

EIR

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What the Illinois vote means for 1988
KGB tried to link LaRouche to Palme killing

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Lyndon H. LaRouche, Jr.

Editor-in-chief: Criton Zoakos

Editor: Nora Hamerman

Managing Editors: Vin Berg and Susan Welsh

Contributing Editors: Uwe Parpart-Henke,

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EIR

From the Editor

The photograph on the cover was taken nearly four years ago, in 1982. It shows activists for the National Democratic Policy Committee in California, organizing U.S. support for "Operation Juárez." The NDPC is the political action committee which Lyndon LaRouche helped found in 1980, as the political vehicle for patriotic Democrats who were sickened by the treasonous Carter-Mondale policies.

In mid-1982 LaRouche issued "Operation Juárez" as a positive plan of action by the Ibero-American debtor nations. He named it to honor the collaboration between two great patriots and nation-builders of the last century—U.S. President Abraham Lincoln (the last "radical" who built a movement to save the nation starting from Illinois), and his ally, the "Benemérito de las Americas," Mexican President Benito Juárez, who stood up to the European monarchies when they tried to destroy Mexico to collect their usurious debts.

As the photo indicates, LaRouche's policies have not been hidden to the American public over the last several years. It is only the obsessively stupid liberal politicians and media that can claim to have suddenly "discovered" the existence of these policies, in the form of a mass voter rebellion. In this week's *Feature* (page 32 ff.), we outline the plan for concrete implementation of Operation Juárez. In the *Economics* section, we report on some of the horror stories reaching our bureaus as the present, rotted world monetary system lurches toward its end.

The *Investigation* documents how the Soviet KGB, which fears the growth of LaRouche's mass support more than anything, spread its preposterous lies against LaRouche through "Western" media outlets. As of this writing, many have still published *no retraction* of the libel that the killer of Swedish Premier Olof Palme was linked to LaRouche associates. Appropriate legal action is being prepared.

The *Science & Technology* section exposes that the only reason the United States has a "nuclear waste problem" is because of liberal obstruction of reprocessing and storage programs under Carter, then sabotage under Reagan in the name of "free enterprise." Other liberal sacred cows are buried in *National*, as Leif Johnson takes on the Adlai Stevensons.

Nora Hamerman

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Special Report



NSIPS

This demonstration by the National Democratic Policy Committee in San Francisco in 1982 was protesting Henry Kissinger's debt-collection policies in Ibero-America.

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Clarification:In *EIR*'s March 28 issue, the vote tabulation from the Illinois primary printed on page 65 shows the results after 95% of the votes were counted, at a time when NDPC-backed candidate Mark Fairchild was still trailing in the election. The remaining 5% of the vote came from rural downstate Illinois, and was overwhelmingly for Fairchild, producing his winning margin.

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\$10-15 oil price makes Texas banks unsalvageable

by David Goldman

OPEC ministers' failure to agree upon a price-support plan for oil was the final blow to southwestern commercial banks and savings and loan associations, already the subject of speculation during the past several weeks. BancTexas has been unable to find a merger partner after months of searching, and will fail without one; Texas Sen. Philip Gramm (R) (as in Gramm-Rudman) has proposed to soften the state's tough restrictions on interstate banking, in order to permit one of the major New York banks to acquire it on the Maryland S&L model. First City National Bank of Houston has also been the subject of rumors about impending failure.

As the following analysis shows, the entire group of major Texas banks, with one exception, have no hope of survival if current oil-market conditions prevail—and less because of energy loans than because of the real-estate lending spun off from the state's energy economy.

According to the Federal Deposit Insurance Corporation's March 24 statement, 563 U.S. banks have lent a collective \$60 billion to more than 600 independent energy producers who stand to be ruined by the collapse in oil prices. This \$60 billion amounts to 25% of the aggregate capital of these banks. However, \$57 billion of these loans were held by large regional banks with assets of more than \$1 billion each. The regional banks which hold the overwhelming majority of energy exposure are concentrated in Arkansas, Louisiana, New Mexico, Oklahoma, and Texas. Of these, the most concentrated group of energy lenders are the major Texas banks.

As noted above, federal bank examiners are now treating Texas as a potential disaster area, and the imminent failure of several major banks, including First City National Bank and BancTexas of Houston, has been the subject of widespread speculation.

Attention has centered one-sidedly upon these banks' extensive energy loans, as well as their loans to oil-dependent developing nations, especially Mexico and Venezuela. In fact, these loans take second and third place, respectively, to these banks' problem real-estate loans. In a market where *current* vacancy rates for prime commercial real estate are in the range of 40% *before* the effects of the oil price collapse are fully registered, the real-estate bombshell could take down virtually all of the major Texas banks, producing a situation much worse than that of the 1930s.

These conclusions are obvious from the following analysis of Texas banks' balance sheets: The banks have, in fact,

TABLE 1
Energy and real estate loans as a percentage of banks' total loans at year-end 1985

Bank	% energy	% real estate
Allied Bank	8.6	36.4
BancTexas	7.9	32.4
First City Banc.	18.9	31.4
Cullen/Frost	6.9	37.2
InterFirst	15.9	36.8
MCorp	11.2	34.3
National Banc.	3.4	38.6
RepublicBank	12.8	32.7
Texas American	9.6	44.0
Texas Commerce	17.6	31.2
Victoria Bank	5.7	38.2
Texas average	10.8	35.7

(Source: Paine Webber Mitchell Hutchins)

charged off a substantial portion of their problem energy loans since oil prices began to weaken in 1983, but have charged off a negligible proportion of their real-estate loans. The second, heavier, shoe, has yet to drop.

Real estate worse than energy

As **Table 1** indicates, real-estate loans have roughly three-and-a-half times the weight of energy loans in Texas banks' portfolios.

In fact, Texas banks have followed the usual procedure for reducing exposure to the energy sector. They reduced their total energy loans from \$13.766 billion in 1982 to \$12.075 billion in 1985. However, they drastically increased their exposure in the real-estate sector, which, as reported below, is in disastrous condition. Most real-estate ventures involve a limited cash flow ultimately related to oil income, leveraged with a great deal of outside financing. Oil is the small wheel that turns the big wheel of real-estate speculation. It appears that the response of Texas commercial interests to the downturn in oil-drilling during 1982 was to shift heavily into real estate, particularly under the encouragement of the 1981 tax code.

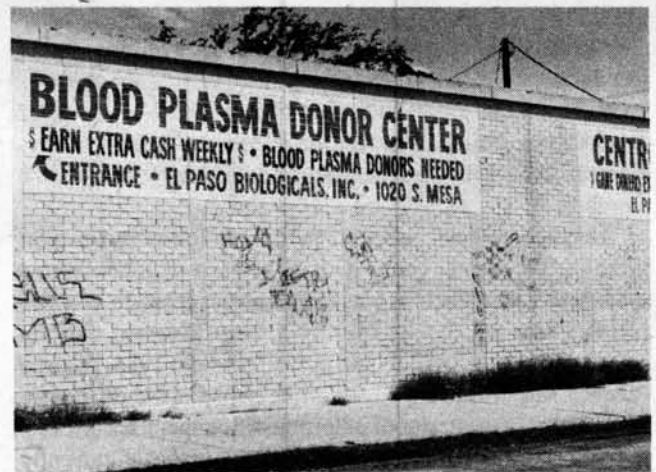
Tax reform: the worst yet to come

As *EIR* reported previously, tax reform will pour gasoline onto the fire. Sen. Robert Packwood's (R-Oreg.) current version of tax reform restores certain benefits to energy, agriculture, and some heavy industries, but proposes an even tougher approach to the elimination of tax benefits in the case of real estate.

The various versions of tax reform in circulation eliminate the features of the 1981 code which sucked money into commercial real-estate development: The total amount of available depreciation is less; rather than 19-year declining-balance (accelerated) depreciation, the various administration and Ways and Means Committee proposals prescribe 30-year straight-line depreciation. A study by the "big eight" accounting firm Price Waterhouse estimates that the value of depreciation benefits will fall by 40% under the Treasury option, the Ways and Means Committee option, and the final version passed by the House, for real estate held for 30 years. Although no such analysis has been conducted upon the current Packwood proposals, the impact will, if anything, be greater.

Also, appreciation of property held for investment purposes would not be taxed at the 20% capital gains rate, but at the 35% ordinary rate, under the tax reform proposals.

Price, Waterhouse concludes that the rate of return on 80%-leveraged real estate would fall by 40%. That is the most typical case for the major commercial office market, in Texas, as well as in Denver and other oil-producing areas. After the second oil shock in 1979, southwestern oil interests dove headlong into the real-estate market, sheltering their enormous oil income through the beneficial provisions of the 1981 tax bill. Between 1981 and 1983, the projects coming



NSIPS/Michael Micale

With the collapse of the real estate boom in Texas, unemployment is rising among construction workers especially. At the rate things are going, selling blood will be the only way for some to earn a living.

on line now in Houston, Dallas, Phoenix, and Denver were submitted to accounts, in the midst of an unprecedented oil boom.

The oil boom ended in 1983. The number of rotary rigs in operation in the United States fell from 4,467 in the first week of 1983 to 2,874 by the middle of the year. By the first week of 1984, rigs in operation were down to 2,710, and down slightly, again, to 2,576 in the first week of 1985. The present rig count is under 1,600 and falling sharply. However, the office-building boom continued under its own momentum, since most of the projects begun in the boom days were scheduled for completion in 1985-1986. The construction boom shut down flat in the middle of 1985, leaving the major southwestern cities with 40-story ghost towns in their urban centers.

Even before tax reform hits the fan, the present bad-loan rate on commercial and multi-family residential real estate is in the 15-20% range: a striking conclusion. It is less striking in consideration of a national vacancy rate for office space estimated at 16%. In reality, the vacancy rate is much higher than the usual estimates.

According to the fall/winter 1985 survey of the real-estate market published by the Office Network:

- The national vacancy rate is leveling off at 16.3%, after climbing continuously since 1980. The rate was 16.4% at the beginning of the year.
- Current construction of 177.1 million square feet exceeds that of the 1981 boom and defies the double-digit vacancy rate.
- The national average rental rate has hit a new high of \$22.32 per square foot. Quoted rental rates, including on space not yet completed, are expected to continue escalating as space under construction is completed and added to the existing market.

- Absorption reached a new high of 75.9 million square feet during the past 12 months.

- Available space, including uncommitted space under construction, has reached the 365.9 million square-foot level, an amount 4.8 times the absorption figure for the past 12 months.

These remarkable numbers permit the following insight: If the vacancy rate is calculated on the basis of uncommitted space under construction plus existing vacant space, *the true vacancy rate is 27.4%*. Even if it were assumed that the absorption rate of 1985 would prevail through 1986, the true vacancy rate would be 23.9%. We can split the difference and say that one-quarter of all prime office space is currently vacant. In Houston and Dallas, vacant space is currently listed at 28%, and new construction already on line is expected to bring this level up to 40% in the course of 1986.

Most significant in this regard is that resale prices have not yet softened, and rents have continued to rise, from a national average of about \$19 per square foot in 1981, to an estimated \$22 per square foot at the end of 1985. The biggest year for major sales of real estate in U.S. history was 1985, with 23 sales in excess of \$500 million. Even Goldman, Sachs took the opportunity to sell off their headquarters building while the going was good.

The conclusion we may draw from this singular behavior of the real-estate market—a combination of astronomical loan-delinquency and vacancy rates, with still-rising rents and prices—is that *bankers and developers have engaged in a massive fraud to preserve the nominal values of commercial properties, and avoid writing down the values of loans on their books.*

The holes in Texas banks' balance sheets

Although the Texas banks have acted prudently in writing off energy loans, they have hardly begun to write off their real-estate loans. We calculate a 20% loan-delinquency rate on commercial real-estate loans nationally on the basis of hard data reported by the Federal Home Loan Bank Board; numerous interviews in the banking and real-estate industry confirm that this figure is, if anything, an underestimate. We calculate a minimum 30% loan-delinquency figure for Texas, based on the higher (40%) Texas vacancy rate for commercial properties. Assuming that the overall Texas rate for real-estate loan delinquencies, including residential properties, is half of the commercial rate, or 15%, writing off bad real-estate loans would cost the banks 5.25% of their total assets, and virtually their entire shareholders' capital—without taking into account energy or Third World loans.

The Texas banks' charge-offs of real-estate and energy loans amounted to 40% of total loan charge-offs in the case of energy, and 10.2% of total loan charge-offs in the case of real estate, at year-end 1985 (Source: Paine Webber Mitchell Hutchins).

As conditions stood in the Texas real-estate market at the

TABLE 2

Reduction in Texas banks' book value

Bank	Aftertax per share additional provision	Adjusted book value	Change in book value
Allied Banc.	\$5.60	\$10.34	-35.2
BancTexas	n.a.	n.a.	n.m
Cullen/Frost	9.88	12.90	-43.4
First City	11.35	13.24	-46.1
InterFirst	8.77	8.83	-49.8
MCorp	13.64	12.50	-52.2
National Banc.	6.33	11.96	-34.6
RepublicBank	17.41	22.80	-43.3
Texas American	16.63	18.17	-47.8
Texas Commerce	14.68	21.25	-40.9
Victoria Bank	2.87	16.89	-14.5

(Source: Paine Webber Mitchell Hutchins)

beginning of 1986, i.e., before the crash in oil prices, the true rate of loan charge-offs dictated by market conditions should have been several times larger than the reported rate. That conclusion is obvious: If real-estate loans are three-and-a-half times as important to the banks as energy loans, and delinquency rates, all things considered, are comparable, the loan charge-off rate should be similar. In other words, total loan charge-offs for Texas banks will, according to normal banking practice, be in the range of four times the current rate.

At this point, all but one of the major Texas banks would be unsalvageable, even under the most generous criteria the bank regulators might devise. Paine Webber conducted a hypothetical exercise, published Feb. 26, 1986, concerning the changes in Texas banks' book value under various assumptions. Assuming

- 1) \$15 per barrel oil;

- 2) a 10% charge-off of general commercial and industrial loans and real-estate loans;

- 3) a 5% charge-off of consumer loans; and

- 4) a 25% charge-off of Mexican and Venezuelan loans and aggregate energy net chargeoffs,

Paine, Webber projected those reductions in Texas banks' book value, from the current reported level, that are shown in **Table 2.**

By the above criteria, any bank whose book value would decline by 40% or more under the Paine, Webber, scenario, would have negative book value under a more realistic set of assumptions concerning the oil price, as well as the Texas real-estate market. Among the major Texas banks, it appears that the Victoria Bank is the only one whose problems remain under the danger line.

Ibero-America says no to the new Baker debt proposal

by Mark Sonnenblick

At the annual meeting of the Inter-American Development Bank (IADB) in San Jose, Costa Rica, March 25-26, Ibero-American debtors rebuffed U.S. Treasury Secretary James Baker's attempt to choke off one of the only remaining international credit sources which lends to countries without forcing them to submit to the ravages of the International Monetary Fund (IMF). Baker reportedly proposed to double U.S. contributions to the IADB if his ultimatum were granted, and to cut off contributions if not.

Baker demanded that the IADB stop issuing loans for development projects, and begin to impose "adequate conditionalities" of austerity upon recipient countries—like the IMF. The IADB is a small loophole in the IMF's credit monopoly, which Baker seeks to close.

The IMF has given Peru an April 15 deadline to pay \$70 million in arrears, or find itself subject to total economic warfare. Peruvian President Alan García's declaration of independence from "colonial tutelage by the IMF" is not the "gesture of bravado" the *Wall Street Journal* says it is. García believes capital must flow into building the productive sectors and infrastructure needed for development, not to pay usurious interest. Peru says it cannot afford to pay more than 10% of its exports for debt service, without starving its people. And that 10% goes only to credit sources which continue to lend to Peru. That means not a penny for the IMF.

Yet, García has shrewdly avoided the temptation of haughtily walking out of the IMF. He will probably let the IMF, which has earned itself the hatred of even those countries which have licked its boots, arrogantly commit what will be widely viewed as "economic aggression" against Peru. Peruvian leaders seem ready to roll with the punches. They are betting on the IMF triggering such an outburst of solidarity with Peru from other debtors, that the move would backfire on the IMF.

Although debtor solidarity has tended to be exclusively rhetorical, it could become explosive under conditions of "a financial Malvinas" fought against Peru. The solidarity of Ibero-American countries in rejecting the imposition of IMF-style conditionalities at the IADB meeting was probably the broadest show of debtor unity to date. Even those nations which have submitted to IMF conditionalities stopped acting from short-sighted perceptions of self-interest and joined a solid debtor front in defense of sovereignty. That should, but



NSIPS/Stuart Lewis

James Baker III: His vaunted plan for dealing with the debt crisis was a desperate attempt to head off the threat of a debtors' cartel, and the threat of a banking collapse. But Ibero-America is not buying this—or his latest move to impose IMF austerity conditionalities on the IADB.

probably will not, pop the complacent dreams of American bankers and financial media about how they have been able to divide and conquer debtors, since "every country's situation is different."

Debtors have precious little to lose in joining Peru. Baker's deputy assistant James Conrow told the IADB meetings that under the vaunted "Baker Plan," banks must receive "favorable earnings on assets." That burst the illusions of countries like Mexico of submissively negotiating interest rates lower than prime or LIBOR.

At the end of the meeting, IADB president Antonio Ortiz Mena, who backs the "Baker Plan" and opposes Peru's efforts to restructure the world financial mess, forecast, "Until well into the 21st century, Brazil, Mexico, Argentina, and Venezuela will suffer the same economic situation as today, due to the debts they face." He also put "Peru and to a lesser extent Chile" on his critical list.

