the highly unfavorable external environment has revealed certain basic structural deficiencies and laid bare crass failures of past planning which only decisive strategically conceived action will be able to correct.

Thailand's rice-producing regions



Decisive action in the agricultural sector has the greatest chance of success both for relieving short-term crisis conditions and for long-term "structural adjustment," decreasing the external vulnerability of the Thai economy.

The principal structural problem of agriculture in Thailand, and by implication of the Thai economy as a whole, is expansion of rice cultivation area without yield improvement. Average yields today are essentially the same as 60 (!) years ago. It is proposed to adopt a strategy of simultaneous rice-yield doubling in high-yield areas and conversion of 40-45% of rice farmland to beef and dairy cattle farming and feed grain and cash crop (cotton) cultivation. Principal areas targeted for conversion are located in the northern and north-east regions. Both yield improvement and conversion require sizable added agricultural inputs. These requirements in turn greatly increase demand for products of the fertilizer, agricultural machinery, construction, and construction equipment industries, and provide a powerful stimulus for creation of new domestic production capacities in these areas. The "structural adjustment" advocated here contrasts sharply with World Bank recommendations. Reliable domestic demand expansion rather than uncertain export opportunities is regarded as the principal force of Thailand's future economic growth.

After 25 years of rapid economic growth, Thailand today

remains basically an agricultural country. Seventy-five percent of the labor force is employed in agriculture, the degree of urbanization is among the world's lowest (urban population as percentage of total population = 18%), and agricultural product outranks all other merchandise exports. However, while dominating employment and foreign trade, agriculture's contribution to GDP (Gross Domestic Product) has shrunk from 45% in 1954 to 22% at present. Industry, on the other hand, with only 9% of the total labor force, contributes 28% of GDP. Agriculture today continues to dominate employment not because of its inherent strength and vitality, but because of its lack of productivity and because of gross negligence in overall economic planning and failure to facilitate an adequate rate of job creation in other sectors of the economy. Low-productivity agriculture is the millstone around the nation's neck and the principal barrier to successful future economic development. If not corrected soon, simple demographic calculation demonstrates that most severe social consequences must ensue. At the same time, it is equally demonstrable that a determined attack on the problem is the single most promising way of resolving the present economic crisis and of laying a sound foundation for future growth.

Historically, Thailand is a rice economy, and despite significant crop diversification in the past two decades, rice cultivation continues to dominate the agricultural sector. Thus a brief review of the pattern of rice cultivation and of average yield will provide relevant insights into the problem of the agricultural sector as a whole. It immediately reveals the danger to the economy and to the nation's future inherent in continuation of the historical trend of low-productivity expansion of cultivated area driven by strong demographic pressures. The trend is summarized in **Figure 1**.

Population, total rice production, and harvested "cultivated" area have all roughly quadrupled—with no increase in average productivity in 60 years! At 1,850 kg/hectare, average yields lag behind even those of India (2,200 kg/hectare in 1983), and are only one-third of the average yields of Korea, Japan, and the United States. Clearly, such simple linear expansion of cultivated area to provide for the livelihood of an expanding population cannot continue for long. By the year 2000, fifteen years from now, already 80,000 rai would be required to sustain the expected population of 68 million, and it simply becomes absurd to continue such projections even further into the future. Only two possible future outcomes can be reasonably projected: Either measures aimed at doubling average productivity in five to seven years will be sought and implemented, or increasing population pressure will produce mass impoverishment in rural areas combined with even further uncontrolled migration of unemployable rural labor into the already overburdened Bangkok area.

To find possible solutions to the problems summarily identified above, inspection of nationwide average productivity (yield) figures is insufficient. A province-by-province survey (**Figure 2**) reveals significant variation of yields and

FIGURE 1

Rice: production, area, and yield

	Population	Total production (1,000 metric tons)	Harvested area (1,000 rai)	Average yield (kg/rai)
1923-27	11.5	4,600	15,600	295
1983	49.2	15,700	35,300 (57,600)	295

Note: The population figure is for the year 1929; 57,600 rai is cultivated area.

FIGURE 2

Rice yields in 1983

Region	Yield (hg/rai)	High-yield province	Yield (kg/rai)	Low-yield province	Yield (kg/rai)
Central	368	Chainat	480	Lopburi	300
Eastern	329	Samut Prakan	400	Nakhon Nayok	300
Western	338	Nakhon Pathom	390	Kan-chanaburi	310
Northeast	239	Loei	310	Buriram	200
North	349	Chiang Rai	510	Nakhon Sawan	280
South	295	Phuket	380	Pattani	260

allows us to pinpoint the causes of the problem. The table shows the highest and lowest yield provinces in each of the country's regions as well as regional averages for 1983.

At 300 kg/rai, lowest yields in the central and northern regions are approximately the same as the highest yields achieved in the northeast. Nationwide average yields are depressed because it is precisely in the lowest-yield but large and densely populated northeast region that 46% (1983) of all rice land is located. Historically, rice farming spread out from the Chao Phraya plain, which has a highly favorable natural environment for rice cultivation, to other regions which do not. Such expansion can succeed only if it receives well-planned infrastructure back-up ranging from irrigation to electric power and transport facilities. High rice yields in the northern provinces show that significant infrastructural support was provided, primarily in the form of irrigation works carried out in the 1950s and 1960s. The northeast, on the other hand, received no comparable attention, and as a result of this gross planning and development policy failure, the nation's largest and most populous region has become the principal obstacle to sound progress for the Thai economy as a whole.

Figure 2, however, not only reveals the relative backwardness of the northeast (and to a lesser extent the southern) region. Even the relatively high rice yields in Chainat and

Chiang Rai, for example, fall well short (by 40 to 50%) of the 5,000 kg/hectare achieved in many other Asian regions. This reflects the fact that even in the higher-yield areas of Thailand, infrastructure support (irrigation, electric power), fertilizer use, and degree of mechanization remain extremely low (see Figure 3).

It is in the area of infrastructure development and inputs of industry-derived products into agriculture that agricultural and industrial development planning overlap. Regional planning failures mentioned above were paralleled by failures of energy and industrial planning and have cost and continue to cost the country dearly. Opportunities to make the most of Thailand's great natural agricultural endowment and of creating new significant-sized indigenous industries with open-ended domestic demand (agricultural machinery, fertilizer production, power equipment) were missed simultaneously.

The planners from Thailand's National Economic and Social Development Board (NESDB) are responsible for the welfare of a country which:

- 1) Has a great need for irrigation;
- 2) Has an equally great need for reasonably priced elec-

trical power;

3) Has a large (over 10,000 MW) untapped hydroelectric potential; and

4) Has a need to protect its foreign exchange reserve position.

But the NESDB has failed to provide what would appear to be the obvious response to this challenge. Irrigation and hydroelectric development were largely ignored and precious dollar reserves were instead siphoned off to OPEC to purchase oil for electricity generation. The large number of highly skilled construction workers which some OPEC countries in turn employed for their own development projects might have been more profitably employed to develop Thailand's own resources.

What can be done?

Most of the problems we have identified should be viewed as previously passed up rather than as lost opportunities. To put the matter into positive perspective: Thailand has come a long way (measured for example in per capita income) in the past 20 years, without undertaking certain obvious economic development measures. Therefore, there exists now very significant room for improvement and rapid progress, perhaps more than in most other developing nations of the Asia-Pacific region.

The recommended development strategy can be summarized as follows:

1) Target areas best suited for rice cultivation for yield improvement of 50-60% in five to seven years.

2) As the rice-yield improvement program takes hold, phase out rice production in less suitable areas (northeast, north, south) and convert to pasture land and feedgrain production for cattle and dairy farming, and to cash crops (cotton, etc.).

3) Develop infrastructure and industrial support systems, both locally and centrally, to sustain and expand the productivity improvement and conversion program.

4) Develop "downstream" industries to feed infrastructure projects and agriculture-related industries.

5) Site new infrastructure and agriculture-related industrial projects strategically from the standpoint of developing new urban centers (urban decentralization, relief for Bangkok metropolitan area).

6) Adopt administrative measures to assist the decentralization process.

This development strategy amounts to conscious rejection of World Bank and similar development models. It rather proceeds from the historical perspective of successful development as practiced between 1850 and 1950 in the present advanced-sector nations. Stress is laid on the driving force of expanding domestic markets rather than of exports, on the productivity-producing role of infrastructure, and on the high profitability and thus internal savings and reinvestment po-

FIGURE 3
Comparative inputs and rice yields

	Irrigated area as percentage of total cultivated area	Fertilizer use (kg/ha)	Rice yield (kg/ha)
Thailand	16	18.3	1,850
Indonesia	28	75	3,300
Korea	52	282	5,800
Japan	66	412	5,700

Note: Irrigation percentage, fertilizer use: 1980-82 figures; rice yield: 1983 figures.

FIGURE 4
Yield improvement/conversion potential

	1982	1992	2000
Population (millions)	48	59	68
Yield (kg/rai)	304	650	800
Paddy production (thousand tons)	16,709	22,000	25,000
Planted area (1,000 rai)	59,529	36,000	33,000
Harvested area (1,000 rai)	54,887	34,000	31,000
Conversion potential (1,000 rai)		23,500	26,500

tential of capital (and energy) rather than labor-intensive development.

We elaborate here the first three of these points.

Yield improvement and conversion

The result of a close-to-optimal yield improvement/conversion potential simulation are summarized in **Figure 4**. Implementation of the rice-yield improvement and land conversion program should proceed by targeting—on the basis of a detailed province-by-province survey—high-yield (400 kg/rai plus) areas for immediate further improvement, and at the same time, provide incentives and guidance for conversion in areas targeted for phase-out. As a general rule, the central plain and certain northern areas are the best candidates for successful, short-term yield improvement, while much of the precipitation-poor northeast should be converted to beef and dairy cattle farming and cash crops (e.g., cotton to supply the textile industry; Thailand at present imports \$100 million worth of cotton from the United States!)

Even by conservative estimates, a 50% yield improvement in well-suited areas and a concomitant 20 million rai conversion potential should be achievable by 1992.

Input requirements

Input requirements for yield improvement and successful conversion—i.e., water, fertilizer, rodenticides and insecticides, electricity, mechanization—have been computed on the basis of standard inputs/yield correlations for the relevant ranges of climatic conditions. Investment costs for the delivery of the required input quantities vary greatly with local conditions and have to be computed on a project-by-project basis. Our simulation employed selected historical averages for Thailand corrected for inflation and technological improvements.

The need for increased irrigation, especially dry-season irrigation, and increased fertilizer use dominate all other input requirements. Increased electricity generation and rural electrification are the most important derivative requirements, since dry-season irrigation must employ pumping on a significant scale. Irrigation, fertilizer, and electricity requirements are summarized in **Figure 5**.

Irrigation and fertilizer requirements in the table refer only to the rice-yield improvement program; rural electricity consumption projections cover total national requirements. To derive return of investment estimates for the areas targeted for conversion, we also assume the irrigation percentages and fertilizer use for these areas that are shown in **Figure 6**.

Thus, not counting cultivated areas of Thailand not covered by this analysis, we require roughly a doubling of irrigated area and a five-fold increase in fertilizer (plant nutrient) over 1982 levels. In addition, to assure essentially full rural electrification by 1990 and no slowdown of development due to electric power shortages, requires installation of about

FIGURE 5

Selected input requirements

	1982	1992	2000
Irrigated paddy area as % of total paddy area	33	80	95
Fertilizer use (100 g of nutrients/ha)	183 (300) ¹	1,500	2,200
Rural electricity consumption (millions of kwh)	5,894 ²	23,000	48,000

¹Estimate for above-average-yield paddy areas

²1981

FIGURE 6

Inputs for conversion areas

	1982	1992	2000
Irrigation percentage	5	25	35
Fertilizer use (100 g of nutrients/ha)	125	1,200	1,800

FIGURE 7

Added inputs (absolute values)

	1992	2000
Added irrigated area (1,000 rai)	+ 16,000	+ 22,000
Added fertilizer (nutrient) consumption (1,000 metric tons)	+ 953	+ 1,562

4,500 MW of capacity by 1992 and 10,500 MW by 2000, over 1981 capacities, dedicated to rural power supply.

All these are significant, but by no means extravagant or unmanageable requirements. Every effort should be made to meet the added electric power demand from domestic resources—principally through rapid development of the remaining hydro potential, lignite and natural gas—and, we strongly recommend, at least two nuclear power plants. Hydroelectric development can be combined with water control and storage for irrigation, especially in the northeast region. Further irrigation in the central plain will have to rely increasingly on ground-water exploitation. Lastly, the greatly expanded fertilizer demand (as well as the demand for added farm mechanization not covered in our analysis) will provide powerful incentives for development of relatively large-scale domestic production capacities in these agriculture-support industries.

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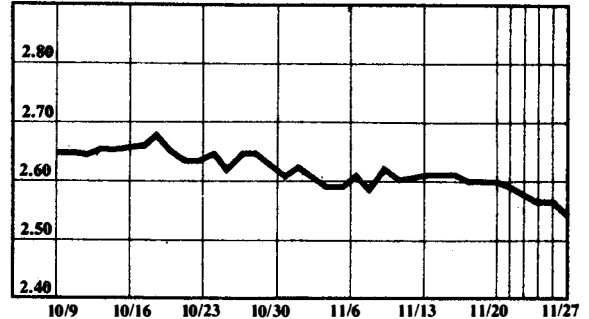
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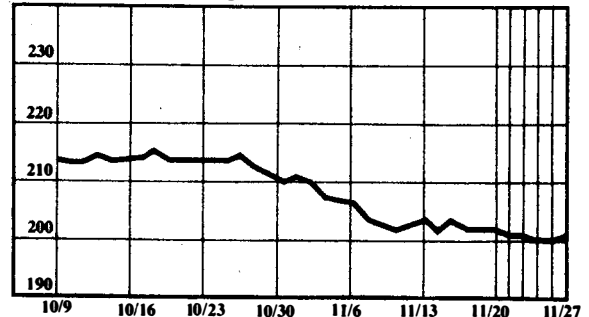
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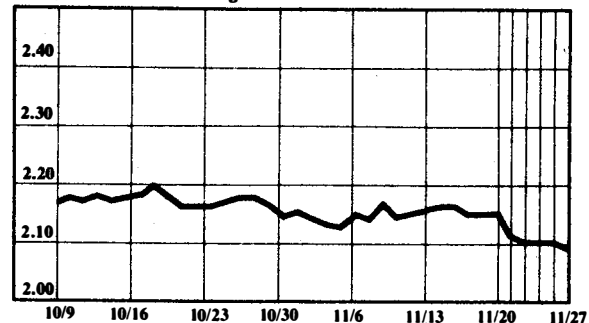
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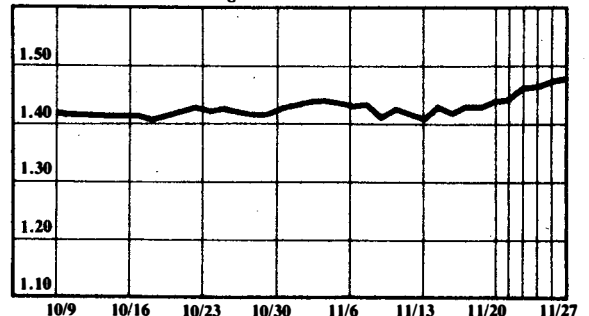
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For the industrialization of Africa

by Usele Mawisa

Mr. Mawisa, deputy executive secretary of the Organization for African Unity (OAU) in Geneva, delivered the following speech at a conference on "St. Augustine: Father of European and African Civilization," held by the Schiller Institute in Rome Nov. 1-3. This speech was translated from the French by EIR.

First, I want to thank the organizers of the present conference for the invitation which they have extended to the Secretariat of the Organization for African Unity which I have the great honor of representing. I would like also to ask you to excuse Mr. Paul O. Etiang, deputy general secretary of the OAU, who was not able to personally accept your invitation because of his very heavy work schedule.

For the OAU secretariat, it is an honor and a pleasure to participate in these deliberations, on the occasion of St. Augustine's anniversary, and to support the organizers thereof. The OAU's secretariat gives great importance to initiatives such as this one, to the extent that they try to reflect upon possible solutions to crucial problems which confront our world, to stimulate a spirit of solidarity and cooperation, and to bring men closer to one another.

The presentation I have the honor of making here is called: "For a rapid industrialization of Africa." In this presentation, I will try to underline the relationship between a universally recognized priority of agriculture and food production, and the industrialization of Africa.

Toward economic independence

In 1963, when the Organization for African Unity came into existence, the immediate concern of its founders was first to politically liberate the continent. But, beyond this aspiration to political liberties, the broad movement of decolonization which has characterized the 1960s also had as a goal the creation of the necessary conditions for the promotion of the welfare of the African populations. For the pioneers of independence, political liberation was in fact an indispensable condition for economic development.

Thus, it is not surprising that Africa, hit by a persistent economic crisis which is worsening every day, as it was becoming politically independent, has been led to reflect upon the policies and strategies followed up to that point, and

to seek the ways and means to contain the disease before it is too late.

The Lagos Action Plan

The Monrovia symposium and the Lagos economic summit represent a decisive phase in this process of searching for a new strategy appropriate to the particular conditions of the African continent.

The Monrovia colloquium, organized Feb. 12-16, 1979, under the aegis of the Organization for African Unity, brought together about 40 prominent experts from all over the African continent to consider the economic and social development of Africa and the direction in which such development must go in order to prevent a further deterioration of the grave situation in Africa at that time. This meeting led to what is generally called the Monrovia Declaration of commitment of the heads of states and governments of the OAU to the guiding principles to be respected, and measures to be taken in favor of national and collective self-sufficiency in economic and social development, in view of the establishment of a new international economic order. Otherwise, the summit of the heads of states and governments, which was supposed to take place in the capital of Nigeria in April 1980 to examine the means to implement the Monrovia strategy for the development of Africa, gave birth to the Lagos Action Plan and Final Act, which has become today the basic document of the member countries of the OAU, especially concerning the strategy of autonomy and collective self-sufficiency.

In content, the Monrovia strategy as well as the Lagos Plan, insist particularly on:

1) The importance of the domestic market on the regional and sub-regional level, as a supply source for the goods for production, and as a consumer of the goods and services to be produced;

2) The promotion of a voluntary policy of self-sufficiency, of acceleration of a self-centered process of growth that aims at eliminating under-employment, the poverty of the masses, and at an equitable distribution of the fruits of economic growth;

3) Economic growth benefiting the African population, based upon an increased use of raw materials and natural resources of African origin, as well as upon the development

of entrepreneurial capacities.

As for the application measures, the Lagos Action Plan insists upon the following priorities:

- 1) The amelioration of the agricultural situation and the realization of the objective of self-sufficiency in food;
- 2) The industrial development of Africa as the driving factor of economic growth;
- 3) An adequate knowledge of the available natural resources to better utilize them;
- 4) The mastery of technology and the enhancement of the value of available human resources through adequate training;
- 5) Transport and communications as a driving force of economic growth, integration, and promotion of trade among African countries;
- 6) An appropriate solution to the energy problem;
- 7) The integration of women into development.

The priority tasks

Agriculture, as we can see, is the first priority in the Lagos Action Plan. This priority is based on a will both to solve the food crisis and to put an end to the drain on reserves of foreign currency, caused by food imports. The point is for Africa to get out of its paradoxical situation, that is: to produce what it does not consume and to consume what it does not produce.

Industry represents the second priority after agriculture and food. But we must stress that the food self-sufficiency objective within the context of a self-centered and self-maintained development, cannot be reached without the support, upstream, of basic industries capable of supplying inputs, such as fertilizers and pesticides, agricultural machinery and tools, transport equipment and, downstream, the processing, preservation, storage, transportation, maintenance, and repair facilities.

The priority given to industrialization is also the result of the very experience of industrialization in Africa. As we know, industrialization in Africa is characterized by two main features: a development policy based on the export of raw materials, on the one hand, and the policy of import substitution, on the other.

Of these two policies, the one which is based on the export of raw materials is particularly responsible for the miseries which are affecting the economic development of Africa today. The deterioration of the supplies, the serious shortage of food products, a growing dependency on the import of first necessity products, which we have seen in the last few years, are to a large extent the result of such an economic orientation. The export-oriented character of the African economies, their excessive vulnerability to the international crisis, more felt in Africa than anywhere else, is the reflection of the dominant role given to raw material exports, to substitution industries using imported production factors—in brief, to a strategy which stresses the acquisition of capital, and use of it to pay for imported goods.

Several factors justify the implantation in Africa of import-substitution industries. First, this type of industry answers the needs of the generally narrow African markets, and the buying power of the African population. Moreover, in terms of financing, the required investments are not too considerable, and moreover, the conditions offered the investors are generally excellent and the rentability is more than satisfying. The favorable financial conjuncture which benefits these ventures is a particular result of the proliferation of investment based on overbidding, and of a borrowing policy centered upon available credit.

However, a thorough examination demonstrates that import-substitution industries, while contributing to the fulfillment of certain needs of African countries for consumer goods and employment, have benefited even more the interests of foreign investors, rather than those of African countries. The apparent loss of a market for finished products, previously exported by developed countries, has been more

Food self-sufficiency cannot be reached without the support, upstream, of basic industries capable of supplying inputs, such as fertilizers and pesticides, agricultural machinery and tools, transport equipment and, downstream, of essential facilities.

than compensated for by the export of intermediary raw materials by these countries, or sometimes basic raw materials, as well as by the export of technology, equipment, and spare parts—this does not take into account the increase in the value of capital.

We also see that import-substitution industries are generally concentrated around large cities and are limited to the manufacture of products suited to the demands of a small, relatively rich group and have not succeeded in promoting the integration of the agricultural sector into the growth process. The added value, often used as a justification for the establishment of these types of industries, is generally weak. Furthermore, these concerns often look alike from one country to another, and often, limit their market to the national territory of each country. In effect, they do not favor industrial cooperation between African countries.

To conclude, this strategy has largely contributed to create an industrial structure which is dependent in many ways (equipment goods, intermediary goods, supply goods), and as a result of the exhaustion of financial resources, can no longer function normally.

In order to get out of this dead end, there is no other way than that of an endogenous and self-sufficient industrialization. In other words, if our countries must adopt a policy of import substitution, such policy must be based on the use of local human, physical, and material resources, because the point is not only to produce in Africa the goods formerly imported, but mostly to do that with production factors of African origin. This particular dimension is precisely what has been lacking in the traditional import-substitution policy which the Lagos Plan condemns and proposes to correct.

Viewed in this perspective, the import-substitution policy would not only make it possible to meet the needs of all of the African populations for finished products, but would also contribute to reinforce the agricultural sector, to create jobs, to increase significantly the added value, and would make the African economies less vulnerable.

Raw materials exports

Africa is known for the abundance of its natural resources. These include particularly minerals, agricultural and forest products, cattle-raising and fishing products, sea resources, and renewable and non-renewable energy. This immense potential of varied natural resources is the main reason for the permanent interest the African continent has generated since the colonial period.

The economic activity of most of the African countries remains dominated by the exploitation of raw materials and their export to Europe and America, mainly as semi-finished or unfinished products, whose processing enhances their value. This situation, as we know, is not the result of a deliberate policy of the African countries, but because the colonizers need to have access to cheap raw materials. By orienting their investments mainly in this sector and seizing the foreign currency gains as debt service payment, and the sale of the finished goods, the developed countries have contributed to create in Africa a greatly dependent and excessively vulnerable development structure, given that the prices of raw materials are often subject to fluctuations, while the prices of finished goods totally escape the control of African countries.

Consequently, having failed to develop other activities, given the weakness of domestic savings and a difficult access to sources of financing, the economies of most African countries are thus dependent on a very limited number of natural resources, notably mineral resources, from the standpoint of their export, tax, and currency gains. For example, we can cite the case of Zaire and Zambia for copper, Niger for uranium, and Nigeria and Congo for oil, etc. . . .

Thus it is not surprising that, in such a situation, the Lagos Action Plan insists on the necessity to enhance the value of natural resources and process them on the spot—that is on industrialization—for this is the surest means for Africa to meet its needs to consolidate its agricultural development, to create jobs and revenues, and to gradually reduce its dependency on the outside to a reasonable level.

In conclusion, if it is undeniable that agriculture and food production are the highest of priorities, yet it remains true that no viable result can be reached in this sector without simultaneous action in the other related sectors and, mostly, without an industrial base capable of sustaining it. The second priority of the Lagos Action Plan, industry, is also an indispensable condition for food self-sufficiency and self-centered, self-maintained development. In order to stress the importance of its decisive role and of its impact on agriculture, and to reverse the export-oriented tendencies of the African economies, the industrialization of Africa has been the subject of the 1980s.

Concerning the decade of the industrial development of Africa, it is important to know that there exists a joint secretariat, made up of the ONUDI, the CEA and the OAU, which has a task to assist member countries to elaborate their programs. In the framework of the activities of this secretariat, directives were drawn up for member countries and a series of meetings was organized at the level of the different African sub-regions (Western Africa, Northern Africa, Central Africa, and Southern Africa) during the year 1983-84. Such meetings have made it possible to identify, given each region's own potential, key sectors and projects to promote in the domain of fertilizers, metallurgy, mechanical industries, production and maintenance of agricultural tools and machinery, in the domain of agro-industries, processing industries, processing of agricultural products, enhancement of the value of raw materials of African origin—all this with the aim of ensuring a self-centered and self-maintained development, and particularly, food self-sufficiency.

Since the adoption of the Lagos Action Plan and Final Act and the proclamation of the Decade of the Industrial Development of Africa, we must admit that not only has the economic situation in Africa not improved, but it has deteriorated considerably; and Africa is now faced with an extremely severe economic situation, so severe that the heads of states and governments of the OAU have judged it necessary to devote their last summit solely to an examination of this critical situation. During this important summit, where the problems of development in Africa have been reviewed, the heads of State have not merely reaffirmed their support for the objectives of the Lagos Action Plan and their commitment to finding viable solutions to the crisis, but they have also insisted on the necessity to hold a high-level meeting on the critical situation in Africa, and on convening a conference on the debt issue. The debt problem does represent today for Africa the main obstacle to its development. Despite the efforts deployed and the adoption of severe conditionalities, the African countries are not in a position to restart the process of their development and to ensure debt service. Only a policy of resource allocation that tends to orient consistent financial flows to the Third World, on the basis of a true spirit of solidarity and sharing, can make it possible for Africa to find again the path to prosperity.

The secondary mortgage crisis hits

With the primary mortgage and home construction markets depressed, how many S&Ls can survive this new shock?

A recent study by the General Accounting Office for Rep. Stan Parris (R.-Va.) revealed that 42% of all savings and loan institutions are already broke or have dangerously low net worth. The study estimated the cost of liquidating all these thrifts at \$15 to \$20 billion—against an insurance fund (FSLIC) of \$6 billion, only half of it currently deployable.

While estimates vary as to how many institutions are vulnerable, one official believes that up to 1,000 failures could occur, costing up to \$50 billion in insured deposits. There is no doubt that at least \$20 billion is already at risk. The creation of a new corporation (FADA) to relieve the FSLIC of \$3 billion in bad-asset obligations on its books, is a drop in the bucket.

But now, a new crisis is beginning to unfold: failures in the secondary mortgage market. S&Ls are among the largest holders of such assets. Given the stagnation in the primary mortgage and home construction markets, this can only spell huge new problems for thrifts.

Landbank Equity Corp. of Virginia Beach, Va., once the largest second-mortgage lender on the East Coast, filed for bankruptcy in September. This followed within a week the collapse of First American Mortgage Co. of Baltimore, Md. The losses from Landbank's failure are not yet known, but Landbank marketed \$178 million in notes, to financial institutions from Hawaii to Florida. So far court papers reveal that Landbank owes to the buyers of its mortgages at least \$10 million. Not only are some of these loans

uninsured, but it is clear that Landbank greatly inflated the value of the mortgages it was selling.

The mortgage market is by far the largest credit market in the nation, with a book value of several hundred billion dollars. Earlier this year, it was shaken when an investment fund in mortgage packages, EPIC, failed. EPIC was owned by Community Savings of Maryland, one of the thrifts whose deposits are still frozen by Maryland Gov. Harry Hughes.

Investors place money with a mortgage management company and receive a return on a package of mortgages owned by that company. Financial institutions provide the financing for the company to float its mortgages, which are in turn insured by private insurance companies specializing in this area. Investor confidence is key, which in turn depends on insurance against default. In the case of EPIC the S&Ls stood to lose up to \$200 million unless insurers made good.

In the case of Landbank, investors also looked to the insurance that accompanied the portfolios. Once the investor has taken the plunge, he relies on the company servicing the mortgages. As long as he receives his money, he has no reason to think anything is wrong. One noteholder, Fidelity Federal S&L of New Haven, bought \$29 million of Landbank's loans—since these notes paid very attractive rates, since Landbank overvalued its assets and itself charged usurious rates. Another holder was the Federal National Mortgage Association (Fannie Mae) itself, which was also heavily exposed in EPIC.

In all, Landbank marketed some 6,000 loans. Prudential Bache helped by placing some \$40 million of Landmark-originated loans. The securities firm now claims that it was the job of the buying institution to review the mortgage portfolio. With such help, Landbank's portfolio grew at an incredible rate, from a mere \$20 million in July 1983, to \$87 million in July 1984, to \$150 million a year later. Then in June, Landbank stopped remitting mortgage payments, and in September filed under Chapter 11, then switched to a Chapter 7 liquidation. In court papers, it estimates its unsecured indebtedness at \$11.7 million. However, its financial affairs are so tangled that the creditors agreed to lend \$200,000 to the bankruptcy trustee so that he could figure out what happened.

The case of Landbank appears to be one more instance of "high-flyers" who cross the line between risk and swindle. But in fact, its spectacular growth was due to the fact that financial institutions, knowing the high risk, were willing to buy anyway. The reason: Under deregulation, a thrift institution to survive must show a spectacular growth of its net worth. This is the only way it can attract investors and capital. As the productive sectors of the economy have plunged, thrifts have been forced toward more marginal assets to supply the appearance of growth.

The secondary mortgage market is exactly such a marginal business. Its companies are shylocks, lending money at up to 140% interest rates to borrowers who could not qualify elsewhere. Most of the borrowers were doomed to default, but by that time, the mortgage company had moved on to new borrowers, and had sold its high-risk loans to S&Ls eager to show high-yield paper on their books.

The 'New Yalta' food plan

The Senate would guarantee Soviet food security, and destroy our own.

The pre-Thanksgiving Senate marathon to complete the four-year farm bill succeeded in passing measures that will cut U.S. food output and drive farmers out of operation, but guarantee food flows to the Soviet Union. The Senate action fits perfectly with the State Department's "New Yalta" policy to guarantee Soviet world domination.

The Senate bill was passed Nov. 23, after much grandstanding, floor fights, and maneuvers. It will go to the Senate-House conference committee during the first week of December. If the committee resolves differences between the two versions of legislation, final passage by both houses may come before the Christmas recess.

The politics of the Senate bill's passage were like shadow-boxing—a lot of motion, but no action. On the one side, Sen. Bob Dole (R-Kan.) led the charge of the budget-cutters and free-market freaks who wanted farm price supports slashed. Sen. Jesse Helms (R-N.C.) supported this side in the name of budget-cutting. Opposed were a group of Midwestern and other farm belt legislators—John Melcher (D-Mont.), Tom Harkin (D-Iowa), and others. This group wanted to delay any price support cuts for a few years. In a compromise move, the Senate voted to freeze price supports at their current level for two years (Dole's plan was for a one-year freeze), then reduce them. The House has voted a five-year freeze before reductions.