An Ibero-American bank

The IADB is unique in that 54% of its capital was paid by Ibero-American nations, which gives them the majority to approve lending for projects, based on criteria of regional integration, economic development, or social welfare.

Treasury's James Conrow demanded:

- that the IADB give the U.S. Treasury, which provides only 35% of the capital, power to veto loans;
- that the bank be run by Wall Street and Swiss bankers;
- that conditionalities on lending be imposed.

In opening the meeting March 25, Costa Rican Finance Minister Porfirio Morera Batres synthesized the response of the Ibero-American nations. He deplored "the attempt to alter the normal functions of the bank to convert it into one more instrument for controlling Latin America's economic adjustment process. . . ."

He continued, "Today, the heart of the adjustment problem is not a lack of discipline, but the excess of discipline to which the Third World countries are inequitably subjected. Latin America clearly needs the assistance of the industrialized world. In exchange for it, however, it would not be legitimate, but rather would be perilous to ask us to give up . . . [designing] our own policies or to look impassively on the impoverishment of our people, many of whom are on the other side of the critical poverty line. Sooner or later, this road will lead to disruptions that make our societies ungovernable."

Kissinger Associates

The marching orders for the banks come from Kissinger Associates, Inc, whose Alan Stoga claimed in the *Wall Street Journal* March 25 that debtor countries have imposed austerity on themselves, "but they've barely moved at all to revamp their own economies." The former head of the Rockefeller Commission on Western Hemisphere Debt, Robert Hormats, echoed, "The heart of the problem is domestic restructuring. Unless these countries put their own economies in order, any new money either will be misused or lost in capital flight."

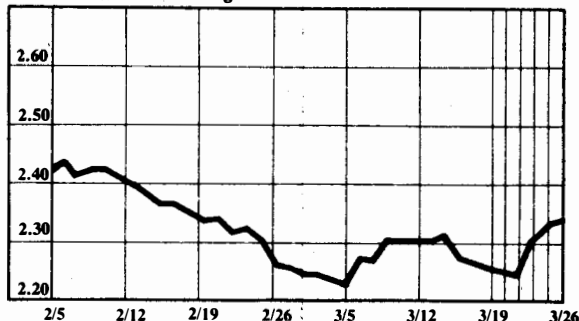
"Restructuring" is a code word which means turning over to creditors a country's natural resources and its strategic industries built over decades by state investment. The *Journal* observed that state-sector industries are so central to countries' aspirations for escaping from poverty, "that re-vamping them risks sparking a revolt." It quoted a Brookings Institution expert, "The \$64,000 question in the case of Mexico is what does structural reform mean for the political system? Throwing the existing government out?"

The paper also raved about Peru's "defiance" of the IMF and complained that "Peruvian President [García] hasn't used his political capital to begin restructuring Peru's badly tangled economy," as per Kissinger's orders. "If everything continues as is, we'll be confronting a crisis of major proportions," the *Journal* quoted Roberto Abusada, former vice-minister of finance who helped Dope, Inc. take over Peru.

Currency Rates

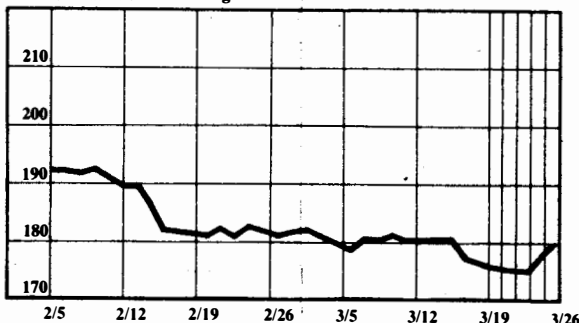
The dollar in deutschemarks

New York late afternoon fixing



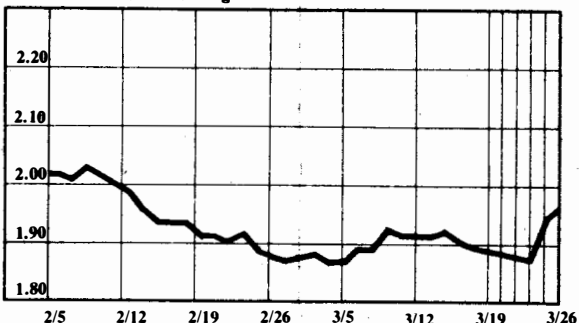
The dollar in yen

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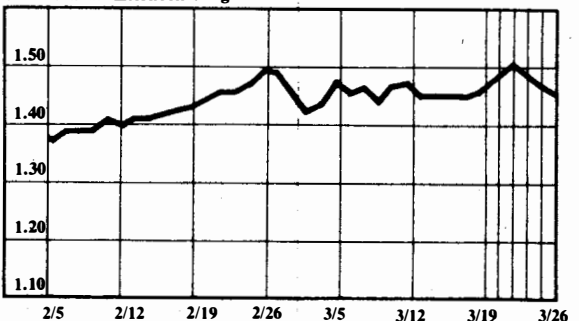
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing





An eyewitness account of the AIDS crisis in Europe

During the first two weeks of March, Warren Hamerman, director of EIR's Biological Holocaust Task Force, gave a series of press conferences attended by nearly 100 media, scientific researchers, and health professional associations, in Paris, Rome, Milan, Bonn, Munich, and West Berlin, releasing the new EIR Special Report, "An Emergency War Plan to Fight AIDS and Other Pandemics."

EIR: What is the AIDS situation in Europe?

Hamerman: In Europe the actual spread of the disease is far worse than is being officially reported. For example, I had numerous scientists in Italy, France, and West Germany tell me that they knew that the actual number of cases and those infected were anywhere from three to five times the official reports, at least. Europe has no margin of error to repeat the policy mistakes made on AIDS in the United States, because there is already a much higher percentage of cases among people who do not belong to any of the so-called risk groups.

In Italy, for example, a very high percentage—nearly 10%—of the AIDS cases in the Lombardy region are children under three years old, while more than 6% of the "official" AIDS cases there are among people who belong to no identifiable risk group. Also, the Italian health officials and scientists I met were particularly alarmed to hear detailed reports on the situation in Belle Glade, Florida, because they too had hypothesized the possibility of "mechanical" mosquito transmission of AIDS, in which the mosquitoes act as "flying syringes."

After World War II, there were massive insect eradication programs with DDT, but for budgetary austerity reasons, these programs were abruptly cut out in the last decade. As a result there is an uncontrolled mosquito (*zanare*) problem during the summer in Milan, Venice, and the low-lying Po Valley in general. The *zanare* are malaria-carriers, which breed uncontrolled in the covered canals of Milan and other areas. In the south of Italy, from Naples on down, other species of mosquitoes infest the area year-round, in areas where the population is terribly malnourished.

Disastrously, the budget austerities forced on Italy by the International Monetary Fund (IMF) have left that great nation

virtually defenseless. I went to a meeting in Rome at the Ministry of Health for the Lombardy and other regions. The health ministry building was a huge palace of four floors. I was shocked to find the first and second floors entirely closed, two offices open on the third floor, and a few more on the top floors. Twenty men and women were walking about in their overcoats in this huge building, because the health budget had been cut so much.

EIR: What about the situation in France and Germany?

Hamerman: I was in France just before the recent elections and was informed that the health authorities knew that the AIDS epidemic was far, far worse than it was "politically acceptable" to inform the population. France, like West Germany, has also experienced "unexplained" increases in atypical tuberculosis cases, with extremely high mortality rates in the past year and a half. There is suspicion that AIDS and tuberculosis could be closely linked co-infections. As I arrived in West Germany, for instance, the television had just reported a 25% increase in tuberculosis cases in the poor areas of Bremen, Duisberg, and Berlin in the past year. Generally the populations of France, Germany and Italy all suspect that the situation is far worse than they are being told, and are eager for truthful reports and briefings. Also, the Europeans are much more directly connected to the unfolding biological holocaust in Africa.

EIR: What did you learn about the African situation?

Hamerman: The African AIDS pandemic is far worse than anything reported in the United States; the actual scope of the disease is being covered over, because the epidemic there is so clearly caused by the economic collapse conditions imposed by the IMF. One leading German scientist told me that unless emergency actions are immediately taken in Africa, "all of African civilization will be destroyed."

While the Geneva-based World Health Organization desperately tries to cover up the African AIDS pandemic, apparently the WHO's own center in Zambia, near the border of Zaire, has diagnosed 130 full-blown AIDS cases in one town alone since Christmas! Other European scientists who are experimenting with new drugs for possible treatment, told me that they were receiving calls from colleagues in

Africa, begging them for samples, whether or not they were fully tested. One caller from Kinsasha, Zaire told a European researcher to send the drugs even before all the tests were completed, because they were picking up rates of 20% and more of the Kinsasha population testing positive for AIDS and *something*, anything, had to be done, because "people were dropping dead like flies."

Several tropical disease experts told me that they entirely agreed with the hypothesis on Belle Glade, that there was mechanical transmission of AIDS by mosquitoes. One African disease expert pointed out that in Cameroon and the Central African Republic, near the border of Zaire, there were very active mosquito eradication programs and low incidence of AIDS in the general population. Right across the border in Zaire, there were very high rates of AIDS and *no* insect eradication programs.

In all, I had the opportunity to receive precise briefings from approximately one-half-dozen African disease experts—scientists who travel back and forth from Africa to Europe—and they all had the same picture. We do not have very much time left to stop a full-scale murderous AIDS pandemic there.

EIR: In the United States, you have documented that the leading government health institution, the Atlanta CDC, is consciously covering up the true dimension of the AIDS crisis. Is that true for Europe also?

Hamerman: Unfortunately, yes. West Germany is the worst situation, because the WHO representative there who is from Munich—a Dr. F. Deinhardt—appears to have a big stake in misreporting. We have received persistent reports from informed and independent sources, that he has actually made enormous personal profits from delaying the introduction of testing programs for AIDS until the price of the testing kit was raised by a pharmaceutical firm for which he works. We now have these charges under investigation, because thousands of German citizens were infected at blood banks with AIDS, because of the delay in the introduction of the screening tests. The laws in Germany are straightforward; the constitutional law empowers the state to guarantee the health of the citizens, and they have an excellent federal Communicable Disease Act there. All they would have to do is include AIDS among the diseases covered by the Act, and the medical community would have all the basis it needs to implement a very admirable public health campaign.

EIR: Are the Europeans prepared to spend the funds to fight AIDS?

Hamerman: Not without a full mandate from the population. This is what we are fighting for. There has been a worldwide effort to revive the ugly Nazi practice of euthanasia, as a way to "cut costs." The day I left Europe, I read reports that the American Medical Association had shamelessly condoned so-called mercy-killing practices. In Hol-

land and Germany, Nazi doctors such as Julius Hackethal and P. V. Admiraal are openly promoting euthanasia, and they have big backers. For instance, one leading official of Hoechst Pharmaceuticals told me flat out, that while Hackethal went a little too far, they had to agree that it was "too expensive" to treat all the opportunistic diseases which an AIDS patient gets.

EIR: We understand that you discussed the strategic implications of the way AIDS is spreading in Western Europe, but not in Eastern Europe.

Hamerman: I cannot believe that there could be so precise an "AIDS curtain" between East and West Europe. East Berlin, for example, claimed to have only two cases as of Christmas, while West Berlin is flooded with cases.

The European regional office of the World Health Organization in Copenhagen, Denmark is headed by a Soviet. He reports to the WHO main office in Geneva, whose communicable disease division is headed by the Soviet infectious disease specialist Dr. Sergei K. Litvinov.

The Europeans whom I met were extremely concerned about the AIDS disinformation campaign being run out of the WHO by Soviet operatives. European specialists have monitored Soviet biological warfare capabilities in detail. I will just cite three examples. Yugoslavia has quite active biowarfare facilities in Pliva and Krka, from Zaga and Lubyana, respectively. Czechoslovakia has active biotechnology centers in Brno, Prague, and Bratislava, while we also learned a great deal about Soviet "micro-organism banks" attached to military and Academy of Sciences programs throughout the U.S.S.R.

I wish to indicate here, that there was an enthusiastic receptivity among our allies in Western Europe for the initiation of a Biological Strategic Defense Initiative, as proposed in our Emergency War Plan. Many scientists were thrilled at the possibilities we reported, for utilizing the laser flow cytometer with the Circular Intensity Differential Scattering (CIDS), for directly assaying for viruses. One researcher indicated that three top virologists, with luck, in four days could barely hope to match what this technology can accomplish in four minutes.

It is inappropriate for me to discuss this matter further in this context, but I am extremely pleased at the enthusiastic response of the Europeans for our plan to revive basic optical biophysics research capabilities in the West. Optical biophysics was the particular approach to life science first developed by the great French scientist of the last century Louis Pasteur. Pasteur was actually trained as a physicist, who approached biological and medical questions from the broadest scientific standpoint. In June we plan to honor his work with a scientific conference on his method which we will hold in Paris, because, unfortunately, even the Pasteur Institute no longer conducts experiments in the optical biophysics or spectroscopy domains founded by Pasteur.

A cure worse than the disease

The President's commission has released its report on crime in the unions—with recommendations worse than the crimes.

The President's Commission on Organized Crime issued its report on "Organized Crime, Business and Labor Unions" to the public on March 6. In its accompanying statement, Commission Chairman Judge Irving R. Kaufman noted, "Now that the Commission is able to release its entire report publicly, we can more fully delineate the scope and extent of this persistent and pernicious problem."

In January, the Commission had publicly released its recommendations only. Kaufman presented the full report to President Reagan. At that time, the Commission urged adoption of a national strategy to attack organized-crime infiltration of businesses and labor unions.

That national strategy was denounced in January by AFL-CIO President Lane Kirkland as "a virtual blueprint for a police state." He described himself as "shocked" at suggestions by the report "that we become informers; that the Attorney-General be empowered to go before the NLRB [National Labor Relations Board] and secure the decertification of trade unions. . . . They are an Orwellian collection of proposals," Kirkland declared.

While we can't even agree with Trilateral Commission member Kirkland on the color of the sky, he is right to denounce the report, though his reasons for the denunciation are rotten. Kirkland denounces the report because it demands that organized labor clean out the mafia connections which

are thoroughly and accurately documented in the report—something he doesn't want to do.

As the introduction states, "The report devotes significant attention to a series of factual case studies and summaries of key unions and corresponding industries with histories of control or influence by organized crime. There are chapters on the International Longshoremen's Association, the Hotel Employees and Restaurant Employees International Union, the International Brotherhood of Teamsters, and the Laborers International Union of North America." All but the IBT are affiliates of the AFL-CIO.

The problem with the report is not its documentation of organized crime influence in trade unions; that is known to any honest, local leader who has tried to conduct a strike for a living wage in recent years.

The problem with the report is that it proposes as a "solution" to organized crime's influence, a worse case of the disease on which organized crime feeds—"free enterprise." And it proposes that the Federal Bureau of Investigation, perhaps the most corrupt government agency in American history, be given more power to enforce "free enterprise" on trade unions and businesses suffering under organized crime.

The "objective of the national strategy recommended by the Commission," the report states, "is to eliminate organized crime from the mar-

ketplace and to permit the *natural forces of the market*, working in conjunction with the efforts of honest trade unions and businesses, to set prices and provide goods and services [emphasis added]."

That is something like saying that organized crime must be eliminated so that organized crime can take over.

What are the "natural forces of the market"? In a candid admission to the Commission, one of America's most successful businessmen, Maryland chicken producer Frank Perdue, outlined the market forces which led him, quite "naturally," to invite a leader of La Cosa Nostra, Peter Castellana, to join his company as sales manager. "I decided that if I could be protected, that I would get my share of his [Castellana's] business. But he had to give us a letter of credit, like he has to give all the other shippers who ship him, so the shipper is protected. . . . I know what he is. But I have my money; he unloads my trucks on time. We have no problems. He pays his bills."

The "free market" is a fiction created by the same banking forces which today are looting the world economy through usurious debt payments. "Free market forces" are the nation's bank creditors who are demanding that the budget be balanced by killing old people, inner city residents, and other victims of Gramm-Rudman-Hollings cutbacks—which cutbacks, as that law states, are never to adversely effect debt service payments.

The "free market" is the hoax used to convince honest trade unionists that a living wage is not possible when "competition" is forcing companies to shut down.

It is, indeed, the organized crime known as "free trade" which is the biggest enemy of both business and labor in this country. La Cosa Nostra is small potatoes next to the power of the banking oligarchy.

Farming collapses and cartels move in

It seems contradictory: Italy's agriculture is in crisis, but the Venetian financiers want to buy it up.

Italy closed 1985 with a huge deficit in its trade balance, more than \$15.4 billion in the red to its foreign partners. The deficit, despite the drop in oil prices and the dollar's value, is due almost exclusively to imports of energy and foodstuffs, respectively \$24.4 billion and \$7.2 billion last year. This deficit has grown inexorably in recent years, and in the food deficit, the prospects are by no means reassuring for the immediate future.

For 1986, yet another collapse is expected, with the already foregone conclusion that the food deficit will puncture the ceiling of \$7.5 billion. Official statistics show farm production in Italy in 1985 declining by 1.2%, on top of the disastrous -4% of 1984 and the declines of previous years.

In the last year, an estimated 50,000 small- and medium-sized firms in this sector, traditionally export-oriented, closed in the red for the first time in nearly 20 years. There was a further sharp drop in jobs, about 90,000 for just 1985. This means that in the last 10 years, the population employed in agriculture has decreased by nearly 1 million!

The year 1985 also witnessed industries in the sector being devoured by the big multinational food cartels. These are represented in Italy by the Venetian-backed financier, Carlo De Benedetti, and the Ferruzzi group, whose manager, Raul Gardini, just bought an old palace on the Canal

Grande in Venice, the Ca' Dario, to make it the world headquarters of a conglomerate that owns millions of hectares of land in North and South America.

It seems puzzling: If agriculture is in crisis and drowning, why are these guys buying the agricultural and food processing industries? And, none other than Gardini and De Benedetti, with their cultivated images of ruthless shrewdness!

The concentration of production in the dirty hands of a few cartels is not only dangerous, but carries a strategic importance that will become increasingly obvious. The boss of Italy's Banca Nazionale del Lavoro, Nerio Nesi, predicted that in the not-distant future there will only be about 20 big world banks operating on the face of the planet.

Overall, the value of Italian agricultural production (\$28.1 billion in 1984, the last available data) puts Italy in second place in Europe, after France and before West Germany, producing more than one-fifth of the total production of the European Community.

There are estimated to be 2.8 million agricultural producers in the country, divided between several thousand big firms and an army of small producers who work an average of 5-6 hectares each, for subsistence level income. The Italian firms of 5-6 hectares average size have to compete with Great Britain's, which average

63.5 hectares per producer, the French, with 23.5 hectares per producer, and Federal Germany with 14.4 hectares.

In Italy there are 1.2 million tractors, an average of 1 for every 2.5 firms. Thirty-three percent of these tractors are more than 16 years old, and 15% over 12 years. In practice, half the country's agricultural machinery is obsolete and uneconomical, because of high maintenance costs and scarce yields. The technicians insist that 850,000 of these tractors are still efficient, but the problem remains.

The crisis, of course, is not limited to Italy: In the last decade, world production of tractors dropped by 34.5%, to 580,000 units per year, perhaps not even enough for normal replacement. In the same period, demand dropped by 50%, to around 245,000 units. To develop depressed areas in southern Italy and the islands (Sardinia, Sicily) without sufficient modern tractors is a pipe dream. The reality is even more sobering if one considers that Italy is one of the most advanced countries in farm-machinery production, and Italian mechanical industries export these machines to California and elsewhere in the United States.

Meat imports are always the Achilles heel of Italy's food trade deficit. Nearly 44% of the total meat consumed on the peninsula is imported.

Italy has 3 million head of dairy cattle, fourth in Europe after France, West Germany, and Great Britain. But in milk output per cow, Italy is in next-to-last place in the EC, before Greece. A cow in Italy produces an average of 3,600 liters of milk per year, against nearly 6,000 per cow in Denmark, the first in Europe and, perhaps, the world. But where investments are made and high technology applied, Italy can boast of enviable results: Near Cremona, for example, a cow called the "Italian Friesian" produces an average of 8,000 liters of milk per year.

Oil heads toward \$5-8 per barrel

Economic disaster lies ahead: Is anyone in Washington listening?

Elected representatives of oil-producing regions, and the oil industry itself, finally began to panic, as the oil price headed towards single-digit figures during the week of March 22.

According to David Mizrahi, editor of *Mideast Report*, Iran is already offering cargos of crude oil at \$8 to \$8.50 per barrel, bringing the global oil price into the single-digit range. *EIR* warned of the likelihood of a single-digit oil price following the collapse of OPEC negotiations on Feb. 4, citing the simple fact that there is more than enough oil that can be pumped with a profit at \$5 to \$8 per barrel.

Now that the oil market has one foot in single-digit figures, nothing short of the incineration of the Persian Gulf will change this for the foreseeable future.

The oil price will remain under \$10 per barrel indefinitely.

On March 24, OPEC oil ministers began a seventh day of crisis talks on measures to halt the plunge in oil prices, but without agreement on specific actions.

There was agreement on the objective of boosting prices back to last year's \$28 per barrel from the current \$14 and less, but the 13 member states remained bitterly divided over allocating individual production quotas. Leading industry analysts contacted by *EIR* dismissed as "a meaningless gesture" the OPEC reference to a \$28 per barrel price-support level. They said that to attain that level, OPEC would have to cut its current production of

17 million barrels a day in half.

The next day, as oil prices plunged to barely \$11 dollars per barrel on the British spot market, ARCO president Robert Wycoff predicted that U.S. oil production will decline 10% per year beginning this year, and lead to increased American independence on foreign oil producers.

Judging from the situation in Alaska, the likelihood is that oil production will fall by more than 30% in the United States before the end of 1986. If oil prices stay at their current low levels, more than 50,000 people will lose their jobs in the oil-dependent state of Alaska, and more than 75,000 Alaskans will flee the state, according to a university study turned over to Alaska's governor on March 25.

One in every five Alaskans will lose his job, the population of the state will drop by 14% and the oil industry will shut down in Alaska if oil prices stay at about \$13 per barrel, predicted economist Scott Goldsmith of the University of Alaska's Institute of Social and Economic Research.

Since Alaska produces one-fifth of all American oil, the virtual elimination of Alaskan production—which costs more than \$13 per barrel to deliver to refineries—will bring the total reduction in the United States to about a third of total output within months.

Is anyone in Washington listening?

On March 22, the Joint Economic Committee blew up the administration's most cherished myth, namely, that falling oil prices would bail out

out its Hollywood sound-set recovery.

The dramatic drop in oil prices will pump up the economy only slightly, but cut into capital investment and corporate profits, the Committee said. In addition, the report said, oil-producing regions of the southwest and west will face increased unemployment and reduced income and farmers in those areas will incur deficits after they lose royalty payments.

"Extravagant claims for a dramatic resurgence of economic growth due to falling oil prices are without justification," the report said. Texas Senator Lloyd Bentsen (D) gloated that the report showed that economists, who first predicted a doubling of GNP growth as a result of lower prices, "are beginning to have some second thoughts about that."

The White House is obsessed with the idea of an oil-price-led recovery, to the point that even the oil lobby has not dared to propose the obvious solution, i.e., a protective tariff for oil producers.

Nonetheless, official Washington has taken into account the national-security implications of a massive reduction in current oil output, and the virtual extinction of the domestic oil industry within 10 years. It is now considering expanding the Strategic Petroleum Reserve. That is not much different from a rancher, in the midst of slaughtering his herd at distress prices, pausing to buy a side of beef for his home freezer.

Energy Secretary John Herrington said on March 26, "There have been radical price changes, and we have to re-examine" a bargain-hunting program.

Meanwhile, Herrington denounced proposals for an oil import tax, saying it would interfere with free market operations and be economically counterproductive.

IMF agent handed humiliating rout

The Oil Workers Union has not been intimidated by the propaganda campaign against it.

The commemoration of the 48th anniversary of the Oil Expropriation on March 18, was the scene of a political confrontation with great repercussions between the leaders of the Oil Workers Union of the Mexican Republic (STPRM), and the political group around Mario Ramón Beteta, director of the national oil company Pemex. Beteta, who has designs on the Mexican presidency, if he succeeds in gaining a cabinet post as Secretary of Semi-State Energy, Mines, and Industry, is one of Mexico's top agents for the International Monetary Fund policy of gutting industry to keep up debt payments.

The backdrop for the March 18 incident goes back to January, when the head of the oil workers union, José Sosa, gave a tough speech in front of President Miguel de la Madrid. Sosa then accused the Pemex management of spending more on paper-shuffling than on capital investment, which policy has caused serious deterioration in the Pemex industrial plant. The speech ended with the now-famous phrase: "If Pemex sinks, you will sink, Mexico will sink, and we will all sink."

After this speech, the "President's friends," headed by Planning and Budget Secretary Carlos Salinas de Gortari, orchestrated a campaign of denigrating the union. The rumor was spread through political circles that President de la Madrid had taken speaking rights away from the union leaders. It was said that they got the cold shoulder from the President,

leaving them with no political backup.

During the anniversary ceremony, the union was expected to adopt a docile attitude in the face of this propaganda assault. Exactly the opposite occurred. In an auditorium filled with thousands of oil workers and before the President, the cabinet, and Mexican Workers Confederation chief Fidel Velázquez, José Sosa accused the Pemex administration of having tried to "break us up, to take over for themselves the legal and economic structure not only of the company, but of the nation's key industry."

The arrow was targeted against Jesús Reyes Heróles (who died exactly one year ago), who as director of Pemex and later as education secretary, tried to break the union. Sosa also called on Mario Ramón Beteta to abandon his overbearing "I am in charge here" attitude, and to back a harmonious working relationship with the oil workers.

The Pemex director could not hide his displeasure over the speech. The thousands of oil workers present applauded and cheered their leaders Sosa, Joaquín Hernández Galicia, and Salvador Barragan Camacho, dozens of times, but Beteta only got applause at four points in his hour-long speech. And when he said that Pemex's falling revenues due to the drop in oil prices, would necessitate "reducing our current spending and taking painful measures of adjustment," the workers booed. The significance of the workers' attitude toward the Pemex head,

can be inferred from the fact that Mario Ramón Beteta is considered one of the mentors of the administrative (as opposed to political) career of President de la Madrid.

Beteta's clout lies not in his apparent friendship with the President, but in his relation to a Ramón Beteta who was treasury secretary under the organized crime-linked late President of Mexico, Miguel Alemán Valdez.

According to U.S. military and naval intelligence documents from Mexico, dated 1941, the elder Ramón Beteta was a Nazi agent in Mexico. He was put on the famous "Black List" of enemies of the United States. Today, the Beteta clan is backed by a powerful business and political group headed by Antonio Ortiz Mena, director of the Inter-American Development Bank, and Carlos Hank González, a big investor in industry with business ties to Pemex, and chief of an important political-economic group inside the ruling PRI party.

The oil workers' actions were labeled "overbearing display of . . . power" in the editorial of the pro-communist paper *Unomasuno*, which added: "Embodying doubtless one of the most backward forces of our system, yesterday's performance by these leaders as well as the certainty that neither their base nor any other power can actually unseat them, is not very inspiring."

But this "overbearing display" may be one of the few protections for Mexican sovereignty left. Beteta's great-uncle violently opposed the 1938 Expropriation carried out by President Cárdenas. But at the commemoration ceremonies, Beteta said, "No one should ever forget that, starting from Lázaro Cárdenas, oil is, forever, Mexico's and no one else's." Even from him, it was a clear denial of rumors that Mexico will pay its debt by giving up sovereignty over its oil.

Japan and Southeast Asia

A seminar in Thailand explores new approaches to the problems that are arising from the strong yen.

The extraordinary speed with which the yen-dollar exchange rate is soaring, is of great concern to Japanese businessmen. Private Japanese corporations are anxious about the repercussions on their Asian trading partners, especially in Southeast Asia. The yen had jumped from 230 yen to a dollar in June 1985 to 180 yen to a dollar in early March 1986, creating market restrictions for Japanese manufactured goods. The collapse of the world's commodities markets had added yet another crunch on the purchasing power of the Asian importers of Japanese goods. All this contributed to the tension.

A two-day seminar at the resort town of Pattaya (Thailand) early in March on "Japan, Asia and Thailand," organized by the faculty of economics of Chulalongkorn University, Sanwa Bank Foundation, Long-Term Credit Bank, Japan Foundation, and East-West Seminar of Japan, was an occasion to survey topics of concern such as trade imbalance in favor of Japan and Japanese investments in the Southeast Asian region, with emphasis on Thailand.

Surachai Pattanajitvilai, a lecturer at the Faculty of Economics of Chulalongkorn University, pointed out that the sudden increase of public concern over Thai-Japanese trade deficits results from the misperception that this is new. In fact, "Thailand has been continuously running a deficit of its trade balance since the middle of the 1950s, and for the past three decades the largest deficit was always trade with Japan." Surachai continued,

"There may be times when trade deficits are 'perfectly good economics'—when they may, in fact, serve to advance important national economic objectives."

The initial imbalance between Thailand and Japan can be attributed to the economic aspirations of Thailand, traced back to the 1950s. The first five-year plan launched by the Thai government in 1961 especially emphasized infrastructure projects and import-substitution industrialization strategy. During those five years (1961-66), trade between the two countries doubled from 4.36 billion baht (the Thai currency) in 1961 to 9.68 billion baht in 1966. Trade with Japan in that period already averaged 24.7% of Thailand's total trade, making Japan the most important trading partner of Thailand ever since. However, by 1984, the trade deficit with Japan had reached the historical height of 43.27 billion baht, or 61.9% of Thailand's total trade deficit.

Bichai Rattakul, deputy prime minister and head of the Democratic Party, keynoting the Pattaya seminar, insightfully pointed to the difference in technological capabilities between the two countries as the underlying factor responsible for Thailand's chronic trade deficit vis-à-vis Japan. He called for the Japanese to "seriously pay more attention to the prospect for science and technology cooperation" between Thailand and Japan. For Bichai, "to bridge or at least to narrow down this technological gap" would be "a way of mitigating our trade imbalance" and he recommends that "an

agreement on science and technology cooperation" like the one concluded between Thailand and the United States in 1984.

In a recent briefing concerning the Thai-Japan white paper, economics department deputy director-general Kasit Piromya said that Japan has been told that Thai consultants and contractors must be allowed to play a more active role in projects financed by Japan's Ex-Im Bank of OECF loans. The Thai government would like half of the grants by Japan to be used for social and rural development projects, and the other half to improve the quality of export goods.

To want to assert national sovereignty over allocation of foreign loans is a good move. However, one must be careful not to fall into the trap of a diffuse and ineffective, "small but beautiful" socio-rural development strategy which is sure to waste the foreign loans and technical assistance. Rather, key infrastructure projects that would accelerate the country's agro-industrialization process should be given priority.

Whatever the complaints may be about Japan unduly taking advantage of local cheap labor and investment opportunities, it is up to Thailand and other Southeast Asian nations to be clear about their own national design. We should not forget that the phenomenal economic growth rates in Southeast Asian nations in the past two decades can be in great part attributed to Japanese input.

Finally, is it not because of Japanese soft loans that Thailand has been able to "act tough" with the International Monetary Fund (IMF) and the World Bank? IMF loan offers were recently turned down because Japanese sources of financing offered better conditions (especially lower interest rates).

Business Briefs

Labor

Argentine general strike successful

Argentine industry was almost totally shut down on March 25 for a 10-hour general strike beginning at noon, called by the Argentine General Confederation of Labor (CGT). This action follows an earlier CGT general strike on Jan. 24, which was 97.4% effective. The strikes are in opposition to the subordination of the Argentine economy to International Monetary Fund austerity demands.

This time, the CGT used the slogan, "Hay que pagar la deuda con el pueblo!" The debt to the people must be paid!

Observers report that industrial areas closed down completely, but many stores apparently remained open and most transport in Buenos Aires functioned. Transport was deliberately kept functioning by the strikers to ensure workers ability to turn out for mass demonstrations. The strike was also strong in the provinces, such as Córdoba and Tucumán.

The government and the ruling UCR party ran a massive slander campaign against the CGT, saying the workers "should apologize to the country for what they are doing to it." Posters went up with the slogan "Stop or advance." CGT leader Saúl Ubaldini said, "The government should stop and think and not keep going toward the abyss of social confrontation."

The government has been totally inflexible on its austerity policies, despite CGT willingness to negotiate.

Austerity

Egypt refuses to accept IMF demand

Egypt will never accept the International Monetary Fund's demand to cut food subsidies, Dr. Mamdouh al Beltegi, director of Egypt's Central Information office, told a London audience March 18.

Al Beltegi is touring Europe to discuss the Egyptian situation after February's riots by 8,000 Egyptian security police.

In a private meeting in London, he said that Egypt was committed to better its economic condition, that it may compromise on some of the IMF demands, but never on food subsidies or other basic subsidies.

On March 17, Egyptian Central Bank Governor Ali Negem announced that there would soon be a new round of negotiations with the IMF for a \$1.5 billion standby loan.

Development

Africa's development will cost \$115 billion

An African economic recovery program, aimed at rescuing the continent from the brink of disaster, is likely to cost approximately \$115 billion, the executive secretary of the Economic Commission for Africa said on March 21.

Professor Adebayo Adedeji told a two-day conference of African and United Nations economic officials that African nations could contribute \$80 billion while the rest would have to come from foreign governments and international agencies.

He said that if the continent's debt-servicing burden remains high, and world commodity prices—especially those for minerals and foodstuffs, Africa's main exports—remain low, then efforts towards economic recovery would be futile.

The campaign to reverse Africa's economic decline was launched in 1985, spurred by the widespread drought and famine.

'Free Enterprise'

Drug runner extradited to Colombia, not U.S.

A Spanish tribunal decided to extradite Jorge Ochoa, chief of the Medellín, Colombia narco-mafia, to Colombia, rather than the United States. The decision, rendered on March 25 by a judges' vote of 2 to 1, was

based on the argument that Ochoa would have a "fairer trial" in Colombia because he knows the language and how the judicial system there works.

However, in Colombia, he will face minor charges compared to the drug-trafficking charge facing him in the United States.

Ochoa was arrested along with Gilberto Rodríguez Orejuela. Both individuals have close ties to the American Institute for Free Labor Development (AIFLD), a State Department arm in Ibero-America. Rodríguez served on the board of directors of the Colombian Workers' Bank, founded with a grant from the U.S. Interamerican Foundation to the Union of Colombia Workers (UTC), an AIFLD-connected organization. It is one of four Colombian banks identified as involved in drug-money laundering. Ochoa was a major stockholder in the First Interamericas Bank, whose president was former treasurer of the UTC and Colombian Workers' Bank director, Antonio Beltrán.

The judge who voted that the United States request for extradition should take precedence over the one on minor charges which had been drawn up by a Colombian official, protested that the opinion of the other two judges on the panel, "seemed to be made to order for Ochoa himself."