While all attention was focused on this part of the debate, with some histrionics thrown in about honey and other commodities, drastic measures

were enacted to cut U.S. food output and facilitate Soviet buildup of strategic food stockpiles. These measures were implemented in the name of "supply and demand." If less food is produced, then farmers will command a higher price for their production, right? Wrong:

1) the international food cartel (Cargill, Continental, André, Louis Dreyfus, Bunge, etc.) dominate commodity and food trade and set prices almost exactly as they wish;

2) farmers are going under at a rate that will make food so scarce that shortages will reach a national security scale.

Among the disastrous measures passed:

- U.S. farmland out of production: The Senate bill would remove 40 million acres of cropland over the next four years in a "conservation program" that offers debt-strapped farmers a little cash if they will put trees or non-food groundcover on their land for at least 10 years (thus, in fact, forever). This amount of land is about 10% of U.S. productive cropland.

- Government grain-stock giveaways to the grain cartel companies: The bill requires the administration to continue to 1988 an "export enhancement" program (started in May 1985) in which Cargill, Inc., Continental, and other cartel companies receive *free* government grain stocks from the Commodity Credit Corporation, that the cartels then use to "average down" the prices of the private grain sales abroad which the State Department lines up for them.

So far, these sales have been tar-

geted to countries in the Middle East and North Africa, where the State Department is deliberately trying to undercut Western European grain sales (which, in any case, would be handled by the same cartel companies). This serves the Soviet purpose of driving a wedge between NATO allies.

However, now the companies are requesting that they be permitted to sell the free government grain cheap to the Soviets. In testimony to Congress in September, Continental asked Congress to approve this, saying that the Soviets must have this discount or they will buy grain elsewhere. In other words, give the Soviets what they want, or else.

In September, Agriculture Undersecretary Daniel Amstutz, a Cargill representative, assured a Soviet trade delegation that the U.S.S.R. could have at least 22 million tons of U.S. grain this current trade year.

In November, just before the summit, a group of five banks led by First National of Chicago put together a special loan facility of \$400 million for the Soviets to draw on to buy grain from the United States and Canada. This is the first credit in five years, since the Soviet invasion of Afghanistan.

The new commercial loan alone represents a possible Soviet grain purchase of about 3 million tons, although the cartel companies keep all prices and contract terms secret. The new loan is called a "bankers acceptance facility" and specifies that the U.S.S.R. can draw upon the funds to buy grain anytime over the next three years, provided the portion of money advanced is repaid in the next 180 days.

In sum, "American" grain companies—based in Switzerland—are feeding American grain to the enemy, so that the enemy can focus his resources on military buildup.

Business Briefs

Debt

African debt discussed in Paris

The African debt crisis was a major topic on the agenda in talks between President Abdou Diouf of Senegal and French President François Mitterrand, during Diouf's two-day official visit to France at the end of November.

Diouf is also this year's chairman of the Organization of African Unity.

Diouf told a television interviewer that Africa's debt crisis was "worse than Latin America's. Latin America's debt is larger, but Africa's debt has worse effects on the continent."

Conference Report

Catholic circles discuss world debt

Third World debt is increasingly becoming a major issue in discussions among leading Catholic circles.

The Rome newspaper *Corriere della Sera* on Nov. 25 reported a meeting in Rome on "The Church and the business world" (see *Vatican*, p. 52). At the conference, convened by Munich's Joseph Cardinal Ratzinger who attacked the post-war financial system and the "free-market economy," Chilean unionist Rodolfo Seguel, who sent a message to the meeting, and Sao Paulo State Finance Minister Giannetti de Fonseca of Brazil, strongly attacked the IMF austerity policy.

On the other side, former Austrian Finance Minister Schmitz and Nestlé director Bernard Casal defended the IMF. Cologne Cardinal Joseph Höfner defended the "market economy," but stated that it is necessary to include a "human ideal" in that economic system.

Corriere della Sera also reported quotes from various addresses made by other cardinals. Cardinal Casaroli said: "Economic

and technologic progress is not sufficiently directed in order to eliminate famine and to offer developing countries the help that would permit them to start a cycle of stable growth. Cardinal Ratzinger said: "The difference between North and South is a danger for all mankind, comparable, in the long term, to the nuclear danger. All attempts made in the last 30 years have failed, and poverty in the world has increased dramatically."

Corriere della Sera noted, "The Church supports the battle of the most indebted countries."

Eurodebt

London worried over threat from Texaco

Reports that Brazil will not sign any agreement with the International Monetary Fund have taken a back seat in London to Texaco's threat to file for Chapter 11 bankruptcy in the wake of a \$10 billion court judgment against the oil giant.

"People here in London seem more worried about the impact of a Texaco bankruptcy on the Eurobond markets than with the Brazil-IMF reports. The Brazil story is back page news here, but Texaco has borrowed heavily on Eurobond markets through London," a City source told *EIR*.

The largest Eurobond syndicator is Crédit Suisse/First Boston Corporation, through its London offices.

East-West Trade

Major food loan to go to Soviet Union

Five Western banks have given the U.S.S.R. a low-rate \$400 million loan to buy U.S. and Canadian grain. Arranged earlier this month, this cheap-rate food loan is the first bank loan to the U.S.S.R. in the six years

since the Soviets invaded Afghanistan.

Reports say more such loans to make it easy for the Russians to purchase North American food are to come.

Led by First National of Chicago, the group includes Morgan Guaranty, Bankers Trust, Irving Trust, and a London subsidiary of the Royal Bank of Canada. They extended a "bankers acceptance facility," through which the U.S.S.R. may draw money for grain purchases any time over the next three years.

The terms are to repay the borrowed portion within 180 days, and the interest is a low, one-quarter of a percentage point above the London interbank lending rate (currently 8½%), the common international lending rate. Seventy-five percent of the grain is to be from the United States, the remaining 25%, Canadian.

Investment

President of Peru addresses businessmen

Peruvian President Alan García has told Peruvian industrialists that if he can risk his life for the country, they can risk their capital.

García exhorted 800 businessmen at the annual conference of executives (CADE) in Lima that they should invest in things needed for the country and throw themselves into the patriotic struggle. In simple, sincere language, he called on their morality to distinguish between speculation or usury and what the country needs.

"We could never give you the security given by a bank in Miami, but to make a business is to take risks, and take opportunities. We need businessmen who see Peru as their company. I told one of my many industrialist friends, 'Why don't you bring a third of the money you have in Miami banks to risk it in Peru, investing it?' . . . I am sure the majority of you have capital in Miami or Swiss banks. Why don't you bring it back? I could issue a decree ordering repatriation of capital from the Swiss banks, but the only

thing I would do is be ridiculous and make the Swiss laugh at me, and the Swiss have terrible laughs. As a politician, I have opted for persuasion, and I am sure you will respond."

He challenged, "I ask all those who think we are worse off than we were on the 28th of July to raise their hands." That caused laughter and applause.

"There are many arguments for doing nothing," García concluded, "But there is only one argument for doing something for Peru: That is that the fatherland is our children and the future of our children."

The Debt Bomb

'Europe didn't pay, so why should we'

European countries "never paid their debts" after the two world wars, so why should we under present conditions, a leader of Venezuela's ruling party asked on Nov. 23.

Senator Enrique Tejera Paris, the president of the Latin American Cooperation Institute of Venezuela, argues that Peruvian President Alan García's foreign debt policy makes a lot of sense, and only legitimate debt should be paid, "according to each country's capacity." He offered Alexander Hamilton's debt policy as another historical precedent for such action.

García has limited Peru's foreign-debt payments to 10% of his country's foreign exchange earnings in any given year, and refused any role for the IMF in debt negotiations or economic policy-making.

Labor

Mexican labor leader promises 'new tactics'

Mexican labor leader Fidel Velazquez told 5,000 trade unionists on Nov. 22 that "from now on, the CTM [Mexican Labor Federa-

tion] changes its battle tactics, because we cannot continue to sacrifice the workers. . . ."

Velazquez was not more specific, but used his speech to attack flight capital operations against Mexico. "While labor has made moderate demands, the owner class has obtained the largest profits in its history which it has nonetheless not taken advantage of through reinvestment or more job creation, but rather has bought dollars to send money out of the country."

Trade

De la Madrid ready to join GATT

Mexican President Miguel de la Madrid has just given orders to the Mexican economics ministries to begin preparations for entering into the General Agreement on Trade and Tariffs (GATT), something which Mexican patriots have been fighting against for years.

In a presentation to students Nov. 22, de la Madrid discarded his predecessor Lopez Portillo's plans for integral development of basic industry. De la Madrid stated: "One of the fundamental objectives of the National Development Plan is to promote non-oil exports, by applying policies of industrial reconversion and rationalization of protection. . . ." He noted that Mexico is already well on its way to eliminating industrial protection.

He also said that Mexico's economic problems were a consequence of "extraordinary demographic growth."

Mexico's national industrial association (Canacindra), however, disagrees. "Mexico will write its own death certificate" by joining GATT, an advisor to Canacindra commented. According to *Uno mas Uno*, a national daily, "PARM [party] congressman in Sonora, Patricio Estevez, pointed out that [entering GATT] would cause the bankruptcy of many manufacturing industries in the center of the country and in the border zone, because we aren't equipped to compete with foreign products."

Briefly

● **WELLS FARGO** has cut Brazil's credit lines, and other, smaller banks are doing the same in reprisal for the Brazilian government's refusal to assume the foreign debts of three private banks which recently failed and were liquidated by the government. Wells is reported to be preparing legal action to recover its money.

● **THE ALFONSIN** government in Argentina is up to date in its interest payments to international creditors for the first time in more than three years, after a payment of some \$340 million on Nov. 27.

● **'THE MORALITY** of money is not equal to the morality of life," Peruvian Sen. Enrique Melgar told the San Francisco World Affairs Council on Nov. 26. Peru's debt policy is "not against the U.S. government nor, much less, against the American people, because only the manipulation of the information pirates [media] have made us believe that we confuse the IMF with the government and people of the U.S." Peru, he said, gives foreign aid to the United States: "We have destroyed \$6 billion worth of cocaine which would have flooded into the United States."

● **FOUR FARM BANKS** in three states failed during November, bringing total U.S. bank failures to 108 on the year. One farm bank failed in Oklahoma, another in Missouri, and two in Kansas. California also saw its sixth bank failure for the year during November.

● **PORFIRIO MUNOZ LEDO**, a leader of Mexico's ruling PRI party and former ambassador to the United Nations, told a seminar in Madrid Nov. 22 that "moratorium is to the universe of financial relations, what a strike is to worker-employee relations." No organization of countries could afford to relinquish that right, he stated, adding: "The size of the debt is not the problem, but rather the context in which we have to pay it."

Finally, food irradiation

The coming year could see FDA approval, at last. Marjorie Mazel Hecht of Fusion magazine reports.

The year 1986 could launch the commercialization of food irradiation and an export boom for this new U.S. industry. A research program since the 1940s when the military began to investigate the possibilities of using low-level radiation to preserve food for troops, food irradiation at a level of 100 kilorads for fresh produce is about to get the final stamp of approval for commercialization from the Food and Drug Administration, while similar approval for commercial processing of pork at 100 kilorads is expected by early January.

Irradiation, the most researched food preservation technology, has the potential to increase the world's food supply by about 25%, simply by extending the shelf-life of food products and eliminating the insects and bacteria in food that lead to spoilage.

The technology has the full weight of the international scientific community attesting to the safety and wholesomeness of the product. In fact, the proposed new regulation by the FDA would allow an irradiation level that is only one-tenth the standard set by the international expert committee in 1981. And the prestigious U.S. Scientific Task Force on Wholesomeness of Foods Treated with Ionizing Energy, organized by the Council for Agricultural Science and Technology, in a report to be released shortly, has declared that "foods irradiated with doses up to an average dose of 58 kilogray [the equivalent of 5,800 kilorads] are safe and wholesome."

The House Agriculture Committee held hearings Nov. 18 on a bill that would reinforce and expand the proposed new FDA regulation. Called the Federal Food Irradiation Development and Control Act of 1985, H.R. 696, the bill was introduced by Rep. Sid Morrison (D-Wash.) and has a

counterpart in the Senate, S. 288, introduced by Sen. Slade Gorton (D-Wash.). The bill amends the current Federal Food, Drug, and Cosmetic Act, adopted in 1958, to define food irradiation as a "process" instead of a "food additive." This latter label has erroneously implied that the radiation process adds something—radioactivity—to the food, which it does not (in the same way that a dental X-ray does not make one's teeth radioactive). The bill also sets up a Joint Operating Commission to coordinate research, encourage private investment, and educate the public. The bill requires national uniformity in the regulation of food irradiation.

Although, for nearly 40 years, the United States has led the world in research to establish the safety and wholesomeness of food irradiation, today the nation lags behind the rest of the world. Twenty-eight countries now have approved the process for 40 different foods, while here, the new regulation to permit irradiation of up to 100 kilorads for fresh fruits and vegetables has been debated by the Food and Drug Administration since 1981.

The regulation was transmitted from the FDA to Health and Human Services Secretary Margaret Heckler in November 1985, and it is expected that she will finalize it before she leaves her post to become ambassador to Ireland. Mrs. Heckler stated in February 1984, when the proposed FDA regulation was made public: "Thirty years of research on the irradiation process have shown that the proposed levels of irradiation are safe and nutritious. FDA's evaluations showed that foods irradiated as proposed have the same nutritional value as foods that were not irradiated. Now is the time to move forward with this promising technology."

Reportedly, the issue of labeling is holding up the final

publication of the FDA regulation. Some nations use a small symbol to designate a product processed with ionizing radiation, although many experts feel that since the process leaves no residue in the food product, no special label is necessary.

Food irradiation would revolutionize the food processing industry. Stored grain would stay insect-free; citrus fruits could be disinfested before shipping; sprouting would be inhibited in potatoes, onions, and garlic; bananas and other fruits would have their ripening process delayed; and salmonella, trichina, and other harmful organisms would be eliminated from meats.

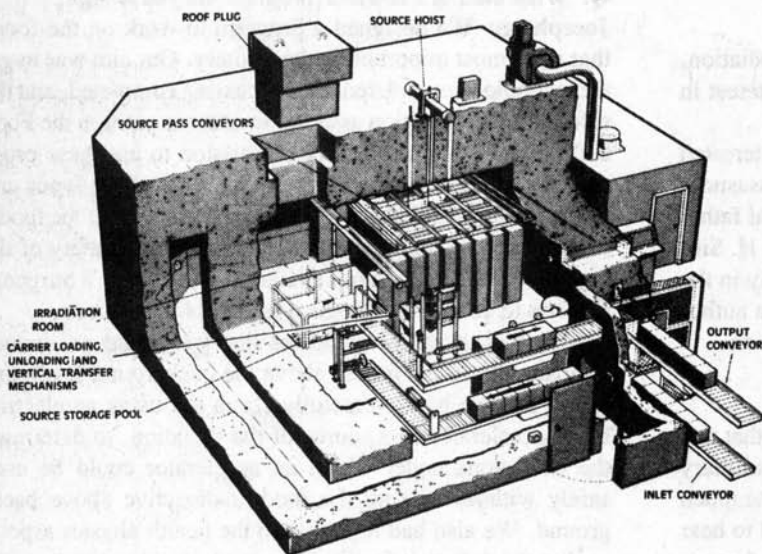
In many developing-sector nations, where 50% to 60% of the food harvested or imported never reaches the consumer because of spoilage, the "conservation" of food by irradiation could mean the difference between life and death for a hungry population. In terms of grain alone, the amount lost to insects, rats, fungi, and so on is 33 million tons a year; an emergency program to stop starvation in Africa could suc-

ceed with just 17 million tons a year.

In addition to the support of the scientific community, 15 national organizations have backed the commercialization of food irradiation, including the American Medical Association, the American Farm Bureau, and the Grocery Manufacturers Association. Testifying Nov. 18 for H.R. 696 were scientists who pioneered the technology, food industry representatives, the American Medical Association, and the Fusion Energy Foundation.

Who would oppose such a beneficial technology? Testifying against the bill was an array of environmentalist groups whose allegations were all variations on "this is a plot of the nuclear weapons industry to poison the Third World." During the recess, the food processing association supplied hearing participants with Washington State apples that had been treated with low-level radiation as a disinfestation measure. One environmentalist shrieked, "I won't eat one; I won't be a human guinea pig."

How it works



Food irradiation uses the ionizing energy from a decaying radionuclide such as cobalt-60 or cesium-137 or from s-rays or electron beams as a source of radiation. The very short wavelength gamma rays penetrate inside solid particles and kill microorganisms by breaking down the cell walls, or destroying their metabolic pathways.

There is no radioactivity induced in the processed food. Since the chemical reaction caused by the gamma rays does not involve the atomic nuclei of the molecules, their

atomic structure is not changed. The radiolytic products are the same as or similar to those in nonirradiated food. As the FDA put it, the difference between irradiated and nonirradiated foods is "so small as to make the foods indistinguishable in respect to safety."

Gamma irradiation is a "cold" process; that is, it produces no significant temperature increase in the food. So unlike canned foods, irradiated foods retain the same color, flavor, texture, and nutritional value.

Irradiation facilities: There is the radiation source with its shielding, an automatic conveyor system to transport the produce, control systems to manage the processing at the appropriate rate, and storage facilities.

In a typical facility, the cobalt-60 is embedded in pencil-thin rods, submerged in a well of water that shields the personnel from the radiation when the source is not in use.

The area housing the gamma irradiation source is shielded with 6 to 8 feet of concrete. The products to be irradiated travel on conveyor belts to the source, which is automatically raised out of the water on cables when needed. The dose of radiation received depends on the time of exposure and also the product's distance from the source.

The capital cost of such a basic unit may be as much as \$2 million, but the facility could be designed to handle both food products and medical supplies simultaneously, thus maximizing use of the equipment.

The road to irradiation breakthroughs

Dr. Edward S. Josephson, a pioneer in the development of food irradiation, headed up the U.S. Army Natick Laboratories research program from 1961 until his retirement in 1975. Josephson, a Senior Lecturer at MIT, has written and lectured extensively on the subject and is recognized worldwide as an authority on the technology. He was interviewed on Nov. 20 by Marjorie Mazel Hecht, managing editor of Fusion magazine.

Q: You are one of the U.S. pioneers of food irradiation, going back 25 years or more. What started your interest in the technology?

Josephson: I got interested because the Army was interested when I was with the Army laboratory in Natick, Massachusetts. I heard wonderful stories from the philosophical father of food irradiation in the United States, Dr. Ralph G. H. Siu. He got food irradiation started in a really serious way in the U.S. government. He's a scientist, a philosopher, an author of a number of books; he's the father of food irradiation.

Q: What did he do to get the technology started?

Josephson: He convinced the Defense Department that this was a process that should be looked into for potential military feeding systems, and he also had the vision to see the much broader implications for civilians worldwide. I used to hear about this from him. Food irradiation was not under my purview in those days, and I was very much impressed by what I heard and what I could see about its potential. One day the scientific director at the Natick Laboratories called me in and said he was going to put me in charge of the food irradiation program. So that's how I got into it.

Q: When was this?

Josephson: This was back in 1961. On Feb. 1, 1961, I took charge of the food irradiation program at the Army's Natick Laboratories. At that time, Dr. Siu was in Washington in the Office of the Quartermaster General, so he was an echelon above me. He gave me a free rein to do what had to be done,



what I thought best. He also made sure that we had the funds—that was most important, of course—and the personnel to do what had to be done.

Dr. Siu also saw to it that a top-notch facility with which to do this work would be constructed. So when we started off, we had the facilities, the funding, and the personnel.

Q: What kind of a research program did you design?

Josephson: We designed a program to work on the foods that were most important to the military. Our aim was to get the technology completed, the processing completed, and the safety for consumption assured, in order to petition the Food and Drug Administration for permission to use these products. I was concerned with the technology of the foods and the processing—in other words, the acceptability of the foods, the nutritional quality and the microbiological safety of the foods. We also made funds available to the Army's Surgeon-General to do the toxicological testing of these foods.

We had to assure ourselves that we would not induce radioactivity in the foods, above the background level; this meant that we had to carefully check out using an electron beam accelerator as a source of the radiation, to determine the conditions under which an accelerator could be used safely without making the foods radioactive above background. We also had to look into the health physics aspect, so that the radiation facilities we used would not be harmful to the people in the laboratory.

Also, since our lab was right across the street from private homes, we had to assure that these people would not be subject to any hazards. This was back in 1961. I think if anybody tried to put a facility like ours close to a populated area today, they might have some trouble with the environmentalists. But in all the years that we operated, there was not a single accident that would have jeopardized the safety and health of anyone. We were also located on the shore of a lake, and we had to make sure that no radioactivity would get into the lake and make the lake unusable to the people who had homes there.

These were just some of the aspects of the technology that we had to work out. We were pioneers. Our radiation source of cobalt-60 for food processing at that time was the world's largest source.

Q: What was it in curies?

Josephson: It was at that time about a million and a half curies of cobalt-60 when it was loaded in 1961.

Q: So the Natick lab began in 1961 and continued for about 20 years.

Josephson: Yes, it operated there for just about 20 years, although I retired at the end of 1975, and Dr. Ari Brynjolfsson took over when I retired. In those 20 years, we had only one episode where the cobalt-60 source malfunctioned: It jammed on its elevator. The cobalt-60 is in the bottom of a pool of water. When food is to be irradiated, the cobalt-60 is raised on an elevator, and the food comes on a conveyor and is exposed to the radiation. When you're through with the radiation process, you lower the elevator, and the cobalt-60 source rests at the bottom of the pool. Somehow the elevator got jammed, and it took several days to work from the roof and straighten it out and then lower it to the bottom of the pool. That was the only episode in about 20 years, and at no time was there any danger to the environment or to the people working in the area. . . .

Q: How would you sum up your accomplishments?

Josephson: We took products that originally were marginal at best—from both a taste point of view and from a nutritional point of view—and we worked out a food irradiation sterilization technology of excluding oxygen from the process and also of applying heat to inactivate the enzymes that would have made the food get soft and mushy upon storage at nonrefrigerated temperatures. From this, we were able to develop food products that match or come close to matching nonirradiated, foods, even after two years' storage without refrigeration.

Q: Were you working with produce as well as meats?

Josephson: Before I took over the program, the Army was involved in irradiating all foods. But when I came in, there had been a realignment of the program where the Atomic Energy Commission concerned itself with the low-dose applications to fruits and vegetables and cereals, and we were concerned with the *high-dose* applications that were based mostly on meat, poultry, and seafood.

I felt we had, by far, the more difficult task, because we were using very, very high doses—maybe 10 or 100 or even 1,000 times higher doses than the low-dose program that was then carried out by the Atomic Energy Commission. We dealt with the high dose to get products that could keep without refrigeration for long periods of time, and yet maintain the texture, the nutritional quality, the flavor, and the color, and so forth, of foods that had not been irradiated.

The only other way you could keep these foods for long periods of time was either to freeze-dry them or heat-sterilize them. Of course, you cannot freeze-dry whole turkeys, or whole roasts of beef, lamb, pork, or ham, etc. We were concerned with developing a process that did not require refrigeration, so freezing was out. We would be comparing our process with heat-sterilization or drying. The drying was applicable only to thin slices or powdery material and was ungodly expensive, so freeze-drying couldn't compete. Therefore, our major basis of comparison was with heat-sterilized canned foods.

One of the first things we did was to create the right kind of packaging for the irradiation-processed food. The can was developed for sterilization at high temperatures, and since we developed a process of radiation sterilization at low temperatures—between -40° and -20° Celsius—we had to check into the packaging, do a thorough job. We looked at metal cans, at the liners of the cans, at the sealing compounds, at the solder that's used in cans, at the structure of the can to maintain a high vacuum in the frozen state. We had to develop the best packaging systems, and we arrived at flexible packages. We worked out three layers of laminates: a plastic liner that the food contacted, an aluminum foil middle layer, and a plastic layer on the outside, with sealing materials to hold the three layers together.

We had to make sure that these materials would not impart molecular fragments to the food as a result of the radiation; that they would maintain their integrity. They could not get brittle or develop pinholes—in other words, they had to maintain their flexibility even at low temperatures. So we developed a whole line of packaging materials and got them approved by the FDA. We later developed even more materials that were ready to go to FDA, but our lawyers at Natick said, why submit petitions if you don't have any foods cleared to put in them?

So we pioneered in packaging. I don't think any other laboratory had even done anything with packaging, and I would consider our packaging as a big success story.

Q: I think that you also pioneered in the foods to put into the packaging.

Josephson: Yes. In our technology for developing the high-dose irradiated foods, we were able to conserve the nutritional quality of these foods so that in many cases there is less destruction of nutrients than with thermal processing; in no case was there any more destruction of nutrients than with thermal processing. We were also able to work out the conditions of inactivating enzymes so that the foods would not get mushy—as I said earlier—or become bitter, as a result of enzymatically catalyzed breakdown of food constituents in the packages stored for at least two years at room temperature. That was a big accomplishment.

We were also able to prove that the foods would not be hazardous to the consumer. Specifically, at Natick, we were able to identify the products formed as a result of irradiation

and show that they were not unique to irradiation. You would find practically every one of these products in other foods that were not irradiated.

Q: That's of course one of the big screaming points of the environmentalists, that radiation creates "unique radiolytic products" in the food.

Josephson: That's right. There are no "URPs." And based on our work with radiolytic products, the FDA has now been willing to accept the *chemiclearance principle*. That is, if you did a complete toxicological evaluation with animal feeding studies over a long period of time on one food; and if you showed that you knew the composition of a food to begin with and the conditions of irradiation (such as the temperature of irradiation, the radiation dose, and the exclusion or nonexclusion of oxygen), then you could predict what the radiolytic products would be. And since the radiolytic products that we isolated and measured in the case of beef were deemed nontoxic by a panel of experts, the FDA said that if we gave them the deemed nontoxic by a panel of experts, the FDA said that if we gave them the radiolytic product data for ham, pork, chicken, fish—all foods of animal origin—and one big toxicological study, then we could clear the whole family of meats and poultry. That's what the *chemiclearance principle* is; instead of clearing foods item by item, a whole family could be cleared at one time.

I think that the Natick Laboratories should take full credit for developing the *chemiclearance principle* that now the FDA, the international community, the World Health Organization, and so forth, have accepted. That is, I think, our most significant accomplishment.

The other significant accomplishment, of course, is the long-term animal feeding studies that were conducted over the years. Even though many of them done during the 1950s and 1960s may not have met the criteria for proof of safety established in the late 1960s or '70s or '80s, I think that we paved the way by showing that there is nothing harmful that we could detect—or that anybody else could detect.

We also worked out the technology for the use of the electron accelerators. We developed this to be a reliable workhorse in the laboratory.

Q: What kind of an accelerator did you have?

Josephson: We had an electron linear accelerator that was manufactured by Varian Associates in Palo Alto, Calif. The machine was built in 1956-57 and was originally destined to go into the Army quartermaster's facility in Stockton, Calif., but it was later determined that it should go to Natick. The facility at Natick was not completed until 1962, so that by the time we got this unused accelerator at Natick, it was already obsolete. The machine had to be turned on, warmed up, and tuned, and we had a lot of trouble getting it to work

Irradiation: More food and better food

The commercialization of food irradiation will not only begin to "conserve" food by extending shelf-life and saving the 25% of U.S. meat and produce that now is wasted because of insect and rodent infestation or spoilage; it will also give us better quality food.

Today, salmonella contaminates an estimated 55% of our chicken, and the United States has one of the highest rates of trichina in pork (for this reason a number of European nations embargo U.S. pork products). Both problems could be eliminated by processing poultry and pork with low-level irradiation. In fact, the National Pork Producers Council has passed a resolution to "rid the pork industry of the trichinae organism" and backs food irradiation as the way to do it. Chopped meat, where bacteria cause sliminess and a putrid odor, or frozen beef and

frozen shrimp, which have a high salmonella contamination rate, could also be treated with low-level irradiation to eradicate the pathogenic bacteria. A 1976 U.S. government report estimated that there were 2 million cases of salmonellosis yearly; the Atlanta Centers for Disease Control now puts the cost of this to the economy at \$1.2 billion per year. Recently, the Canadian government estimated that salmonella led to between 10 and 15 million cases of gastroenteritis per year, and the Canadians are now test-marketing irradiated chicken to eliminate the problem. Atomic Energy of Canada, Ltd. estimates that 250 irradiation facilities could eliminate salmonella in poultry at a cost of merely 2¢ per pound.

Although the Food and Drug Administration's proposed new regulation would permit 100 kilorads of irradiation for fruits and vegetables and for pork—only one-tenth of the accepted international standard—the benefits of this low-level irradiation will be tremendous, especially if the FDA also permits irradiation of fresh poultry and fish. It would extend the refrigerator shelf-life of meat, poultry, and fish, for example, by four to eight days; it would reduce salmonella by 99.9%; it would destroy tri-

properly because of its complexity and its obsolete design. It was like doing the Indianapolis 500 with a Model-T Ford.

But because it was a piece of capital equipment, we had to show that we got our money's worth out of it; we couldn't just junk it and get another one. So we brought in Dr. Ari Brynjolfsson as a visiting scientist from Denmark in 1962 to try to get the machine operable, to make it work. He decided that the only way to get it to work was to rebuild the machine but to keep the outside shell, so that we could always say we didn't throw the machine away! And he trained a staff of young eager-beavers and went back to Denmark. Then he joined us permanently two years later. He made that machine work, and toward the end, it became a real workhorse. When that cobalt-60 source jammed for a week on the elevator, the accelerator was the major source of radiation.

Q: Did you do all of your experiments both with cobalt and with the accelerator?

Josephson: We also used a cesium irradiator. Dr. Brynjolfsson felt that as long as we are working with the sources without bias toward any one, we owed it to the taxpayers to explore all three major sources—electrons, cobalt, cesium. We also fixed the accelerator to have the electrons hit a heavy target and create x-rays or what's called Bremsstrahlung radiation.

We also worked out the technology of dosimetry; we had

to develop dosimeter systems that could be used in a practical way, not just the highly theoretical calorimeters that measure temperature rise as a function of absorbed radiation. The dosimetry group developed new systems suitable for use in commercial production, for high-dose food irradiation—another area we pioneered.

Q: By the end of the Natick program in 1981, then, you had actually established that the technology was safe at much higher doses than the 100 kilorads now being considered by the FDA.

Josephson: Yes, we established the safety of the technology at much higher doses than anybody else in the world had considered. We were the only laboratory working seriously at *sterilizing* doses for food. Even today, people say, "Oh, it's not practical." I was just in Israel, and one of the retired scientists from the Atomic Energy Commission came to see me at my hotel, and he sort of pushed it aside. He didn't think there would be any practical use for high-dose food irradiation. When I told him that he was mistaken, he said, well maybe not in the next 25 years. And I said, you are very, very much mistaken, because we have indications from the grocery-line people in the big packing houses and supermarkets that they would love to see shelf-stable meats and seafood items in large containers—not those flimsy little sardine cans or small cans of salmon or tuna fish. They would like to

china (at only 30 kilorads) and other pathogenic bacteria.