U.S. Defense

Panel cuts retirement pay for military

The House Armed Services Committee voted on March 21 to reduce the pensions of future military personnel who retire after 20 years service, Les Aspin (D-Wisc.) announced on March 21. A 17% reduction in benefits was approved for those who would enter the services after the bill became law.

Aspin, formerly one of Robert McNamara's "whiz kids" and no friend of the U.S. military, U.S. defense, or, for that matter, the United States, stated, "We want to encourage more people to serve longer," asserting that the present system is so generous that it induces people to leave service after 20 years.

He acknowledged, however, that if the bill is implemented, "more people may leave the service early," rather than stay beyond 20 years, and estimated that the change would eventually cut the force with less than 20 years of service by 2.4%.

Debt

South Africa gets extension on payments

South Africa announced on March 24 that it had extended by three months an agreement on repayment of foreign debts frozen last year after overseas banks cut Pretoria's credit lines amid mass township riots. Finance Minister Barend du Plessis said the deal, hammered out in London between working groups of his government and creditors, would run until June 30, 1987.

Du Plessis said in his statement: "This interim debt arrangement has been negotiated in a relatively short period of time and should be seen as an effort to return normality to South Africa's international financial relations."

Under the agreement, South Africa will repay on April 15 this year, in one lump sum, 5% of debt maturing by that date. He did not give specific figures.

Du Plessis said foreign banks that are owed a total of about \$22 billion agreed to carry over the debt until June 30, 1986. The agreement affects an estimated \$14 billion of the country's total foreign debt.

International Trade

Boeing high-tech deal signed with SAAB

The Boeing Corporation of Seattle, Washington signed an agreement on March 25 with SAAB-Scania of Sweden for development of major components in its next-generation 7J7 airliner. The new design incorporates a revolutionary propeller design, developed under NASA, known as the "prop-

fan" which is expected to cut fuel consumption by 45%.

The SAAB industry group is part of the Wallenberg-Gyllenhammer group of companies that has been indicted for industrial espionage and illegal transfer of sensitive American technology to the Soviet Union.

From the time of the Russian Revolution, the Wallenberg group has maintained close relations with the Soviet Union. The group's current chief executive officer, Hans Werthen, is extensively involved in Soviet economic affairs. Many in the international business community consider him "the Soviet Union's most important operative internationally."

The deputy chairman of one Wallenberg group company Electrolux, Peter Wallenberg, is a "confidential" client of Kissinger Associates. Wallenberg is also chairman of ASEA, the nuclear, robotics, and engineering firm which was caught smuggling sensitive American computer technology and other banned equipment to Russia at a time when Kissinger was a consultant to Wallenberg.

The Great 'Recovery'

Reports show heavy rural deterioration

According to a year-long study financed by the Ford Foundation, the nutritional health of poor rural Americans has deteriorated far more severely than the urban poor.

The study says that the rural poor are "underfed, undernourished, and in poor health." Furthermore, "their deprivation and neglect is unrecognized."

The number of rural poor given is 13.5 million, and of urban poor 12.9 million. The number of rural poor rose by 36% between 1979 and 1983.

Rural poor consumed less of 11 of 13 key nutrients than other poor Americans and were 65% more likely to have inadequate diets than all other Americans.

The number of rural poor not receiving food stamps rose by one-third, from 5.67 million in 1979 to 7.5 million, or 57% of the rural poor by 1983.

Briefly

● **GENERAL DYNAMICS**, the nation's second largest weapons builder, has been awarded a \$1 billion submarine contract from the Navy, only six weeks after the government ban against doing business with the firm was lifted.

● **THE TAIWAN** government has ordered almost one-third of Taiwan's companies to close down, according to the economics ministry, as part of efforts to crack down on commercial crime. A ministry statement said that more than 110,000 of the island's 340,000 companies would be closed by this June because they did no business last year.

● **THE REAGAN** administration issued proposals on March 21 to cap damage awards for pain and suffering as part of a wide range of recommendations aimed at solving a national crisis in liability insurance. The proposals would limit punitive damages and awards for pain, suffering, and mental anguish to the "fair and reasonable" figure of \$100,000.

● **WEST GERMANY'S** Bundestag passed a new strike law on March 19 that relieves the Federal Labor Agency of the obligation to pay unemployment benefits to workers who lose their jobs as the indirect result of strikes at other plants. The Social Democratic opposition and the unions have charged the amendment will permanently weaken the position of labor.

● **SOVIET FOREIGN** Trade Minister Mikhail Pankin was in Geneva at the end of March to seek official "observer" status to the General Agreement on Trade and Tariffs (GATT). Opposition to the bid says the Soviet are "seeking observer status to obtain insight into GATT activities without any commitment to following its rules."

Nuclear waste: Don't bury it, recycle it

Other countries have successfully implemented a full nuclear reprocessing program, using "wastes" for fuel. Why not the United States? Marjorie Mazel Hecht reports.

The recent scare stories in the press about the planned burial of high-level radioactive waste neglect to tell readers the basic point about nuclear power: Of the so-called waste produced by nuclear reactors, more than 96% can be reprocessed, to be reused as uranium or plutonium fuel. Only about 4% is actually high-level radioactive waste that requires disposal.

In fact, this remaining 4% of high-level waste could also be turned into a resource: Advanced isotope separation technologies can separate and concentrate it into its constituent isotopes—including costly and scarce strategic metals like rhodium, ruthenium, and palladium.

By treating as "waste" all of the spent fuel produced by a single 1,000-megawatt nuclear plant over its 40-year lifetime, we throw away the equivalent of 130 million barrels of oil or 37 million tons of coal. This does not even take into account the value of the strategic metals and other isotopes that could be "mined" from the high-level waste.

During the Atoms for Peace years, beginning during the Eisenhower administration, one of the selling points for nuclear power was its closed fuel cycle, because it was clear that this would cheapen the use of nuclear power and ensure a steady supply of fuel, no matter what became of the natural uranium supply. The other nations that went nuclear—Canada, France, England, Japan, and the Soviet Union, for example—completed the nuclear cycle and are reprocessing their fuel. Most recently, India has initiated reprocessing.

Yet the United States, which led the world in developing reprocessing technology, has not. What happened?

The answer has little to do with the technology involved; it is a political question. From the beginning of the nuclear age, scientists were convinced that the disposal of high-level nuclear waste was technologically feasible and safe.

Thirty years ago, in 1957, the National Academy of Sciences recommended that high-level waste could best be disposed of by burial in geological salt formations. In a report to the Atomic Energy Commission, the NAS committee stated that it was convinced that "radioactive waste can be disposed of safely in a variety of ways and at a large number of sites in the United States." They advised the immediate investigation of a "large number of potential future sites as well as the complementary laboratory investigations of disposal methods" so that the nation would be prepared to handle the waste expected from an increasing number of civilian reactors.

This was then accepted as U.S. policy, with the general assumption that the United States would develop commercial reprocessing facilities and that only the high-level waste remaining after reprocessing would require permanent disposal. The Oak Ridge National Laboratory in Tennessee conducted further studies, and by 1969, Oak Ridge had developed a design for a repository for high-level waste in deep salt deposits.

A site was selected in Lyons, Kansas, to test the suitability

ity of salt burial in 1971, after an advisory committee appointed by the President concluded that "the establishment and burial of high-level waste can be carried out safely." The Lyons site was abandoned in 1972 as inappropriate, however, when the AEC discovered that salt mining was still going on a few miles away. The Atomic Energy Commission then began to develop an interim plan for a Retrievable Surface Storage Facility, which it expected to begin receiving waste for storage in 1980.

This concept was overturned in 1975, however, when the successor agency to the Atomic Energy Commission, the Energy Research and Development Agency (ERDA), decided once again to pursue a site for a salt repository and investigate other geological possibilities for repositories. ERDA's aim was to have an operational salt repository by 1985.

ERDA abandoned the idea of interim repositories, not because of any technical difficulties, but under pressure from the environmentalists and the Environmental Protection Agency, which charged that the repositories would become "permanent dumping grounds."

Then came Jimmy Carter

President Jimmy Carter then officially *banned* the reprocessing of spent fuel in 1977, on the basis of the political goal of "nonproliferation"; reprocessing facilities, the administration said, would make plutonium accessible to terrorists who could then convert it to a weapons-grade fuel.

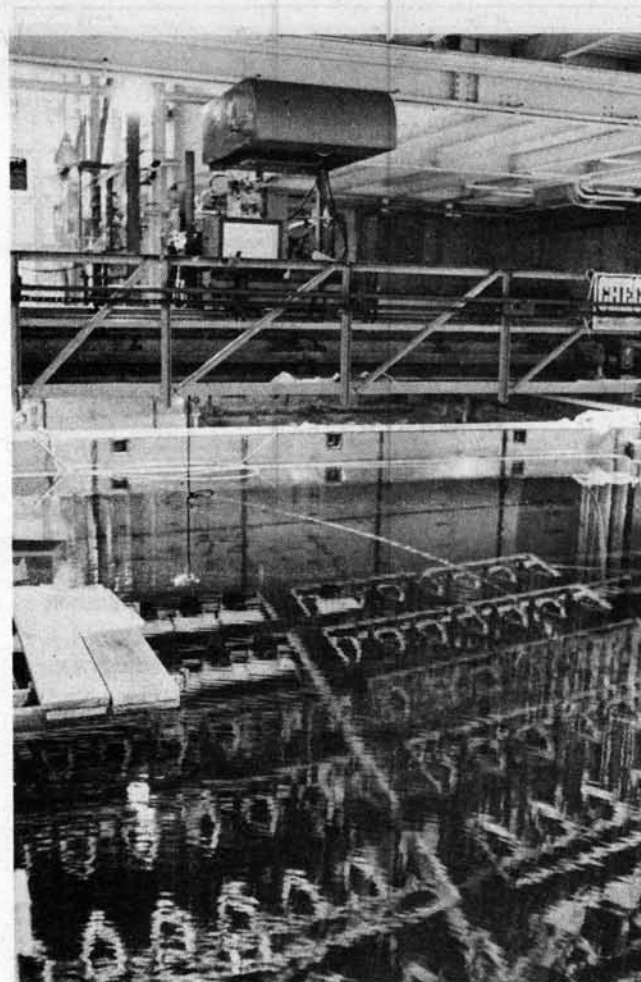
Carter guaranteed that the waste issue would remain a political football. By then the antinuclear movement was off and running, with the President on their side. In looking at what Carter did, it is hard to avoid the conclusion that his administration hoped the antinuclear movement would be able to use the waste issue to bury civilian nuclear power in the United States.

At the same time that Carter chose to make burial of nuclear waste the only option for the United States by eliminating reprocessing, he also bogged down the plans to build a repository for high-level waste by creating a new inter-agency bureaucracy (the Interagency Review Group on Nuclear Waste Management).

The political battle today over where the waste repositories should be located, is the legacy of that bureaucracy. The Nuclear Waste Policy Act of 1984 has tentatively named three sites (narrowed down from nine) for the nation's first repository and is awaiting a final environmental assessment from the National Academy of Sciences on these sites (Hanford, Washington; Yucca Mountain, Nevada, and Deaf Smith County, Texas). After further evaluation, the President will select the final site in 1991.

The schedule is then to have the Nuclear Regulatory Commission issue a construction permit in 1993, and to have spent fuel and high-level waste begin to come into the first repository by 1998.

A second repository is also mandated, this one to be located in the eastern United States. Twelve potential sites



J. E. Westcott, USAEC

General Electric's Midwest Fuel Recovery Plant at Morris, Illinois. The plant, built to process spent fuel from nuclear reactors, was scheduled to begin reprocessing in 1974, but never opened, because of a design flaw that necessitated changes in the plant that the company deemed too expensive to make. Shown here are the water-cooled basins to store fuel pending reprocessing.

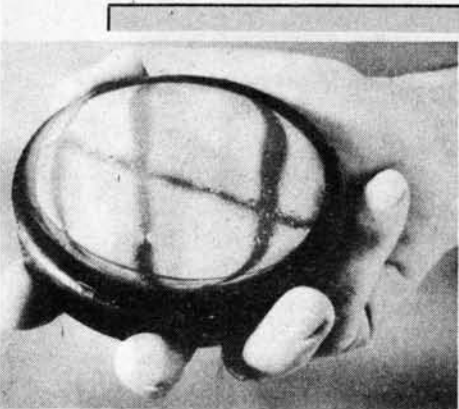
were recently announced, which set off the environmentalist howls. This list is expected to be narrowed down to five by 1989, and then three sites will be presented to the President in 1993 for him to choose. A final decision is scheduled for 1999, with the construction permit obtained in 2002.

All of these sites are being extensively researched by the national laboratories and other contractors for the Department of Energy for geological considerations. In addition, there has been ongoing research on the most efficient way to prepare and store such waste.

The recommended budget for both depositories is \$769,349,000.

Fear of technological optimism

The only way to understand why a project for burying nuclear waste, that was deemed both feasible and safe in



This photo shows a modern technique of glassified waste storage. If all the electricity used by one man in his lifetime were generated by nuclear power, it would result in this total amount of waste.

What is 'high-level nuclear waste'?

The spent fuel from a nuclear plant is removed after about three years in the fuel assembly, when the concentration of the fissile uranium-235 in the fuel is less than about 1% and the chain reaction is impeded. A 1,000-megawatt nuclear plant would replace about 60 of its fuel assemblies per year.

The spent fuel includes uranium and plutonium, all the fission products that have built up in three years or so of operation, and very small amounts of some transuranic elements (those heavier than uranium)—neptunium, americium, and curium, among others—which have very long decay times. (Of course if the spent fuel is reprocessed, the uranium and plutonium are removed.)

Initially, the spent fuel is very hot, generating about 221 megacuries of radioactivity and 2.2 megawatts of thermal heat per metric ton. The spent fuel is stored in water pools to cool it and to provide radiation shielding. After one year in the water, both the radioactivity and the heat output decline by factors of 88 and 216, respectively. In other words, after a year or so, the total radioactivity level is about 12% of what it was when it first came out of the reactor, and after five years, it is down to just 5%.

How long do these most hazardous isotopes live? Unlike other poisons like lead or arsenic, radioactive isotopes become harmless with time. This decay process is measured in terms of "half-life," which refers to the amount of time that it takes for half of the mass to decay. While a few radioisotopes have half-lives on the order of thousands of years, the hazardous components of nuclear waste rapidly decay to a radioactive toxicity level lower than that of natural uranium ore. To take the example given by the Electric Power Research Institute, the strontium in waste becomes less toxic than natural uranium ore in 450 years. The total waste, including plutonium, becomes less toxic in 500-1,000 years, depending on the fuel history. . . ."

Note that if the waste is not reprocessed, it takes 10,000 years for the toxicity to fall below that of natural uranium.

1957, is still on the drawing boards in 1987, is to look at the decline of cultural optimism in the United States and the parallel growth of the environmentalist movement.

The opponents of nuclear power and the industrial growth that it symbolizes, understood very well that their enemy was "technological optimism." The Office of Technology Assessment's consultant on the waste management issue, Daniel Metlay, wrote the following about the Atomic Energy Commission in the March 1985 OTA report on waste:

An illusion of certainty was created where, in reality, none existed. Over the years, the sense of technological optimism embedded itself in the attitudes and thoughts of important agency policymakers. It became, in a sense, an official doctrine at AEC. There is no evidence that its validity was ever seriously questioned until the mid-1970s.

The reprocessing story

In the early days of the nuclear age, the cultural optimists took it for granted that there would be a commercial reprocessing industry. Thus, the permanent burial of waste was not seen as urgent, and the research proceeded to test geological formations over a period of years.

But commercial reprocessing—a 40-year-old technology—was aborted in the United States, despite its advantages both in reducing the amount of waste that has to be disposed of and in rendering the high-level waste in a less soluble, hence safer, form.

Although France began commercial reprocessing in 1958, the first U.S. commercial reprocessing facility did not open until the late 1960s. The West Valley, New York plant, operated by Nuclear Fuel Services, was reprocessing commercial spent fuel from 1966 to 1972. The plant was in the process of modernizing and expanding to handle a larger volume of waste, when the environmentalists intervened to delay the Nuclear Regulatory Commission's licensing of the expansion. Finally, in 1976, the private owner gave up entirely, because it had become too costly to maintain an unused plant.

Another reprocessing facility in Morris, Illinois, built by General Electric in the early 1970s, never opened because an unanticipated design flaw necessitated changes in the plant that GE deemed too costly to make.

A third facility at Barnwell, North Carolina, operated by Allied General Nuclear Services, is the one that President Carter stopped in 1977—when it was 75% completed—when he banned reprocessing. At the same time, Carter's actions halted the plans of the Exxon Nuclear Co. to build a commercial reprocessing plant in Oak Ridge, Tennessee, which was planned to be larger than the other three plants.

The Reagan administration could have rescued the Barnwell plant in 1981, but, as with the Clinch River breeder reactor, Reagan chose to abandon this technology to a "private enterprise" economy so sunk in the depression that it could not pick up on these major infrastructure development

projects. Reagan also reversed Carter's policy of providing federal facilities for utilities to store spent fuel, and again made this the responsibility of individual utilities.

How much waste?

The closed West Valley reprocessing plant has about 234 metric tons of high-level waste from its reprocessing of spent fuel, and both the Morris and Barnwell facilities have storage pools for spent fuel. Other spent fuel is stored, at the nuclear plants where it was generated, in water-filled basins to dissipate the heat and allow the decay of the short-lived fission products. By the end of 1983, there was an estimated 4,600 cubic meters of spent fuel being stored at plant sites, with about 620 cubic meters additionally expected each year.