The benefits even at this low level extend to other products. Sprouting in potatoes, onions, and garlic will be inhibited; insect eggs won't hatch in grains, cereals, or flour; bananas won't brown so fast; strawberries will last three to four weeks before getting moldy; citrus fruits can be disinfested after harvest and shipped interstate without live insects or insect eggs; and so on.

Sterilized foods

At higher levels of radiation, of course, the benefits are even greater. The number of vegetative bacteria, molds, and fungi can be reduced by a factor of 100,000 (10^6) with a dose of 100 to 1,000 kilorads, depending on the food product. A similar reduction in the number of dried or frozen vegetative bacteria, fungi, and spores can be obtained with a dose of 200 to 2,000 kilorads; and the number of viruses can be reduced by 10^6 at doses of 1,000 to 4,000 kilorads.

At sterilizing doses, usually in the range of from 2,500 to 4,500 kilorads, no viruses, parasites, or pathogens remain in the food, and when properly packaged, radiation-

sterilized foods can be *stored indefinitely at room temperature* without a loss of wholesomeness or taste. One of the measures for a sterilizing dose is that which will reduce the number of spores of *Clostridium botulinum* from 1,000,000,000,000 to 1. All the astronauts eat radiation-sterilized food when they are in space, because it tastes good, stores easily, and is guaranteed to be pure. Hospital patients with immune system deficiencies and other conditions would similarly benefit from radiation-sterilized meals.

Although the scientific experts have determined that foods irradiated at up to 5,800 kilorads are safe and wholesome, the only items that the FDA now permits to be irradiated above 100 kilorads are spices, onion powder, and garlic powder, for which there is a limit of 1 megarad (1,000 kilorads). This dose is enough to reduce the level of bacteria by 3 or 4 orders of magnitude, while the newly proposed maximum dose of 3,000 kilorads would ensure that the spices would be "commercially sterile." To give you an idea of the problem, the common herb teachamomile ordinarily contains a level of bacteria of 10,000 per gram.

see whole roasts, whole birds, turkeys, chickens, and so forth, on the shelves rather than in the refrigerators or frozen food chests. I have letters from producers, processors, and supermarket executives, endorsing the high-dose program.

One of my colleagues, Dr. Eugen Wierbecki, and I made a survey in 1972. We packed our bags with samples and criss-crossed the United States several times to get a cross-section of the meat industry, the seafood industry—and when I say seafood I'm including the shrimp producers down in the Gulf area. We went from coast to coast and north to south, from the Canadian border to the Mexican border. And we left a letter with the chief executive asking them whether they thought the technology was worthwhile, whether they could use the irradiated products, and were interested in them. In every instance but one, they said "absolutely, yes."

Q: I don't think there's any question now that the industry is interested, and that the safety has been established. Why is the FDA taking so long to approve?

Josephson: It's on the labeling issue. In the mid-1960s, the FDA asked for suggestions on what the label should have to identify the irradiation process.

Q: In the 1960s?

Josephson: Yes, in the mid-1960s. And we put our heads together, the whole team at Natick, including our legal department, and came up with the words "ionizing energy." We felt that this was scientifically sound, and not misleading. Well, FDA rejected that. It had its own mind really made up and wanted the word "gamma radiation," or "electron radiation," or "ionizing radiation." This is now legally, by regulation—not by law, but by regulation—what is required.

Now when the proposed new FDA regulation was ready to be printed up in 1981, evidently some people in the industry got to [Health and Human Services Secretary] Margaret Heckler and told her that they were opposed to any stigmatizing labels, such as having the word "radiation" in it. But the FDA was insisting that it have such a label. So there was a difference of opinion between the Secretary of Health and Human Services and the FDA.

In 1980, a Joint Expert Committee of the Food and Agriculture Organization and the World Health Organization was convened in Geneva. The statement in their report was that there was no valid *scientific reason* for a label to identify the irradiation process; the process, being safe, should be treated like any other process. They used the words "scientific reason," because it's a political reason, not a scientific reason, that has tied up the proposed approval by FDA.

In 1982, a panel convened by the International Atomic Energy Agency in Vienna to consider consumer aspects, wrestled with the labeling problem. I was the chairman of that panel. We subdivided into three subcommittees to look at different aspects of concern to consumers, and one of the subpanels focused on the label issue. The chairperson of that subpanel was a consumer representative. And on her subpa-

nel was a young gentleman who occupied a similar position with the consumer organizations in France. And we had another woman from Bulgaria, a grandmother; and a woman from the Netherlands with teenage children; and the head of the food irradiation program for Israel on that subpanel.

I was surprised that this subpanel on labeling, chaired by Marilyn Young, recommended against an identifying label on the retail package. I asked them to list the pros and cons in the report, just to make a statement, because I said, this is a very, very important issue. And then, in the plenary session, I asked each member, "Do you support this without reservations?" I gave every opportunity to the panelists to reconsider themselves or renege, because I was flabbergasted. The only one from that subpanel who wanted an identifying label was the Israeli. It turned out that in Israel in 1969 and 1970, they ran several consumer tests in supermarkets and greengrocers, and for years after that, people kept coming back and asking, "When can we get some more of that special food?" So the Israeli panelist felt that the label would *sell* the product. He was kind of talked out of that by others saying, "When was this test run? 1969-70? Before Three Mile Island?" and so forth.

In any event, there was an impasse between Mrs. Heckler's office and FDA, and when I went to see somebody in Mrs. Heckler's office in November 1983, I was told that the labeling issue was holding everything up. I told them that I would send them the report that my panel prepared, which IAEA has printed and distributed. I sent it, and within a couple of months, the proposed regulation of February 1984 came out with the FDA saying, "We don't propose a label. If you think there should be one, write in and tell us." So the FDA, having been overruled, was inviting people to overrule Mrs. Heckler. And this is when 4,000 letters came in to the FDA.

Q: These letters were mainly from the antinuclear movement and their associated environmentalist-consumer groups?

Josephson: Yes, and Dr. Sanford Miller of the FDA said, "Four thousand letters! Why, this is a tremendous outpouring!" And I said to Dr. Miller, "In a country of 240 million, what is 4,000? I could walk up and down the streets of my neighborhood with a petition and get 4,000 signatures for a traffic light or for somebody to get nominating papers to run for dogcatcher!"

Q: As part of this education process, I'd like you to answer briefly some of the objections that the environmentalists always raise. First, the bugaboo of "dangerous genetic mutations."

Josephson: We have not seen any evidence of these, and we have recycled salmonella about 36 generations. We got about a twofold-to-threelfold increase in resistance, but no mutations. Since you're only going to irradiate *once*, there'll be no problems with bacterial mutations. We haven't seen that in 30 years of research. . . .

Q: Another point the environmentalists raise is that aflatoxin will be produced more abundantly on irradiated foods than on nonirradiated foods.

Josephson: That's not true, and I don't think anybody's ever confirmed it. Actually, at least at high-dose radiation, you *destroy* aflatoxin. There was a paper on that done out of my department under the toxicology group at MIT.

Q: What interests me about this particular objection is that I know in products like "natural" peanuts that have been produced without pesticides, there is a very high percentage of aflatoxin; it is actually more dangerous to eat this so-called natural food!

Josephson: That's right. With a high enough dose you'll destroy the aflatoxin; so that is not a problem.

Q: Another thing that I hear so frequently from these people is that one USDA report on chicken showed that there were fewer offspring produced among the fruit fly that had been fed this chicken.

Josephson: That has nothing to do with the issue. We don't do fertility studies or fecundity studies with fruit flies. This is done with dogs, rats, and mice; and they showed *no* impairment in reproductive capabilities. So the fruit fly has been involved in genetic studies for about 80 years, but never for reproduction and showed no genetic changes when fed irradiated chicken.

Q: Another favorite allegation of the environmentalists is that irradiation will destroy all of the vitamins in food.

Josephson: There is no merit to this point. I have written several review articles showing the contrary. They just don't read my articles, or the articles of other people. In fact, we are conservative, and say that radiation is "no more destructive" of the vitamins or any other nutrients than the conventional processes that are now used commercially. Now, that's a conservative statement, because in many instances, it is *less* destructive.

Q: I would like to ask you some questions about the developing-sector use of this technology. I know that you have been a consultant to Chile, India, China, and Israel on food irradiation. What do you think the promise is for countries where there is right now malnutrition, and certainly not enough food?

Josephson: I'm not one to say that irradiation is going to solve all their problems, because it is more than just enough food. It's government policies, land ownership, investment, putting resources where they should be, building an infrastructure of roads and warehouses and so forth. However, irradiation can certainly make a substantial contribution to conservation of food, so there would be less spoilage and therefore more available to the people who need it.

Q: Have you done any estimates of how much more food?

In some of these countries I know 50% to 60% of the food spoils.

Josephson: It varies from country to country, from season to season, and from food to food. I've seen numbers anywhere from 25% to 60% of the crops that are lost through spoilage. Irradiation could help alleviate, ease those losses; but again, you have to have good roads to get the products from one place to another. It's got to be a national policy. For example, when I worked out in India a process for preserving bananas, thinking that bananas could go from the place where they're produced to places where they're going to be consumed, my Indian colleague said, "Oh, no, we've proposed to ship bananas by sea, by surface, to the port of Odessa." I said, "For this, I'm helping you?" Who needs that? Now, that was a national policy, to earn currency, or to trade for something that the Russians might have to offer.

I'm saying that I don't want to make it appear that radiation is the answer, but radiation certainly can help ease the problem of insufficient food. And where the distribution chain is very primitive, by being able to keep the food longer, you can overcome some of the deficiencies of maldistribution.

Q: Have you done any economic studies, to show comparisons of how this particular process will be cheaper?

Josephson: There have been a number of studies done, going back to the very beginning days—studies by Arthur D. Little and the National Academy of Sciences, then continued by the U.S. Department of Commerce and by the Operations Research Office of Johns Hopkins University. Time after time after time, whenever these studies are done, it has been shown that, in commercial production, the costs of food irradiation, the costs for this processing, will be competitive with the other major food preservation methods.

Q: Does that take into account the longer shelf-life that the food will have?

Josephson: Yes, because in some of these preserving methods you need to freeze or use refrigeration, and the longer you keep the product frozen, the more costly it becomes because of energy demands. So if it's going to cost so much a week to keep something frozen and you're going to keep it a year, you have to multiply the cost by 52. With irradiation at a high dose, you just don't need any refrigeration, after you have irradiated at -40° .

The longer you store the product, compared to a shelf-stable product, the better the numbers become on the side of irradiation. For example, take the costs of irradiation-sterilized bacon, assuming a throughput of 100 million pounds a year in a facility. If we used a certain type of accelerator, it was about 3/4 of a cent a pound; using a gamma ray source, it came out to about 2¢ to 3¢ a pound. Then if you added the cost of bringing the product down to -40° for irradiation, you have a cost of 4¢ to 6¢ a pound on the product. To compare with a product that sells for \$2 or \$3 a pound, 4¢ to 6¢ is a very small amount.

The Genoud trial and the mysterious four septuagenarians

by Criton Zoakos

There are four old men, all in their seventies, who had known each other and worked together prior to and during the Nazi occupation of Europe, who are once again capturing international headlines in a strange fashion:

Francois Genoud, the Nazi Swiss financier who is the legal literary executor of Adolf Hitler, Martin Bormann, and Josef Goebbels;

Klaus Barbie, the infamous "Butcher of Lyons," still awaiting trial in France for mass murders he perpetrated as an SS captain during the war;

Alois Brunner, Adolf Eichmann's aide de camp, condemned to death in absentia in four countries, now living in Damascus, Syria; and

Michael Raptis, alias Michel Pablo, head of one of the Trotskyist "Fourth Internationals," senior purveyor of terrorism in the eastern Mediterranean, secret security adviser to Greek Prime Minister Andreas Papandreou.

As detailed below, on Nov. 15, 1985, a unique and extraordinary legal proceeding transpired in Geneva, Switzerland, involving the first of our four septuagenarian musketeers, banker Genoud. Geneva's Police Tribunal was litigating a case of libel, initiated by Genoud against four internationally prominent journalists who had, in their publications, characterized him as what he is, a Nazi and a controller of contemporary international terrorism. Genoud, ably represented by Switzerland's most glamorous legal name, Maître Marc Bonant, decided to abandon his lawsuit and settle out of court. The out-of-court settlement involved an admission by Genoud that he is indeed all of the things the named journalists had imputed to him, with one qualification: He has not physically participated in any violent act of terrorism.

It appears that Maître Bonant's decision to advise his client to go for this settlement, was significantly influenced by the Swiss government itself, which, for reasons of its own, decided to abandon its long-standing policy of protecting Genoud, and publish, three days before the trial, a partial transcript of the Francois Genoud file, maintained by Swiss security authorities. The transcript verified virtually all the allegations made by the journalist defendants, thus destroying the legal grounds of Genoud's libel suit. The Swiss government's reasons for this are



Klaus Barbie



François Genoud

The late Hjalmar Schacht (left), formerly Hitler's economics minister, is shown here as an adviser to Egyptian Prime Minister Nagib. From Switzerland, Tangiers, and Cairo, Schacht and Genoud rebuilt the Nazi International in the postwar period.



not yet clear, though speculation abounds.

Within a few days of these legal proceedings in Geneva, Andreas Papandreu's Socialist government of Greece announced, through its foreign ministry, that it intends to seek the extradition from Syria to Greece, of Nazi fugitive Alois Brunner, in order to try him for the murder of 46,000 Greek Jews of Salonika. Papandreu's excellent, close relations with Hafez Assad of Syria would virtually guarantee extradition.

Ironically, once in Greece, Brunner would be at the mercy of his old acquaintance, Michael Raptis, the *éminence grise* of the Papandreu inner circle. Raptis, a.k.a. Pablo, since 1967-68, has sent hundreds, if not thousands of young, brainwashed Europeans from the academic milieu to Syria, to receive guerrilla training in facilities in part organized by Alois Brunner. As will be seen in the reportage which follows, much of this Middle East terrorist activity was financed by François Genoud, according to his own admission.

Genoud also helped finance Pablo's Algeria project in the early 1960s, when the latter was in Algiers in his double capacity as consul general for Archbishop Makarios of Cyprus and "Kitchen Cabinet" member for Ahmed Ben Bella's government.

Another most interesting beneficiary of Genoud's largesse is Klaus Barbie, whose trial, long delayed, is coming up soon. Many bigwigs of the contemporary Socialist and Communist "scene" in France have wished the trial to be delayed. Why? Because, as Barbie has insinuated, he knows, and is willing to divulge in court, facts about the activities of certain "heroes of the Resistance," which do not accord with

present-day myths. There were many Nazi-collaborators among France's Socialist and Communist "big names." One such is the present general secretary of the *Partie Communiste Française* (PCF), Georges Marchais.

As history has recorded, when Hitler's move against France took place, the PCF, on orders from Moscow which was still beholden to the Hitler-Stalin Pact, issued instructions to its militants to cooperate with the occupation forces. The 1939 Hitler-Stalin Pact has left a legacy of Nazi-Communist joint networks, not only in France, but throughout the Mediterranean, including present-day Israel and the Arab world. Many self-righteous Socialist and Communist big names are to this day beholden to these Nazi-Communist networks.

Michel Pablo, for example, a resident of France during that period, found himself, at the end of the war, in possession of the typographical plates which the Gestapo had been using to print counterfeit U.S. dollars. We expect that, given Genoud's admissions at the Nov. 15 court settlement, he will be forced to testify at Klaus Barbie's upcoming trial. Barbie, however, whose legal expenses are being paid by Genoud, cannot afford to "settle out of court." His only defense will be to go down, bringing with him as many of his Nazi-Communist collaborators of yore as possible. Alois Brunner's virtual volunteering to stand trial in Greece, might yield similar revelations. Prosecutors and magistrates should not forget to also call to the dock Michael Raptis, alias Michel Pablo, the old king-pin of the "Apparat Curriel" of which the Israeli Mossad knows a lot and conceals, perfidiously, even more.

Swiss Nazi banker withdraws libel suit to cover terrorist ties

by Aline Derval

In a Nov. 15 judiciary debate at the Police Tribunal in Geneva, Switzerland, it took the lawyers of Swiss Nazi banker François Genoud six hours to obtain the defendants' legally mandated agreement for their client to withdraw his libel suit against *Le Monde's* Jean-Claude Buhner, *L'Express's* Jacques Dérogy, *Le Point's* Jean Schmitt, and *La Tribune de Genève's* Olivier Pauli. According to Genoud's main counsel, Marc Bonant, 90% of the journalists' published assertions of Genoud's Nazi connections, originally claimed as libelous by the Lausanne banker in his June 1982 suit, were in fact "not contested" by the plaintiff, who to this day, remains faithful to his pre-war Nazi convictions. The debate to establish grounds for withdrawing the suit, should, therefore, restrict itself to two essential points, argued Bonant: Genoud's denial of his direct, material role in international terrorism and connections to the terrorist figure "Carlos," and his denial of being involved in financial fraud in the 1960s.

After other concessions from Genoud, including legal expenses and travel costs for the defense witnesses, both parties agreed to end the trial with an amicable settlement, a protocol of no binding legal value, which the journalists signed stating that they "have not imputed to Mr. Genoud any personal participation in any material terrorist act," but that, given Genoud's known connections and the facts contained in their articles, they continue to have questions about the nature of his links with terrorist groups and his possible responsibility and role.

This was the price François Genoud and his lawyer, Bonant—whose clients include Licio Gelli, former head of the subversive Propaganda-2 Freemasonic lodge and a veteran of Mussolini's secret police agency—paid to prevent the coming-to-light of more damaging evidence on his Nazi past and current pro-terrorist activities. Defense witnesses included some 20 persons, among them well-known Resistance fighters, who had come from France and Canada to testify.

Genoud's judiciary surrender and political defeat reflect the fact that the Swiss government, which has protected him since the early 1960s, seems to now find him too hot to handle. Not only was the public prosecutor not represented

on the plaintiff's behalf—as is customary—but also the Swiss government released a note a few days before the trial, enumerating the charges against Genoud from 1934 until the war, including his association with the Swiss Nazi Party's National Front and his spying for Nazi Germany (see *Documentation*). The defendants had unsuccessfully sought access to these documents, which confirm trial evidence that was to be provided by the Union Internationale de la Résistance et de la Déportation (the International Union of the Resistance and Deportee Movements—UIRD). In a similar move, the Algerian government sent in timely official documentation on Genoud's 1964 condemnation and subsequent expulsion from Algeria for "infraction of exchange-rate legislation and currency trafficking," while director general of the Arab Popular Bank.

Genoud, the Nazis, and the terrorists

The first offending article mentioned in the suit was published in March 1982. Following the arrest in France of terrorists Bruno Breguet and Magdalena Kopf, *Le Monde's* Swiss correspondent Jean-Claude Buhner raised the question of the "links between some terrorist groups and pro-Nazi circles." Buhner exposed Genoud's financing of a lawyer to defend Swiss terrorist Breguet, when the latter was arrested in Israel in 1970. The lawyer Genoud sent was one Maurice Cruchon, who ultimately married one of Genoud's daughters and later was Genoud's co-counsel, along with Bonant. Following the trial, Buhner uncovered Genoud's links to Georges Habash, head of the terrorist Popular Front for the Liberation of Palestine, and his presence as legal adviser to the PFLP at the 1969 trial in Winterthur, Switzerland, of four PFLP members, following the attempted bombing of an El Al plane in Zurich. The article delved into Genoud's Nazi past, his links with the Abwehr, his activities as exclusive legatee of Hitler, Bormann, and Goebbels's copyrights, his association with SS Gen. Kurt Wolff, Himmler's right-hand man Ramcke, and Nazi Economics Minister Hjalmar Schacht.

Following the *Le Monde* bombshell, the other three journalists named in the suit continued the investigations and

published similar findings.

Arguing that Genoud has now rejected the instructions issued by the public prosecutor's office listing the more than 30 points of alleged libel, Bonant proceeded first to establish what his client no longer deemed "slandorous" and therefore outside the realm of debate. Genoud did not consider it defamatory to refer to his "fascist and even pro-Nazi obedience," or even "pro-Nazi convictions," insofar as he "has had specific political convictions throughout, [and] has not changed or repudiated them like so many." Nor was his friendship with leading Swiss pro-Nazi George Oltramar considered defamatory. Genoud "would not see . . . any affront to his honor," were he accused of anti-Semitism, although he claims he is only "anti-Zionist." Nor is the charge, which he denied, that he was recruited to the Abwehr, considered libelous, "to the extent that this would not have been against the interests of Switzerland." As for his ties with the Black September terrorists, he admitted his contact with the

In order to prevent a sensational trial which could bring out the whole story of the post-war survival of the Nazi International and its controlling role in world terrorism, François Genoud was willing to pay a stiff price, admitting to most of the charges made against him by the defendant journalists. He insists only that he had no direct personal role in terrorist actions.

group's leader, Hassam Salame—even more often than the defendants have known, and not only in Beirut; he conceded meeting with Georges Habash and attended the PFLP trial in Winterhur. Genoud claimed, with pride, his friendship with the Nazi Grand Mufti of Jerusalem, and though he never funded the national liberation movements in North Africa, Bonant's client "regrets it."

Bonant went on to conclude that the defendants should not be allowed to prove the truth of their investigations, since their intentions were "malicious" and not motivated by the "public interest," since they have "violated the anonymity of an honest man who has made the choice of not being a public figure, a political figure."

In this, Bonant received his second rebuff from the court: His motion to restrict debate to the two cited issues was denied, and the defendants were permitted to present their witnesses, among them:

- Marie-Madeleine Fourcade, president of the UIRD and its Expert Committee on the Resurgence of Nazism;
- Jacques Delarue, member of the Expert Committee on the Resurgence of Nazism;
- Daniel Mayer, former president of the Ligue des Droits de l'Homme (League for the Rights of Man), and founder of the International Action Committee of the Resistance;
- Claire Sterling, author of *The Terror Network*;
- Isabelle Vichniac, journalist and Resistance veteran, and;
- Erna Paris, author, whose book *The Barbie Affair* has just been released in French.

At an impromptu press conference held by several defense witnesses shortly after the hearing, Erna Paris revealed new evidence tying Genoud to the defense of Klaus Barbie (see article, page 00). Jacques Delarue outlined how the UIRD's expert committee had been tracking down Genoud's Nazi connections since they discovered his participation in a 1944 meeting of Nazi financiers in Strasbourg. And the journalist-author of the film *The Spy Who Came from the Extreme Right*, reported that pro-Nazi historian and Genoud intimate David Irving had admitted to Genoud's involvement in arms-trafficking. Another witness, J. Tarnero, former president of the Paris Center of Research on Anti-Semitism, exposed the striking parallel between the variety of "anti-Zionism" professed by pro-Nazi circles, and the similar denial by the Direct Action terrorists of the existence of the Nazi concentration camps.

Even though Genoud was forced to legally capitulate, while publicly confessing his Nazi devotion, among other activities, a more fundamental fight, on the issue of the key role played by such intellectual and moral controllers of terrorism, was aborted, partly because of the defense lawyers' cowardice and partly because of political pressures on them. This was all the more regrettable, insofar as defendant Jacques Dérogy had opened the way for such an exposé by comparing Genoud to French pro-Nazi Robert Brasillac, who "did not send Jews to the camps himself," but as propagandist for the Nazis was condemned to death after the war.

Genoud's capitulation had in fact been pre-arranged by Bonant, and the defense lawyers had agreed in advance not to reject his withdrawal and an out-of-court settlement—out of "professional courtesy" to Bonant, who is reputed never to have lost a case. Bonant had drafted the formulation of the settlement beforehand, which stated only that Genoud was not being accused of material acts of terrorism. It was later strengthened by the journalists in a closed-door session during the trial.

Had Genoud's petition to withdraw the suit been rejected and the trial forced to proceed, an explosive dossier would have come to public light. In any case, a more honorable response on the part of the defense lawyers would have been to raise the possibility and necessity of bringing Genoud to trial as an apologist for crimes of war and crimes against humanity.

From Klaus Barbie to François Genoud

by Thierry Lalevée

When François Genoud withdrew his legal complaint against four French journalists, he may have avoided having to answer certain unpleasant questions, but his expressed desire to be left in anonymity will certainly not be granted. By the simple fact that it occurred, the Nov. 15 trial directed an international spotlight on the shadowy figure of Genoud. Despite his best efforts to keep the cover on the true story of the postwar Nazi International, Genoud's history and that of his cohort Klaus Barbie, the Gestapo's "Butcher of Lyons," have drawn extraordinary attention in France, and the scandal is not going to die down any time soon.

In the immediate days following the trial, no fewer than 13 daily newspapers in France and Switzerland reported the strange dénouement of the trial. More coverage is expected now, as the international newsweeklies join the fray. Most articles have borne headlines such as *Le Monde's* "Judicial Capitulation of a Pro-Nazi Swiss Financier." The presence of at least 30 journalists at the trial manifested the kind of media mobilization that Genoud so dislikes, as did the special authorization given by the judge to both French and Swiss television networks to enter the courtroom to film the beginning of the session. Both gave the trial 10 minutes of coverage.

This was no major surprise, in fact. Though the last major exposés of François Genoud—outside of those to appear in *EIR*—were in 1982, many in France, Switzerland, Germany, Britain, and the United States have been following the legal procedures ever since, waiting for their opportunity.

But even before the trial started, Genoud received a few unpleasant surprises. One was the publication on Nov. 14 of a new monthly magazine in France, called the *Globe*, whose first cover story was dedicated to the Nazi banker. To publicize its first issue, the *Globe* bought advertisements in several French newspapers, with such tantalizing texts as, "Who is the friend of Carlos, the friend of Vergès, and the friend of Barbie?" The cover story itself was a five-page exposé of Genoud's ties to international terrorism and his activity within the neo-Nazi movement, citing earlier exposés by *Nouvelle Solidarité* newspaper and the European Labor Party.

Another surprise was the publication of a book by Canadian journalist Erna Paris. The book appeared the day before the trial began, and major extracts concerning the life of

Genoud's "old friend" (in his words) Jacques Vergès, Barbie's lawyer, were printed in the weekly *l'Express*, one of the magazines that Genoud was suing. Erna Paris herself had come from Canada to Geneva with the intention of being a witness at the trial against Genoud, and is expected to hold press conferences to publicize her book in France, where Genoud's activities will be prominently exposed.

Though unable to testify at the trial itself, she summarized in a post-trial press conference what she would have said. It was Genoud, she emphasized, who looked to Barbie's legal defense a few days after the latter was extradited from Bolivia and arrived in a Lyons jail. Genoud went to see Barbie's court-appointed lawyer, Mme. de la Servette, and offered money for Barbie's defense. In the following weeks and at the initiative of Genoud, a group of West German lawyers was mobilized to find Barbie a more suitable attorney. For propaganda reasons, it was decided against giving Barbie a West German lawyer, so Genoud offered Jacques Vergès, a friend from the period of the Algerian war as well as from the 1969 trial of four terrorists of the Popular Front for the Liberation of Palestine (PFLP). By June 1983, Mme. de la Servette had been diplomatically pushed aside, leaving Vergès as Barbie's only defender. The financing, Paris revealed, was organized by Genoud.

The Barbie trial

These revelations mean that the case of François Genoud is far from closed. The Genoud File is very much open, in a new context: that of the Barbie trial, which is expected to begin sometime in 1986.

While the extradition of Barbie to France in 1983 was hailed as a victory against the Nazi International, the trial of the former SS captain is looked at apprehensively by many in France and abroad. Many embarrassing questions have been raised since 1983, such as the exact role that Barbie played in Lyons during the Nazi occupation and the obvious fact that his SS activities relied on many French collaborators of the Vichy regime. Many unhealed wounds of the war period have been reopened, and it has been Barbie's defense, through lawyer Vergès, to threaten to thrust the knife deeper into those wounds. Other disturbing questions concern Barbie's life since 1945, and the friendly networks which kept him alive and hidden in exile for so many years.

Vergès has warned that should Barbie die in jail, he would have been assassinated. And Vergès makes no bones as to who would want to kill him: members of those former resistance networks who, he charges, will be embarrassed by Barbie's venom.

But that sword cuts both ways; Barbie's declarations may turn out to be most damaging for those who are presently behind him, and financing his defense. If only because François Genoud's name and shadowy activities would surely be drawn into such a trial, Genoud certainly has no wish to see it ever held.

Nazi war chest funds world terror

by Thierry Lalevée

A look at François Genoud's financial activities may be the key for understanding the rapid and unexpected conclusion of his trial. If we were to believe his income tax declarations, Genoud would seem to be one of the poorest men in Switzerland. While he declared no more than 23,600 Swiss francs (\$11,000) in 1982, his income collapsed to SFr 16,000 in 1984. No taxes, of course, were paid. As a French television broadcast asked on the eve of the trial, "Who, then, is paying the expenses of the trial?"

Yet retired banker Genoud is known to have at his disposal at least two houses in Lausanne and Villars sur Ollon. During the mid-1970s, he sold to a Hamburg publishing house the rights to Goebbels's work—a deal involving at least 500,000 deutschemarks (\$195,000). Why is even such legally earned income not declared, and why did Genoud feel the need to hide it?

The answer goes back to 1944, and the final collapse of the Third Reich. Genoud's entire life was rededicated to the rebuilding of a Fourth Reich.

On Aug. 10, 1944, top Nazi leaders gathered at the Hotel de la Maison Rouge in Strasbourg, France, including the main military chiefs, the heads of intelligence departments, political, and business leaders. The chairman was a familiar figure: Hjalmar Schacht, Hitler's former economics minister. The agenda was to ensure the survival of Nazism in a post-Third Reich world, without Hitler and without a European base of operations.

The emergency meeting had been contemplated since 1943 when, under the control of Hitler's personal secretary, Martin Bormann, the Nazi regime began creating some 700 dummy firms in Switzerland, Turkey, the Middle East, and South America. By the end of the Strasbourg gathering, these firms had been given enough financial backing to carry out two tasks: to ensure the rapid escape from Europe of the principal Nazi leaders, and to establish a financially sound network that would permit the rebuilding of the Nazi movement in the postwar period.

Though many participants in the meeting have kept their anonymity to the present day, Resistance networks in France soon heard about the role played by a young Swiss by the name of François Genoud. Genoud's name was unknown, but for a report of the French military attaché in Berne in 1940, who warned of his anti-French activities. Arrested

several times during the war by the Swiss Counterintelligence department (see *Documentation*) as a suspected agent of the Abwehr, Genoud always managed to escape. He was able to travel all over occupied Europe. By the end of the war, he had been entrusted on a mission more important than any he had previously undertaken: rebuilding the Nazi movement.

From Switzerland, Genoud traveled to Tangiers, Morocco, the international free-port which had been a haven for the Nazi wartime intelligence services and which, after the war, became the link between Europe and South America, where many former Nazi leaders established themselves. Tangiers was also a center for the international drug and weapons trade. Financially associated with Hjalmar Schacht, Genoud launched new business ventures in Morocco and Cairo.

During the first part of the 1950s, Genoud launched a series of legal battles in France and West Germany, to establish his claim as the sole rightful owner of the writings of all of the Nazi leaders, from Hitler to Goebbels and Bormann. Genoud was able to prove that he was acting on behalf of the families of the Nazis, including Hitler's sister Paula. No one has been able to publish any of the Nazi writings without first negotiating with Genoud.

Genoud was an adviser in all of the main post-war trials of Nazi leaders. It was he and his close-knit group of associates in Munich around the Arabo-Afrika Cie., headed by former SS Captain Reichenberg and SS General Ramcke, who organized the financing of the defense in the trial of Adolf Eichmann in Israel. It was Genoud who picked Eichman's lawyer, just as later he would choose Jacques Vergès for Klaus Barbie.

To cover the real source of his funds, Genoud set up the Arab Commercial Bank in the late 1950s, with Syrian businessman Mardam Bey. The bank was used to finance the activities of the Algerian FLN of Ahmed Ben Bella. The old Nazi money could easily be concealed among the weekly deliveries of FLN contributions coming from France in small-denomination bills. The fact that these contributions crossed the borders through a network led by Egyptian Communist Party founder Henri Curiel, sheds considerable light on what combination of forces has kept Genoud going since 1945. When Genoud relinquished the FLN war chest to the Algerian government in 1979, after a long legal battle, it was worth several billion francs.

By 1973, it was estimated that 80 tons of the Nazi gold circulating worldwide was in the hands of Hitler's heirs. In South America, where Nazis like Barbie and Josef Mengele hid themselves, Nazi money financed the expansion of drug trafficking and the creation of terrorist groups like the M-19 and Shining Path. A financial architect of such operations was Friedrich Schwend, who died in 1975, and who had made millions at the end of the war by counterfeiting dollars. It was Schwend who stood behind Klaus Barbie and the European-based neo-Nazis, led by Italian terrorist Stefano della Chiaie of the "Black Order."

The Mideast and the 'Black International'

What is the dossier that Genoud and his cronies are trying to keep from reaching the light of day? In 1984 the Schiller Institute released The Hitler Book, a startling reevaluation of the Nazi period, which blew the cover off the international conspiracy to put Hitler into power and the continuing role of the Nazi-Communists today. The book was edited by Helga Zepp-LaRouche. We reprint here a condensed version of that book's discussion of François Genoud.

By the mid-1950s, less than ten years after the military dismemberment of the Third Reich, the apparatus for the coming "Fourth Reich" was already in place. In a July 1983 interview with Swiss Radio, SS Gen. Karl Wolff stated, "We are greatly indebted to François Genoud. His contributions following the war were of immeasurable value to us. Without him we would not have survived!"—a compliment of which Genoud is justly proud. In February 1984, he told *Stern* magazine: "Everyone has his hobby; mine is to help people like him," by which he meant the SS "Butcher of Lyons" Klaus Barbie.

Genoud has traveled a great deal over the last thirty years in pursuit of his "hobby." Immediately after the war he turned up in Tangiers, the neutral zone where the spies and intelligence services of Asia, Africa, Latin America, and Europe could hold their rendezvous. During the war Tangiers had been a center of the Nazi secret service. Besides Genoud, following the war, General Wolff, General Ramcke, Gen. Hans Rudel, SS Captain Reichenberg, SS Colonel Skorzeny and numerous others took up residence there, and repeatedly turned up as Genoud's closest collaborators. This was especially the case during 1952-56, when the entire pack could be found back together in Cairo, together with their old friends, the Grand Mufti al-Husseini and Hjalmar Schacht.

Before he went to Cairo, Genoud appeared in public once more in 1951, although very discreetly, when he helped found the Black International in Malmö, which was later named the Malmö International. Genoud, who then withdrew from active political life, was the actual godfather of this

organization of unrepentant fascists.

Among those present at the founding meeting in Malmö were the previously mentioned Gaston Amaudruz, Per Engdahl from Sweden, the former German SS officers Heinz Priester and Fritz Richter, Pierre Clementi of the French Volunteer Division of the Vichy regime, Sir Oswald Mosley from Great Britain, and Count Loredan from Italy. Their stated purpose was to found the "European Social Movement" for a "New European Order." This "movement" has been the spawning ground for every neo-Nazi organization of the past thirty years, and Lausanne and Malmö have served as coordination centers.

Genoud, Ben Bella, and 'Pablo'

In Cairo, Genoud primarily collaborated with Colonel Skorzeny, who had gotten the green light from certain American circles to offer his services to the new regime of Gamal Abdul Nasser. Allen Dulles, John Foster Dulles, and Averell Harriman decided that "It is better to have the Nazis in Cairo than the Communists." The Egyptians, who had not been asked before hand, quickly found themselves in the clutches of both Nazis and Communists. . . .

The Algerian agitator Ahmed Ben Bella and his friend Mohammed Ben Khidder, along with a few other friends, were all staying in Cairo at the same time. Some reports claim that Ben Bella, who liked to boast about his participation in the 1944 Italian campaign, had already been recruited much earlier into the German Abwehr and its "Er Rashid" organization. However that may be, Genoud and Skorzeny recommended him to one of their associates, SS officer Gerhard Müller, alias Si Mustapha, former advisor to Egyptian General Nguib. Ben Bella was now one of them.

The importance of such operations for Genoud lay in the possibility of putting state power to work in the interests of the Nazi International. This explains Genoud's enduring relationship to Ben Bella, whom he regularly visited while imprisoned in France. During the Algerian war of independence, Genoud procured weapons through the Nazi International for the FLN and thus became a crucial asset of the so-called Curiel network, which worked within France for the Algerian National Liberation Front (FLN).

During this period Genoud established two new and important friendships: Michel Raptis alias "Pablo," and Jacques Verges. After the war, Raptis became secretary to a founder of the Trotskyist Fourth International, Ernest Mandel, and in this capacity became a leading figure in his own right. Before the war, Raptis had joined the Trotskyists together with an individual who is not unknown today, the current Socialist prime minister of Greece, Andreas Papandreou. After a somewhat miraculous escape from prison at the outset of the war, Raptis wound up in 1952 as Ben Bella's Minister of Planning.

Ben Bella decided in January 1983 to seek refuge at

Genoud's residence in Switzerland, at the point it became clear to him that he could never again return to France. Since Ben Bella's release from imprisonment in Algeria, Genoud has helped him build an international fundamentalist network, whose aim is to topple every North African regime.

The paths of Genoud and Raptis criss-cross again and again. In the mid-1960s, while Raptis was busy recruiting European students for military training camps of the Popular Front for the Liberation of Palestine (PFLP) and other Palestinian terrorist groups in Syria, Genoud's Belgian friend François Thiriart of the "Young Europe" movement was meanwhile up to the same thing with his "European Brigades for Palestine." During this time Genoud was in direct contact with George Habash, as he told a journalist of *L'Express* in 1982, adding that since that time he had lost contact with Habash.

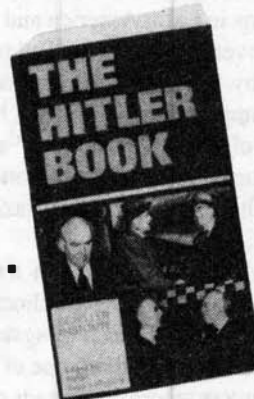
Today Raptis also plays an important role in the regroupment of the militant left. In France and West Germany his "International Revolutionary Marxist Tendency" (IRMT) is currently attempting to unite various split-offs from orthodox Communist, Trotskyist and Maoist organizations into a catch-all vehicle that will join up with the activities of the Green and "alternative" movements.

Terrorists—left and right

Genoud's public support for the Swiss terrorist Bruno Breguet has also recently caused quite a stir. Breguet came into the limelight in the 1960s in connection with the PFLP, when he was seized by the Israeli security forces for planting a bomb at Haifa. The bomb attack was commissioned by Giangiacomo Feltrinelli, another key figure in international terrorism. Following Breguet's arrest, Genoud was active in the background of a campaign of broad support for the "political prisoner" Breguet. Almost every notable member of the left and left-extremist delicatessen and intelligentsia participated in this campaign: Jean-Paul Sartre, Simone de Beauvoir, Michel Foucault, Felix Guattari, Dario Fo, Noam Chomsky, Günther Grass, Max Frisch, Friedrich Dürrenmatt, to name a few. It is certain that Genoud's financial power and extensive Mideast connections were responsible for the Israeli decision to reduce Breguet's sentence from 15 to 7 years.

After his release in 1977, Breguet plunged back into the terrorist scene, settling down in Berlin during the outset of the hot phase of the house-squatters movement. Today there is still a circle of friends in Berlin belonging to this scene, including Breguet's girlfriend, who was suspected of functioning as a safe-house for Palestinian and Islamic terror commandos. In the spring of 1982 Breguet was arrested together with a German accomplice, Magdalena Kopp. They were caught with large quantities of explosives, probably destined for use in a bombing attempt on the Paris-Toulouse express train. Kopp is thought to belong to the West German

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Revolutionary Cells. Breguet, Kopp and others are components of the same network which has repeatedly surfaced around the international terrorist "Carlos."

The defense attorney for Breguet and Kopp is Genoud's confidant Jacques Verges, the French terrorist lawyer who has also taken over the legal defense of Nazi war criminal Klaus Barbie. French security circles and others consider Verges to be a high-level KGB agent of influence.

Examining the network of François Genoud with all its left- and right-leaning connections and its multiplicity of political operations in Latin America and Europe, one might conclude that it overlaps with the "Bulgarian Connection," brought to light by the May 1981 assassination attempt on the Pope. This impression would not be entirely wrong. However, the "Bulgarian Connection," along with its component of East bloc intelligence operations, is only one of the many flanks in the network of the Nazi International and François Genoud.

Genoud was already involved in trading weapons for drugs during the mid-1960s when he clinched a weapons deal under the auspices of the French gangster Jean-Marie Tine for the Lebanese Casino du Liban, one of the most important Mediterranean centers where the threads of Asia's drug trade and smuggling to Europe and America intersect. The Casino du Liban is financially backed by the powerful Intra-Bank of Beirut, headed by the mafioso Jussuf Beidas. Beidas and Tine are also involved in the "French Connection" of August Ricord in Latin America.

In earlier days this connection went through Genoud's old friend Hans-Albert Kunz, a Swiss businessman whom the Italian authorities would very much like to put under cross-examination concerning his involvement in the conspiratorial P-2 Freemasonic Lodge, on the role of Licio Gelli in countless arms deals, and on the relationship of the P-2 Lodge to the Pope's assailant Ali Agca. Like many of his associates, Kunz was present in Cairo at the same time as Genoud and Skorzeny, and remained in the Mideast for a long time. He was advisor to the Libyan King Idris, and in a June 1983 interview boasted that he had mediated the first agreement between Libya and the Soviet agent of influence Armand Hammer of Occidental Petroleum. . . .

Genoud also has a firm of his own, WEFA, located in Basel, which is currently under investigation in France. It is rumored that Genoud is the financial advisor to dozens of Arab banks, especially in Libya. In Spain, one of his most important contacts is Alfredo Fiero, who works for the Spanish export bank Banesco. In late 1983 Fiero and Notz signed an important weapons-trade agreement to aid Ahmed Ben Bella, who maintains extensive operations in Spain, including Spain's Muslim community and the Spanish Communist Party through the "Red Caliph" Julio Anguita, mayor of Cordova, a city which serves as one of the most significant coordination centers for the Libyan and Iranian terror and destabilization actions conducted against Tunisia and Morocco by Genoud in early 1984.

Documentation

The record: Who is François Genoud?

The Union Internationale de la Résistance et de la Déportation (International Union of the Resistance and Deportee Movements)—prepared a dossier on Genoud in January 1966, which we excerpt here. The group had its origins with the Comité d'Action Interallié de la Résistance, created in France in 1953. Today the UIRD is composed of some 500,000 former members of the wartime Resistance and escapees from Nazi concentration camps.

. . . In 1936, François Genoud was one of the main leaders of the anti-Semitic movement in Switzerland.

At the beginning of 1940, he was the co-owner of the "Oasis" bar in Lausanne. His associate, a certain Daouk from Beirut, was the nephew of a very important personality from Lebanon, one Omar Bey.

At the beginning of the war, a Swiss named René Fontalla presented him to one Guimann, who was the mayor of Tengen and a member of the Abwehr. Guimann served as a liaison between the Abwehr in Germany and its agents in Switzerland. He recruited Genoud to the Abwehr.

Genoud has been and is probably still in contact with former General Hans Rudel, who sought refuge in Argentina after the war, along with former SS General Ramcke, who today plays an important role in the HIAG [Hilfsgemeinschaft auf Gegenseitigkeit ehemaliger Angehöriger der Waffen-SS—Mutual Aid Society for Former Members of the Waffen-SS—ed.].

In 1955, Genoud lived in Tangiers.

In 1956, he had extensive contacts with Dr. H. Schacht, Hitler's former finance minister, and with Dr. Hans Reichenberg, for the purpose of financial investments in Morocco. During these negotiations, Genoud met with Ben Barka and Skalli [Moroccan leaders—ed.]

In 1959, Genoud established contact with Benoist-Mechin [former state secretary under France's Vichy regime—ed.] and joined the sponsoring committee of the International Association of the Friends of the Arab World.

In September 1960, Genoud had close relations with one el Wakhil el Kabbani, director of the Arab Information Center in Geneva.

In Switzerland, Genoud has managed the properties and financial resources belonging to the three National Liberation

armies of Northern Africa (Morocco, Tunisia, Algeria). . . . Genoud appears to be a de facto agent of the Egyptian intelligence service. His direct chief is Colonel Fathy el Dib Mohammed, who is presently the ambassador of the United Arab Republic in Berne, and is also the chief of the Egyptian intelligence services for Western Europe.

On commercial activities:

In July 1960, Genoud is the secretary of the Board of Directors of the Interlogin, S.A. company, established in 1959 in Fribourg.

He travels a great deal to Tangiers, where one of his sons lives. . . .

Mme. Marie Madeleine Fourcade, first deputy president of the UIRD and a leading figure of the French Resistance, prepared the following testimony for the Genoud trial, dated Nov. 13, 1985. She heads the Alliance de la France Combattante and the Comité d'Action de la Resistance, and is a Commander of the Legion of Honor.

Mr. President:

I very much regret not being able to come and testify at the trial in Geneva on Nov. 15 and 16, in the case of François Genoud v. three French journalists. . . .

As you will certainly discover during the debates, our organization has been firmly committed, since the end of the Second World War, to uncovering the sequels of Nazism in the world, with help from survivors of the Hitler drama in Europe and from allied forces who supported our fight for freedom.

In this way, we have had to deal with, among others, the case of François Genoud, and have published in our bulletin, *La Voix Internationale de la Resistance*, some small articles on his criminal activities before and during the occupation of our respective countries.

Needless to say, this work was done with all necessary precautions and carried out by known experts, some of whom, like Simon Wiesenthal, have become famous.

The first "ringleader," from the Comité d'Action de la Resistance Francaise, of which he was then president, was at the time Daniel Mayer, founder of the Comité d'Action Internationale de la Resistance (predecessor of the UIRD) and presently president of the Conseil Constitutionnel.

Even if I had been able to testify before you, Mr. President, I would only have been able to confirm once again the authenticity of the evidence published and circulated by the UIRD since the end of 1965, and by some experts even before; this evidence was at no point called into question.

In all good faith, *Le Point*, *L'Express* and *Le Monde* drew from what they considered, and correctly so in my opinion, to be our established evidence, as the expression of the Resistance, which had struggled, suffered, and allowed a new world to arise.

It is up to us to know how to preserve it.

Three days before the Genoud trial opened in Geneva, the Swiss government released to the public the following memo, describing for the first time Genoud's espionage activities during the war:

. . . Genoud has been known by our service since 1934. In March 1935, he joined the National Front. On June 1, 1935, he was arrested in Geneva during a fight which erupted after a demonstration organized by the National Front—a demonstration which had been banned. At that time, Genoud was sued for rebellion and insults against the police. The same year, he was suspected to be the author of an insulting postcard sent to Mr. Constant Salomon, director of graphic arts in Lausanne. In May 1936, together with Jean Beauverd (condemned ten years later for political espionage on behalf of Germany), he went to China. In 1937, the same two persons visited Greece, supposedly to make a film. In 1938, Genoud took over the "Oasis" bar in Lausanne, which soon became the center for members of the Swiss National Movement. From April 1939 on, Genoud, who was not with Beauverd, traveled frequently to Germany, Holland, and Belgium. He maintained relations with a highly suspicious person, a certain Marcel Heimoz. They had joint business deals with the Inovex firm in Amsterdam. In 1940, it was noted that Genoud had relations with a certain Benzoni, based in Milan, and strongly suspected of being involved in illegal smuggling of goods and currencies. From April 1940 on, he was suspected of spying on behalf of Germany. Monitoring of his mail and his telephone was ordered, but without any positive result.

On May 1, 1942, as Genoud had been described in the *Green Bulletin* of the Federal Public Ministry as suspect, he was arrested in Basel for investigation. During interrogation, Genoud finally admitted that, in return for special services, he had obtained, from a police commissioner Griese in Mannheim, papers to travel and reside in Germany, as well as all of the occupied countries. Genoud has always insisted that the services were translations that he did during his stays in that town, upon the demand of that police official.

A report from the German financial police in Frisbourg-en-Brigau, which was given to us confidentially, indicates that in March 1941, Genoud had offered to reveal to that office the currency smuggling between Switzerland and Germany at the Basel border. We do not know whether Genoud reiterated his offers.

In January 1943, Genoud was arrested by Swiss Counterespionage and detained for several days in Berne. However, the charges against him were not enough to merit a trial; furthermore, he boasted of special services carried out on behalf of the intelligence service of the Chief of Staffs of the Army (EMA). Investigations revealed at that time that Genoud had relations with a certain Daouk Muheddin, a Lebanese student, a Nazi, and also with a certain Trudy Sturzenegger, a typist in Berne, whom our service had investigated for espionage activities on behalf of Germany.

Germany's positive contribution to world development

by Helga Zepp-LaRouche

EIR presents the third part of Helga Zepp-LaRouche's policy paper, subtitled "Foreign Policy Theses for the Federal Republic of Germany."

Parts 1 and 2 revealed the full depth of the life-and-death crisis in which the German nation finds itself today, and outlines the implications of the unjust division imposed by the cynical imperial politics of the 1945 Yalta Agreement, and the even greater threat of the Trilateral Commission's New Yalta deal to hand West Germany over to Soviet domination.

In this section, Mrs. LaRouche focuses on the crucial theoretical groundwork for any just solution of the "German question."

The positive definition of nationhood

When West German Chancellor Kohl can opine in one of the Yalta faction's leading press organs, the *Washington Post* (according to the Sept. 10 *Frankfurter Allgemeine Zeitung*) that the nation-state has no future in Europe, and has no further bearing on the German question—this is more than just worrisome, even if Kohl was only repeating the assertions of his adviser Michael Stürmer.

It is quite apparent, then, that Helmut Kohl does not understand the most basic concepts of the oft-invoked "Western values" he is supposed to be defending.

The positive idea of nationhood must proceed from the concept of man, of the individual human being. Our Judeo-Christian civilization characteristically assigns primary importance to the value and role of the individual. Solon of

Athens, Socrates, and Plato already maintained that there was an inalienable right to life of every individual, based on natural law; but it was Christianity which first asserted the sacredness of each human life and the inviolability of human dignity itself. The incarnation of Jesus Christ, who was both God and man, made possible the *capax Dei*, the participation of each human being in the divine.

In the course of the debate over the *Filioque*—i.e., whether each individual carries within himself a divine spark, rendering inviolable his right to life and the development of his potentials—the Christian-humanist tradition came into clear opposition to the schismatic Greek and Russian Orthodox churches, who denied these simultaneous natures. In the Western Credo, the Holy Spirit proceeds from the Father *and from the Son*, whereas the orthodox churches reject this *Filioque* (literally "and from the Son"). Augustine introduced the notion of the *imago Dei*, the individual in the image of God. Nicolaus of Cusa expanded this notion into the *imago viva Dei*, the living image of God—an image which not only reflects God's divine qualities, but which itself possesses these qualities in a living way.

Thus, man partakes of God's most excellent quality, namely his faculty as the Creator, and by developing his own creative faculties, he participates in the creation of the universe. Nicolaus of Cusa not only founded modern natural science and had a fully elaborated conception of a nentropic process of development of the universe; he also said that human reason, as a microcosm of that universe, was based on those same universal laws of development. And it is this

concordance between the lawfulness of human reason, and the lawfulness of the physical universe, which alone makes possible man's efficient intervention into the development of the universe.

For Nicolaus of Cusa, the individual human soul is the location where the further development of the universe takes place, and where scientific discoveries are made. "The soul devises the sciences—namely, arithmetic, geometry, music, and astronomy—and in so doing, finds that they are contained within its own powers. For, these sciences have been devised and developed by men. And because they are eternal, and shall always remain so in the same way, the soul also truly sees that it is itself eternal, and true, and always in flower."

"For, the mathematical sciences are indeed contained only within it and its powers, and are developed through its powers—to such an extent, that, if this reasoning soul did not not exist, those powers could likewise not exist."

The human being's individual creativity, mediated through his ability to perfect himself and thus approach God, is the individual's inalienable right to perfect his mind. This right is what distinguishes the Christian-humanist world outlook from all others, particularly from the philosophy of the Russian Empire.

In the Augustinian-Cusan Christian tradition, the individual's self-perfection is his purpose of existence. Thus, Cardinal Nicolaus of Cusa says: "The most fundamental evil of finite things, is that it forgets its finitude; it is the satanic pride of self-satisfaction, but it is also the lethargy which hinders the unfolding of all its gifts and of its discovery, within itself, of the promise of its own 'divine origins.'"

Pope Paul VI includes the same idea in the opening passages of his encyclical *On the Development of Peoples*, and all else flows from this single initial idea: "According to God's plan, every human being is summoned to *develop himself*; for life itself is a summons."

At the Council of Florence in 1439, Nicolaus of Cusa made a powerful attempt to end the schism over the *Filioque* question; and indeed, in the council's final declaration the Russian Patriarch Isidor gave his consent to this attempt. But already on his return voyage to Russia, his decision was overturned by Czar Vassily II, and Isidor imprisoned as a heretic.

Collectivist ideology—whether it appears in the garb of Czarist Russia, Marxism-Leninism, Maoism, or National Socialism—vigorously denies the existence and significance of the individual human soul, and instead puts emphasis on a "collective identity." This is precisely the degradation of the masses upon which every oligarchical and imperialistic system has been based—from the model of Lycurgus's Sparta, through the Roman and Byzantine Empires, and up to the collectivism of the Soviet Union today. In reality, this means nothing other than that a small, oligarchical elite ruling over a soulless, "collective mass."

Whenever the value of the individual is negated in this way by a ruling oligarchical elite, the nation ceases to play any role. Indeed, the elite will attempt to fragment the population into as many ethnic and regional subgroups as possible, fostering every form of separatism and regionalism, so that none of these squabbling satrapies might ever question the power of the ruling supranational, imperialist elite.

It is quite another matter with sovereign, republican nations. Historically, it was Nicolaus of Cusa who, proceeding from the inalienable rights of man as the *imago viva Dei*, actually created the basis for the modern nation-state and developed the idea of national sovereignty. If each human being has a God-given right to self-development, then it is the state's duty to make that development possible. Conversely, the individual enters into a reciprocal legal relationship with the state, and is obliged to act toward its maximum development.

But since this cannot occur in a pure democracy, its various interest groups must champion their interests in the form of a representative system, which serves to mediate interests between individuals and the state, and vice versa. Nicolaus of Cusa concretely shaped these ideas into a fraud-free electoral system, thus developing the idea of republicanism and anticipating the definition of human rights which later became politically efficient for the first time in the American Declaration of Independence. Interestingly enough, he also emphasizes that it ultimately makes no difference, whether these ideas are embedded in a constitutional monarchy, an aristocracy of wise men, or what Cusa calls a "polity" (i.e., a government of all citizens), so long as the representative system is preserved.

It is a little-known fact among today's academics—but no less true—that Nicolaus of Cusa was the first to formulate the principles of humanist republicanism and the nation-state based on popular sovereignty. He must therefore be justly considered the father of the German nation-state and of the very idea of national sovereignty.

His most fundamental ideas on this matter are developed in his major opus, the *Concordantia Catholica*, where he self-consciously speaks of the "dawning of a new epoch in human history." Even though many of his thoughts on this theme later turn up in Leibniz, Pufendorf, Thomas Paine, and especially Friedrich Schiller, it is certain that, had Nicolaus succeeded in realizing his concept of the nation-state and the associated supersession of Roman law, the history of Germany's national consciousness would have taken quite a different turn!

In the *Concordantia Catholica* Nicolaus uses the writings of Plato to investigate the origin of laws and governments in general. He says: "Human beings, blessed with reason above all other creatures, recognized from the very beginning that social life and community were beneficial, and indeed necessary for their sustenance and the achievement of their ends; together they therefore constructed towns and cities. How-

ever, had there not existed rules and laws for the preservation of social concord when challenged by the *degenerate desires of many*, this association would have been of little use. Thus there arose states, the unity of citizens through generally accepted laws for the preservation of social concord."

Nicolaus then proceeds to set forth an elaborated system for reform of the imperial courts: the idea of regional courts, the idea of an imperial diet in Frankfurt, and many other ideas which were only gradually implemented over succeeding centuries. But more important than all these concrete proposals, was the principle that in every case, natural law represents a break with positive law, and is superior to it.

He arrives at the idea of popular sovereignty by the following route. Every human being possesses certain God-given, inalienable rights according to natural law. Thus he accepts the postulate of the original equality of all before the law and nature, since every human being harbors the potential to become a "living image of God." Obviously, this does not automatically lead to actual equality—some sort of collectivism. "Within each human being there naturally resides a certain measure of reason, and it is his own fault, if he does not exercise it, giving up his original freedom for subservience under the rule of the wiser."

The rule of the wiser is only justifiable, when their superiority consists in a particularly well-developed sense of justice. Only the wisest—and not the most pious or the most powerful—can be the legislator. But at the same time, laws must be made by all those to whom they are to apply, and they must therefore select representatives from among their ranks. Theoretically, Nicolaus says, a government by law, by absolute natural law, is preferable to a representative one, however well-meaning it may be.

But what is this supposed to look like in practice? It is necessary at this juncture to interject certain aspects of the modern viewpoint into Cusa's own treatment, specifically regarding the question: At what point does an individual become recognized as a true leadership figure, a true representative of his people? Or put another way: Is there something to the oft-cited phenomenon of "charisma," after all? Or, what is the difference between Peruvian President Alan García, who was elected with 50% of the votes and after only six weeks in office had 96% of the population behind him; and Chancellor Kohl, for instance, who is not only unable to inspire the population, but who after less than three years in office is giving an increasing number of constituent groups the feeling that he no longer represents them?

To begin with, the oft-evoked notion of charisma is completely inadequately defined, and is almost always misapplied. The principal difference we must consider at the very outset, is the question: Does the politician, the representative of the people, want to raise the population up to his own level, because he is wiser; and is he prepared to serve his people's interests because he has a "strong sense of justice"; or, does he want to dazzle the people with glitter and the aura of glory, so that he can abuse them for his own purposes?

The second case is unfortunately all too well-known in the history of Germany. It was the "rhetorical gift" of the "Austrian corporal" which moved the oligarchical circles of the Thule Society to build Hitler into a "leader." Further instruction in "rhetoric" was deliberately administered in order to expand his demagogic abilities. And when Hitler came to power with the help of his international backers, he unscrupulously deployed his dictatorial propaganda machine to portray his leadership qualities in the right light—from his infamous speeches in the Berlin Sport Palace, to the pompous spectacle of the 1936 Olympics, and the "big lie" campaigns later organized by Goebbels.

In this respect, Hitler definitely did have what many would describe as "charisma." But was he therefore a good representative of his people? What would have become of him, had he not been artificially puffed up by his oligarchical friends? A "good-for-nothing," probably.

An example from recent history is Jimmy Carter. This utterly boring and colorless spiritual dwarf, who as governor of Georgia had already demonstrated his talent for ruining states, was considered by the Trilateral Commission as an ideal tool for putting through their policies. And within a few weeks, a colossal effort by the controlled media turned this "Jimmy Who?" into the celebrated presidential candidate who swept all the primaries. The population's ire over this deception was expressed later in Reagan's two enormous electoral victories.

It is likewise instructive to imagine for a moment, the so-called film and TV stars, the Jet Setters, and the so-called leading public figures stripped of the usual hullabaloo the media creates around them, and in entirely normal situations of daily life. Deprived of the artificial ballyhoo which puts these people into the limelight, what remains is a very pathetic picture. If the citizens themselves had a fascinating and full intellectual life, what would they care if TV moderator So-and-so had tried a withdrawal cure for the 83rd time, or if Princess von Plitz und Plotz was seen again in the company of some wretched indicted drug dealers, etc.?

What is the common denominator binding all these diverse, ostensibly charismatic figures to one another? By having people "built up" as "stars"—on the stage, in politics, or by the scandal sheets—while the so-called "little man" and his little wife looks up at them in awe, all that is individual within them is being extinguished. And the more immoral these Jet Set role-models become, the more they appeal to the meaner and lower instincts of the population, which descends to the level of a dependent mass. When rock stars like Prince and Madonna are held up as role-models, what can we expect for the moral development of our own children?

If, however, popular representatives are selected according to the Cusan principle, whereby free citizens of the state choose from among themselves the wisest and most just, who will not only represent the population's right to development, but will also win the citizen over to collaborating toward the improvement of the state—then these representatives ema-

nate a power which many might mistake for "charisma." But this power is diametrically opposed to a capacity to use demagoguery in order to keep the population in a state of infantile dependency.

The wise republican popular representative wields a force which one might call "inspiration." He draws up the grand plan, the task of the state, and calls upon the citizenry in such manner that he draws forth their best qualities and brings them to fruition. By means of his own shining example, he sets free within the citizens who elected him, that latent power and creative gift. He encourages the full flowering of every human being's individuality: the scientist is spurred on to bold accomplishments, the artist's creativity can spread its wings, the specialist finds a ready situation favoring his own perfection, so that he can contribute all the more to the social weal.

In short, that salutary effect is achieved, which Plato ascribes to the philosopher king, and which throughout history was in effect—sporadically and under varying conditions—through such individuals as Plato, Augustine, Dante, Nicolaus of Cusa, Cosimo de' Medici, Leibniz, and Schiller. Varying approximations of this concept were realized in governments by Charlemagne, the Hohenstaufen Frederick II, Solon of Athens, Louis XI of France, the English Tudors, the Great Elector of Prussia, Frederick the Great, the founding fathers of the American republic, the Prussian reformers, Benito Juárez, and Abraham Lincoln.

In the twentieth century, despite some inadequacies, Mahatma Gandhi, Jawaharlal Nehru, the Mexican President Alvaro Obregon, the Argentine President Juan Perón, Charles de Gaulle, Mexico's Luis Echeverría, and now Peru's President Alan García number among such leading figures, whose respective nations have felt themselves represented and have seen the state's welfare furthered through their efforts. These leaders radiated, or still radiate, a force which no artificial "packaging tricks" could ever reproduce, and which proceeds from an inner integrity possessed only by those who have never made compromises with their own sacred principles.