There is no problem in continuing to store spent fuel in these pools for 30 to 35 years, but according to Department of Energy estimates, the interim storage room available at plant sites will be full by the end of the 1980s.

In addition to the commercial spent fuel, there is also a much larger volume of high-level waste from the defense program, 324,000 cubic meters. This waste is stored at government facilities in Hanford, Washington, Savannah River in South Carolina, and in Idaho. The defense waste has all been reprocessed at the two government-operated reprocessing facilities.

Although the commercial spent fuel is approximately only 1% of the volume of defense waste, it has a higher level of radioactivity and heat output, because the defense waste is diluted. The Department of Energy estimate is that defense waste has a radioactivity of 1,370 megacuries, while the commercial waste has a radioactivity of 35,700 megacuries. (One curie is the quantity of radioactive isotope that decays at the same rate as 1 gram of radium, 3.7×10^{10} disintegrations per second.)

To get an idea of the relatively small physical dimensions of the problem: All the high-level waste from U.S. commer-

Radioisotopes: a resource for medicine and industry

Separating out some of the nearly 500 radioactive isotopes from high-level nuclear waste not only creates a valuable new resource for medicine and industry; it also vastly lessens the toxicity of the remaining waste. In effect, removing the radioactive isotopes from high-level nuclear waste is like "aging" the waste—the radioactivity is decreased. For example, if cesium-137 and strontium-90 are removed, the effect will be that of aging the waste hundreds of years. If the platinum group metals are also removed—neptunium, americium, and technetium, for example—this has the effect of aging the waste thousands more years.

Many of these radioisotopes are already in use. There are now between 80 and 100 million medical procedures yearly, for example, that use nuclear isotopes. In addition, the Department of Energy has an extensive plan for recovering and using these nuclear by-products for defense as well as civilian purposes.

- Plutonium-238 is now used to power heart pacemakers, as well as small reactors in space.
- Cesium-137 is used as the radiation source in food irradiation plants and is experimentally being used to process sludge—turning sewage into a pure and usable fertilizer product.
- Strontium-90-powered radioisotope-fueled thermoelectric generators (RTGs) have been used to provide electric power for remote weather stations as well as remote surveillance stations, navigational aids, and defense communications systems. A strontium-90 thermomechanical generator is now being developed for use with

low-power radar systems and remote emergency power sources.

- Krypton-85, tritium, and promethium-147 are used in self-powered lights. When the first spacecraft docked, it was promethium-147-powered lights that guided the final maneuvering. These lights use beta-emitting radioisotopes to activate phosphors, and are particularly appropriate for remote or tactical applications. The promethium-147 is especially promising because it requires considerably less shielding than the krypton-85.

Nonradioactive krypton is also used in fluorescent and incandescent lights, where it is superior to nitrogen or argon. Since natural krypton gas is scarce, it could be profitably "mined" from the fission product krypton.

- The platinum group metals—including platinum, palladium, rhodium, iridium, ruthenium, and osmium—are costly imports for the United States, which uses about 35% of the yearly world production and imports nearly 90% of this. (South Africa produces 46% and the Soviet Union 48% of the world supply.) Advanced isotope separation processes will be necessary to develop these resources to maximum advantage.

These metals have a high melting point, chemical inertness, catalytic properties, and refractoriness, according to the Department of Energy plan for nuclear by-product use. They are now used in industry as catalysts and inhibitors of corrosion, in electronics, and in medical applications. As the National Research Council noted, the platinum metals are "generally either the only material that can be used or the most cost effective of the available options, and therefore, replacement seems unlikely to be significant. Indeed, the usage trend seems likely to accelerate more rapidly over the forecast period than at any other time in history."

cial nuclear plants would fit into one 1.5 mile underground repository.

There is no mystery to the permanent burial of nuclear waste. The basic method used today in France was actually developed in the 1950s in the United States, by Brookhaven National Laboratory, and there have been continuous improvements in the technology to make the waste more stable.

The liquid waste is mixed with glass frit, and then poured into a 1-inch thick stainless steel canister that is 10 feet high and ½ to 2 feet in diameter. The canister is heated until the glass melts and then it is cooled, which fixes each atom of the waste solidly in the borosilicate glass. The canister is then packed in a another barrier of molded steel, and the entire assembly is surrounded with a metal or ceramic corrosion barrier. Finally, the assembly is buried in a specially designed vault in a geological formation in salt, volcanic rock, or granite, which forms an additional barrier. The United States has been testing various geological formations to see which are the most stable for long term storage.

The general principle is to set up a system of multiple barriers, to ensure that no radioactivity is released.

The tests that the French have done on this vitrified waste indicate that after 900 years of storage, the glass will still be a satisfactory storage medium. According to the International Atomic Energy Agency, such glass is so stable that even if placed in flowing warm water, "it would take 100 years to dissolve away about 1 millimeter of the surface of such a glass."

There have also been advances in the preparation and transportation of fuel. For example, the casks for transporting waste are probably the best designed containers ever made. They became famous in films made by the Sandia National Laboratories, showing trucks with waste casks colliding full speed with a locomotive or crashing into a wooden structure. In all these dramatic tests, the cask emerged unscathed.

Alternative methods of waste disposal have been developed that are also ready now. For example, fluidized bed calcining, developed at the Idaho Chemical Processing Plant near Idaho Falls, solidifies the waste and stores it dry. The defense waste at the Idaho facility has been stored in this manner.

The future

The pioneers of the atomic age saw the Atoms for Peace program as a way to lift mankind out of poverty worldwide and into an age of plenty. Their technological optimism is as well-founded today as it was in the 1950s. We should be mass-producing nuclear plants for domestic use and export, and we should overturn the present "throwaway" nuclear fuel cycle and implement a reprocessing program. If we immediately gear up to reprocess nuclear waste and turn 96% of it—and probably all of it—into new resources, there will be no problem of nuclear waste burial.

Fighting lasers with

by Charles B. Stevens

In an apparent turnabout, Dr. Thomas Karas, project director of the Congressional Office of Technology Assessment, has called on the U.S. government to respond immediately to the imminent threat of a Soviet breakout from the ABM Treaty. The OTA has been a bastion of opposition to President Reagan's Strategic Defense Initiative (SDI).

Testifying before the Research and Development Subcommittee of the House Armed Services Committee on March 11, Dr. Karas sounded the alarm that, "at least in the near term, the Soviet Union is better prepared than the U.S. to deploy a nationwide, if only modestly effective, BMD [ballistic missile defense] system."

Karas's warning is opportune, but the solution he offers is a disaster. The OTA is demanding that the SDI missile defense program be focused on *near-term deployment systems*, like the obsolete anti-missile missile defenses ("High Frontier") championed by Lt.-Gen. (ret.) Danny Graham, to the detriment of research and development on the more advanced directed energy laser and particle beam systems, such as the x-ray laser, which actually hold the key to the future of antiballistic missile defense.

Already, under pressures of the Gramm-Rudman budget-cutters and the OTA, over 50% of the SDI budget is being diverted to High Frontier-type kinetic energy weapon and anti-missile missile defenses, and away from more advanced beam-weapon approaches.

Soviet force improvements

The Air Force has presented Congress with updated reports on the "determined, steady increase" in Soviet strategic nuclear weapons programs, emphasizing that the "momentum of these improvements is a clear and growing sign of Soviet intentions; they serve as a danger signal to Western security." The latest developments summarized by the Air Force include:

- **ICBMs:** The Soviets currently have 1,373 intercontinental ballistic missile launchers carrying nearly 6,500 warheads, with a payload (throwweight) about three times that of the U.S. ICBM force. The 300 SS-18s, alone, have a hard-target throwweight capability in excess of that of the entire U.S. strategic missile force—both submarine and ICBM. In violation of the SALT II Treaty, the Soviets are deploying,

sticks and stones

according to the most recent National Intelligence Estimate, 12 to 14 warheads each on these SS-18s, instead of the 10 warhead limit allowed by the Treaty. The new road-mobile SS-25 and the rail-mobile SS-X-24 are "expected to be operational in 1987." In addition, three new Soviet ICBMs are expected to enter flight testing "in the next four years."

● **SLBMs:** Currently the Soviet submarine-launched ballistic missile force includes 950 missiles with 2,600 warheads. Two-thirds of this force can be fired at the United States from Soviet home waters. New MIRVed missiles, with many more warheads, continue to be deployed on old and new submarines, such as the giant Typhoon.

● **Strategic defense:** The Soviets have nearly 14,000 surface-to-air missile launchers and are continuing deployment of the SA-10 air defense missile. They are developing a newer mobile air defense missile system, the SA-X-12, "which may have the potential to intercept U.S. strategic ballistic missiles, as well." To control ballistic missile intercepts, the Soviets are completing construction of a massive phased-array radar at Pushkino. "This ABM system will reach full operational status in the late 1980s." The Soviets are also building a new phased array radar at Krasnoyarsk, which "could provide a basis for a territorial ABM defense capability," and which is a violation of the 1972 ABM Treaty. If the Soviets continue to develop engagement and guidance radars as well as above-ground launchers for high-acceleration interceptors, they "could use them for a rapidly-deployable ABM network in violation of the ABM Treaty."

The U.S. cutbacks

In his testimony to Congress March 4 and 5, Lt.-Gen. James A. Abrahamson, director of the Strategic Defense Initiative Organization (SDIO), detailed how already implemented congressional cuts were undermining the U.S. missile defense program. For example, Abrahamson noted that last year's \$1 billion cut in SDI funds led to an unwanted change in the "fundamental philosophy" of the SDIO. Originally, the SDIO expected to develop a large number of promising laser candidates, but the budget cuts forced the program to narrow down to a few possibilities, such as ground-based lasers, while cutting back, for example, on space-based lasers.

Meanwhile, according to Abrahamson, the Soviets are "improving all elements" of their existing ABM system, and "are also developing components of a new ABM system that apparently are designed to allow them to construct individual ABM sites in a matter of months, rather than the years required for more traditional ABM systems."

The folly of the approach of the born-again "pro-defense" liberals, is most sharply seen in the case of the x-ray laser, which is now getting short shrift in the SDI budget. According to leading defense scientists, such as Dr. Edward Teller, the Soviets have probably already deployed nuclear bomb-pumped x-ray lasers. This is by no means unexpected. U.S. x-ray laser experts have consistently reported that the Soviets have maintained a 10-fold larger R&D effort in this field, and that successful U.S. research has generally been based on concepts first developed by the Soviets.

The potential of the x-ray laser

In 1982, the Lawrence Livermore National Laboratory and Martin Marietta, Inc. completed a study showing that primitive forms of x-ray lasers could be developed and deployed against some types of missiles, such as the slower-moving submarine and sea-launched varieties, within five years. And despite their recent pleas for a total nuclear test ban, the Soviets have carried out almost double the number of underground explosions within recent years that the United States has. It would not be surprising to discover that the Soviets have already deployed x-ray lasers.

Given sufficient resources, the U.S. x-ray laser could now be developed within two years.

The tremendous potential firepower of the nuclear bomb-energized x-ray laser, underscores the insanity of focusing U.S. missile defense efforts on obsolete systems. As Dr. Lowell Wood of Lawrence Livermore stated in testimony to Congress in early 1985, "One contemplates the functional (and perhaps physical) destruction of entire fleets of ICBMs, with a single weapon module lofted by a single defensive missile. Each of these primary prospects has significant, albeit early, experimental results behind them at the present time. They are not dreams, nor are the corresponding applications studies naive."

With the plasma lens utilized to focus x-ray laser beams, a single x-ray laser bomb, in the megaton total output range, popped into space on a single missile, could generate enough beams to destroy 10,000-100,000 hardened warheads over ranges of several thousand kilometers. In other words, one x-ray laser bomb could destroy all of the Soviet ICBM warhead and decoy capability, and do it during the 20 minutes of flight through space which the re-entry vehicles, carrying the warheads, traverse on their way to the United States.

Alternatively, Soviet x-ray lasers could easily destroy High Frontier's kinetic energy weapons and anti-missile missiles.

KGB attempted to link LaRouche to Palme killing

It was the Soviet KGB's Lieutenant-General Boris Pankin who was behind the Swedish press's campaign to link U.S. Democratic presidential candidate Lyndon LaRouche to the killing of Swedish Prime Minister Olof Palme, according to experts of the Soviet desk for *Executive Intelligence Review*. EIR officials announced on March 23 that a preliminary documentation exposing the KGB plot had been sent to the printer for publication within the week.

The essential facts of Pankin's position and activities were brought to light in a celebrated trial in Greece during 1982. It was established that since no later than 1973, Pankin had been head of the Soviet KGB's Department A, responsible for coordinating the planting of KGB disinformation in the Western news media. That trial also disclosed that Pankin coordinated the activities of his own Department A with the KGB's assassinations department, Department V, the two interfacing in Directorate S, and that Sweden is the key base of Pankin's operations into the West generally.

The Athens trial disclosed, that Pankin ran his disinformation into the Western news media under the cover of the Soviet Copyrights Agency (VAAP). Pankin was director of the VAAP, with Vassili Sitnitkov as deputy director. VAAP has a staff of approximately 400 officials in Moscow, and runs 27 branch offices in various parts of the Western world. The trial showed that Pankin's role in the circumstances of the killing of CIA official Richard Welch and the orchestration of Andreas Papandreou's election as Prime Minister of Greece, had been conducted through Luxembourg, via a KGB front called the Gesellschaft für Die Förderung des Presses und Verlagswesens, under the direction of an East German, Karl Raab. This KGB front in Luxembourg was owned by two Swedish fronts for the KGB, Svenska Vastfik Export, and Orvag AG. The known official of Orvag AG was a Swiss (Zuerich) resident, Albert Rees.

Svenska Vastfik's interests included both the Luxembourg KGB front and the publication of the West Berlin Communist Party. The Luxembourg KGB front was shown to include several firms in various nations, including 80% ownership in the Delaware firm of Control Data Worldtech, Inc.

The present operation

It was through these and other channels of KGB Department A that Pankin personally directed the international effort to link LaRouche to the killing of Palme. Pankin ran this operation with prominent Soviet officials, including Georgii Arbatov of the Rockefeller-linked U.S.A.-Canada Institute, and with assistance of such KGB Department A officials as Col. Iona Andronov, currently based at the United Nations headquarters in New York City, and Col. Sergei Losev. Losev was the KGB official immediately in charge of the Swedish news-media lies against LaRouche.

Both Losev and Andronov have long records in special operations against LaRouche. Losev was co-author, with Vitalii Petrusenko, of several books and articles. Petrusenko's 1976 book, *Dangerous Game: The CIA and the Mass Media*, accused LaRouche and his associates of being paid agents of the U.S. Central Intelligence Agency; the book cited former CIA Director William A. Colby as authority for this charge. Andronov was the KGB disinformation officer prominent in efforts to cover up the Bulgarian connection to the attempted assassination of Pope John Paul II; as part of this operation, Andronov ran extensive operations against LaRouche.

The attempt to link LaRouche with the Feb. 28 killing of Palme began with a public declaration by Georgii Arbatov on March 1. Immediately, known KGB assets in the Swedish and Danish left-wing news media began circulating a succes-

sion of wild falsehoods against LaRouche, each of which they were subsequently obliged to retract. With the detention of Swedish police asset Ake Viktor Gunnarsson, approximately March 11, 1986, left-wing Swedish and Danish news media announced leaks showing that a person linked to LaRouche was responsible for the Palme killing, a leak which Swedish police denied repeatedly until Monday, March 17. Later Olof Palme's widow, an eyewitness to the assassination, testified that Gunnarsson was definitely not the shooter, and Gunnarsson was released. However, from Monday, March 17 through Wednesday, March 19, the social-democratic press-trust throughout Europe gave front-page prominence to wild lies circulated by the Soviet KGB's Department A.

During this interval, the offices of the Soviet KGB's news service, Novosti, identified Losev as the official in charge of the news-media handling of the charges against LaRouche.

Despite the evidence that Gunnarsson was not the shooter, the Soviet networks in the U.S.A. as well as Europe were determined to escalate the Soviet KGB's propaganda against LaRouche, using such resources as drug-lobby figure Dennis King in this operation. Then, on Wednesday, March 19, the news broke, that two candidates supported by LaRouche had won nomination to top Illinois state offices. Although the KGB-controlled news media in Scandinavia attempted to sustain the wild libels against LaRouche, the effort collapsed outside Scandinavia and West Germany. West Germany's press gave minuscule reports of Gunnarsson's release, and refused to cover the Illinois developments then dominating the news media of the United States and also reported in most of the world's press outside the U.S.

The KGB and the killing of Palme

Strong circumstantial evidence tends to confirm the opinion among top-level intelligence services of several nations. It is the Soviet KGB which is suspected of killing Olof Palme, as part of a wave of high-level and other KGB assassinations planned during the recent 27th Soviet Party Congress. The Soviet indictment of Palme is featured in the January 1986 edition of *Soviet International Affairs*. According to intelligence sources, other prominent social-democratic figures besides Palme are on the target-list, as well as other key figures mentioned as "endangered" in recent Soviet press reports. The evidence that the KGB killed Palme is strongly circumstantial, but it is certain, that by attempting to blame LaRouche and the CIA for the killing of Palme, the KGB aimed to kill several birds with one stone: to set LaRouche up for assassination, and to link LaRouche to the CIA, blaming the latter as ultimately behind the Palme killing.

Since the early 1970s, the Soviet KGB has classified LaRouche as a "principled adversary." Initially, during the 1968-1974 period, the KGB suspected that LaRouche was an asset of a right-wing faction of the CIA, running sophisticated operations against the New Left and Communist parties.