The true republican representative of his nation is loved by his people, because the people and all citizens sense and understand, that he loves his country for all the best it has accomplished, and that he is doing everything in his power to accelerate the development of his nation. In no other way is national sovereignty possible. Every citizen has the privilege of freedom of thought, and only those who make themselves into the clearest and most courageous representatives of natural law, should rule. Government and power should never be anything other than the exercise of justice, and political leadership must never be anything other than the wise, benevolent, and—if necessary—strict effectuation of the law.

Patriotism and world citizenship

Most of the better constitutions more or less adequately define what is and is not in the service of the welfare of a

nation and its citizens. The constitution guarantees the rights of all citizens—their right to life, freedom of speech, to worship as they see fit, to political association, to employment, economic support and health care in times of need—and conversely, they define the citizen's obligations toward the state. As Schiller said, the maximum development of the state, along with the greatest possible freedom and development of its citizens, is the goal, and the erection of political freedom is the greatest of all works of art.²⁰

But what is the task of the sovereign republican nation, since it certainly cannot be a purpose unto itself? What is the goal of the state? In addition to the factors mentioned above, this question of the apparent absence of a national goal, seemingly so murky to the minds of many in the Federal Republic, has contributed much to many citizens' feeling of frustration with the state.

As we discussed earlier, only the republican representative system can give the individual citizen a guarantee for his nation's sovereignty, and hence his own as well. That being the case, it is now necessary to find a more profound definition of the concept of nationhood. Why is the nation-state important? Why is it neither adequate to merely divide the world into nations, nor is it acceptable to have these ruled by one single world government?

In the first approximation, a nation is defined by a people's common history, tradition, and language. At almost the same time that Nicolaus of Cusa was becoming the first to ever state the principles of the sovereign nation-state, Louis XI was actually founding the first nation-state in France. The first constitutional democratic republic was spawned by the American Revolution. In Germany, however, the population's initial hopes during the Wars of Liberation, that the constitutional movement and the liberation from Napoleon's yoke would result in a unified German nation-state, were bitterly disappointed. But despite this, Freiherr vom Stein was still able to say: "I know only one fatherland, and that is Germany"—and said so, even though Germany did not formally exist.

The concepts of nationhood and fatherland are therefore closely bound to something which cannot be reduced to borders, passing forms of government, or indeed, even to written constitutions. Although these factors do play a role, the most crucial added element is a people's own subjective self-consciousness as a nation. Wherever this consciousness has never developed, as in the cases of a number of former colonial states—which their previous colonial lords treated as mere arbitrary divisions on a map—then such states cannot be described as nations in any real sense. It is the terrible misfortune of some developing countries, that these arbitrary policies have prevented their indigenous tribes from ever actually developing into a nation.

Conversely, it is equally true, that any nation whose citizens have lost sight of what unites them, will sooner or later cease to exist as a unified nation. For it is a sad historical fact, that not only civilizations and cultures, but nations, too,

can perish and disappear.

From the standpoint of international law, the German Reich continues to exist at its 1937 borders; nothing can be altered either positively or negatively in this respect, until the conclusion of a formal peace treaty. But what about Germans' subjective consciousness of being a nation? Here the most pressing question is emphatically not whether and how the people in Eastern and Central Germany conceive of themselves, since they are currently living in a dictatorship, and do not have the right to determine their future in free elections—a right which was even promised to them by the Yalta Agreement, but never kept. Nor have we any need to debate whether the people expelled from East Prussia should make an agreement with the Polish government-in-exile to annul Churchill's matchstick game, since the Russians and their proconsuls are sitting in all the regions in question, and they certainly do not give the impression that they will voluntarily clear out.

For the time being, all we can hope for, is that the efforts of the German Democratic Republic (East Germany) to incorporate every positive historical figure into their own official GDR historiography, will boomerang back on them, since especially the publication of the original texts of the German classicists, and the elevation of the Prussian Reformers into German heroes, will keep the national consciousness alive, and simply on the strength of the contents of what they said, will have a certain immunizing effect against the official GDR propaganda. In the West, however, there is a much more pressing danger of losing our consciousness as a nation. Here, on the one hand, we have the tendency for which the Lafontaines and the von Bülowes have become the ugly, shameful figureheads. But what about the rest of our citizens? What has become of us as a cultural nation, what has become of the proud nation of poets and philosophers?

If it is true, that a nation is chiefly determined by the most beautiful productions in its own literary language, and thus, by the best pearls of poetry, where the new creation and further development of the language draws the population up to higher levels, while the poets' power over language refines and ennobles their emotions—how, then, do we stand today? The so-called "Spiegel style"²¹ is mercilessly deployed against the German language by that weekly's scribblers; the cultural-pessimistic effluvia of most authors today make one forget that there ever was such a thing as German grammar, and the stagings of the so-called state theaters are on about the same level as a laundry detergent ad.

Yes, it is true—we Germans have made infinite contributions to universal culture. The greater part of what human society possesses today by way of classical music, was created by German composers. It is an indisputable fact, that the humanist ideal of humanity which Schiller set up as a shining example in both his works and his own person, draws us a picture of the human individual unmatched to this day in its internal differentiation, its tender emotionality, the boldness of its vision of a future human society in the age of reason,



Cardinal Nicolaus of Cusa

and in moral beauty.

It is likewise true, that during the eighteenth and nineteenth centuries, the Leibnizian tradition favored the emergence of most sciences as clearly defined disciplines for the first time: such disciplines as cameralism, economics, philology, historical science, and the various faculties of the Göttingen school. It was German scientists who, in the second decade of this century, forged their bold dreams into a plan to use rocket propulsion to soar beyond the Earth's atmosphere and into outer space, and through the development of space travel, to settle the universe. And up to the present day, it has been upon the conceptual contribution of these German scientists, that the space programs of both superpowers have been based.

Yes, all this and more is true; but a people's culture is not something you acquire once, and then put on display in a glass case. No one has formulated this point more polemically and accurately than Schiller in his poem:

The Antiques in Paris

So? The Frank may well have crated
What the Grecians' art created
To the Seine with armor'd hand,
And in gall'ries high-reputed
Show off what the victor looted
To his gawking fatherland!

They'll be mute to him forever,
 Frozen, lifeless, dancing never
 Lightly from their silent throne.
 Only he has seized the muses
 Who their warmth in heart ne'er loses;
 To the Vandal, they are stone.

Cannot we say the same of us Germans today? We can harken back to our great culture, only to the extent that we do so as proud patriots to whom this culture is alive, and to the extent we live out this culture every day, and make it into our way of life. Culture is not the occasional trip to a concert; it is our manner and attitude of living each day.

Now we have arrived at the heart of the matter. For the Federal Republic of Germany, the question of national identity will never be solved unless we indivisibly fuse both our patriotism with our world citizenship, and the question of the nation with that of the nation's goal. It is one thing to overcome our own past, stick to our claims to the entire German nation, and demand a peace treaty; it is another, to find a positive determination of the peace aims which were never defined following World War II.

We as Germans in the Federal Republic will only fulfill the positive role world history has assigned to us, if today, in the face of the world's life-and-death crises—famine, plagues, and wars kindled by a lack of development—we do everything in our power to intervene into the strategic situation in order to put through a new and just world economic order. As Schiller demonstrates in his essay "On the Legislation of Lycurgus and Solon," no national interest is justifiable, if it stands in contradiction with the interests of the world community as a whole. It is therefore in the fundamental self-interests of the Federal Republic of Germany, *for moral reasons*—and not merely because we are an export-dependent nation—to act toward the most rapid possible development and industrialization of the developing countries.

Nicolaus of Cusa, whom I would like to call the actual father of the German nation-state, went so far as to say, that no nation which has just produced a scientific discovery, has any right to keep that advance to itself; rather, every discovery in every nation must be simultaneously made available, so as not to senselessly hinder their development. For Nicolaus, the peaceful world order, *concordantia*, is only possible when national republics respect their mutual sovereignty, while at the same time reciprocally regarding the maximum development of other republics as being in their own vital interests.

True concordance cannot be founded upon an alignment of heterogeneous elements, even if these be mutually complementary. In terms of our own situation, this means that peace will be impossible, so long as some nations are denied the right to develop, such as when they are restricted to the role of raw materials suppliers. Concordance will only be possible when every nation in the world excels in one or more fields of science or technology. Only in this way is the *coincidentia oppositorum* possible: a unified world, within its

division of labor developing as a whole, thus becoming ever more differentiated in the process.

Leibniz drew out the implications of Cusa's ideas by assigning to each of the various developed European states, one less-developed region of the world. Thus, France was to concern itself with the development Africa, Germany with the East, and so forth. Leibniz's concept of permanent exhibitions and trade fairs was not only supposed to be for the population's edification, but also for the most rapid possible dissemination of all scientific discoveries.

This philosophy must actually become the normal basis for the actions of every Christian, and especially for Catholics in the Federal Republic. Let us cite two pertinent passages from two papal encyclicals. First, Pope John Paul II in *Laborum Excercens*: "This society—even when it has not yet taken on the mature form of a nation [!]
—is not only the great 'educator' of every man, even though an indirect one (because each individual absorbs within the family the contents and values that go to make up a culture of a given nation); it is also a great historical and social incarnation of the work of all generations. All of this brings it about that man combines his deepest human identity with membership of a nation, and intends his work also to increase the common good developed together with his compatriots, thus realizing that in this way work serves to add to the heritage of the whole human family, of all the people living in the world."

Thus the transmission of the individual's creative contribution to world development occurs through nations; and the goal of a nation is to increase the well-being of all humanity.

Next, we cite a document whose relevance is greater than ever before, the encyclical "On the Development of Peoples." In it, Pope Paul VI writes: "What must be brought about, therefore, is a system of cooperation freely undertaken, an effective and mutual sharing, carried out with equal dignity on either side, for the construction of a more human world."

"The task might seem impossible in those regions where the cares of day-to-day survival fill the entire existence of families incapable of planning the kind of work which would open the way to a future that is less desperate. . . . But let everyone be convinced of this: The very life of the poor nations, civil peace, and world peace itself are at stake."

Pope Paul VI wrote that warning in 1967, and in the same spirit Pope John Paul II has called for a "constructive theoretical and practical revision of the legal code," especially in the relationship between the industrialized nations and the "countries of the so-called Third World"—a "reform which takes human rights into account."

To be continued.

Notes

- Friedrich Schiller, "On the Aesthetic Education of Man," Second Letter, in *Friedrich Schiller: Poet of Freedom*, New York: New Benjamin Franklin House, 1985.
- Der Spiegel* (The Mirror), run by convicted marijuana user Rudolf Augstein, is West Germany's leading newsweekly, and makes even *Time* magazine look like a masterpiece of classical literacy.

Terrorism in the aftermath of the summit

by Thierry Lalevée

Immediately following the Nov. 19-20 summit between President Ronald Reagan and Soviet leader Mikhail Gorbachov, the West German daily *Bild Zeitung* blared forth the banner headline, "Peace is Possible." The stench of Neville Chamberlain and appeasement was everywhere. And, sure enough, the fruits of appeasement were not long in coming.

On Nov. 24, Middle Eastern terrorists sponsored by the Soviet Union and East Germany placed a bomb at an American shopping center in the suburbs of Frankfurt. The explosion seriously wounded 23 persons.

Then, only a few hours later, terrorists clearly deployed by Soviet proxies Libya and Syria perpetrated one of the bloodiest terrorist incidents of its type ever, as 60 innocent passengers died in the shoot-out that ended the hijacking of Egyptian airliner MS648, diverted to Malta en route from Athens to Cairo.

On cue, the Western news media friendly to the State Department's "New Yalta" policy, far from pointing the finger at Tripoli, Damascus, or—God forbid!—Moscow for the carnage, began to heap the blame on America's ally, Egyptian President Mubarak, for "mishandling" the situation by ordering a commando raid. Never mind that the terrorists were engaged in systematic, one-by-one murder of passengers, the last a young girl! Any knowledgeable intelligence officer at this point quickly came to view the Western news media's treatment of the events as an integral part of the events themselves. What was afoot was an attempted further destabilization of a U.S. ally in the Middle East, Egypt—"New Yalta" in action.

Coming less than three days after the end of the summit, the events underscored the reality underlying the "new spirit of negotiation and détente" which had been described as one of the summit's achievements. Though President Reagan is understood to have made no concessions to the Soviet Union

on the crucial issue of the Strategic Defense Initiative, the Soviets seem to have achieved their main objective. Gorbachov's mild posture may have gained the Soviet Union a badly needed few years for its political and military preparedness. Indeed, while the summit proper was almost exclusively devoted to matters directly related to U.S.-Soviet relations, and international "hot spots" were only briefly reviewed, it was the conceding of such troubled regions to the Soviet Union by the U.S. State Department that was the backdrop to the whole circus.

According to diplomatic analysts, the Geneva understanding, as it may be called, is that the Middle East, Asia, and Africa are an open hunting ground for Moscow.

It is as a direct result that major international terrorist operations are now under way, and such actions are being run together with Soviet-sponsored destabilizations in the Middle East and Africa—the U.S. news media and State Department complicit, as always.

It is in this context that one must view, for example, Moscow's increased operations against South Africa, and the Nov. 25 report that Cuba's Fidel Castro is to discuss a Cuban declaration of war against South Africa with the Soviet leadership.

The Libya/Syria/Iran nexus

The announcement Nov. 22 that Ayatollah Montazeri was to succeed Ayatollah Khomeini tends to confirm the last month and half of reports indicating that the Ayatollah Khomeini was finally dying. The fight for the control of Iran, top heavy on the inside with Soviet agents and agents-of-influence, is expected to be a prime focus of international tensions in coming months, with dire consequences for the rest of the Gulf and its oil production—and therefore, Europe's energy supply.

Less than 24 hours before the hijacking of the Egyptian airliner, American and European intelligence agencies warned of a major Shi'ite terror wave which would hit the Middle East, Europe, and the United States. According to details published on Nov. 24 in the British weekly *Mail on Sunday*, the Iranian government is known to have issued some 400 passports for such operations, to involve kamikaze Shi'ites belonging to the "Supreme Assembly of the Islamic Revolution in Iraq" (SAIRI), headquartered in Teheran and led by Hojatessalam Mohammed Bakr Hakim. Further reports indicate that these kamikazes have been provided with sophisticated explosives which cannot be detected by normal security procedures at airports.

As *EIR* reported a few months ago, the SAIRI has been the umbrella organization responsible for many of the bloodiest terrorist actions against Americans, such as a December 1984 hijacking of a Kuwaiti Airbus and the subsequent execution of American passengers. According to documents published in *EIR* last spring, members of the SAIRI have been involved in Kamikaze training under the guidance of North Korean advisers since June 1984.

Two weeks before the hijacking of the Egyptian airliner, Egyptian President Mubarak convened a special conference with Western ambassadors in Cairo, to warn them of an upcoming Libyan terror wave. Such information had come from the interrogations of five Libyan terrorists arrested on Nov. 6 in Alexandria, Egypt, where they had been deployed to assassinate former Libyan Prime Minister Abdel Hamid Bakoush, the second attempt in a year.

Confirming these warnings was the convening of a special two-day session of Libyan officers on Nov. 20-21, led by Muammar Qaddafi. The final statement of the conference announced that the Libyan leadership had discussed "overt and covert missions" against the "dogs of the CIA" to ensure their "physical liquidation."

In the same vein, the "popular masses and popular revolution" of Sudan and Tunisia were heralded.

Such a gathering in Tripoli cannot have planned the hijacking of the Egyptian airliner, an operation requiring weeks of planning. The meeting could, however, have given the final green light.

According to the Egyptian government, the hijacking was planned in Athens, where several Libyan intelligence agents generally based in West Germany, had moved into the Libyan Airline office in Athens. These revelations also point to Syrian cooperation in the operation: The hijackers reportedly belonged to the Damascus-based international terrorist group of Abu Nidal.

In recent months, Syria upgraded its intelligence capabilities in Athens with the appointment of General Madani as ambassador to Greece. Madani was the number-two man in Syrian military intelligence under General el Kholi. Along with Madani in Athens, is Col. Osama al Baraykhar, a

leader of the Syrian-created "Eagles of the Revolution," responsible for a March 1982 bombing of the Rue Marbeuf in Paris.

The hijackers raised no meaningful political demands. The hijacking had no other aim than to set in motion a process of destabilization of Egypt. Control of Egypt is the prize that Moscow has never given up since the expulsion of its advisers in 1972. The operation intended to play on what was thought to be the Egyptian profile in regards to the Achille Lauro hijacking, when, under Western pressures, Cairo had negotiated with the hijackers; the hijacking was to be a long, dragged-out political gamble.

As this failed, the terrorists, who had already shot some 7 passengers, murdered a young Israeli girl, deliberately provoking a massacre.

Indicating the international aspect of the operation and darker "New Yalta" manipulations taking place, Mubarak was immediately branded guilty of the death of the passengers—by the same news media which had blamed Colombia's Betancur for having refused to negotiate with the terrorist M-19, after their Nov. 6 storming of Bogota's Judicial Palace and murder of Supreme Court judges. In that instance, too, terrorists (in the hire of Soviet- and Cuban-backed drug-traffickers) sought to challenge and utterly destabilize a government, and no sooner had the duly elected authorities, led by the President, ordered an armed assault, than the Western news media began howling vile accusations of responsibility for resulting deaths at those authorities rather than the narco-terrorists.

A noticeably different voice was raised in the United States by the *New York Post*, which called for war on Qaddafi. A *Post* editorial of Nov. 27 cited Libya as one of the nations "which shelter and assist terrorist groups. Can action legitimately be taken against them? When Libya assists terrorist actions against other states, it engages in acts of war against them. It must accept the consequences. . . . The United States should have no difficulty in arranging a coalition of Libya's neighbors to invade Libya, overthrow Qaddafi, and reestablish a sane government. For if Qaddafi succeeds in acquiring a nuclear bomb, the whole world will be his hostage."

Egypt's response to the Nov. 24 hijacking was in fact to immediately mass some 100,000 troops on its borders with Libya. Cairo has also kept the 80,000-strong Special Air Defense Command on alert since the hijacking, indicating that, as *Al Akhbar* newspaper proposed on the same day as the New Egypt may be ready "to go at the regional roots of terrorism."

It is most interesting, however, that certain Egyptian opposition leaders have asked for a special investigation of the actual doings of the ambitious Egyptian defense minister, Abu Ghazala, who contributed greatly to Mubarak's destabilization in the Achille Lauro affair.

Was Israeli Mossad spy Pollard really a KGB agent?

by Jeffrey Steinberg

High level sources in Israeli and American intelligence services have provided *EIR* with evidence that Jay Jonathan Pollard, the civilian consultant to U.S. Naval Intelligence arrested on Tuesday, Nov. 26 on charges that he passed U.S. secrets to the Israelis, was in fact a Soviet agent.

Pollard's reported KGB connections ran through a special unit of Israeli intelligence created during the Begin government by then Defense Minister Ariel Sharon and controlled through "Dirty" Rafi Eytan, Prime Minister Begin's special cabinet advisor on terrorism, and a long-term cohort of Sharon.

Through this special unit, according to Israeli intelligence sources, Sharon passed military secrets on to the Soviet KGB and GRU as part of the early phases of the Sharon faction's deal on rapprochement with Moscow.

Pollard was one of a number of Mossad spies recruited by Sharon-Eytan, whose principal responsibility was the gathering of intelligence of primary use to Moscow. Pollard was, thus, a classic case of what intelligence professionals call a "false flag" agent.

The special unit of Israeli intelligence to which Pollard reported, is additionally the principal suspect in a series of terrorist atrocities committed on American soil earlier this year. Among the terrorist attacks were the pipe-bomb murders of T. Soobzokov, a Russian Circassian emigré linked to U.S. intelligence operations in the Middle East and Eastern Europe; and of Alex Odeh, the West Coast chairman of the Arab-American Anti-Defamation Committee.

Eytan's Terror Against Terror group has been widely exposed as the special assassination squad frequently deployed under the cover of the Jewish Defense League to eliminate purported "enemies" of Israel.

Soobzokov was targeted by the KGB in a 1975 operation laundered through the *New York Times* and the current District Attorney of Brooklyn, Elizabeth Holtzman.

As the Pollard case unraveled at the end of November, new evidence surfaced of the *Washington Post's* role as an asset of that faction of Israeli intelligence which is accomplice to Soviet espionage efforts. At the same time that this Pravda West was blacking out the identification of Rafi Eytan as the Israeli control agent over Pollard and his wife—information the *Washington Post* received as part of its initial

exclusive story—the paper was devoting front-page coverage to a damagingly detailed profile of the U.S. Army's special counterterror units, based out of Fort Bragg, N.C. This profile can only benefit the Soviet Union and its terrorist surrogates, which are presently engaged in a post-Geneva summit international activation.

'A cross between Greg Rose and Son of Sam'

The 31-year-old Pollard, whom one observer has characterized as "a cross between FBI-ADL snitch Gregory Rose and David Berkowitz, the 'Son of Sam' killer," was a 1976 graduate of Stanford University who did post-graduate work at the Fletcher School of Diplomacy at Tufts University, before entering government service.

Beginning in 1979, Pollard was a counterterror consultant to the Naval Investigative Service in Suitland, Md. Stanford classmates have confirmed that Pollard boasted that he was an agent of Israeli intelligence from the age of 16, at which time he trained with the Israeli Defense Force.

At the time of his college graduation, he was reportedly already a commissioned captain in the IDF, having graduated from the Israeli staff college.

Pollard's deep Israeli ties, according to one former ranking Israeli intelligence official, corroborated by Israeli journalists based in Washington, D.C., stem from his father, Morris Pollard's, postwar service with the Haganah and his personal friendship with former Israeli President Efraim Katzir.

Morris Pollard, the director of the Lobund Labs at Notre Dame University, was described by one Israeli correspondent as a close friend of former Congressman John Brademas (D-Ind.), presently the President of New York University and a close associate of corrupt federal Judge James C. Cacheris of the Eastern District of Virginia.

Despite these deep family ties to Israel, Pollard was, according to the *Washington Times* and other printed sources, well paid for his spy activities, receiving both cash payments and cocaine from the Israeli embassy in Washington, D.C.

Although a preliminary Israeli government report into the Pollard case, excerpted in the Nov. 28 edition of the *New York Times*, claims that Pollard first sought out the Israeli intelligence services in 1984, U.S. and Israeli sources have

told *EIR* that Pollard was working for the special Eytan group by no later than early 1982, when Defense Minister Sharon was conspiring with then-Secretary of State Alexander Haig to spark the disastrous Israeli invasion of Lebanon.

Pollard provided Eytan with detailed information on U.S. satellite intercepts of Arab military deployments and top-secret U.S. evaluations of Israeli activities in the Middle East, as well as Soviet presence in the eastern Mediterranean.

This information enabled the Sharon-Eytan group to neutralize U.S. investigations into the Israeli rightists' dealings with Damascus and Moscow. U.S. intelligence sources have privately reported to *EIR* that Pollard, on Mossad instruction, was providing U.S. secrets to the People's Republic of China, as well as Pakistani factions linked to Israeli Minister of Science and Technology Yuval Ne'eman.

The technical nature of the information being passed by Pollard to the Israelis was betrayed by the fact that the two Israeli diplomatic officials responsible for "handling" the Naval consultant were Ilan Ravid, deputy scientific attaché at the Israeli Embassy in Washington, D.C., and Yossi Yagor, scientific consul at the Israeli Consulate in New York City. Both men reportedly fled to Israel as soon as the Pollards were arrested, in order to avoid interrogation by U.S. intelligence and law-enforcement officials.

The ADL-NBC-Heritage connection

An even more revealing profile of Pollard's "false flag" efforts on behalf of Moscow was partially made available to *EIR* through a retired U.S. intelligence agent familiar with the Pollard investigation. According to this source, Pollard was a leading source and transmitter of Soviet-authored slanders against *EIR* founder Lyndon H. LaRouche, Jr. into the Reagan administration and U.S. intelligence.

Among the identified targets of Pollard's disinformation regarding LaRouche was White House Science Adviser George Keyworth. Pollard was responsible for monitoring all of LaRouche's writings on the Strategic Defense Initiative for the special Mossad unit, the source reported.

During 1983 and 1984, according to the source, Pollard was a conduit of disinformation on LaRouche—then a candidate for the Democratic Party presidential nomination—into Sen. Daniel Patrick Moynihan (D-NY) and NBC producer Pat Lynch, who produced a slanderous news magazine feature on the independent Democrat for the defunct First Camera show in March 1984.

That broadcast, which was the subject of a federal civil action before Judge Cacheris that is on appeal before the U.S. Court of Appeals in Richmond, drew heavily on two other anti-LaRouche nests that have been closely linked to Pollard's disinformation efforts: the Anti-Defamation League of B'nai B'rith and the Heritage Foundation.

According to a former U.S. congressman and a member of the Washington, D.C. press corps, Pollard made the rounds of Capitol Hill during the summer of 1985, posing as a conservative activist in the MIA cause. Pollard's conservative

"credentials" came from a series of high-visibility appearances at forums sponsored by Heritage, and through his reported association with Gen. Daniel Graham's High Frontier group.

U.S. intelligence officials are privately saying that the Pollard case is the tip of a much larger Israeli-Soviet spy network that has been operating against the United States for years.

Some members of the Israeli-Soviet network have penetrated high up into the civilian bureaucracy of the Pentagon, according to these sources.

Among the leading suspects in this Soviet ring is a former top adviser to former Secretary of State Alexander Haig, who now retains a counterterrorist consulting contract with the Pentagon: Michael Ledeen.

Ledeen's wife Barbara was linked by this magazine last

Pollard was one of a number of spies recruited to a secret unit of Mossad run for Ariel Sharon by "Dirty" Rafi Eytan, whose principal responsibility was the gathering of intelligence of primary use to Moscow. Pollard was, thus, a classic case of what intelligence professionals call a "false flag" agent.

year to a fanatical Jewish underground movement devoted to provoking a bloody fundamentalist war in the Middle East by blowing up the Dome of the Rock in Jerusalem, a holy shrine of Islam, on the pretext of rebuilding on the site the Third Temple.

That movement has been shown to include active duty members of the Israeli security services linked to the Eytan-Sharon secret unit.

The Washington sources have further underscored that the Pollard scandal reaches deep into the national leadership of both the ADL and the American Jewish Committee, both of whom have, according to these reports, served as conduits for the Moscow-Tel Aviv spy axis.

The ADL, according to government documents, retains a consulting contract with the U.S. Department of Justice—providing information on the activities of right-wing groups in the United States.

Before the dust settles on the Pollard affair, it may turn out that the Justice Department was shelling out U.S. taxpayers' money to purchase Soviet-manufactured disinformation.

A plea to citizens to support new Nuremberg Commission

On Nov. 20, 1985, in Nuremberg, West Germany, a group of prominent individuals and constituency leaders from around the world convened a press conference to issue a call for the convening of a new Nuremberg Tribunal, and to announce the formation of a Commission to Investigate Crimes Against Humanity. More than 300 persons from 19 nations, including such diverse figures as West German Vice-Admiral (ret.) Karl Adolf Zenker, Israeli Col. Meir Pa'il, former New Orleans District Attorney Jim Garrison, and NAACP President Enolia MacMillan, signed the statement. Helga Zepp-LaRouche, the founder of the Club of Life and the Schiller Institute, whose husband is EIR founder Lyndon LaRouche, was among the commission's initiators, and subsequently released an open letter to German Chancellor Helmut Kohl requesting that Germany again be the host of such a tribunal. Mrs. Zepp-LaRouche granted the following interview on Nov. 20.

Q: Mrs. LaRouche, can you tell us the purpose of this Commission?

Mrs. Zepp-LaRouche: The purpose is to have at the earliest possible time a government or several governments conduct a tribunal in the tradition of the Nuremberg Tribunal of 40 years ago, which would bring to court in an orderly procedure those people who are committing crimes against humanity today.

Q: As a German citizen, why did you feel the need to call for a new tribunal today?

Mrs. Zepp-LaRouche: Being a German patriot, obviously the Nuremberg issue is a very emotional one for me. On the one side, there is no question that especially what Judge Jackson established as a code of international law was absolutely correct. But on the other side, in a certain sense from my point of view, Nuremberg is unfinished business. Permit me to give you a little bit of the historical background as I see it.



There is no doubt among serious historians anymore that Germany by far was not the only force responsible for World War I. So, on account of that, naturally the Versailles Treaty and the incredible austerity conditions which were imposed on Germany also were not just. However, they created the economic breakdown condition which never permitted the Weimar Republic to recover, and created the social causes and unemployment which made Hitler possible. Also, what was never taken into account in the Nuremberg Trial was that there were many international supporters of Hitler, including in the United States, as well as in London, certain financial circles who *wanted* Hitler in power. Thirdly, there were—and this is now published documentation from the OSS files—many, many, 20, 30, 40 attempts by the German Resistance to topple Hitler from within, and each of these efforts was frustrated because the international forces did *not* help the German Resistance, because they had the Yalta and Teheran process among Stalin, Churchill, and Roosevelt going on. So, these questions were never taken into account, and therefore, Nuremberg-1, the Nuremberg Trial 40 years ago, was uncompleted, because some of the real criminals, namely [Nazi Economics Minister] Hjalmar Schacht, got away unpunished, as did other Nazis.

But despite these shortcomings, it is my profound conviction that the ethical code, the law among peoples, of crimes against humanity which was established in the Nuremberg Trial still holds today, and therefore, since I see such crimes, actually crimes which are 100 times worse than those committed by Hitler and the Nazis, going on today in many places in the world, I felt that, especially because I am a German patriot, it is my obligation and my duty to call for such a new tribunal.

Q: I understand that in the Commission call, there have been six areas of investigation outlined, which will be taken up by the Commission members. Can you tell us more about these?

Mrs. Zepp-LaRouche: Let me go through it one by one. I don't know which one is really the worst, and that obviously

remains to be seen from the results of the work of the Commission, which is in full process right now. But let me just go through some of the points.

It is the common belief of all the signators, which by now are more than 300, that the austerity policy of the International Monetary Fund and the international banking system imposed especially on the developing countries in the last 10 to 15 years, have created poverty conditions which can be compared to those the Versailles Treaty imposed on Germany after World War I, that have led to increasing hunger, famine, starvation, and epidemics. The AIDS pandemic is due to these conditions, which is now coming back to us like the punishment of God, if you want to talk about it from the standpoint of theological arguments; or, if you do not develop these countries, then the conditions you are creating are reaching back to you, and that is now happening with the AIDS situation.

In the last 10 years, the IMF, through forcing these countries to devalue their currencies, to make import restrictions, to use all their export income for debt payment, has created conditions where literally hundreds of millions have died in Africa, Asia, and in Ibero-America. I think this constitutes, according to Nuremberg, a crime against humanity.

Q: You've also named the international financial networks who run drugs, I understand.

Mrs. Zepp-LaRouche: It is an established fact, and we have fortunately already compiled a lot of documentation, that it was the IMF, the Bank for International Settlements of Switzerland, and the World Bank and similar institutions, which went to these countries and encouraged governments—and we have proof of this—to stop their population from producing agricultural products, and rather have them produce different kinds of drugs, cocaine, marijuana, and so forth, and by that income to pay the debt to these international financial institutions. So, there is no question that these international financial institutions are responsible for a volume of narcotics traffic which some people say right now is \$600 billion per year. There are 20 million cocaine users in the United States alone.

In many Ibero-American countries, the dope mafia and the Soviets, the Cubans, the East German advisers, and the guerrilla forces are one and the same thing. We have documented that. In many places, especially in Ibero-America, these countries are confronted by a dope mafia with a big, big Soviet input, which has created private guerrilla armies which are threatening the national sovereignty of these governments. It is a fortunate thing that there are two courageous Presidents, namely President García from Peru and President Betancur from Colombia, who have declared war on drugs, and who have moved with military means into the jungle, and have closed down some of the largest cocaine-producing laboratories. But, on the other side, the drug mafia, as I said, with a very, very heavy Cuban and Soviet angle in it, has escalated the war as well, and the brutality with which they

are proceeding you saw when, in Colombia, the M-19 basically blew up the entire Justice Palace in Bogota, or when you saw the massacre in Veracruz, in Mexico.

In Peru, the Sendero Luminoso, which is a terrorist organization, has basically committed itself to kill President García at the first possible time, and destroy his government. So, there is a complete war on drugs *and* a counter-war by the dope mafia. But since we are of the opinion that, if your child is on drugs, his mind is being destroyed, dope is as bad as if you kill somebody. The Cartagena Group, that is, the economic organization of countries of Ibero-America, defined dope traffic as a crime against humanity. And we are of the opinion that it is a crime against humanity because millions and millions of children, youths, and other people are being killed mentally, and that is as good as physically. So, therefore, we put that on the list of crimes against humanity as well.

Q: So, you're targeting two supra-national forces, the International Monetary Fund and associated financial institutions, and the drug mafia that you describe as linked to the International Monetary Fund in policy. But I understand you're also naming heads of government for crimes against humanity.

Mrs. Zepp-LaRouche: We have named the Soviet Union, for two reasons. First of all, we are working especially with conservative parliamentarians in Western Europe who have compiled massive evidence that the Soviet Union, since they moved into Afghanistan, have killed 1.5 million people there. Nobody talks about that, especially not the liberal press in the United States. But the Soviets have used biological warfare in Afghanistan, chemical warfare, and they are using Afghanistan as a permanent training ground for the entire Warsaw Pact armed forces, whom they are recycling through, just to give them combat experience. The evidence is absolutely incredible.

At the same time, you have to look at the internal violation of human rights on the side of the Soviet Union, the purges which are going on, which can only be compared to those of the '30s right now, despite this summit charade, which in my view has no more significance than the meeting in 1938 between Chamberlain and Hitler, and where "peace in our time" was also the slogan—but you know what happened one year later. I am afraid we are in the same situation.

A derivative of Soviet crimes definitely could be put under the category of state terrorism. We have, therefore, in naming individual heads of state, put Qaddafi on this list, because there is no question that Qaddafi has tried to destroy the national sovereignty of nearly all countries in northern Africa, that he has committed acts of war, and nobody has said a word, especially not the U.S. State Department, which seems to somehow like this person. We have put Khomeini on it, and we have documentation which, if it ever meets the eye of the public, will just make people absolutely collapse in horror. We have documentation from totally reliable

sources, especially from European and Arab journalists and politicians, that the Khomeini regime has not only brainwashed its so-called kamikaze terrorists, the ones who were responsible for the various bombings of the U.S. embassy in Beirut and other atrocities like that, but that they have tortured children, that there is actually a systematic raping of young boys going on by the mullahs on the border. We have documentation of things that are just so horrible that I think that most people could not face it if they were confronted with it.

Q: I understand that you're naming theoreticians of policies which are leading to mass death.

Mrs. Zepp-LaRouche: Basically, let's face it, the Trilateral Commission, which is the instrument of a group of people who believe in a one-world government, the Club of Rome, the Aspen Institute, the Council on Foreign Relations, and so forth, are all institutions which do not believe in industrial progress, do not believe in the sovereignty of the nation-state, and are pursuing policies of population reduction. They are behind policies like the so-called Right-to-Die movement, which is nothing else than Nazi euthanasia, and don't let yourself be fooled by a different formulation. To kill people just because it becomes too costly to maintain an adequate health system is what the Nazis did—there is not one inch of difference. The same thing is true for the forced sterilization programs which these people are pushing for the Third World, and I simply believe that these people are morally not one inch different than the SS and the Nazis were.

Q: Can you tell us more about some of the 300 people who have signed the commission call, and why the overwhelming response?

Mrs. Zepp-LaRouche: The list of signators is so powerful that I think that never in recent history has something like this come together, because we not only have former prime ministers, like the prime minister of Libya who was overthrown by Qaddafi, Abdel Hamid el-Bakoush; not only do we have one of the key parliamentarians and publishers of Tunisia, Ahmed Kedidi; the leading, great lady of the French Résistance, Marie Madeleine Fourcade; several generals, and admirals from Germany—we have, for example, the former leader of the NATO Northern Command, who served until 1983 in Oslo; we have several, I would say about 20 leaders of trade unions in Ibero-America; we have several professors; we have several heads of Catholic orders. We have, for example, the head of the NAACP—civil rights leaders, of extraordinary stature. The combination of all these people is powerful, especially because in this call, people are coming together from all over the world, people who are waking up to the fact that mankind is now facing a crisis in which, either we mobilize every moral force in the world and act together, or we will be hit with a catastrophe which will be far, far worse than that of the Second World War.

Q: Can you say something about why you have proposed that the new Nuremberg Tribunal be convened in West Germany?

Mrs. Zepp-LaRouche: First of all, because I think that it would be a very good point to do the trial in Nuremberg, for historic reasons. Second, being a German, as I said, I wanted to give my chancellor, Chancellor Kohl, the possibility of being the first to take this historic opportunity, because it would definitely give Germany the possibility to redefine its role in the community of nations in a new and positive way, so that there would be no stain left of anything of the past, and that we actually would fulfill our responsibility of proving to the world that we have learned from history, and that we are not too cowardly to address those issues which are burning today.

Q: Do you anticipate that it will take weeks or months to convene the actual tribunal proceedings?

Mrs. Zepp-LaRouche: Absolutely not! The signators we have so far are all active individuals who have been concerned with these crimes in whatever area they were working in, for a long time. So, we are right now determined to pull together in one week a preliminary documentation in the six areas defined, and present it to the international press as evidence that these crimes are going on. We will demand from the German government that it respond. But we also do not exclude that one or two or many other governments will feel the moral obligation to conduct such a trial. We will make a tremendous international campaign around it.

I think that it may work for one reason. On Nov. 1 in Rome, we had a conference of the Schiller Institute on the 1,600th anniversary of St. Augustine. You remember, St. Augustine was the founder of Western civilization, in the sense that when the Roman Empire collapsed in 410 A.D., he, through his book, *The City of God*, reestablished the principles on which Christianity and Western civilization were based. What he wrote in this book and other writings, was that the reason why the individual life of every man on this planet, of every human being on this Earth, is sacred, is because each individual is created in the image of God, and therefore participates in the Divine, and therefore, basically, his inalienable rights are established.

This conference was so inspiring, that out of it came a lot of support for this Nuremberg Tribunal, because people recognized that you cannot be a Christian, or whatever other religion you belong to, or just a moral individual, and see what is happening to this world without taking action.

Therefore, I am absolutely convinced that this Nuremberg Trial will not take weeks, but it has to occur in a very short period of time. Mankind has not much time left, and whoever has been reading this interview, all I can say is, if you have been touched by any one of the issues, please call in and join in this effort, because it may make the difference, if mankind can be saved.

Soviet diplomatic drive targets Gulf

by Rachel Douglas

V. Peresada, the Middle East commentator for Moscow's daily *Pravda*, waxed enthusiastic about the outcome of the November meeting of the six member countries of the (Persian) Gulf Cooperation Council—Bahrain, Qatar, Kuwait, Oman, Saudi Arabia and the United Arab Emirates. Their approval of a new, joint "strategic concept," crowed Peresada, was "a palpable blow . . . struck against the designs of the United States, which is stubbornly trying to impose its 'military aid' on the Gulf countries."

The GCC members had decided to establish a joint, integrated air, sea, and ground military force called "Peninsula Shield Force," because of the on-going threat to ships in the Persian Gulf from the Iran-Iraq war. They were also prompted to take this step by apprehension in the wake of Israel's September attack against Palestine Liberation Organization headquarters in Tunisia, that if Israel took further such actions, the United States would endorse them.

The integration of GCC-member military forces would not per se constitute a Soviet victory to justify Peresada's gloating, but the Soviets are moving on every available front to make sure that it will. As in the rest of the Middle East, Moscow aims for the so-called "peace process" to occur under the Soviet aegis.

Hence, this autumn has seen not only the latest crush of U.S. policy debacles in the region, but a high-paced Soviet diplomatic offensive. Before September, Kuwait was the only member of the GCC which had diplomatic ties with Moscow. Now the Soviets have such ties with three of the Gulf countries, with a fourth rumored to follow soon.

After diplomatic relations were established between the Soviet Union and the Sultanate of Oman on Sept. 21, Moscow's *New Times* congratulated the sultan on his expression of "the growing desire of Persian Gulf states to pursue a more balanced foreign policy"—that is, letting the Soviet Union in. The United Arab Emirates followed suit on Nov. 15, with the announcement that it was exchanging ambassadors with the Soviet Union. The first-ever U.A.E. trade delegation to the U.S.S.R. arrived there the same day, for six days of talks on trade and economic cooperation.

In October, the Kuwaiti paper *Al-Ray Al-Amm* reported from "well-informed Gulf diplomatic sources" that Soviet diplomatic ties with Bahrain would likely come next, as part of Moscow's activation of "direct and indirect contact with all the Gulf Coast Council countries, . . . designed to reinforce Soviet diplomacy in the region."

Opening to Iran

Already, the "more balanced" behavior of the GCC members has helped open the door to Soviet supervision of Iran-Iraq affairs. Oman at the GCC meeting led a push for better relations between the Gulf countries and Ayatollah Khomeini's Iran. In order to ease the GCC's ability to mediate the Iran-Iraq war, Omani Foreign Minister Youssef bin Alawi said, "Our objective is to solve the problems we have with Iran in our common interests." Iran has been in secret negotiations with the GCC, offering them lessened hostilities if they side further with Iran. Iranian Foreign Minister Ali Akbar Velayati, according to a Reuters wire story, will soon visit Saudi Arabia.

Hard on the heels of the GCC decisions, reports suddenly surfaced that the Soviets were set to upgrade their own input into Teheran policy. The anti-Khomeini Free Voice of Iran broadcast Nov. 10, that a Soviet delegation would soon arrive in Iran for talks on improving relations, while Khomeini had shut down the trial of Tudeh Party (Iranian communist) leaders. A week later, Paris *L'Express* reported that Ayatollah Khomeini personally met the Soviet ambassador in Teheran to receive his thanks for Iranian assistance in freeing Soviet diplomats kidnaped in Beirut and an agreement for Moscow to resume purchases of Iranian natural gas and to provide expert military advisers and modern weapons.

Vladimir Polyakov, chief of the Near Eastern countries department at the Soviet foreign ministry, arrived in Kuwait on Nov. 14, for "fact-finding and gathering information about the situation in the area on the eve of the [Soviet-American] summit," as a Kuwaiti newspaper said.

The Soviets are using their increased presence in the Gulf as another springboard from which to jump to the status of supreme power in the Middle East and arbiter of any peace conference that may be convened. After his high-level meetings in Kuwait, Polyakov went on to visit Iran's adversary, Iraq. There, on Nov. 20, he met for four hours with PLO leader Yasser Arafat, in the latter's first contact with such a Soviet representative since last March. After months of sniping at Arafat by Soviet- and Syrian-linked forces, Polyakov now was talking about the PLO's "principal role in the peace process"—i.e., in the Soviet-sponsored settlement negotiations Moscow envisions.

Polyakov is the same Soviet official who met with Robert Murphy of the U.S. State Department in the sequence of bilateral talks on "regional issues," and to whom Murphy reportedly said, "If you want Lebanon, take it; we don't want it."

The Extraordinary Synod opens

The papal assertion of the Filioque leaves no doubt of what the "sign of the times" is.

In one rebuff after another to the ideologues of left and right, Pope John Paul II has established the primacy of the *Filioque* as the doctrinal direction for the Extraordinary Synod taking place from Nov. 25-Dec. 8 in Rome.

Quoting the Pope's pronouncement to a pre-synodal meeting with the College of Cardinals, the official Vatican daily, *L'Osservatore Romano*, on Nov. 21 ran a banner headline: "The Holy Spirit Proceeds from the Father and the Son."

According to the daily, the Pope told the assembled prelates, "The Latin Church believes that the Holy Spirit proceeds from the Father and from the Son (*ex Patre Filioque procedit*), while the Orthodox Churches proclaim that the Holy Spirit proceeds from the Father through the Son."

In a correlative statement, the Nov. 22 issue of the Vatican's *L'Osservatore Romano* quoted John Paul II defining the papal relationship to the body of officials of the Vatican, the Curia: "The Curia is relative to the Pope and from him it receives its power, and in the identity of the point of views with him there is its force, its limit, its deontological [moral] code. Those conceptions that pretend to oppose the Curia to the Pope are aberrant."

A further move that has established the practical implementation of the two previous statements, is the pontifical dedication of the Synod to Pope Paul VI and to his groundbreak-

ing 1967 encyclical, *Populorum Progressio*, which called for a just new world economic order. Clearly, Pope John Paul II feels the urgency of this encyclical.

It is reported in the Italian press that the Pope and Joseph Cardinal Ratzinger of Munich recently convened a special meeting on the Church and the economic situation. The format of the meeting was a series of presentations by Ibero-American representatives to a congregation of German-speaking religious orders. Cardinal Ratzinger made his views explicit, that the post-war monetary system is a complete failure, requiring a corresponding overhaul.

The renewed emphasis on the *Filioque* doctrine expressed in the Nicene Creed—which establishes that insofar as the Holy Spirit proceeds consubstantially from the Father and Son, it is in this context that man is the "living image of God"—lays the basis for a firm Church stand behind a just new world economic order.

It was the Eastern Church's disagreement with the *Filioque* which led to the great schism with Rome 1,000 years ago. Today, the principle is under attack by those who use the need to reconcile Eastern Orthodoxy and Roman Catholicism as a means of undermining the very foundations of the Western ethos.

John Paul II's decision to usher in the Extraordinary Synod with a reaf-

firmation of this fundamental doctrine indeed bodes ill for all those pseudo-Christians who, abusing the intent of the 1962-65 Vatican II Council, are seeking to destroy the foundations of Western society. They would replace this society with the inhuman values visible in Eastern Orthodoxy—values which are as much at the foundation of Soviet society today as they were of Czarist society before 1917.

The most pronounced abuses of the post-Vatican II period, whose 20th anniversary is the occasion for the synodal convocation, come from the British and American Churches who interpreted Pope John XXIII's watchword—"the sign of the times"—for the Vatican Council as license to aberrance on every issue from Church structure to international strategic politics.

The document submitted to the Synod by the British Council of Bishops is exemplary. The essence of the document echoes the Aristotelian logic that power, as well as moral ethics, flow upward from the bottom, from the masses, and goes so far as to ascribe to the laity in its collectivity the power of infallibility.

The American Council of Bishops—who, in their controversial, recent pastoral letters have endorsed the nuclear freeze, made overtures to Fidel Castro, and adopted a liberalized pro-International Monetary Fund economic policy—lend their interpretation to "sign of the times" by advocating increasing the leadership role of women in the Church and re-examining priestly celibacy.

The Pope's immediate response was to ban further advance publication of synodal documents.

John Paul II cannot have made more clear what theory of moral obligations he will entertain at this Extraordinary Synod.

Papandreou and 'The Trust'

Certain facts are now revealed for the sake of certain monitors in Switzerland.

There is a Greek ship-owner, by the Italianized name of Giovanni Latsis, who has lavishly bankrolled numerous of Greek Prime Minister Andreas Papandreou's political projects. One of Giovanni Latsis' better known gestures of generocity was the donation, by personal check, of U.S. \$10,000,000 to Mr. Papandreou in his capacity as Greek Defense Minister.

Now, this Giovanni Latsis, who spends half of each year in the environs of Venice, makes most of his money by purchasing Libyan oil—through the good offices of Armand Hammer—and selling said Libyan oil to Israel. Dr. Armand Hammer, you will recall, since the beginning of this year, has been brokering a major, secret, diplomatic rapprochement between Israel and the Soviet Union, closely coordinating his endeavors with Prime Minister Shimon Peres (as opposed to the Shamir-Sharon idea of a deal with Russia).

Now, you will ask, what does this have to do with the large-scale shake-ups that are going on in Mr. Papandreou's government recently. In sequence, events are as follows:

During September, a team of three middle-level CIA officials visited Greece to first inform Mr. Papandreou that, according to Soviet GRU defector Col. Sergei Bokhan, his government had been infiltrated by "Soviet agents." In response, the Greek Premier created a National Security Council and placed as its presiding officer Mr. John Charalambopoulos, the minister to the prime minister and ex-

foreign minister. Charalambopoulos, the de facto head of the Greek National Security Council, has a special affinity with Israel, Giovanni Latsis' prime customer for Libyan oil: From his first marriage, in 1944, with a Haganah lady, Charalambopoulos is the father of a son who now has senior rank in the Israeli Defense Force, and a daughter who is a senior field officer of the Israeli Mossad, operating in Western Europe. His relations with his first, Israeli wife have, in the past, been reported excellent. Charalambopoulos' current wife is the niece of the Greek Orthodox Patriarch of Jerusalem, a player of some weight in Israeli politics.

Upon the formation of this new National Security Council, the Papandreou government embarked upon a drastically new internal policy based on a series of riots and disturbances provoked by the government itself. The most notorious such provocation—and *EIR* has this information directly from a Greek Police official—was the rioting, in early November, at the Athens Polytechnic School, which resulted in the death of a 15-year-old boy, and the subsequent sacking of the chief and deputy chief of police, two men who had made enemies of Mr. Papandreou's inner circle as well as the visiting three-man CIA advisory team, because of their own ideas about how to combat international terrorism.

It is still premature to draw conclusions respecting these developments. In fact, the little morsels pre-

sented above may not make too much sense to the average reader. In fact, these items are being made public at this time for the benefit of a certain lawfirm-cum-investment house in Switzerland which we know avidly peruses items we present in this column.

To these discerning readers, a further word of advise: Watch what happens in Greece with the case of Nazi fugitive Alois Brunner, now residing in Syria. Mr. Papandreou's foreign ministry announced on Nov. 25, that it intends to seek Brunner's extradition from Syria to Greece, in order to try him for the murder of 46,000 Saloniki Jews during the Second World War. It will be recalled that some of these murdered Saloniki Jews were members of the Recanati family, with prominent interests, today, at the Israel Discount bank.

Now, it so happens that the chairman of the board of directors of Giovanni Latsis', the occasional Venetian denizen's, shipping company also sits on the board of Israel Discount Bank.

Think now what prominent theater could be played in Athens, or in Salonika, should Papandreou's friend, Hafez Assad, extradite Alois Brunner to Greece. Many an Israeli legal and intelligence expert will fly over to prepare for the trial. Why, half of the port of Haifa might be deserted as its Saloniki residents, those who escaped Brunner's ire in 1943, fly over to Greece to testify. Once there, they would encounter numerous Syrian officials, also helping in the preparation of the trial. Among them, one might find numerous old acquaintances from the city of Aleppo. Only very few know the significance of Aleppo, among them being the monitors in Switzerland, and the nephew of the Patriarch of Jerusalem, now presiding over the Greek National Security Council.

Taking on the banks

The President's action to protect Brazilian sovereignty has Wall Street plenty worried.

In an operation planned in utmost secrecy with Finance Minister Dilson Funaro and central bank chief Fernão Bracher, Brazilian President José Sarney used his presidential powers to issue the first executive decree of his government, calling a halt to the "bankruptcy industry" which has been sucking the economy dry.

Until now, financial entities in Brazil could speculate freely, asset-strip their own operations, and then walk away from fraudulent bankruptcies with their pockets lined, the government left holding the bag of bad debts. With Sarney's presidential decree, the rules of the game are now changed.

On Nov. 19, Sarney announced that adjustment for inflation would not only be applied to assets in liquidation proceedings, but to debts as well; no longer would owners of bankrupt banks be able to rely on inflation to erode their debts into nothing. Banks engaging in illicit activities would now be forced to pay what they owe.

Following the decree, the government ordered liquidation of the powerful Bancó de Comercio e Industria (COMIND), a premier property of the encrusted São Paulo oligarchy. The government also ordered liquidation of the Auxiliar and Mainsonave banks, which had also defrauded their depositors.

The liquidation order not only caused a furor inside Brazil, but more importantly, in the world financial markets, especially among the Wall

Street banks. The reason? On Nov. 21, Brazilian central banker Fernão Bracher categorically declared that the government would not assume responsibility for the foreign debt of the liquidated banks, estimated at some \$450 million. (The government will, however, honor some \$104 million in interbank credit lines.)

The banks' hysteria is not due to loss of \$450 million; what really disturbs them is President Sarney's move to protect Brazilian sovereignty—both in regard to its internal banking system and, as important, regarding negotiation of its foreign debt. If Brazil puts an end to the speculative paradise of its "parallel economy," some \$40 billion annually will no longer flow into the coffers of the international banks.

The government is also moving to block creditor banks from buying up bankrupt institutions. In the case of the Mainsonave bank, the central bank stepped in to prevent American Express from buying it up. Henry Kissinger and dirty-money banker Edmund Safra sit on the advisory board of Amex. Similarly, the finance minister himself intervened in mid-November to prevent the notorious speculator, Naji Nahas, from buying up stocks of the state oil company, Petrobras.

Heading up a wave of protest and intrigue to force the government to pay the controversial \$450 million in debt, U.S. Federal Reserve chief Paul Volcker personally telephoned Funaro to demand it. Funaro responded:

"Brazil has \$8 billion in foreign exchange reserves in private American banks. If one of these should go bankrupt, can you guarantee that the American Treasury would cover the damages to our government?" Brazilian newspapers report that, at that point, the conversation terminated.

Chase Manhattan and Bankers Trust have coordinated the pressure campaign against Brazil, threatening that unless the COMIND debt is paid, the creditors will refuse to renew Brazil's \$16 billion worth of short-term credit lines in January.

Even before the liquidation of the three banks, the creditors' worry over Brazil was sufficient to prompt a flood of high-level visits. The first to arrive was Guildo Hanselmann, vice-president of the Union Bank of Switzerland, followed by the governor of the Bank of England, Robin Leigh-Pemberton, who wanted Brazil to reduce its growth expectations to achieve "a strengthening of debt service."

These two were followed by the executive vice-president of the Royal Bank of Canada, John Cleghoern, and by Dutch Finance Minister Herman Onno, who visited in his capacity as IMF Interim Committee president. Yet another visitor was Antoni Debauer, vice-president of Drexel Burnham Lambert, which does a vast business in speculation with bonds of the Ibero-American foreign debt.

Despite these immense international pressures against Brazil, the tendency which supports limiting debt payments to foreign banks has become more vocal. Asked to comment on the matter of the \$450 million, central banker Bracher declared: "None of the available information allows us to conclude that the debts should be honored." And the creditors? "Naturally, they will be sad, they'll make ugly faces, and will stick out their tongues at us."

A new student movement

The issues they are protesting are legitimate enough, but where they will be led may not be.

The staging of a 100,000-strong demonstration of students in Rome on Nov. 16, protesting cutbacks in the education budget, heralds a new student movement in Italy. This is the first demonstration of such size since the student demonstrations of 1968 and 1977. The students involved are young, averaging 17-18 years old, and the issues of austerity they protest are real enough. Those behind it are neither young nor naive, and are prepared for cynical manipulation.

After the rally, as trains carrying demonstrators arrived in Milan's central rail station, riots erupted between supporters of the Italian Communist Party and the countercultural "Autonomists." The Nov. 20 Italian press carried news of the clashes on the same page with a declaration of terrorist Barbara Balzerani: "The Red Brigades are still alive!" and "There is a new wind of rebellion."

The youth organization of the Communists, the Communist Youth Federation of Italy (FGCI), has a key role. At the beginning of 1985, the FGCI began organizing around a "charter of students' rights."

From there, things proceeded so rapidly that nothing could have been coincidental. The mass media gave all necessary support, talking of the "new realities of the youth"—punks, skinheads, yuppies ad nauseum. Then, the media launched a "debate" over the student riots of 1968-1977, featuring the case of the killing of a young fascist student, Sergio Ramelli, in 1975.

Then, members of Avanguardia Operaia ("Workers Vanguard," Trot-

skyst) and other extremist groups were arrested in the Ramelli case. Then, a Nov. 12 meeting in Milan of the old leaders of the 1968 student riots protested this attempt to incriminate the 1968 movement. At the meeting, a leaflet was distributed by a member of the terrorist Autonomia Operaia (Worker Autonomy) group, Oreste Scalzone, which demanded amnesty for jailed terrorists.

All the while, protests in the schools were growing, thanks to too few classrooms and higher school taxes promised in the government's 1986 financial bill, dictated by the International Monetary Fund. But the demonstrators have never named the IMF.

In the lead were students of the Fine Arts High School in Milan, led by a parents committee, all old demonstrators of 1968. Their student children conducted a series of bigger and bigger demonstrations, in 133 different cities, in preparation for the first, Nov. 16 national demonstration in Rome.

The sociologists are behind it, following a script already acted out in 1968 and 1977. There is Umberto Eco, director of the Communications Institute of the special art school in Bologna (DAMS), a laboratory for every kind of insanity. Eco is coming forward as the "mediator" between the DAMS students and the school authorities. One is reminded of University of Trento sociologist Francesco Alberoni, who gave a master's degree to Renato Curcio, who then founded the Red Brigades.

The demonstration included all

types, event students of the FDG, the Fascist Youth Front. The hand of the communists was evident in slogans like: "More money for school and less for star wars."

The unions, especially the communist CGIL, provided transportation to Rome. Education Minister Sen. Franca Falcucci told TV news: "It is well known who paid for the special trains for the students." The unions gave demonstration organizers their offices, telephones, and money. And money was given by the FGCI.

Carlo Ghezzi, general secretary of the Chamber of Labor of Milan, said: "We gave three million lire [about \$1,750] and permission to use our buildings." Federico Ottolenghi, head of the League of the Milanese Students of the FGCI, said: "The Milan coordinators of the students received 16 million (about \$14,000), 11 were from the Unions, 3 from the FGCI, about the others I don't know. Maybe also from the PCI." President of the Republic Francesco Cossiga, an Aspen Institute member, supported the students. Deputy Laura Fincato, in charge of schools for the Socialist Party (PSI) of Premier Bettino Craxi, said "We dedicated a whole PSI steering meeting to the problem. . . ." Craxi himself said: "I know very well who paid for the trains. . . . We don't want the trust of the youth to be used as an instrument of political pressure." The government is considering measures to meet the student demands.

Interior Minister Oscar Luigi Scalfaro is carefully following the developments, and returned quickly from a meeting with the Drug Enforcement Administration in El Paso, Texas to Rome to be sure there were no police-student clashes. The danger that the students will be manipulated, leading to destabilization of the country, is very real.

Kissinger in Bangkok

The "China card" is on the table again, as the State Department tries to keep control over regional diplomacy.

When Henry Kissinger arrived in Bangkok Nov. 20, following a trip to China and Hong Kong, the capital was buzzing with questions and rumors. What is he doing here? Isn't he a has-been? Whom does he represent, if not the President? Why does he want to "eliminate" Gen. Kriangsak Chomanan, the former prime minister and U.S. ally, who is now sitting in jail for alleged involvement in the Sept. 9 coup attempt?

Some believe that Kissinger's trip was designed to give a boost to the old "China card" policy, the Nixon Doctrine declared by the President in Guam in 1969. Certainly Kissinger was interested in returning to Washington with more foreign policy clout than when he left; he did blurt out at the Oriental Hotel press conference in Bangkok that Secretary of State George Shultz would be among the first in whom he would confide upon his return.

Certain circles in Thailand believe that the Americans—at least some Americans—are talking out of both sides of their mouths. On the one hand, the Kissinger crowd at the State Department is encouraging the Thais to adopt hardline diplomacy vis-à-vis Vietnam on the Kampuchea question, insisting on conditions before any talks could take place. But at the same time, State is persevering at normalizing U.S. ties with the Vietnamese on the question of American soldiers missing in action (MIAs), which is handled out of the U.S. and Vietnamese embassies in Bangkok. The fear among analysts here is that Thailand will be led irreversibly into confrontation with Viet-

nam.

As we reported last week, Kissinger's privately spoken demand that General Kriangsak "is dangerous and should be eliminated" is now circulating widely in the Asian press. One of the main reasons for Kissinger's order was to quash the kind of policy orientation toward the Kampuchea question that Kriangsak represents. As head of the foreign policy commission in the Thai Parliament, Kriangsak has led many initiatives—independent of both Washington and Moscow—aimed at keeping negotiating channels open with the Vietnamese, including a trip to Vietnam.

Former Thai Ambassador to London Konthi Suphamongkhon, one of the former leading members of the Free Thai Movement and Kriangsak's former foreign policy adviser, had suggested that the heads of state of Thailand and Vietnam should meet, with no fixed agenda and no preconditions. The former Thai ambassador to Washington during the Kriangsak government, Anand Panyarachun, at a recent foreign policy seminar in Bangkok, also suggested "economic linkage" in dealing with Vietnam.

The Kriangsak line goes against the grain of the more "hawkish" policy profile that Foreign Minister Siddhi Savetsila would like Thailand to have. In reply to Ambassador Konthi, who had recently submitted a memorandum on the Indochina question to the foreign ministry, Siddhi uttered a polite "Thank you," and proceeded to place the memorandum at the bottom of a drawer. A comment from a source in the foreign ministry explains it all:

Siddhi meets Kissinger quite frequently, at least whenever the Thai foreign minister is in New York City.

Among the ASEAN countries, member states are lining up according to what each perceives as its national and practical interest. Malaysian Prime Minister Mahathir Mohamad made his first trip to China Nov. 20-28, with trade and the Kampuchea question on the agenda. Indonesia, with deep mistrust of China dating back to 1965, when the Chinese Communist movement almost overthrew the government, prefers to keep channels open with Vietnam. Many contacts have been made on the military level, as well as among the intellectuals. Singaporean Prime Minister Lee Kuan Yew, a close associate of Kissinger's, launched an overture to China just a few months ago. It is also known that Thai Foreign Minister Siddhi has certain leanings toward China in his foreign policy conduct.

According to *The Nation* newspaper of Nov. 19, Thailand will soon receive 24 Chinese-made tanks as part of the Peking military aid grant. A few months ago, the Peking government had already begun delivering 130mm artillery pieces, apparently sufficient for a battalion of troops. The Chinese tank known as Model 59 is a modified version of the Russian T-54 and T-55. This constitutes the first major military aid to Thailand from the Peking government. Apparently there are no strings attached.

Meanwhile, Commander of the First Army Region Lt. Gen. Pichitr Kullavanijaya predicts a fierce Vietnamese offensive against the Khmer resistance forces during the upcoming dry season. Military equipment was shipped from Vietnam to a southern Kampuchean port early in November, he said, and later moved closer to the border area.

Sri Lanka: cul de sac?

New violence and the inability to reconvene negotiations call for a rethinking.