Lieutenant-General Boris Pankin, the mastermind of the Soviet KGB's plan to blame LaRouche for the assassination of Olof Palme.

During the 1980s, the KGB has corrected its assessment, to rate LaRouche as a dangerous sort of "loose cannon." Since April 1983, Moscow has placed the greatest possible pressure on both the U.S. Democratic Party and the Reagan administration, openly demanding that the White House cut off all contact with LaRouche, as a price for continuation of Moscow-Washington negotiations. Moscow's policy is, that if the Democratic Party and Western news-media fail to destroy LaRouche's influence, LaRouche must be killed.

How Moscow sees LaRouche

Moscow upgraded LaRouche's status as a "principled adversary" on March 23, 1983, when President Reagan televised announcement of an SDI policy which Moscow saw as identical to the version of SDI earlier proposed by LaRouche. Moscow feared LaRouche's potential influence as an economist, LaRouche's strategic outlook, and LaRouche's analysis as reflected in EIR's Special Report, "Global Showdown." LaRouche was classified among Soviet agents as "very dangerous," as "too inflexible" to be corrupted by combinations of threats and friendly offers, or by the pressure to submit to a perceived "consensus."

Moscow fears that a breakdown of the Western economies might make LaRouche a very credible political figure, and that in these circumstances he might emerge as a powerful influence in the United States and Western Europe, as well as among developing nations of Latin America, Asia, and Africa. Since Moscow projects a banking collapse in the West during either 1986 or early 1987, Moscow's view is that the time to be rid of LaRouche is now. He is the only existing or potential leading figure of the West which Moscow genuinely fears.

The unfolding of an international Soviet disinformation campaign

by Konstantin George

Late in the night of Feb. 28, Swedish Prime Minister Olof Palme was murdered on a main street in downtown Stockholm. Of all the responses and reactions from around the world, only from one very specific quarter, the Soviet Union, did one hear definitive statements—within 48 hours of the crime—proclaiming “knowledge” of what, if not who, was responsible for the assassination.

On Sunday, March 2, a Soviet Central Committee member and director of Moscow’s U.S.A.-Canada Institute, Georgii Arbatov, was quoted on Radio Moscow, saying regarding the murder of Olof Palme: “We know who is responsible. It was the work of right-wing extremists who want to stop the international peace movement.”

Killers have motives. Russia had several motives to murder Palme. In the last months of his life, Olof Palme had begun certain policy shifts, which infuriated Moscow:

1) Palme moved to have Sweden join the policy of the U.S.-NATO Coordinating Committee (COCOM) of enforcing a ban on military and related technology exports to the Soviet Union and the COMECON. Until then, Sweden had been the source of perhaps the biggest “leak” of Western high technology into Russian hands.

2) Just before his death, Palme had ordered an investigation and crackdown on financial speculation and stock-market manipulation in Sweden, conducted by companies belonging to the Volvo-Gyllenhammer group, and the Wallenberg group of companies. These two groups, taken together, represent the core of the Swedish corporate networks trading extensively with Russia.

3) A warning, if not an obituary, on Olof Palme, was published in the January 1986 issue of the Soviet journal, *International Affairs*. The article, signed, Yu. Venisov, stated, “Troubles in Soviet/Swedish relations also made themselves felt after the Olof Palme government came into office in 1982. Although the government’s programmatic statement did refer to its intention to improve relations with the Soviet Union, it failed to take consistent and decisive practical steps in this direction. . . . The [Palme] government was under strong pressure from the right-wing opposition which grouped around the Moderate Party and sharply opposed whatever

contacts with the Soviet Union they deemed political.”

A component of any assassination of a high-ranking political figure, is to lay a false scent, distract attention from the perpetrators and their motives, focusing attention in other directions. Arbatov’s declaration that it was the “extreme right-wing,” was a signal for Western outlets of KGB disinformation to begin a campaign against a target labeled by Moscow “extreme right-wing.” The choice of target conforms to the fact that elimination of the target is a top strategic priority for Moscow. That target was the European Labor Party (EAP)—the European parties in Germany, Sweden, France, and Italy which promote the policies of the American statesman and economist Lyndon LaRouche, and his wife, the prominent German political figure and expert on the Weimar Classics, Helga Zepp-LaRouche, head of the German EAP.

KGB outlets spring into action

Synchronized with the dissemination of the Arbatov statements, the KGB’s disinformation operation commenced on Monday, March 3, with the Danish mass circulation tabloid, *Extrabladet*. The article was written not by a Dane, but by a Lebanese national, **Paul Gazan**, who came to *Extrabladet* from the KGB’s Danish mouthpiece, **Informasjon**, run by **Juergen Dragsdahl**. *Extrabladet* declared that the EAP is suspected of involvement in the murder of Olof Palme, with Gazan writing: “Sources in the police leadership reveal they are looking intensively at right-wing extremist organizations, including Swedish neo-Nazi groups and the so-called European Labor Party.”

That same day, March 3, the West Berlin-based pro-terrorist newspaper *tageszeitung*, launched the same charge against the EAP: “Police investigation is concentrated on extreme right-wing groups, among them the European Labor Party. . . .”

In their haste to launch the operation to “implicate” the EAP, the KGB made a telling blunder. The *Extrabladet* and *tageszeitung* articles both claimed to quote the Swedish daily **Expressen**, but they appeared on March 3, i.e., the day before *Expressen* published its own slander, March 4. The

Expressen article was written by **Leif Braennstroem**, who wrote:

"Certain of Saepo's [Swedish Security Police] terrorist experts think the murder of Olof Palme can be the work of a sympathizer of one of the identified terrorist or extreme right-groups in Sweden. . . . The Swedish organizations which are included are all extreme right organizations. . . . Nordic Reich Party EAP . . . known for hate propaganda against Olof Palme."

The same day, *Expressen* made its own blunder, publishing a "guest article" by Georgii Arbatov, who wrote:

"I don't know who murdered Olof Palme, but I know who hated him. He was hated, bestially hated, by those who cannot accept . . . what he spent his life for—peace and disarmament. . . . I saw . . . how hated he was by others. I have seen demonstrations by neo-fascists, seen hooligans curse him and threaten him. . . ."

From March 5 to March 13 inclusive, the EAP was not mentioned by name, but the Swedish press was filled with articles speaking of "groups which ran hate campaigns against Olof Palme"—the conditioning of the population for the next wave.

During this interim, however, on Thursday, March 6, an article appeared in the weekly *Literaturnaya Gazeta*, a Soviet journal unofficially directed by the KGB. The article put the Soviet government on record saying that Moscow knows—generically—who killed Olof Palme. The article was not written by a usual KGB journalist, but by **Vladimir Lomeika**, the Soviet Foreign Ministry's chief spokesman. Thus, it bore the official imprimatur of the Soviet government:

". . . The Ton-Ton Macoutes of the world's dark forces killed him. At this moment, we do not know the names of his assassins, but we know the handwriting of political assassination."

Literaturnaya Gazeta has a history of slandering LaRouche. In June 1983, KGB colonel and *Lit Gaz* "correspondent" **Iona Andronov** authored an article on the 1981 attempt to kill the Pope, insinuating that the Pope was a victim of a "CIA plot," which included LaRouche.

A Danish KGB cut-out

On Friday, March 14, the Danish afternoon tabloid, **B-T**, published an article by **Jan Soegaard**, headlined; "Olof Palme Killed by Communist Haters."

B-T's number-two editor is **Nils Norlund**, brother of the chief ideologue of the Danish Communist Party, **Ib Norlund**. Nils Norlund is married to the ex-wife of Socialist International chief **Willy Brandt**. *B-T*'s feature writer, **Jens David Adler**, is a member of the Pugwash Movement, the nuclear disarmament asset of Moscow in the West.

Had the article appeared in the DKP paper *Land og Folk*, it would have had no useful results for Moscow. The Kremlin used its Socialist asset, *B-T*, and the afternoon edition of the "respected" **Berlinske Tidende**, to launder the slander of the EAP into the West. The *B-T* article is the first article in

Western Europe "linking" the Palme murder suspect who had just been arrested to the EAP. The suspect's name had not been released by the police, nor by anyone else at the time. *B-T* wrote:

"The 35-year-old suspect is already known to Saepo. The reason was his connection to the extreme right-wing movement, EAP. According to sources inside Saepo . . . [he] had been a sympathizer of the EUP [sic] and worked . . . for the party . . . by writing articles for the party's pamphlets. In those, he was aggressive against Palme, and therefore was registered [by Saepo]. . . ."

The facts are quite contrary: The arrested suspect never worked for the EAP, never wrote articles "for the party's pamphlets." He signed a petition in December 1984, declaring himself a "member," and was expelled as a "member" in May 1985, after a conversation with an actual member in which it became clear that he was mentally unstable. In the interim, he had never attended any EAP meetings, or participated in party activities in any manner.

Over the weekend, the suspect's lawyer, one **Henning Sjostroem**, broke Swedish law by releasing to the press the name of the suspect, **Ake Viktor Gunnarsson**—a police informant sent to formally "join" the EAP for a short time. Sjostroem is not just any lawyer. He is widely touted as the leading lawyer for organized crime in Stockholm. His political connections, going back decades, link him to those circles in Sweden which, during the war, were pro-Nazi, and, in the postwar period, pro-Soviet.

The storm breaks loose

On Tuesday, March 18, the storm broke loose. The **Swedish Riksradio** (national radio) began the morning with broadcasts that the suspect is an EAP member, and filled their "news" with lurid details of "meetings of well-dressed people . . . both Swedish and foreign guests" at the suspect's home.

On cue, Sweden's leading daily, **Svenska Dagbladet**, that morning headlines: "Suspect Is a Member of a Political Sect." The authors were: **Richard Aschberg** and **Sune Olsson**. The key sentence, "In 1984, he was a member of the EAP, known for its campaigns against Olof Palme," was a perfect echo of the KGB slander guidelines. The authors added, "The suspect is known for his very clear anti-communist views." The article betrayed the next phase of the operation against the EAP, saying: "At the tax authority, [where party membership records are also kept] the suspect, along with 1,800 other persons, stands as a member of the EAP." This was a direct call for the police to "investigate" every legitimate EAP member.

That day, every Swedish newspaper was filled with slander articles:

Aftonbladet carried a photo from 1976, allegedly portraying an "EAP member" together with the arrested suspect, Gunnarsson, conducting "violent action" at a Swedish Social Democratic Party conference. The "EAP member" in the picture was actually an active member of the Social Demo-

cratic Party itself.

A local Joenköping paper carried a picture of an EAP member with an invented quote: "We are prepared to kill Palme."

Timed with this, Radio Moscow broke the silence on the matter imposed since the Arbatov statements, and declared in every foreign and domestic language broadcast that the "murder suspect was a member of the extreme right-wing European Labor Party."

The Swedish media barrage served as the trigger for reports sweeping across Europe throughout the day:

Denmark: *Extrabladet* continued to attack the EAP, but also quoted Swedish EAP spokesman Mike Ericson that Gunnarsson is not an EAP member. *B-T*, in contrast to all other Scandinavian papers, did not even mention the EAP in its coverage on Gunnarsson, saying only that in September 1983, he had visited Copenhagen and dropped off "propaganda materials of an extreme right-wing organization" at newspaper offices.

Germany: All regional radio stations and the two national TV channels covered the story.

France: The two radio channels, the state-owned **France-Inter** and the commercial **Europe-1**, reported that suspect Gunnarsson was a member of the "extreme right-wing" EAP. The original accusation was launched through AFP news agency. The second TV channel, **Antenne-2**, also followed the same line, calling the EAP "a fascist organization." The afternoon daily *Le Monde* also reported the alleged EAP membership of Gunnarsson, although more cautiously worded in their first edition. Their second daily edition carried the EAP's denial.

Italy: Italian TV and radio carried the accusations.

Britain: The "story" broke too late to get into the major European printed media of March 18—with one striking exception: the London **Times**. Author: **Christopher Mosey**, Stockholm correspondent. The London *Times* carries a front-page slander, with a picture of Gunnarsson, calling him a "member of the extreme right-wing European Workers Party."

On Wednesday, March 19, the disinformation storm hit nearly every European newspaper. At the same time, Radio Moscow launched the next public Soviet escalation, describing the "guilty party" as the "fascist European Labor Party, with its headquarters in West Germany."

Norway

Dagbladet, a left Social Democratic-run daily, with a long history of slanders against LaRouche, asserted that Lyndon LaRouche is the "leader of the Ku Kux Klan," publishing a picture of LaRouche, and a picture of a Klansman in white robe, claiming this picture is also of LaRouche.

Morgenbladet, author: **Berit Rekaa**, wrote regarding the chairwoman of the German EAP, Helga Zepp-LaRouche: "Officially she was born in Trier, West Germany [true], but . . . she originally was East German, which has been hid-

den." That article quoted a Norwegian supporter of the Heritage Foundation, **Bjorn Hallstroem**, calling LaRouche's organization; "national socialistic," and comparing LaRouche with Hitler.

Thus, the Moscow line that "EAP = fascist," is first conducted through the Heritage Foundation networks.

Vaerldensgang: This paper alleged that the "EAP attacks Russia" because Russia "is run by the Jews." In 1985, "LaRouche and his organization received 2.5 million Norwegian crowns from the CIA."

Germany

Frankfurter Rundschau, author: **Hannes Gamillscheg**, writes from Copenhagen: "The EAP. . . concentrated on political propaganda of the nastiest sort, and Olof Palme was their favorite enemy in Scandinavia. . . . The hatred, which they inflame, can seduce a psychologically unstable individual to action whose seriousness he cannot comprehend."

The more standard slanders used the "extreme right-wing" Second International line:

Sueddeutsche Zeitung ran a Reuters-Stockholm release basing itself on the *Aftonbladet* coverage of the day before, mentioning the "radical right" EAP.

Die Welt, DPA-Stockholm, referred to the "right extremist" EAP and to *Aftonbladet*.

Saarbrücker Zeitung, DPA-Stockholm, calls the suspect, "for many months a member of the Swedish section of the right-radical 'European Labor Party' which is active throughout all of Europe."

Thus, the German dailies with national circulation base their stories on Sweden's *Aftonbladet*, owned by the Social Democratic trade union organization, LO.

Italy

Unita, the Communist newspaper, no named author. headlined: "Is the Killer of Palme a Hard-Core Neo-Fascist?" "He was an activist of the European Labor Party."

Il Resto del Carlino, a Bologna region newspaper; author asserted that he had attended "EAP meetings" where "Nazi songs were sung" and a "lot of beer and sausages were consumed."

Corriere della Sera, author: **Francesco Alonzo**, Stockholm correspondent, said the EAP is "a sect with very confused ideas."

Il Giorno, no author named, quoted *Svenska Dagbladet* on the "extreme right-wing" EAP.

La Repubblica, author: **Vincenzo Lanza**, Stockholm correspondent, cited Lyndon LaRouche, representing "an extreme right ideology." The EAP had waged a campaign of "defamation and verbal aggression" against Palme.

La Stampa, author: **M. C.** cited Gunnarsson as having been "a member of the extreme right-wing organization, the European Labor Party."

Il Giornale, author: **U. Tramb** cited the "extreme right-wing" EAP.France

Le Matin de Paris (Socialist) published a box entitled: "POE: a sect, a party, a leader," recalling the Nazi slogan "Ein Volk, ein Reich, ein Führer."

Le Quotidien de Paris stated that Palme had no enemies. "This is why investigations oriented towards terrorist organizations [such as] the Ustashi Croats, the Baader-Meinhof gang, and the fascist-leaning sect known as the EAP."

Radio-France-International, the official radio station broadcasting over Africa and other French-speaking parts of the World, described the EAP as an extremist organization linked to the SAVAK, the Iranian secret services under the Shah, and claimed that all the EAP members were "trained as urban guerrillas" in America.

The following day, when Gunnarsson was released, one channel of France-Inter did not hesitate to imply that Gunnarsson had been released because he was *not* a member of the EAP!

Britain

London *Times*, author: Christopher Mosey, Stockholm correspondent, "Police are now investigating his [Gunnarsson's] links with the European Workers' Party, an extreme right-wing political group based in Wiesbaden, West Germany.

The London **Guardian** and **International Herald Tribune** run the Reuters wire from Stockholm.

The bubble bursts

On late Wednesday afternoon, March 19, the Stockholm police officially announce that no evidence exists that the arrested suspect, Gunnarsson, was involved in the murder of Olof Palme. The suspect is released, though now kept under close police guard, at a secret location. The effect is nearly instantaneous. Throughout Europe, the TV and radio drum-beat linking the EAP to the murder of Palme stops.

The European press of Thursday, March 20—south of Scandinavia—falls almost exclusively into two categories: 1) no further mention whatsoever of the Palme murder case; 2) more commonly, straight news reporting the suspect's release for lack of evidence, with no mention of the EAP.

The major exceptions lie in Scandinavia. *Expressen* in Sweden, and *Morgenbladet* in Norway.

Expressen author Leif Braennstroem, who had launched Moscow's original campaign against the EAP, wrote:

"The investigators of the murder now penetrate deeper into the investigation of the European Labor Party. The criminal police have now seized the 1,800 membership list that the right-wing extremist party had filed with the tax authorities. . . . The interest in the EAP by the criminal police means that the investigation has been broadened." The article comes with two pictures; one of the police sequestering the list, and the second of the police scrutinizing pictures of EAP meetings.

Morgenbladet, no named author, headlined: "CIA Has Not Supported Lyndon LaRouche and His Movements." The

lead sentence: "The CIA has nothing to do with the extremist organization, the European Labor Party," citing a CIA spokesman.