After its success in bringing the Tamil ethnic minority and the Sri Lankan government to the negotiating table in Thimpu, Bhutan in August, the Indian government's initiative to facilitate a political solution to Sri Lanka's violent ethnic crisis appears to have come to a standstill.

On Dec. 9, Sri Lankan President Junius Jayewardene paid a one day visit to Delhi, upon return from the South Asian Regional Cooperation (SARC) heads of state meeting in Dhaka, Bangladesh, for talks with Rajiv Gandhi and Indian foreign ministry officials. Whether any breakthrough will result is not known, but few here are optimistic.

The fragile, almost tentative ceasefire unilaterally extended by the Sri Lankan government on Oct. 15 is clearly ineffective. Reports of new violence come in almost daily. At the same time, there has been no agreement on a basis for restarting negotiations.

The Indian foreign office and the prime minister himself have been engaged in successive rounds of talks with both Sri Lankan officials and Tamil representatives to find some common ground. But so far, the Sri Lankan government's working paper, which reportedly offers little in the direction of Tamil political representation, has been rejected as a basis for renewed talks by the Tamil groups.

The Tamils themselves are now split into two factions. The four radical groups under the banner of the Ee-

lam National Liberation Front (ENLF) insist on a separate Tamil homeland, and are demanding to be recognized as the "sole legitimate" representative of the Tamils. The People's Liberation Organization for Tamil Eelam (PLOT) distinguishes itself as a group of "Marxist revolutionaries" committed to recruiting youth of the Sinhalese majority to a broader revolutionary overthrow of the government. PLOT and the Tamil United Liberation Front (TULF), a moderate parliamentary grouping, are, however, united in pursuing negotiations to find a satisfactory political formula.

The central issue surrounds the granting of power to the states, two of which in the north and east are Tamil-majority states. The TULF had demanded a system of regional councils, where the two Tamil-majority states would be linked to make up one region, with powers over law and order, land settlement, and other vital matters. So far, the government has been unwilling to go beyond "district" councils with much more limited powers. India has been working to translate its own system of federated states with a division of powers, into a form appropriate for Sri Lanka.

In involving itself in mediation, India had to put its opposition to terrorism and separatism clearly on the table—to the discomfort of certain lobbies in India and elsewhere. But while it is vital to strengthen the Sri Lankan government's hand against separatist terror, as Rajiv Gandhi well

knows from his successful handling of the Punjab mess, this is by no means a sufficient basis for actually solving the problem.

The isolation and defeat of separatist terror depends on creating a broad political base for that as part of a longer term political solution among both minority and majority groups on the island. It is this that President Jayewardene appears incapable of doing.

Among other things, the specter of the 1987 presidential election is acting as a powerful constraint on the Jayewardene government, as indicated by the coy abstention of Jayewardene's main political rival, former Prime Minister Mrs. Sirimavo Bandaranaike and her political party.

Whe has kept aloof, waiting to capitalize on whatever steps the President takes. His success in reaching a compromise deemed unacceptable by chauvinist Sinhalese would make as winning a campaign issue as his failure to do anything at all.

In this type of political vacuum, the polarization between the government and the terrorists has taken on the character of stalemate, with military escalation the only prospect. Indeed, Jayewardene himself has given credence to this outlook in recent speeches emphasizing the need to "win the war" with more arms.

This in turn points to what some here perceive to be an error embedded in the terms of the negotiation process from the outset. In this view, it is essential to base the talks on a grouping that includes representatives from each and all of the major political and parliamentary groupings—and not simply on a back-and-forth between the government and the Tamils, the latter represented overwhelmingly by militant guerrilla factions at that. In this view a broadening of the negotiations is as important as finding a common basis to continue talking.

International Intelligence

Marcos hails Peru's initiative on debt

President Ferdinand Marcos of the Philippines Nov. 29 hailed the initiative taken by Peruvian President Dr. Alan García to limit Peru's foreign debt payments to no more than 10% of the nation's export earnings over the next 12 months. In a meeting at Malacanang Palace with visiting Peruvian Gen. (ret.) Edgardo Mercado Jarrín, Marcos praised "the courageous act" of Peru.

TV news coverage included film footage of the President and acting Foreign Minister Pacifico Castro with the general, accompanied by Dr. Uwe Henke von Parpart, Paul Goldstein, and Carlos Wesley of the Schiller Institute.

The Schiller Institute was founded by Helga Zepp-LaRouche in the summer of 1984. Mrs. LaRouche is married to *EIR* founder and U.S. Democratic presidential candidate Lyndon H. LaRouche, Jr.

Gen. Edgardo Mercado Jarrín is head of the prestigious Peruvian Institute of Geostategy and Political Studies in Lima. He is visiting Asia at the invitation of the Schiller Institute and *EIR*, and will attend a conference sponsored by *EIR* in Bangkok, Thailand, on December 2-3, "Economic and Security Prospects for the Asia-Pacific Region, 1985-95."

Manila press features Marcos and Peruvian

The *Manila Times Journal* Nov. 30 carried a front-page article reporting on the meeting between President Ferdinand Marcos and Peruvian Gen. Edgardo Mercado Jarrín, as follows: "The Philippines is joining other Third World countries in moving for the partial condonation [forgiveness—ed.] of their debts with the International Monetary Fund and other international financing institutions.

"President Marcos yesterday suggested to a visiting Peruvian official that Third World, Asian and South American coun-

tries should work for it jointly."

"How can Third World countries pay their loans amounting to \$900 billion?" the President asked, noting that their paying capacity was only limited to \$300 billion.

"The President praised Peru for opening the minds of the Western countries to the financial difficulties of the Third World. 'If they burn the house close to them, they will also burn themselves because they will lose their markets, raw materials, and worst of all, their allies,' the President said. . . .

"The President recalled how he had proposed at the Cancun [Mexico] summit a revision of the Bretton Woods agreement and the adoption of a new monetary system based on the true value of a country's currency. . . .

"The President said he was sending Filipino observers to the [heads of state—ed.] meeting of Latin American countries on their debt problem in March."

M-19 terrorists threaten Colombian union leader

The Union of Workers of Bogota and Cundinamarca (UTRABOC), in a communiqué issued by its Executive Committee on Nov. 27, revealed that the union's secretary general, Pedro Rubio, had received a "warning" from the M-19 terrorists. Rubio is also a coordinator of the Ibero-American Trade Union Commission of the Schiller Institute.

UTRABOC recalled that it had given public support to President Belisario Betancur's "courageous and constitutional action in refusing to negotiate with the representatives of narco-terrorism," at the time the M-19 seized the Palace of Justice in Bogota on Nov. 6. The M-19 assault, the statement underlined, is "one more demonstration in the defense of the high command of the drug traffic, which has declared war on the government for its continuing fight against this worldwide scourge. . . . We recall the vile assassination of Justice Minister Rodrigo Lara Bonilla, and we say to those narco-guerrillas, they shall not pass."

"We reiterate our unlimited support for President Betancur, his cabinet, and the

Armed Forces, to whom we declare that we will remain mobilized to defend our country from narco-terrorism," the communiqué concludes.

Occidental Petroleum ordered to pay taxes

On Nov. 25, Peruvian President Alan García signed a Supreme Decree ordering Occidental Petroleum and two other companies to pay about \$40 million within 15 days as a first installment on "unpaid taxes" which the predecessor Belaúnde regime should have collected, but did not.

Energy Minister Wilfredo Huayta declared, "If these companies do not abide by the conditions we are posing, Petroperu will take control over their works, to protect national interests."

Occidental, under the terms of an agreement with the Belaunde government, was entitled to tax credits on certain investments. It took the tax credits, but without making the required investments in oil prospecting. García gave the company 90 days to negotiate new contracts. The new decree gives them 30 days more, but starts collections on some \$655 million Huayta says they owe Peru.

Huayta responded to leftist accusations that the government was selling out to the oil companies, "We are not going to dirty ourselves. We are going to clean out this country. They left us a Peru filled with corruption. Wherever we touch it, the pus gushes out."

Tunisia, Peru will strengthen cooperation

Tunisia has decided to establish closer cooperation with Peru, announced the Tunisian press agency on Nov. 28, following a visit from Peruvian Senator Miguel Angel Mufarech. Senator Mufarech was sent as a special envoy from Peruvian President Alan García, and met with Tunisian Foreign Minister Essesbi.

The visit, according to the press agency,

"opened the way for closer ties between the African and South American continents" on all issues, paving the way for more regular exchanges of information and of delegations. Peru's stand toward the International Monetary Fund is reported to have been especially appreciated in Tunis.

On the same day, the Tunisian government daily *Al Amal* published on its front page a report on the Schiller Institute's call for a Nuremberg Tribunal against the IMF, the international drug traffickers, and the governments of the Soviet Union, Libya, and Iran.

Iraq may 'merge' with Syria

Baghdad is studying a proposal for merger with Syria, revealed Iraqi Defense Minister Khairallah, in an interview with a Paris-based magazine, *Kohl al Arab*. Khairallah—who is quoted praising the recent reconciliation between Jordan and Syria—says that Baghdad would prefer a "brotherly relationship to be established" before such a merger.

An Iraqi-Syrian reconciliation is the result of weeks of mediation by Saudi Arabia's Prince Abdullah. Abdullah is known to foster a proposal to force PLO chairman Arafat to resign in favor of one of his aides, to pave the way for a Syria-PLO reconciliation. This wave of reconciliation is the direct product of Moscow's active diplomacy in the Gulf.

Zulu leader looks to the American system

Mangosuthu Buthelezi, leader of the Zulu nation and president of Inkatha, the largest black South African organization, issued a challenge to the Reagan administration, the U.S. Congress, and constituency leaders to live up to the principles of the U.S. Constitution in their policy toward South Africa. In a Washington Post op-ed published Nov. 27, Buthelezi exposes the hypocrisy of anti-apartheid groups that support the Soviet-

backed African National Congress (ANC) and its front group, the United Democratic Front (UDF), while vilifying moderate black South African leaders.

Buthelezi writes, "We as blacks are fired by the kind of ideals that gave birth to the great American nation, and that then led it on to become the leading Western industrial democracy in the world. We have always striven for a democratic parliamentary system under the rule of law, where all the freedoms honored by the American Constitution and by the American people would be present."

The ANC, he says, is committed to "destroying the economy" of South Africa, and rejects says, is committed to "destroying the economy" of South Africa, and rejects "the kind of constitutions that go with Western industrial capitalism in Europe and North America." These are the thugs, Buthelezi makes clear, that have perpetrated the black-against-black violence in South Africa.

Canadians blame India for Sikh terrorism

The *Toronto Globe and Mail* has begun a front-page series that claims that Sikh terrorist activity in Canada is simply an Indian intelligence operation designed to discredit Sikh separatism.

The series cites the International Sikh Youth Federation, the organization responsible for the Air India bombing, as such an Indian intelligence front. Canadian government foreign affairs and intelligence spokesmen have already announced that they take the *Globe and Mail*'s ludicrous charges seriously.

Their announcement comes just days after Talwinder Singh Parmar, the Sikh terrorist leader arrested early in the month in Vancouver in connection with the Air India bombing, was released on his own recognition because there was allegedly no basis for holding him until his trial.

Canadian officials had finally picked him up, after the publication of a book by *EIR* on the Indira Gandhi murder, *Derivative Assassination*.

Briefly

● **RICHARD BURT**, U.S. ambassador to West Germany, concluded a three-day visit to the castle of Johannes Thurn und Taxis, in Regensburg, West Germany, on Thanksgiving day. Reported also present at the castle were Prince Rainer and Princess Catherine of Monaco; the Prince and Princess Sayn-Wittgenstein; the Princess von Hohenlohe; Prince Alexander and Princess Barbara from Yugoslavia; and Philip von Studnitz, who is rumored to be a homosexual lover of Prince Johannes.

● **JEAN ROCHET**, former chief of France's DST intelligence service, told a Paris audience that there exists "proof that, through some complicated networks, there exist links between terrorist cells and the intelligence agencies of the communist countries. . . . Under whatever flag they are acting, in most cases, the networks receive training, logistical support, and arms and bombs from the Eastern countries. . . . This is even the case with the extreme right-wing cells, penetrated by agents under the KGB."

● **THE EMPLOYEES** of Western companies doing business in the Soviet Union are now being screened by the Soviets for AIDS. Rumors are spreading in Moscow that many Soviet subjects were infected during the World Youth Festival this summer, because after the last festival some years ago, the number of venereal cases rose enormously.

● **A GERMAN-ITALIAN** panel on participation in the U.S. Strategic Defense Initiative has been established between the two countries' Christian Democracies in Bonn. The panel, which will meet for regular consultations on defense policy, involves the foreign and defense policy spokesmen and other members of the respective parliamentary groups of the two parties.

The Reagan-Gorbachov summit: 'Peace in our time'?

by Lyndon H. LaRouche, Jr.

Much as this fact may have displeased a Secretary of State George Shultz returning from the recent Geneva "summit," President Reagan had no intention of playing the role of a modern "Neville Chamberlain" at a Munich Peace Conference. Until the President has checked the contents of his wallet, it appears that the President lost nothing of importance during his meeting with the Soviet general secretary.

There was a popular gag going around after World War II. It went like this. Each day, a certain employee at a defense plant would arrive at the check-out gate pushing a wheelbarrow filled with sand. Each time, the suspicious guards would examine the sand most diligently, and finding nothing, would wave the employee out. Years later, after the defense plant had been closed down, a retired guard challenged the former employee: "Come on, you can tell me now. What were you stealing?" The former employee grinned back: "Wheelbarrows."

The summit reminds us of that story. Perhaps the political analysts are being very silly in giving so much attention to the events within the summit meeting itself. Perhaps the whole summit—the hoopla, the agenda, and the final releases—were all a meaningless charade as far as General Secretary Gorbachov was concerned. Perhaps, Mr. Gorbachov's only purpose was to buy time.

There is one rumor coming out of the summit, which tends to confirm the suspicion that the only thing which really interested General Secretary Gorbachov, was buying time. The President should check out the rumor; if the President discovers that there is any substance to the rumor, that, by itself, would be conclusive proof that the entire summit was a hoax as far as Mr. Gorbachov was concerned.

The LaRouche question

One version of the rumor has it, that Gorbachov mentioned the name of "LaRouche" on the short list of Soviet

complaints against the United States. Another version has it, that unpleasant references to the name "LaRouche" came up only in the "back-channel" discussions between the U.S. and Soviet sides, rather than between Reagan and Gorbachov. If either version of the rumor is essentially true, as President Reagan should be able to discover, then the summit, with all its hoopla, was just one big Soviet hoax.

It's more than a rumor. In a featured article, in the Oct. 30, 1985 issue of the authoritative Soviet weekly, *Literaturnaya Gazeta*, there was a sharp attack on me by name. [*Literaturnaya Gazeta* is well-known as an outlet for KGB messages; its editor-in-chief, Aleksandr Chakovskii, is a member of the Central Committee of the Soviet Communist Party—ed.] Then, in the pre-summit issue of the same Soviet organ, there was a second featured article, signed by the entire editorial board, condemning the Western news-media for failing to cover the Oct. 30 article in which I was denounced.

The significance of the Oct. 30 piece from Moscow, is that this was the first major attack on me, by name, in the leading Soviet press since the March 28, 1984 issue of *Literaturnaya Gazeta*. From May 23, 1983 until March 28, 1984, there were regular attacks on me, by name, in leading Soviet publications. The reason those public attacks had stopped, after March 28, 1984, was that the Reagan administration had bowed to Soviet public demands that the administration take demonstrative action signaling a break with me. Suddenly, after 18 months' official silence, on the eve of the summit, I am again the subject of a major attack, by name, in the Soviet KGB's chosen outlet journal, with a follow-up statement signed by the entire editorial board, during the week of the summit itself.

Moscow had me very much on its collective mind as General Secretary Gorbachov went into the meeting with President Reagan. It would be astonishing if the Soviet delegation did not bring up my name with the U.S. delegation,

and likely that Gorbachov might bring up my name directly with the President. For the time being, let the President, or "Bud" McFarlane and the CIA, sort out exactly what did happen.

Why Moscow must buy time

There are several reasons, it is in the vital strategic interests of Moscow to buy time. The most important of these reasons, is that the Soviets' pre-war mobilization has not yet peaked, and probably won't for a year or two, sometime during 1987 or early 1988. If the U.S.A. can be lulled into keeping defense expenditures down for another year or so, the objectives of Soviet pre-war mobilization can probably be reached by the time the next U.S. presidential campaign gets into full swing.

General Secretary Gorbachov has a less important, but significant reason for buying time over the months to come. The massive purge now ongoing in the Soviet leadership will not be completed until the 27th Congress of the Soviet Communist Party, next year. It is probable that that Soviet Congress will do about everything short of actually crowning General Secretary Gorbachov "Czar Michael V.," perhaps bringing in Marshal Nikolai Ogarkov as Soviet Defense Minister. After all, the massive purge which Gorbachov began as soon as he became General Secretary, was exactly the purge Marshal Ogarkov demanded as part of the pre-war mobilization, back when Ogarkov was still Soviet Chief of Staff. All Soviet military build-up over the past two years has followed exactly the Ogarkov War Plan, for winning a potential thermonuclear war against the United States.

The Soviets need a year or two longer, to bring their pre-war mobilization up to peak. Although the Yuri Andropov dynasty, which both Ogarkov and Gorbachov represent, is firmly in the saddle in Moscow today, Gorbachov must have a solid leadership, fully cleansed of tired old bureaucratic dead-wood, before he dares get as tough with the Soviet population—and the United States—as he intends to do. Those are the two most important reasons General Secretary Gorbachov needed the hoopla of a rather meaningless summit.

Some of Moscow's other considerations

There were other reasons for buying time. Gorbachov had no reason to let his unresolvable differences with President Reagan push the summit into an open break. Over the next 12 months, Moscow expects the U.S. strategic position to deteriorate rapidly. For one thing, a toppling of the Kohl government of West Germany could be pulled off by Foreign Minister Genscher at almost any time, and is presently very likely after the coming state elections in Lower Saxony next year. That would mean, probably, a Genscher-Vogel government, and a rapid process of West German decoupling from the alliance with the U.S.A. Meanwhile, the new cooperation

among Israel, Syria, Libya, and Moscow is progressing rapidly, which means that the United States, which is already all but out of the Eastern Mediterranean, will probably be out of both the Middle East and North Africa by some time next year. The United States, with its insane scheme for destabilizing Thailand and toppling the Philippines government, is doing an excellent job of pulling U.S. strategic influence out of Asia.

Also, Moscow expects the U.S. banking system to reach the level of a full-scale collapse by sometime next year, and expects Moscow's narco-terrorist insurgents to take over most of Central and South America, with help of U.S. official bungling, before the end of 1986. Since the Reagan admin-

Perhaps the political analysts are being very silly in giving so much attention to the events within the summit meeting itself. Perhaps the whole summit—the hoopla, the agenda, and the final releases—were all a meaningless charade as far as General Secretary Gorbachov was concerned. Perhaps, Mr. Gorbachov's only purpose was to buy time.

istration, so far, refuses to attack the drug-money laundering in which major U.S. financial institutions are involved, the narco-terrorists of Central and South America, cheered on by the New York Times and Washington Post, will tend to grow stronger over the months ahead. Meanwhile, with help from the notorious Jesse Jackson, and also the New York Times and Washington Post, Moscow expects the Western world's source of strategic minerals, southern Africa, to be shut down in a general bloodbath during the period ahead.

So, if you were Moscow, what would you do? You would avoid doing anything to alarm the U.S. Congress out of its confidence in "arms control" and the "ever-peace-loving" impulses of the Soviet empire. Stall, keep up the appearances of willingness to negotiate, while not actually negotiating anything of real importance. Buy time. Let the well-meaning Robert Novak debate the "issues of the summit" with a Congressman Moakley who gets his advice second-hand from the Washington Soviet Embassy, advice passed on by way of the likes of lobbyist Carol Rosin.

So, with that thought in mind, a Merry Christmas and a Happy New Year to you all.

LaRouche asks Meese: Is the war on drug traffic a fraud?

On Nov. 23, Democratic party figure Lyndon H. LaRouche, Jr., *EIR* founder and already a declared candidate for his party's 1988 presidential nomination, dispatched an "open letter" to Attorney-General Edwin Meese. The point of the letter was to both disclose to the Attorney-General facts relating to the international drug trade which he had not exhibited any knowledge of, either in statement or practice, and to warn him that the administration's war on drugs, in light of those facts, was a fraud pending a concerted crack-down on U.S. financial institutions' laundering of drug monies.

The letter was immediately prompted by attacks on LaRouche's own anti-drug efforts by elements of the Justice Department itself, including U.S. Attorney for Massachusetts William Weld. Weld launched an "investigation" of LaRouche's fund-raising during his 1984 presidential campaign, and has continued grand jury proceedings for more than a year—without a shred of evidence on which to base a charge; and second, intelligence reports received by *EIR* correspondents, and confirmed by the behavior of the Justice Department itself, that drug-money laundering by U.S. financial institutions was not being seriously investigated or prosecuted.

"Since several days prior to the November 1984 general elections," wrote LaRouche, "I and my associates have been the continuing victims of an outrageous operation, in which your Department has been the witting accomplice of the international narcotics-trafficking interests. Among 'international narcotics-trafficking interests,' I include financial institutions through which hundreds of billions of revenue of the narcotics traffic are 'laundered' annually; I also include U.S. Attorneys who have family ties to the financial institutions active in such 'laundering,' including Attorney William Weld of Boston, Massachusetts, and the Marvin Warner connections into the Cincinnati U.S. Attorney's office. I also note the related civil case, of the First Fidelity Bank of New Jersey, linked to dubious interests, which has been found to have seized unlawfully funds of my presidential campaign, in flagrant breach of contract.

"This problem is part of a much larger pattern of ostensibly willful cover-up of the massive problem of drug-money

'laundering' by your Department. Researchers associated with me note over 100 cases, including the notorious Boston money-laundering case, in which investigation has been either totally aborted or is ostensibly inactive. Even if we assume proper reasons for slowing proceedings, it remains clear that your Department is in effect "covering up" for the most critical facet of international drug-trafficking, while misusing Department resources to assist malicious legal harassment against enemies of the drug-money-laundering activities. . . .

" . . . I must assume that part of the problem of the Justice Department under your administration, is that you are not fully informed of the true facts about the organization of international narco-terrorism today. I also suspect, that you do not have an adequate overview of the success of elements of the Swiss banking system, in intervening to block exposure of a drug-money laundering traffic in which prominent Swiss banks contribute a pivotal role (as in the case of the connections among *Crédit Suisse*, *White-Weld*, and the Boston banking complex). Otherwise, I doubt that you really know as much as you should of what is occurring within your own Department, particularly with respect to the drug-laundering interests' use of the Department for malicious harassment of me and those citizens who have at one time or another supported my political campaign.

"It is my duty to be assured you are properly briefed on these points."

LaRouche then discussed the history of the opium trade in the Middle East, beginning with 12th century Arab slave traders, whose trafficking was taken over by the British and Dutch East India companies, with partners including prominent families of Boston and Essex County, Massachusetts, which LaRouche termed: "a historical connection of specific relevance to the activities of U.S. Attorney Weld today."

Weld's family firm, *White Weld*, is integrated into the *Crédit Suisse/First National Bank of Boston* nexus found guilty of laundering \$1.2 billion in drug money last year, a case which Weld was then called upon to "prosecute" (see *Documentation*).

LaRouche continued: "During the interval 1967-69, as

Yuri Andropov consolidated his leadership over the Soviet KGB, the Warsaw Pact launched its present leading role in deploying the weapon of narco-terrorism against the United States, its allies, and friends. This arrangement exploded under the auspices of the Carter-Mondale administration, to the effect that the Soviet KGB, operating through, chiefly, its Bulgarian Kintex and related channels, and through Fidel Castro's Cuba, consolidated its grip on Caribbean-centered drug-trafficking, through partnership with Carlos Lehder, Robert Vesco, et al. During the same period, actions by the Federal Reserve System, including the Hongshang case, opened up the United States banking system for massive laundering of deposits of the international narcotics traffic.

“ . . . Immediately, today, the obvious connection is the organization of an international arms-for-drugs traffic, in which the Bulgarians and elements of Israeli organized crime are the center of the trafficking. . . .

“Narco-terrorism in the Americas is a leading surrogate force of the Soviet empire. It is a wealthy, supranational surrogate which is better armed in several of these nations than the official institutions of government. It will drown most of this Hemisphere in bloody chaos, unless we destroy it very soon. Unfortunately, the profits of the cocaine, marijuana and heroin traffic, chiefly into the U.S. market, are shared with certain U.S. financial institutions. . . .

“We must fight drugs by weapons of war, including a return to pre-Carter-Mondale policies of law enforcement against sales and use of small amounts. Essentially, the drugs must be destroyed both at the point of production, of preliminary processing, and main routes of transport from production and processing centers. This will succeed, on condition that the flow of revenues through financial institutions are expropriated as criminal funds: Without a crack-down on Swiss-pivoted drug-money-laundering through U.S. financial institutions, the U.S. War on Drugs is a hoax. . . .

“This means, we must uproot and nullify the U.S. support-apparatus behind the 1970s setting-up of the Vesco operations. This must include an assessment of the contamination of the Department of Justice and judicial system by factions which are either politically linked to the Vesco operations of the 1970s, or linked politically to the financial institutions associated with the drug-money-laundering.

“If we do not, kiss the United States goodbye. We are not for long, unless U.S. policy shifts abruptly in the direction I have indicated.”

The U.S. financial system

“The complicating political factor is, that without the flow of funds originating from the multi-hundred-billion-dollar annual international drug-trafficking, the U.S. banking system in its present form will soon collapse. This is key to the success of the Bank of International Settlements and the Ditchley interests' 1985 success in blocking investigation of

drug-money-laundering, the key to the present cover-up of the role and tainted connections of U.S. Attorney Weld.

“The continuation of Fed Chairman Volcker's policy, which he once aptly named 'controlled disintegration of the economy,' combined with the 'conditionalities' policies of that supranational government called the International Monetary Fund, has brought the indebtedness of ruined nations of Ibero-America and elsewhere to the point that these nations will not continue to pay on schedule, because they lack the means to pay. Meanwhile, the internal banking system of the United States is collapsing at an accelerating rate, as a result of the ongoing collapse of agriculture and industry.

“If Jesse Jackson and a propaganda-panicked U.S. Congress has its way, it will soon become much, much worse. Unless Jonas Savimbi obtains military victory in Angola during the coming 'rainy season' campaign, unless the Soviet-run terrorist operation, SWAPO, is defeated, and unless the reform faction of the Republic of South Africa's National Party is able to soon initiate the reforms mooted with the Kwazulu nation, the strategic minerals supply of the entire West will be lost to bloody chaos from Zaire to the Cape of Good Hope. Then, watch the industries and national economies of North America, Western Europe, and Japan collapse, in face of a Soviet monopoly on the present production of strategic minerals. Then, watch the U.S. banking system collapse in a degree beyond the imagination of most today.

“We have alternatives. The needed type of reforms of the U.S. banking system are within reach. . . . I admit, that it is unwillingness to face reality on Federal Reserve and IMF policies, which prompts the administration to believe itself 'blackmailed' into holding off on inquiry into drug-money-laundering through U.S. financial institutions. Such motives are no excuse for the criminal practice of tolerating such a cover-up, or for allying with the drug-laundering interests in malicious harassment of patriots who oppose this evil.”

Legal matters

LaRouche concluded: “Meanwhile, agents of the Department of Justice have been complicit in efforts to have me stripped of adequate security, while the Department fails to act to neutralize criminals who have repeatedly vowed to assassinate me.

“Clearly, the Soviets, certain drug-lobbyists, and others wish me dead as soon as possible. They would like nothing better, than to have me pinned down to a location at which I were vulnerable to prepared assassination, such as a legal proceeding.

“However, you have adequate remedies for this sort of problem. If my testimony is needed for some proper reason . . . it is your personal moral responsibility to see to it that legal pretexts are not used to place me at advantage to those elements of the financial community and drug-interests which seek my early assassination.”

The charges against the Bank of Boston

The following is the official court document filed with the U.S. District Court of Massachusetts on Feb. 9, 1985, charging the First National Bank of Boston with unreported cash transactions in violation of the Bank Secrecy Act—i.e., more than \$1.2 billion in dirty-money laundering. The bank was subsequently fined \$500,000—equivalent of a few days interest on the money it laundered.

Information

COUNT I: (Currency Violations—31 U.S.C. §§5313 and 5322(b)).

The United States of America, by William F. Weld, United States Attorney and Jeremiah T. O'Sullivan, Chief Attorney, New England Organized Crime Strike Force, its attorneys, charges:

1) At all times material herein, The First National Bank of Boston (hereinafter "Bank of Boston"), defendant herein, was a financial institution organized under the laws of the United States of America, with its principal office located in Boston, Massachusetts. Bank of Boston was at all times a National Banking Association, and was a "financial institution" as defined in Title 31 U.S.C. Section 5312 (formerly section 1052).

2) At all times material herein, Bank of Boston was required to file with the Internal Revenue Service (hereinafter "IRS"), Currency Transaction Reports (IRS Forms 4789) for transactions of United States currency in excess of \$10,000, in order that the IRS may gather information concerning large cash transactions, for use in criminal, tax and regulatory proceedings.

3) From on or about July 1, 1980, and continuing through on or about September 30, 1984, in the district of Massachusetts, the defendant, Bank of Boston, a banking institution engaged in the business of dealing in currency, knowingly and willfully failed to file, and caused the failure to file, Currency Transaction Reports (IRS Forms 4789) with the

Commissioner of the Internal Revenue Service, for currency transactions it engaged in, as required by law, as summarized in Appendix A, attached hereto and incorporated herein.

4) That the defendant Bank of Boston was required to file a Currency Transaction Report for each of the currency transactions set forth in Appendix A below, and willfully failed to file said Reports, in violation of Title 31, U.S.C., Section 1081 on transactions occurring before September 14, 1982, and in violation of Title 31, U.S.C. Section 5313 for transactions on or after September 14, 1982, and in violation of 31 Code of Federal Regulations, Sections 103.22(a) (1980) and 103.25 (1980), which offenses were committed as a part of a pattern of activity involving currency transactions exceeding \$100,000.00 within a twelve-month period, to wit:

1980 - \$194,410,422.00

1981 - \$544,721,484.00

1982 - \$269,307,393.00

1983 - \$161,378,672.00

1984 - \$48,864,310.00

TOTAL \$1,218,682,281.00

All in violation of Title 31, U.S.C. Sections 1081 and 1059, and Title 31 U.S.C. Sections 5313 and 5322(b).

The following is an excerpt from the U.S. Department of Justice News Release of the same day.

The U.S. Justice Department today filed criminal felony charges against the First National Bank of Boston, the largest bank in New England, alleging that the Bank knowingly and willfully failed to report to the Federal government of movement of over one billion dollars in cash between the Bank's home office in Boston and various Swiss banks.

United States Attorney William F. Weld of the District of Massachusetts, and New England Organized Crime Strike Force Attorney Jeremiah T. O'Sullivan, said that the Bank waived indictment and pleaded guilty to the felony charge before U.S. District Judge A. David Mazzone.

Judge Mazzone imposed on the Bank a fine of one-half million dollars, which was the maximum statutory fine for the single felony count. The fine had been agreed upon by both the United States and the Bank. Weld and O'Sullivan said that the fine is the largest ever imposed and paid by a financial institution for violation of the federal currency reporting law.