In Germany, the **Kieler Nachrichten** called the EAP "terrorists."

The French coverage, however, included the first objective reports:

Le Monde: The leading daily of France commented truthfully that Lyndon LaRouche and the POE (EAP) are widely known for their campaigns against the Club of Rome and the Trilateral Commission; that the POE is known for its commitment to developing the Third World, and its policies make it "more left Gaullist than ultra-conservative." *Le Monde* also accurately identifies LaRouche and the POE as committed to seeing the SDI implemented.

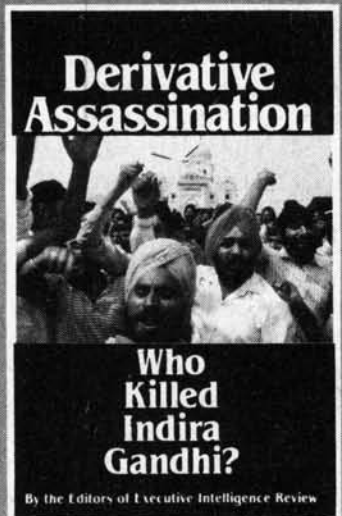
Present, the conservative French daily, asked: "Is the EAP extreme right-wing? Let's have a closer look. . . . The Swedish press committed two errors. . . . Gunnarsson is no longer an EAP member, and the EAP is not extreme right-wing." In the just-concluded French elections, the EAP ran a highly publicized multi-racial slate. It also quotes Swedish EAP spokesman Mike Ericson, that the EAP had in the past uncovered and exposed "attempts by neo-Nazis to infiltrate the EAP," and that the international slander campaign against the EAP "results from Soviet sources." *Present* itself comments: "In West Germany, the Soviet Union has its best writers."

Derivative Assassination: Who Killed Indira Gandhi?

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How to build the Ibero-American Common Market

by Dennis Small

The following is Part II of an abridged translation, from Spanish, of the author's presentation to the International Conference of Food Producers on Feb. 22, 1986, in Ciudad Obregón, Sonora, Mexico. Part I discussed the three fundamental structural problems of the Ibero-American economy: 1) Under-population. There are not enough people. This may not appear to be a problem, but in fact it is. 2) Mis-employment, under-employment and unemployment of the minuscule population that does exist. 3) An economic structure of production and export that is overtly neo-colonial. Raw materials are exported and capital goods imported.

Can the continent be self-sufficient?

Let us take the case of crude oil (Figure 1). There is an index of self-sufficiency of 112%, that is, it is possible to cover all the regional oil needs, plus 12%. The countries upon which this capacity depends are Mexico and Venezuela. If Mexico were to stop selling oil in the international markets and sell first of all to the continent's countries that require oil, through barter deals, to obtain from those countries what Mexico in turn needs, no one would lack oil. For this, Mexico would only have to stop worrying about earning dollars through oil exports, to pay the debt; we are speaking of a situation of a regional debt moratorium. The same would happen with gasoline, which gives us an index of self-sufficiency of 103%.

Coal is a problem, especially coking coal. When El Cerrejón in Colombia enters into production, many needs will be able to be covered, but even El Cerrejón's coal is not cokable. Hence there is an important strategic vulnerability for steel production. There exists, however, the alternative, of employing direct-reduction to produce steel, which does not use coke, but natural gas with the iron ore.

Iron ore gives a self-sufficiency index of 325%, because Brazil, Venezuela, and Peru have it in abundance. Iron has an index of 104%. Steel stands at 97.3%, above all thanks to Brazil's production. Ibero-America does not need to import steel from anyone. It is true that not enough steel is consumed, but for the short term, Ibero-America can take care of itself in steel. The region also counts on



NSIPS

Lyndon LaRouche meets with trade unionists in Argentina during his 1984 campaign for the U.S. presidency. To his left is Dennis Small. The purpose of their tour was to organize support for "Operation Juárez," the economic development plan which includes the creation of an Ibero-American common market.

FIGURE 1

Self-sufficiency of Ibero-America under total embargo—I

Crude oil	112.0%	Mexico, Venezuela
Gasoline	103.4%	Mexico, Venezuela
Coal	77%	
Iron ore	325.6%	Brazil, Venezuela, Peru
Iron	104.5%	Brazil, Venezuela
Steel	97.3%	Brazil
Sheet steel	95.4%	Brazil
Aluminum	125.9%	Argentina, Venezuela
Copper	243.4%	Chile, Peru
Lead	163.8%	all
Sulphuric acid	97.8%	Mexico, Venezuela
Ammoniac	121.6%	
Caustic soda	72.8%	

FIGURE 2

Self-sufficiency of Ibero-America under total embargo—II

Sodium carbonate	61.1%	
Hydrogen peroxide	85.0%	
Nitrogenous fertilizers	45.2%	
Phosphoric fertilizers	76.6%	
Footwear	98.0%	all
Cement	97.0%	Colombia, Peru, Mexico
Paper	85.0%	
Rice	94.0%	Argentina
Maize	114.5%	Argentina
Wheat	84.0%	
Soybeans	102.0%	Argentina, Brazil
Milk	94.0%	all
Beef	104.0%	Argentina

Operation Juárez: the LaRouche recovery plan

Economist Lyndon LaRouche, in a nationally televised address on Nov. 5, 1984, the eve of the presidential election, detailed a plan to solve the debt crisis in Ibero-America, and simultaneously unleash an unprecedented economic recovery in the United States.

"If the leading nations of Ibero-America," he said, "were to create a customs union, a common market, and if the United States established the proper cooperation with such a common market, the combined development of the United States and Ibero-America would produce as much as one-quarter to one-third of the total production of wealth in the world over a period of a century to come. The potential market for U.S. exports of capital goods in Ibero-America is beyond the imagination of all but a tiny, well-informed segment of our exporters today. It would be most conservative to speak of between \$50 and \$100 billions of capital goods exported from the United States into Ibero-America during the year 1986, if the United States would adopt an intelligent policy toward this region of the world."

The LaRouche plan, known as "Operation Juárez," after the Mexican founding father and republican leader Benito Juárez, had circulated far and wide throughout the Ibero-American continent since August 1982, when *EIR*'s Special Report of that title was first released. In that document, LaRouche specified that President Reagan would have to dump the economic policies associated with David Rockefeller, the International Monetary Fund, and Kissinger Associates, Inc. If the U.S. government refused to act in so intelligent a manner, Ibero-America does possess sufficient resources to "go it alone," although this would considerably slow down the continental development effort.

We emphasize here those features of "Operation Juárez" which bear especially upon the relations of the United States with its southern neighbors.

If the U.S.A. were to discover suddenly its lost wisdom, LaRouche wrote, it would cooperate in reorganization of the Ibero-American debt, while undertaking, domestically, a few large-scale, basic infrastructural projects which would provide a stimulating market for private industry, overcoming the effects of Paul Volcker's depression. Such projects would include nuclear energy installations, ports, rail, maritime infrastructure, and major water-management projects. Injection of low-cost governmental credit at 2%, for construction-phase investment in such projects, would be required.

Such domestic-economy stimulants should be supplemented by foreign-trade stimulants. The United States

should negotiate with developing-sector nations a collection of high-technology infrastructural projects most urgently needed by those nations, providing 2% per annum financing for medium-term to long-term construction and operation of such projects. This would translate into immediate demand from U.S. producers of capital goods.

A number of exporting nations, such as Japan and the Federal Republic of Germany, would probably wish to join the United States as partners in a multinational division of labor. If we added India, the ASEAN nations of Southeast Asia, and a few more developing-sector nations, we would be identifying a potential for at least \$200 billion of increased capital-goods imports per year from capital-goods exporting nations. Mexico alone, for example, fully justifies \$20 billion a year or more of increased capital-goods purchases. An additional \$40 billion a year increase in selected capital-goods imports by Brazil, \$10 billion by Argentina, and \$50-100 billion by India, illustrate the general order of potentiality.

Each of the debtor nations would deliver to the creditor banks a portfolio of bonds equivalent in total value to the accrued value of the previous debt-contracts. The new bonds would have an interest rate of approximately 2% per annum, and the U.S. government should agree to make the new bond-issues discountable assets within the reformed—"federalized"—Federal Reserve System. This, combined with a capital-goods-export program and a gold-reserve-based U.S. credit and banking system, would make such bonds "as good as gold."

Should the U.S. government and American bankers prove too stupid or too cowardly to reorganize affairs in this way, LaRouche wrote, there are two other options for Ibero-American governments. In the first alternative, the creditor banks would be rescued, to the extent that their debtors are able to assist them, with the alternative of debt-reorganization bonds. In the worst case, in which the bankers found themselves to be fanatically stupid, the Ibero-American debt would be temporarily suspended, until such time as someone in a leading position in the United States brought that nation back to its senses.

In that case, the Ibero-American republics would themselves exploit the potentials for "South-South" cooperation, working with such trading partners as can be found among North-South trading partners. They would proceed to establish a common banking institution, to facilitate trade, with a common currency of account established for the customs union. This bank would soon become one of the most powerful financial institutions in the world.

FIGURE 3

Self-sufficiency of Ibero-America under total embargo—III

(millions of dollars)

	Exports to		Imports from the rest of the world	Trade balance with the rest of the world
	SELA	the rest of the world		
Motors and turbines	75	452	1,113	-661
Agricultural machinery	133	194	365	-171
Metalworking & woodworking machinery	52	66	846	-780
Machinery specially for industry	437	650	6,688	-6,038
Electrical machinery	231	534	3,431	-2,897
Rail equipment	11	88	294	-206
Trucks	122	265	487	-222
Aircraft	23	89	650	-561
Ships	65	176	569	-393
Totals	1,149	2,514	14,443	-11,929



sufficient aluminum, copper, lead, sulphuric acid, ammonia, etc.

There are important weaknesses. The self-sufficiency index for caustic soda, which is a very important input for industry, is only 72.8%, for example.

In general, the weak spots are in chemicals, petrochemicals, fertilizers, pharmaceuticals, and so forth (Figure 2). Little sodium carbonate is produced, and barely 45% of the nitrogenous fertilizers the region requires.

Now in wheat, 84% of the requirement is produced. Argentina produces rice, corn, soya, meat, and milk. Thanks to Argentina, the region could be self-sufficient in food, even with the limited present production.

In Figure 3, we see other areas of relative vulnerability: machinery, and capital goods. In these areas, Ibero-America has to acquire \$11 billion worth of goods from the rest of the world, as it cannot supply itself; but, in any case, this is not too large a figure.

In general, Ibero-America is much stronger, economically, than is thought. There are weaknesses, but if they are known, they can be resolved.

Figure 4 presents the calculations of what has to be done in Ibero-America to satisfy the needs of a growing population. Two population-growth curves appear. One is the normal curve, which from here to the year 2000 would lead us to have 560 million inhabitants. The other is the curve of restricted growth which the World Bank and International Monetary Fund are proposing. According to them, there should be 47 million fewer human beings between now and the year 2000.

Supposing that by the year 2000 there will be 567 million Ibero-Americans, we calculate how much food and other products will be necessary to be able to maintain this population. The principal problem to produce food for such a

population is the problem of per-hectare yields in agriculture, as is seen in Figure 5.

The yield, for example, of rice, is 2 tons per hectare throughout Ibero-America. In the United States it is 5.3 tons; i.e., the U.S. yield is 2-3 times greater than that of Ibero-America. To satisfy the food needs of this growing population, obviously yields have to be increased.

On average, by the year 2000 each person must consume some 2,750 calories per day, and a good proportion of this should be animal protein. For this it is necessary to increase annual grain production by several million tons. Where today 110 million tons are produced, by the year 2000 we will have

FIGURE 4
**Population growth 1980-2000:
two scenarios**

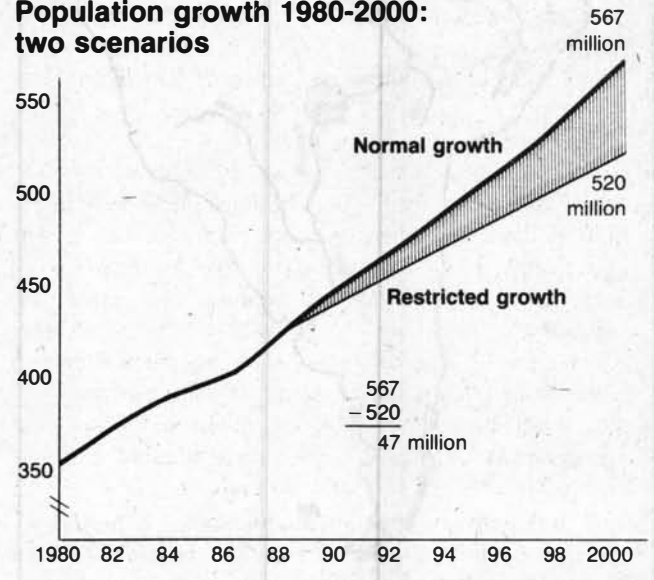


FIGURE 5
Production and yields of cereals, 1982

	Area (10 ³ has.)	Production (tons)	Yield (kgs./ha.)	U.S. yield (kgs./ha.)
Rice	8,187	17,260	2,108	5,315
Wheat	12,026	21,000	1,746	2,396
Maize	26,678	50,468	1,892	7,205
Sorghum & other	7,288	21,272	2,919	3,013
Total	54,179	110,000	2,030	4,409

FIGURE 6
Cereals requirements in the year 2000
(thousands of tons)

Present production	110,000
Per capital increase (25%)	137,500
For population in year 2000	195,000
Grain for animal consumption	50,000
Total	245,000
Total increase	135,000
—owing to better yields (of 3.47 tons/ha.)	85,000
—owing to increase in land under cultivation	50,000

FIGURE 7
River integration of Ibero-America



to produce 254 million tons (Figure 6). This can be done with better yields, increasing grain production levels to 3.5 tons per hectare as an average, and by increasing the land under cultivation by some 15 million hectares.

Various industrial inputs for agriculture will have to be produced, such as fertilizers and tractors, in growing quantities. Between now and 2000, for example, Ibero-America will have to go from using 75 kilograms per hectare of fertilizers, to 250 kg per hectare. As far as tractors go, today there is one for every 110 hectares, whereas this should be one tractor for every 40 hectares. In other words, we have to more or less triple both fertilizer and tractor production in the region, by the year 2000.

Now, the key element to increase productivity and efficiency in the entire Ibero-American economy and to resolve the three problems I indicated—underpopulation, poor employment, and the economy's colonial structure—is to launch a series of great infrastructural projects in the region. It is a question of completely transforming the Ibero-American continent. For example:

For 200-300 years it has been known that it is relatively easy to achieve the physical integration of the three principal river basins of South America, the Orinoco, the Amazon, and the Parana river basins: Humboldt proposed this a long time ago, and it has also been talked about very recently.

These rivers are navigable, with few exceptions, including the areas of the two circles that are seen in Figure 7, which would be points where one would have to connect the river networks with canals, dredge the river to make it deeper. By this means a network of river transport would be created for all of South America, which would facilitate the region's internal trade.

Figure 8 (page 36) shows a series of large waterworks, related to the integration of the three river basins: canals, trans-Andean tunnels, and others. This includes the PLHINO and the PLHIGON in Mexico, the construction of a second Panama Canal, and the building of trans-Andean tunnels to draw water to the Pacific coast, which runs from the other side of the Andes, to the Amazon, to use it in agriculture.

The famous canal project of Bermejo to integrate Bolivia, Paraguay, and Argentina, would open to cultivation an area in Argentina equal in size and in yield to the damp pampas, which would be something truly extraordinary.

In conjunction with this, various hydroelectrical works of vast importance can be executed, of more than 2,000 megawatts in the entire continent. There is a fabulous hydroelectrical potential.

Figure 9 illustrates how the continental rail network should look, another vital element for the physical integration of the region. Almost nothing of this exists today; but if one compares Figure 9 with a map of Europe or the United States, one sees that the density of rail networks in Europe and the United States is enormous compared to Ibero-America. One thing which facilitates the European Common Market and industrial development there, is the fact that there exists an

adequate transport system throughout Europe. We have to build the same thing in Ibero-America.

Around this a whole series of very advanced technology mining and industrial projects would develop (Figure 10, page 37), to employ the manpower that is now idle, and that would enter into the workforce between now and 2000: a total of 100 million jobs. This includes the old proposal of Mexico, today abandoned, to build four big port cities: Altamira, Coatzacoalcos, Salina Cruz, and Lázaro Cárdenas. They would have to be superports and urban centers endowed with nuclear energy, organized according to the idea of the "nuplex." In the case of Colombia, the Cerrejon has to be exploited, in coordination with Zulia in Venezuela, where there are also important mining, natural gas, and petroleum centers. A large-scale steel industry can be set up there.

We can count on the Great Carajas of Brazil, which is today the world's largest iron mine. Recently it has been discovered that in Mutan at the Bolivia-Brazil border, there exist greater iron deposits than those of Carajas, and also of great purity. With this iron and the natural gas in the region of Santa Cruz and northern Argentina, a very important steel complex could be established. Argentina needs to greatly expand its nuclear-electric industry, to establish a superport in Bahía Blanca, etc.

Our preliminary reckoning indicates that with a continental program of industrialization and infrastructure like this, it is absolutely possible to create 100 million new jobs. Figure 11 presents the case of Brazil. The total of new jobs, with an investment of \$240 billion, would be approximately 25 million. Brazil, in this sense, is simply one-fourth of what is needed for the whole continent. In other words, if we do the same thing in the rest of the continent, we will have the necessary employment level, and this, with an investment of about \$1 trillion, in 15 years.