The felony Information filed by the government charged that the First National Bank of Boston had violated Title 31 of the United States Code by conducting large currency transactions with foreign banks and failing to file Currency Transaction Reports for those transactions, as required by federal law. . . .

The Information and an attached Appendix detail transactions with nine banks. The largest amount (\$1.16 billion) were transacted with three Swiss banks, Crédit Suisse of Zurich, Swiss Bank Corp. of Basel, and Union Bank of Switzerland, Zurich.

Soviet disinformation campaign out to sabotage U.S. x-ray laser research

by Charles B. Stevens

In September of this year, the *Los Angeles Times* ran a series of articles attacking Lawrence Livermore Laboratory and in particular Dr. Edward Teller, its associate director emeritus. Robert Scheer, the author of the series and a former editor of the left-wing magazine *Ramparts*, reported on an FBI witch-hunt against Livermore Laboratory beam-weapon scientists, which began with a leak to the *New York Times* of the extraordinary success of the x-ray laser tests. Those tests showed the x-ray laser to be a "robust means" of defending the United States against Soviet nuclear-tipped missiles.

Now, with the FBI reportedly engaged in an "intensive investigation" of scientists who favor President Reagan's Strategic Defense Initiative, the *Los Angeles Times*, in conjunction with *Science* magazine, has begun a campaign of disinformation against this most lethal of all anti-missile shields, selectively leaking classified technical information from scientists opposed to the SDI. The campaign has tried to make the case that the May 1985 underground tests of focusing methods for the x-ray laser were in fact a failure. This disinformation was directed in part at sowing policy confusion during the Reagan-Gorbachov summit meeting in Geneva; but more fundamentally, stopping U.S. x-ray laser research is a top-priority Soviet strategic objective.

As for the claim of these liberal publications that the x-ray laser program is technically flawed, the scientist who headed up the original presidential commission which studied the feasibility of SDI technology, Dr. James Fletcher, stated flatly: "That is simply ridiculous."

Selective leaks

The *Los Angeles Times* reported on Nov. 12, 1985 selected details of top-secret reports from Los Alamos and Lawrence Livermore National Labs on x-ray laser tests obtained from anti-SDI physicists:

- "Three months after the reportedly successful Cottage test [in March 1985—ed.], scientists at the Los Alamos weapons lab reviewed the highly classified data and warned Livermore officials that the results had been distorted because the device used to measure the laser's intensity cannot provide accurate readings." The scientists who reportedly submitted this evaluation were Jack C. Comly, Donald E. Casperson, Nelson M. Hoffman, and Gottfried T. Schappert.

- "An internal Livermore review . . . by . . . Joseph Nilsen reached the same conclusion."

- The reports claim that there was "a problem with beam collimation."

Science magazine on Nov. 8, 1985 had revealed sensitive data on the x-ray laser program along similar lines, in an article titled "Experts Cast Doubts on X-ray Laser." But in this case, defense scientists allied with Georgetown University's Center for Strategic and International Studies, such as Donald Kerr, the former director of Los Alamos, are quoted to the effect that even if the x-ray laser works as well as Dr. Teller and Dr. Lowell Wood predict, it would not be effective for missile defense and would only work as an offensive weapon against space-based defense systems.

Experts refute disinformation

Leading scientists and beam-weapon researchers have now refuted in detail the claims made by the *Los Angeles Times* and *Science*:

- Dr. Robert Jastrow, a leading astrophysicist who has published numerous reviews of SDI research, told this reporter that he had discussed these allegations, including those of the *Los Angeles Times*, with leading x-ray laser researchers and that "they are not accurate statements. There are no fundamental problems in the Livermore x-ray laser program. I know that there is no lack of confidence in Livermore or their x-ray laser program. Technically, what the *Los Angeles Times* raises is not a consequential matter."

- Dr. James Fletcher, director of the 1983 study of SDI feasibility commissioned by President Reagan, declared in an interview with this reporter: "These claims are simply ridiculous. . . . While complicating President Reagan's negotiating position at Geneva is certainly the hope of the people spreading this misinformation, it won't work, because the President doesn't expect much from the Geneva summit anyway. You can't do much in three days." With regard to the contention that the x-ray laser is only an offensive weapon, Dr. Fletcher replied that this could only be based on twisted logic and sophistries. "Offensive weapons to me are ones that produce mass destruction on the surface of the earth," whereas missile defense means denying those weapons a free transit of space. It is precisely the capacity of the x-ray laser for destroying systems in space that make it such an effective means of missile defense.

- A leading SDI scientist: "In terms of the technical data that they purport to reveal, these articles are totally confused."

I am fully informed on this program and I am in no way discouraged."

● Even the *Los Angeles Times* had to report what SDI chief scientist Gerald Yonas replied to the allegations of a test failure: "Substantial progress has been made in the Livermore x-ray laser program. Support of the program is continuing."

● Dr. Lowell Wood, leading Livermore x-ray laser scientist, replied to *Science*: "'Obviously, we aren't satisfied with where things stand, or we would have pushed the weap-

on out the door and we wouldn't be doing a lot of work that we are manifestly doing,' he says. 'Where we stand between inception and production I can't tell you. . . [but] I am much more optimistic now about the utility of x-ray lasers in strategic defense than when we started.' In particular, he adds, there has been 'very substantial improvement, relative to where we started,' in laser beam fractionation and brilliance."

Contrary to the media campaign, the x-ray laser has made startling progress over the past five years. Moreover, it is

Soviet scientists pioneer x-ray laser work

Advocates of a sharp reduction in the U.S. x-ray laser program, such as the *Los Angeles Times* and *Science* magazine, choose to ignore the fact that Soviet scientists have been the *pioneers* in x-ray and gamma ray laser research. Virtually every approach currently being explored in the United States was originally developed by Soviet physicists.

Prior to the first reported demonstration of x-ray lasing by Livermore scientists in 1980, Soviet physicists were publishing more than 10 times the number of papers on this type of research as their counterparts in the West. According to American experts, this rate of publication reflected an x-ray laser research effort at least 10 times the size of that in the West. But just before 1980, Soviet publication of original papers on x-ray lasers abruptly halted—a phenomenon which in the past has generally meant that research has made a transition to actual development.

Consider the following summary indications of the Soviet research effort:

● West German scientist Rolf Engel, in a paper on "The Soviet View of Missile Defense" presented at a June 1985 conference in memory of space pioneer Krafft Ehrlicke, reported that in 1971, Soviet professional journals published "the first designs for an electron-beam-pumped x-ray laser." Then in 1973, "new designs appeared in the professional press for electron-beam-pumped x-ray lasers, and an x-ray laser was described which is pumped by a nuclear explosion. (E. Teller in the United States believed for a long time, that he was the first to propose nuclear-explosion pumping. Contrary to their own better knowledge, the Soviets claim the same thing to this day.)"

● Dr. Peter L. Hagelstein, a leading Livermore x-ray laser scientist, provided a sobering review of the status of

x-ray laser research in his January 1981 Ph.D. thesis, "Physics of short wavelength laser design," documenting the depth of Soviet research:

Electron collisional pumping stirred considerable interest when the Lebedev group reported experimental results. . . .

Recombination as a pumping mechanism was proposed by Gudzenko and Shelepin (1964). . . . The extension of recombination to other sequences is straightforward. Theoretical results for helium are given by Gudzenko et al. (1974). . . . Kononov and Koshelev (1975) examine 4-3 transitions in lithium-like aluminum. . . .

Vinogradov et al. (1975) suggested photoexcitation pumping. . . . Photoexcitation schemes involving optical photoexcitation pumping were discussed in . . . Gudzenko et al. (1974), (1975). . . . Experimental production . . . was reported by Vekhov et al. (1975). . . .

Ion-atom resonant charge exchange was proposed in Vinogradov and Sobl'man (1973). . . .

Vinogradov and Zel'dovich (1977) present theoretical results for multilayer mirrors and find theoretical normal incidence reflectivities which are quite high. . . .

● *EIR*, in its April 24, 1984 issue, reviewed the work on x-ray lasers of A. A. Rukhadze of the Moscow Lebedev Institute and Ya. B. Faynberg of the Kharkov Physicotechnical Institute. Since the early 1970s, these two scientists have led the Soviet effort in this field.

● At a May 1985 Conference on Lasers and Electro-Optics, Dr. Mark J. Eckart reviewed the Livermore experiments, which represented the first unambiguous demonstration of a laboratory x-ray laser in the West. He presented a list of scientific papers which provided the basis for the Livermore work, pointing out that all but one of these papers were by Soviet scientists!

now understood that an effective x-ray laser anti-missile system does not necessarily require the huge energy outputs of nuclear explosions. Dr. Charles Rhodes reported in a paper published in *Science* in September that he has carried out experiments at the University of Illinois which indicate that considerable improvements in x-ray laser pumping efficiencies can be attained in the very near future. Dr. James Ionson of the Defense Department's SDI Office pointed out last spring that Rhodes's experiments could lead to an effective, non-nuclear x-ray laser weapon, and that the research needed to demonstrate the scientific feasibility of this could be completed before the end of 1985.

Lawrence Livermore scientists unambiguously demonstrated x-ray lasing *in the laboratory* for the first time in 1984, utilizing pump beams from the Novette optical laser system. (It should be noted that Soviet scientists had previously reported achieving laboratory x-ray lasers, but had, in most cases, not provided sufficient data to clearly demonstrate these claims.)

Even what the recent published attacks report as a "flaw" in the x-ray laser program may, indeed, actually derive from the overwhelming *success* of the Livermore program. Scientific diagnostic equipment is designed to operate within theoretically predicted parameter ranges. It is well known that the original 1980 Livermore demonstration of x-ray lasing was so successful that the output was beyond the calibrated scale of the detection instruments. Judging from public reports the more recent tests this March appear to have been even further "off scale"; that is, orders of magnitude beyond the theoretical projections which the instruments were designed to anticipate.

The Soviet propaganda line

The clearly implied, though unstated premise of *Science* and the *Los Angeles Times*, is that the Soviet Union is far behind the United States in x-ray laser research. A corollary to this is that it could be easily verified whether or not the U.S.S.R. had developed and/or deployed x-ray lasers. From these assumptions, *Science* and the *Los Angeles Times* attempt to show that the x-ray laser, if it can be made to work at all, will only function as a destabilizing, first-strike offensive weapon. Therefore, if the United States continues its R&D program, the Soviet Union will be *forced* to develop its own x-ray laser, inadvertently enhancing its own first-strike capability and leading to far more destabilizing circumstances than presently exist. On the other hand, if the United States were to unilaterally end its R&D program, the Soviet Union could supposedly be prevented from acquiring such a first-strike weapon, through a nuclear test ban.

This line of reasoning coincides neatly with the propaganda tack taken by the U.S.S.R. From the very beginning of the SDI debate, Moscow has insisted that the x-ray laser is a first-strike offensive weapon, which is being unleashed

Behind the supposed flaw in the x-ray laser

Science and the *Los Angeles Times* contend that Los Alamos National Laboratory scientists found a flaw in the diagnostic measurements made at Lawrence Livermore Laboratory during x-ray laser tests. The instrument for determining the power density of the x-ray laser beam output, in particular, had reportedly failed to operate correctly. While it is impossible to fully assess this assertion without access to top-secret data, the following facts do provide a basis for making a preliminary judgment:

1) One of the primary reasons for having two national nuclear weapons labs is for them to criticize each other's work, to insure a higher quality of research. But these mutual reviews, especially in the case of highly classified weapons work, are written within a very limited context and are not meant for general circulation. The restricted nature of these "internal" critiques is not designed to hide anything, but to permit the greatest freedom of comment to the critic. Yet the limited nature of these internal critiques would make it possible for an interloper to take them out of context and construct a case for flaws in any major experiment.

2) It is well known that the first x-ray laser experiments were *far more successful* than the original theoretical projections. As a result, the upper limits for the x-ray laser beam brightness were not fully measured by the experimental diagnostics. It is most likely that this is also the "flaw" in the most recent x-ray laser tests; that is, *they have produced beams too powerful to measure with existing types of diagnostics.*

3) The ability to concentrate electromagnetic energy is determined by how short the wavelength of that energy is. (The theoretical power density varies inversely with the square of the wavelength.) The x-ray laser, having the shortest wavelength of any laser yet operated, means that it is producing a range of energy flux densities never before directly observed. Unclassified experiments with concentrated beams from ordinary optical lasers have produced highly non-linear and complex phenomena, whose interpretation is still a topic of heated debate. It would be expected that even more complex phenomena would be seen in the case of the x-ray laser.

upon the world by the fanatics of the Pentagon.

The facts completely demolish this line. First of all, as detailed in the accompanying box, the U.S.S.R. has been the world's leader in x-ray laser R&D, with an effort at least 10 times greater than that of the United States. Second, the successful operation of a laboratory-scale x-ray laser by Lawrence Livermore scientists in 1984, categorically demonstrates that it is possible to perfect x-ray lasers in complete secrecy. The only way that one could verify the status of Soviet—or for that matter U.S.—research on x-ray lasers, would be to have scientists working in collaboration with Soviet researchers in all of their laboratories. President Reagan has made such a proposal; but the Soviets, the *Los Angeles Times*, and *Science* have only responded with a deafening silence.

The importance of the x-ray laser

More significantly, the x-ray laser has the greatest potential of any device presently being researched for effectively defending against a massive, first-strike missile salvo. It is precisely this type of disarming, surprise first-strike capability that the Soviet Union has been building up to, with its growing force of land-based ICBMs. The x-ray laser threatens to undermine this capability in the very near future.

Two qualities of the x-ray laser give it this unique capacity:

1) **Firepower.** The x-ray laser is extraordinarily energy-

dense; the first x-ray laser weapon deployed will have the capability of destroying more than a score of offensive missiles. But even today, the scientific basis for far greater firepower potentials is being developed. *The basis for projecting the development of a single x-ray laser weapon with the firepower to destroy the entire Soviet missile fleet with a single shot already exists.*

2) **Mobility.** Weighing less than a few hundred pounds, shooting at the speed of light, and having the potential for firing ranges in excess of 100,000 miles, the x-ray laser is the most reliable and easiest missile defense system to deploy.

SDI chief scientist Dr. Gerald Yonas pointed this out to *Science* when he stated: "I don't know of anything that has the combination of lightweight power supply and speed of light kill. What else is there?"

One possible deployment would be to place x-ray lasers on top of small submarine- and aircraft-launched hypervelocity missiles deployed near Soviet missile fields. Less than 50 of the first prototype would have to be "popped up" to constitute a realistic counter to a Soviet first-strike salvo. Later models could achieve the same result with just a couple of x-ray lasers. And it would be virtually impossible to detect such a deployment of x-ray laser missile defense. Therefore, even just the threat of x-ray laser development must decrease the certainty of Soviet calculations for a successful first strike.

It is little wonder that Russia has pulled out all the stops to curtail and destroy the U.S. x-ray laser effort.

A COMBAT MANUAL for the WAR ON DRUGS

"We must have a formal declaration of war, against narco-terrorism as an entity, and fight it as necessary by the methods of war. It's a war we could fairly easily win, or at least establish major victories in the Caribbean area."

—Lyndon H. LaRouche

EIR's Special Report, "Soviet Unconventional Warfare: The Case of Guatemala," shows who is trying to turn Guatemala into the newest wholly-owned plantation of the international drug mafia—and how to stop them. The dope pushers have a six-month timetable for smashing the resistance of the Guatemalan military. Yet the U.S. State Department has maintained the Carter administration's boycott of aid for the Guatemalan anti-drug effort, on grounds of "human rights violations."

Also available are a slide show and a 25-minute videotape, including on-the-scene action shots, and interviews with military officials in the United States and Guatemala.

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Order from your regional **EIR** representative or from: **EIR News Service, P.O. Box 17390, Washington, D.C. 20041-0390.**

Abrahamson answers the SDI critics

Lt.-Gen. James Abrahamson, head of the Strategic Defense Initiative program, delivered an extraordinary two-hour briefing to the Pentagon press corps here Nov. 26 to demonstrate that progress in the SDI program is now very rapid.

Abrahamson's legendary patience was stretched to the limit by the cynical Pentagon press corps, at least the reporters representing the major news outlets. Before the beginning of a briefing, they characteristically exchange loud quips expressing their total contempt for Pentagon officialdom, and consider it their purpose in life to challenge the integrity of Defense Secretary Weinberger or anyone representing the SDI.

Abrahamson went through a detailed explanation of why the experiments of blowing up Titan missiles with a laser was an extremely important exercise to demonstrate the ability to adjust the tendencies of the heavy, lower-level atmosphere to distort the power of the laser. This is absolutely key to getting a ground-based laser up through the atmosphere into space, where its continued propagation becomes easy over thousands of miles.

A reporter then asked: "A number of people say that some of the tapes you release are basically stunts designed to impress the American public."

Abrahamson clarified some very critical issues:

- Overall, the program is "com-

ing along very well. . . . We are seeing invention and innovation coming along at just an incredible pace. . . . I'm lots more confident.

- "Are we ahead of the Soviets? I don't think so. . . . They have an operating system today that they have been operating for a decade and a half. . . . I think they are ahead of us quite substantially."

- "Some people are still talking about terminal defense and that that's what we are about, and we are not about that. We are about a layered architecture [as many as seven layers—ed.], and of all the layers, the first one is the most important."

- "The depressed trajectory [of the submarine-launched cruise missiles] is one of the areas our critics keep saying can't be handled by SDI, and that is absolutely wrong. . . . We do need some terminal defense in order to reduce overall leakage and to defend against the depressed trajectory kind of threat."

- "Where we've really made incredible progress is at the Lawrence Livermore Laboratory on a free-electron laser there where we think it is the most efficient one in the world."

- "We have very operative programs . . . and some of them coming up with very innovative ideas" for dealing with counter-measures. Most of this is classified, Abrahamson said.

- Referring to the pointing and tracking simulator he dedicated at the Martin Marietta Company at the end of November, Abrahamson said testing will begin within six months. The aim is "to be able to use a laser and to be able to destroy a missile, a booster, several of them per second. That's the kind of challenge we're after."

- Simulating experiments with the so-called "airborne optical adjunct" of the SDI does not "bump up against the ABM treaty," as one reporter argued,

because, as the general explained, "it does not have the capability all by itself to act as a component. That is the fundamental reason."

- Abrahamson spoke of the development of a new material, gallium arsenide, which duplicates the function of silicon used in computers, but is radiation-resistant: A nuclear explosion in the atmosphere cannot knock out an SDI system.

- He spoke of a number of other "advanced materials technologies" where breakthroughs are occurring for the SDI that will have profound impact on the industrial economy as well. For example, a fiber-optic gyro, which reduces the weight of the equipment "in an incredible way and still performs the gyroscopic function with the kind of accuracy that we're working on."

- Another materials technology breakthrough area identified was capacitors (which store energy), where at Sandia Labs, a new material was invented, with increased capacities. Abrahamson then showed the reporters a silver-dollar sized sample of a material capable, he said, of "somewhere between 100 and 200-fold increase" over older capacitors. "We're actually leap-frogging, and that's what I mean by the inventive stage of the program," he said. The new capacitor can store as much as 30,000 joules in a single kilogram.

- He also passed around to the reporters a component the size of a stick of gum which turned out to be a "cryogenic refrigerator" that can get down to 70 degrees above absolute zero.

Abrahamson concluded by saying that despite the great progress in the program, budget cuts are hurting the effort badly. This, he said, is forcing decisions "which are premature, I'm sure," to cut certain lines of research.

National News

CSIS study forecasts 'hollow' military force

A year-long study by a panel of Georgetown Center for Strategic and International Studies (CSIS) military experts, led by Adm. Harlan K. Ullman, concluded that even if the Congress grants real defense budget increases of 1.5%, it will force the United States to choose between "two unpalatable geopolitical futures," reducing commitments in either Europe or Asia.

The military will have to cut three army divisions, six tactical fighter wings, and three carrier battle groups by the end of the decade to maintain current levels of readiness, the panel concluded.

The more likely result of such budget restraints, the panel said, would be to cut readiness to the levels of the late 1970s, making the U.S. military "a hollow force."

Adm. Thomas Moorer, an intimate of Henry Kissinger, warned Secretary of Defense Caspar Weinberger against "intransigence" in the budget debate. He said the Pentagon "cannot afford to ignore fiscal or political reality, even though that reality may mean lower levels of defense spending."

McNamara criticized by congressman

Rep. Robert Dornan blasted former Secretary of Defense Robert "Body Count" McNamara for undermining President Reagan's Strategic Defense Initiative with his own outmoded mutually assured destruction (MAD) doctrine.

The heated exchange took place on ABC's Nightline show after the President's address to Congress on the Geneva summit meeting with Soviet leader Mikhail Gorbachov. The format of the show allowed members of Congress to question U.S. and Soviet "experts" on the Geneva results. Moderator Ted Koppel had McNamara and Undersecretary of State Eagleburger representing the U.S. side. By satellite from Moscow, Georgii Arbatov was flanked by a So-

viet "scientist" and a party official.

The love-fest "cover" was ripped off when California Republican Dornan angrily attacked McNamara as the author of the MAD doctrine, and as the "body count" expert who "brought us the Vietnam war" that led to the "senseless deaths" of thousands of young men. Dornan demanded to know how McNamara could continue to justify MAD when Reagan had clearly enunciated a policy that could end the threat of nuclear war forever.

Green Party leader drops law suit

Attorneys for New Solidarity International Press Service learned on Nov. 25 that Petra Kelly, one of the leaders of the West German Green Party, has filed papers seeking to dismiss her own lawsuit against NSIPS, the publisher of *EIR* and *New Solidarity* newspaper.

Kelly sued NSIPS in June 1983, alleging that she had been libeled when the news service called her a "whore," "Nazi," "fascist," and "terrorist."

Kelly submitted an affidavit claiming that she was not continuing her lawsuit because she was "too busy." She submitted a 200-page report on Green Party activities to support the contention.

Kelly's affidavit contradicts the representations of her attorneys, who sought in August to negotiate a voluntary dismissal of the action because they admitted they could not succeed on the merits of the case.

New Solidarity and NSIPS are now exploring the prospects of a countersuit against Kelly for the damages suffered due to her frivolous lawsuit.

Weinberger defends Philippines bases

Secretary of Defense Caspar Weinberger says the United States will not give away American bases at Clark Field and Subic Bay in the Philippines. Weinberger told Reuters editors that, despite the "substantial

insurgency" against President Ferdinand Marcos, he does not see "the risk to [U.S. interests] as unmanageable or anything of the kind."

Given stepped-up Soviet presence in Vietnam, Weinberger said U.S. bases in the Philippines "are extremely valuable facilities and we don't want to do anything that would add to the Soviets' ability to add any more bases or capability in that region."

Kemp says he is not a homosexual

Rep. Jack Kemp (R-N.Y.) has denied reports that he is a homosexual. In an interview with the *Baltimore Sun*, a spokesman for the presidential aspirant confirmed that Kemp has again denied his involvement in a homosexual party in Lake Tahoe, California in 1967.

The late Drew Pearson had reported a "homosexual ring" operating in the office of then Gov. Ronald Reagan, and that "an athlete" was involved in a homosexual party at Lake Tahoe. Kemp, at the time a professional quarterback working part time for the governor's office, said he had an investment in Lake Tahoe, but never visited the lodge.

Kemp aide Roger Stone is quoted as saying, "I'd rather deal with it now than after he wins the New Hampshire primary."

Newspaper insists war on drugs is real

The Washington Times, at least, seems to have taken note of *EIR* charges that Attorney General Edwin Meese's "war on drugs" is a phony, because a deal has been made with financial interests not to prosecute for their laundering of drug money.

In a long feature article, the D.C. newspaper does everything possible to imply that the U.S. government is cracking down hard on drug-money laundering and that banks are rushing to comply with laws already on the books, which they just didn't know about.

The Nov. 24 article, "A Bank, Not a Laundromat," reports on the laundered

amount of money and the corresponding fines for four New York banks and the First National Bank of Boston. It also lists the banks which are being investigated. One IRS official estimates that "\$80 billion or more is laundered annually through the nation's financial institutions." But, says the article, banks are now rushing to comply with reporting laws to the point of holding "money laundering prevention seminars" for their employees.

Senators legitimize Philippines guerrillas

Four U.S. Senators have sent a letter to President Ferdinand Marcos of the Philippines which implies strongly that the guerrilla insurgency against his government is a legitimate response to lack of political freedom.

Senators Richard Lugar, Claiborne Pell, Alan Cranston, and Frank Murkowski demanded that Marcos ensure "free and fair" presidential elections, scheduled for next February. They then said:

"We believe that the Philippines is at a crossroads. . . . If the elections are not free and fair, we fear that many Filipinos will despair of the prospects for peaceful political change and will conclude that they have no choice but to resort to violent means. . . ."

Commission issues debate recommendations

The privately funded Commission on National Elections, chaired by Robert Strauss and Melvin Laird, has recommended party-to-party arrangements for televised debates between presidential candidates

The commission, which is affiliated with Georgetown's Center for Strategic and International Studies, held a press conference at which Democratic and Republican Party leaders Paul Kirk, Jr. and Frank Fahrenkopf, Jr. signed a document agreeing to party-sponsored TV debates between presidential candidates in the 1988 campaign.

Dorothy Riding of the League of Women Voters protested the move as leading to

exclusion of third candidates, and setting a forum in which either candidate could back out at the last moment.

Congressmen reject aid to Savimbi

Congressional liberals have rejected aid to Angolan rebel Jonas Savimbi. Led by Rep. Howard Wolpe (D-Mich.), 101 congressmen have sent a letter to President Reagan urging that no overt or covert aid be provided to anti-government forces in Angola.

The letter claimed that such aid would "damage our relations with governments throughout Africa."

Wolpe also circulated a letter from David Rockefeller, who said that aid before all chances for negotiations had been exhausted "would promote a more confrontational and more direct involvement by the United States in the complex nexus of southern Africa."

On Nov. 25, White House spokesman Larry Speakes said the President has not yet decided whether to authorize a covert aid program.

Oregon voters to decide on marijuana

A proposal for the total legalization of marijuana for private use will be on the Oregon ballot in 1986. Oregon Secretary of State Barbara Roberts certified more than 70,000 signatures collected by the Oregon Marijuana Initiative and NORML to put a proposal on the ballot which "legalizes private possession and growing of marijuana for personal use."

Oregon State Police Superintendent John Williams said he was happy to see the issue on the ballot. It would give voters a chance to kill it once and for all. "I'm glad to see it there and I hope the responsible public in Oregon will speak with a loud voice and say 'no,'" he said.

"If we introduce another mind altering drug in our society, we are just going to add to the problems we already have with alcohol."

Briefly

● **MEIR KAHANE** has reached a deal on his disputed U.S. citizenship which will allow him to travel to the United States on Nov. 28 on a "certificate of identity" granted by the U.S. consulate, indicating that his citizenship is under dispute. Kahane, the noted U.S.-Israeli terrorist and fascist, said he expects to meet with Sen. Jesse Helms (R-N.C.), whom he described as "very supportive."

● **THE U.S. NAVY** has identified the submarines to be dismantled should President Reagan decide to continue compliance with SALT II: the USS Nathan Hale and the USS Andrew Jackson, two Poseidon nuclear submarines. A decision by the President is expected by Dec. 31 when the unratified SALT II accord would have expired.

● **100 PERSONS** demonstrated outside as New Jersey congressional candidate Elliot Greenspan and *EIR* managing editor Susan Welsh took the stand before a grand jury in Boston Nov. 26. Mrs. Welsh was cleared of contempt charges stemming from an appearance two weeks earlier, when she asserted her right not to testify about her husband. Drug-linked U.S. Attorney William Weld convened the grand jury as a fishing expedition against Lyndon LaRouche, *EIR* founder.

● **DOCUMENTS** from the U.S. Justice Department on its prosecution of E.F. Hutton on check kiting charges will be subpoenaed by the House Crime subcommittee. The subcommittee, chaired by Rep. William Hughes (D-N.J.), cited "major gaps" in material provided so far, and asked the Justice Department to turn over the documents by Nov. 29.

The power of Reason

Nothing of its form, content, or historic importance has occurred since the 15th century Council of Florence. The Pope has convened an "Extraordinary Synod" of Bishops in Rome. That Synod is now reasserting, on the basis of papal authority, i.e., Reason, not collegial consensus, those fundamental values of morality and science which have been systematically eroded over the past few decades.

So what? You are not a Catholic, you say? What the Synod is asserting as first principles are truly *catholic*, universal, ecumenical. Ironically perhaps, in so doing, the Synod is wrecking current "ecumenical" negotiations with the Russian Orthodox Church, and properly so.

The Synod began with a banner headline in the Vatican newspaper. That headline stated: "The Holy Spirit Proceeds from the Father and *from the Son—Filioque* in the Nicene Creed.

With that headline, the Pope all at once rejected any "ecumenicism" which would seek unity between the churches of East and West by eliminating the moral principles of the West.

The essence of Christianity is that the human mind is of divine substance, with the potential, therefore, to do the creative work of the Father. Each individual life and mind is therefore sacred, must be free to develop its full potentialities for Reason, and yes, has a duty to do so. The state has the duty to foster conditions favoring development of its individual citizens' potentialities.

That, you will recognize, is the idea behind the American Declaration of Independence, Constitution, and Bill of Rights, and all positive development in 2,500 years of Western civilization, dating from some centuries before Socrates. Socrates was assassinated by agents of an Eastern empire, because he asserted that Reason is authority, not mere opinion ("orthodoxy"), even the opinion of majorities. Authority is universal law as comprehended by the reason of developed individuals.

By contrast, the cultural well-spring of political

communism in the East today, is the Russian-led Eastern churches' rejection of *Filioque* in favor of a doctrine of "collective soul" submerging and denying the value of the individual.

There has of late been a major, Anglican-centered push to drop *Filioque* to achieve an "ecumenical unity" with the Russian Church. This, so to speak, is the religious side of Henry A. Kissinger. It is an expression of the "New Yalta" deal between the Anglo-American oligarchy and the Kremlin, a granting of world empire to Moscow.

The Vatican, at least, has now said: No.

The Extraordinary Synod has also made explicit a related issue of profound and immediate political importance. American independence was declared, and the revolution fought, against the economic looting policies of Adam Smith, conducted in the name of "free trade" and "free market." (The reader will be interested that the next notable call for "free trade" after Smith's 1776 *Wealth of Nations* appeared in Karl Marx's *Communist Manifesto*.)

At the Extraordinary Synod, Joseph Cardinal Ratzinger of Munich has attacked Adam Smith by name, because of his separation of politics and economics from morality (again, *Filioque*). For the same reason, Ratzinger attacked David Rockefeller by name. He attacked the postwar monetary system, embodied in the International Monetary Fund, by name.

To put it another way, the Papacy has denounced the economic policy of the United States government as immoral, and, as evidenced in the Church's support for the policies of Peru's Alan Garcia, is going to work to change a situation which has seen the pestilence of usury, embodied in the U.S. government and IMF's "free market" policies, produce genocide in various parts of the world, and a burgeoning global drug traffic as the only "growth industry."

We stress that this is an ecumenical matter, not just Roman Catholic policy, and we wish that extraordinary support be extended to Pope John Paul's Extraordinary Synod.

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