Now, \$1 trillion in 15 years may seem like a lot of money, but in reality it is not. International drug trafficking yields \$500 billion per year, today. Let's expropriate these ill-gotten funds to begin, and there's half of the needed investment.

Now, it is a commonplace that, in the face of proposals like this and the idea that drastic measures must be taken, a pragmatic attitude tends to take over: "This is not possible. This is not pragmatic. This does not fit into the rules of the game." But just look at what Alan García has done, who took a sovereign decision, without asking permission of anyone!

But there is something more. Alan García proposed that if four or five countries more don't join up with this Peruvian effort, in the immediate future the Peruvian experiment will crash. He needs the backing of four or five countries of the continent by the middle of this year. If we do not achieve this minimal level of unity, we cannot win the battle against the International Monetary Fund and usury. And if we lose, epidemics will multiply, hunger will spread, and millions of people will die in a fruitful holocaust.

Here again, we hear those who say it cannot be done. People who think that way are like the university academics

who say that "politics is the science of the possible." How many times have we heard that? It is a lie. True politics is the science of the *necessary*, of the "not possible." And if it is necessary to achieve continental unity, as it is, as Perón said, then it *must* be done, even though it seems impossible.

This quality of doing the almost-impossible, is what defines us as human beings. As Schiller said, "Man must be greater than his circumstances, he must be greater than his own destiny."

FIGURE 9



FIGURE 11

Brazil: great projects and jobs creation

	Investment (\$ bil.)	New direct jobs (thous.)	New productive direct and indirect jobs (thous.)	Total new jobs (thous.)
Grand Carajas	70	1,700	5,100	7,650
Itaipú	11	23	69	104
Railways	8	87	261	391
New farmlands	6	1,000	3,000	4,500
Nuclear energy	25	45	135	203
Other projects	120	2,856	8,568	12,852
Total	240	5,711	17,133	25,700

FIGURE 8

Great Water Projects

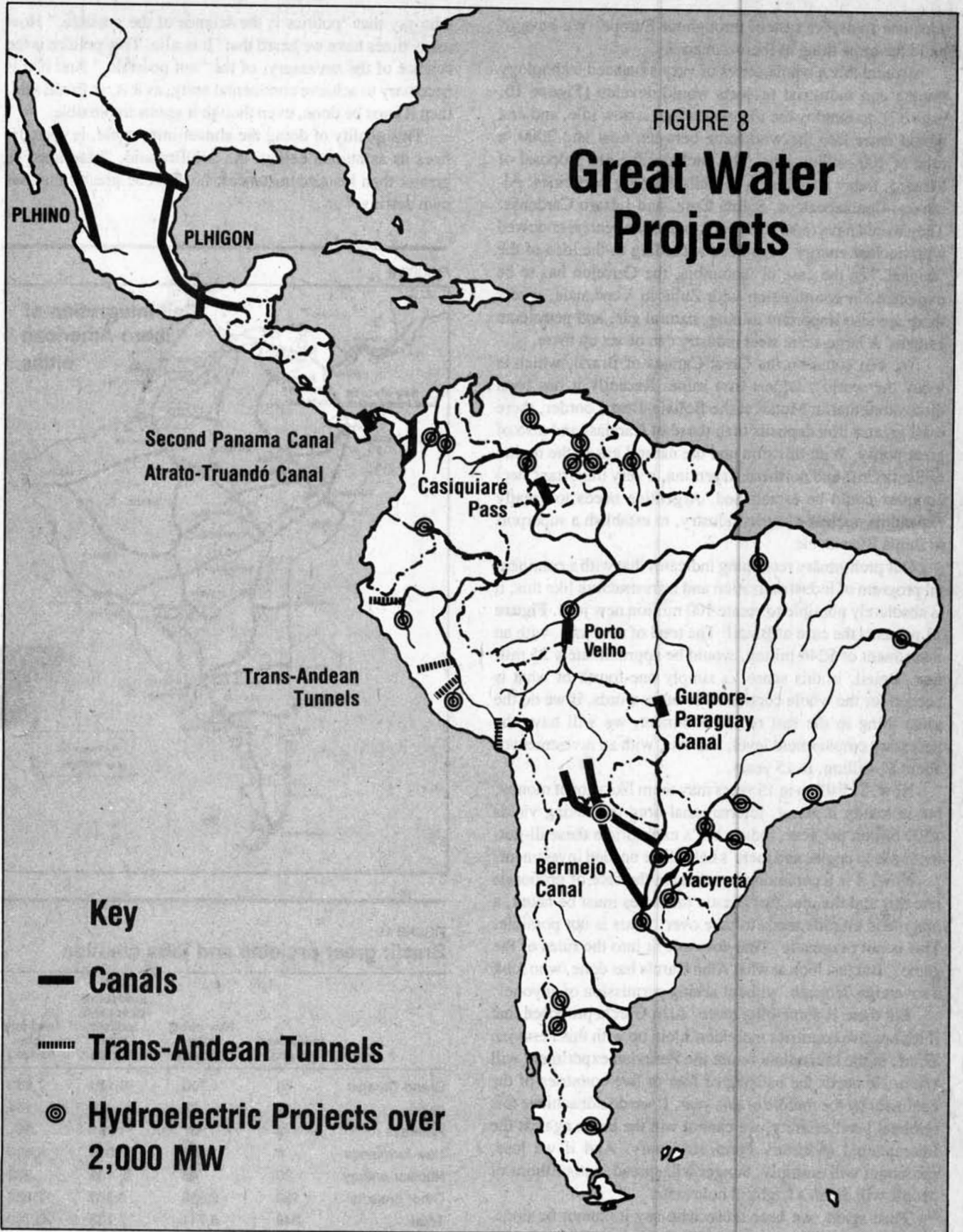


FIGURE 10
**Great
 Mining-Industrial
 Projects**



Can Shultz accomplish what he now intends?

by Criton Zoakos

During his 10-day junket to France, Turkey, Greece, and Italy, U.S. Secretary of State George Shultz did his utmost to lay the basis for a disengagement of the United States from the Mediterranean Sea and from the general European sphere. His mission was not exactly a sterling success, though through no fault of his own: His long-scheduled trip coincided with an unforeseen, but dramatic, affirmation, in Western Europe, of a growing willingness of political constituencies and leaders, to resist the planned Soviet takeover of Europe.

Shultz's trip had been planned to accomplish several things, among them, to undermine the pro-Western government of Turkey, to strengthen the pro-Soviet Papandreou regime in Greece, bolster the faction in the Italian government opposed to the Strategic Defense Initiative, led by Defense Minister Giovanni Spadolini and Foreign Minister Giulio Andreotti, and to undermine the newly elected, pro-SDI, French government of Jacques Chirac. The broader purpose of Shultz's trip, appears to have been to encourage the motion toward the formation of a purportedly neutral, in fact anti-American coalition of "Mediterranean states," long in preparation by Libya's Qaddafi, Greece's Papandreou, the French Socialist Party, and other figures of the Socialist International, including Bruno Kreisky and Willy Brandt.

The overall scheme for the political removal of the United States from the vital Mediterranean waterways had been worked out by Lord Peter Carrington while he was still in the British Foreign Office, and was put into action immediately after Carrington became secretary-general of NATO, in the spring of 1984. The political intentions of Lord Carrington's scheme to hand the Mediterranean over to the Russians, had been reflected in an interview of Soviet boss Yuri Andropov given to *Der Spiegel* magazine of Hamburg the year before,

in which Andropov made the overt proposal to the United States, to redefine world spheres of influence by recognizing the Soviet Union as the world's principal "land power," and the U.S.A. the principal "sea power." This, Andropov explained, would put Asia, Europe, and Africa under Soviet jurisdiction, while the United States could have the Western hemisphere and its surrounding seas.

This Andropov proposal was followed by secret discussions between Moscow and London, over Lord Carrington's appointment to the NATO post. The principal emissary was Kurt Waldheim, who traveled repeatedly between London, Moscow, Vienna, and Corfu, Greece's principal Venetian island, orchestrating the arrangements.

George Shultz is known to have been in principled agreement with the prospect of turning Europe (and the Mediterranean) over to Moscow, since, at least, his appointment as secretary of state in August 1982, when he reaffirmed in public his agreement with Henry Kissinger that "the principal task of American diplomacy during the 1980s is to reduce U.S. influence to approximately 25% of its postwar extent," presumably in order to make the "American sphere of influence" commensurate with the shrunken U.S. economic and military strength.

The State Department's program

If the American public knows next to nothing about the foreign policy objectives of the State Department, part of the explanation lies in the fact that the mass media of information, which systematically refuse to print the truth about the State Department, have been, since the days of Henry Kissinger, the principal partners of a small policy-making cabal at the top of the Foreign Service. Some of the most senior

officials of the State Department, past and present, are newspaper and TV personalities: Leslie Gelb of the *New York Times*, Richard Burt of the *New York Times*, Bernard Kalb of NBC-TV, and, not least, Cyrus Vance of the *New York Times*.

Since at least the days of Henry Kissinger, the policy of the State Department has been the policy of the interests which own the mass information media, and this is the reason why the American public does not know what U.S. foreign policy is: Those with the means to inform, have the greatest interest in concealing.

Yet, enough has been said in public, for the patient researcher to piece things together and reconstruct, from the massive but scattered evidence, what the exact purposes of the State Department cabal really are. George Shultz, as secretary of state, has acted as the protector of this treacherous cabal, and he himself has acted as one of its inspired leaders. Shultz's and the cabal's philosophy, is, in the final analysis, quite simple.

From his days at the University of Chicago, Shultz had formed the firm belief that the only efficient and viable form of organization of public affairs, on the international and national level, is the model of the transnational corporation, organized around clear targets of profitability; productivity growth, resource preservation, and overall corporate efficiency. Shultz and his intellectual associates from the "Chicago School" of economics hold that the two principal obstacles to such supranational corporate efficiency are 1) politically influenced governmental structures, and 2) the large proportion of the population who, according to Shultz's outlook, are "losers," "laggards," "unable to cope," and thus a drag on corporate efficiency.

Governments which are elected or otherwise influenced by constituencies, according to Shultz, invariably tend to promote economic policies which are "inefficient," because they promote the interests of such "laggards," and "losers," at the expense of the supranational corporations. Shultz has often argued that, since the supranational corporations of today account for approximately one-third of all of world trade and also one-third of all industrial production, and approximately 80% of all Western-world patents and inventions, they should be encouraged to become the ruling forms of organization of mankind, replacing elected governments in this role.

This, more or less, is the content of U.S. foreign policy under George Shultz, as it was under Cyrus Vance and Henry Kissinger before him. This policy perspective, in its more "theoretical" and academic form, was explicated and presented to the public in a set of volumes titled *1980s Project*, published, under the direction of the *New York Times's* Cyrus Vance, by the New York Council on Foreign Relations just before the Carter administration took office, with Vance as its secretary of state. The *1980s Project* report argued that the "principal conflict," in international affairs, is no longer between "capitalism" and "communism," but rather between

governments and private corporations over control of the world economy.

This reorientation of U.S. foreign policy is, in the final analysis, the cause for the collapse of numerous governments which, throughout the postwar period, had been known as "friends of the United States," from Iran in 1979 to the Philippines in 1986. Also, every major political party previously known as "friends of the United States," has either been actively opposed by U.S. foreign policy, or simply cut off. The reason for this is simply that, around the world, since the end of the Second World War, "friends of the United States," was the generic name of nationalist political formations, whose nationalism was explicitly riveted to programs in support of strong national governments, with strong national economic policies—very similar to the old American economic model associated with Alexander Hamilton, Henry and Matthew Carey, the Henry Clay Whigs, and Friedrich List: in short, the "American System of economics."

The State Department's universal and unqualified hostility to such pro-American power-centers worldwide is, of course, coupled with equal hostility to "American System" political tendencies within the United States itself. Under Shultz, this tendency for Foreign Service meddling into domestic U.S. politics have been more pronounced than even since the time Henry Kissinger forced the resignation of President Richard Nixon.

The principal instrument Shultz employs to influence domestic affairs, is economic policy. A look at his principal lieutenants in the State Department is revealing: Deputy Secretary of State is John C. Whitehead, of the investment firm Goldman, Sachs, long a proponent of the *1980s Project* policies; Undersecretary for Political Affairs is Michael H. Armacost of the Bank of America, one of the original proponents of the plan to "privatize" every government in the world, including the U.S. government; Undersecretary for Economic Affairs is Allen Wallis, the "Chicago School" economist and a major ideological influence over Shultz, a man with a wide reputation for personal brutality.

These persons, drawn from the world of multinational banking, are in close alliance with White House Chief of Staff Donald T. Regan of Merrill Lynch, and have formed a common policy toward the U.S. government, which they view in the same way as a creditors' committee views a bankrupt company: They represent the private banks to which the federal government is indebted for over \$2 trillion, and they therefore have the right to dictate terms.

The budget-cutting and austerity policy of these creditor bankers was imposed on the United States by means of the Gramm-Rudman bill, which was promoted, inside the administration, by these friends of George Shultz. The same group around Shultz also took measures to ensure for Paul A. Volcker a third term as chairman of the Federal Reserve.

Shultz, in addition, is fully exploiting the Gramm-Rudman Bill for purposes of foreign policy, in the following way: It has been argued that the defense budget cuts mandated by

Gramm-Rudman, will make it impossible for the United States to maintain a military presence in either Western Europe or in the Pacific, and that therefore, an "orderly withdrawal" should be planned.

Shultz's Mediterranean trip

Prior to Shultz's departure for his recent Mediterranean junket, an extensive effort was launched, involving House and Senate leaders of the Armed Services Committees, to "fundamentally redefine" United States military commitments and strategic objectives around the world, "in light of the Gramm-Rudman legislation." Many of the participants in this effort told reporters of this news service, that the United States, under its present financial circumstances, will have to dramatically cut its defense programs, probably by \$70 billion for fiscal 1987 alone, and much more later, reducing its military personnel by 250,000 to begin with, and, in the midst of these drastic cuts, rethink the entirety of its military objectives, and accept, however reluctantly, a minor world role—perhaps as a policeman of the Western hemisphere. On the whole, a perspective virtually identical with Yuri Andropov 1983 *Der Spiegel* proposal.

Shultz's trip to the Mediterranean countries was timed in anticipation of these defense budget debates, which are to begin soon before Congress begins to vote on the next year's budget. The intended purpose of the trip was to bolster up

policies and factions in the Mediterranean nations, which would facilitate an American withdrawal from there. It was only a partial success.

When Shultz arrived in Paris on March 24, a new republican-conservative government under Jacques Chirac had been sworn in, to replace the Socialist International government on which Shultz had counted in the past. The French electorate's vote during the general elections of the previous week, was a long-anticipated repudiation of the policies of appeasement and philo-Sovietism of the previous government; this French vote, in turn, was a continuation of a new phenomenon in Europe, which began with the Spanish referendum at the beginning of March, in which the Spanish people voted overwhelmingly in favor of joining NATO.

These turns in the tide of European public sentiment occurred amid other events which make Shultz's prospects more difficult. NATO's Nuclear Planning Group meeting unanimously endorsed the U.S. Strategic Defense Initiative and the (Weinberger-dictated) American response to Moscow's disarmament proposals, thus nearly burying Shultz's hopes for a 1986 superpower summit. Finally, despite serious shortcomings in the accord, the Federal Republic of Germany became the second U.S. ally to sign an agreement of cooperation on the Strategic Defense Initiative. Shultz can anticipate serious difficulties ahead for his program of national sellout.

U.S. action on Libya—a strategic shift?

Following the March 24 and 25 actions at the Gulf of Sidra, the major question to be answered was whether the terrorist Colonel Qaddafi's regime would survive or not. The answer to this question, in part, lies in Washington: The State Department insists that the Qaddafi regime must be preserved. Indeed, after the U.S. Sixth Fleet defended itself against Libya attacks on its maneuvers, Shultz and his co-thinkers, who were horrified at the Pentagon's decision to hold the maneuvers, won out when the maneuvers were ended several days before the scheduled date of April 2.

Sources inside Libya report that the Colonel's domestic prestige plummeted since the beginning of these U.S. naval exercises, during which Qaddafi's attempts to enforce his arbitrary "line of death," resulted in repeated humiliations of his forces—and of his Russian allies' SA-5 anti-aircraft missile batteries.

In the political coterie surrounding Qaddafi, "humiliation" is such a potent political factor, that many opposition Libyan leaders, both inside and outside Libya, stress that a mere continuation of the U.S. Sixth Fleet maneu-

vers, conducted in the same spirit of resolve, would have been enough to topple Qaddafi's regime. The effectiveness of the U.S. deployment lay in its simplicity: The Sixth Fleet was instructed to conduct routine maneuvers inside international waters—a standard international practice pursued by all navies in the world; the Sixth Fleet was also instructed to automatically and without prior consultation fire to defend itself if attacked—also a standard international practice.

What has destabilized Qaddafi's regime is its inability to enforce its irrational claims of exclusive control over waters considered by all, even the Soviets, as international waters.

It appears that the world is moving toward a major strategic shift, defined by a serious American determination to sweep aside those political cliques which have preserved Qaddafi since 1969, when he came to power in Libya under protection of then-National Security Council Adviser Henry Kissinger and a little cabal in the State Department and the CIA best described as "Colby's faction in the CIA."

U.S urged to aid nations, not Contras

by Gretchen Small

Aid totalling \$100 million to U.S. allies to fight narcotics trafficking, would make a better investment for the United States than financing Nicaraguan "Contras," Peru's deputy interior minister, Agustín Mantilla, suggested on March 23. Peru receives only \$4 million in aid for its war on drugs, Mantilla said, "totally insufficient" compared to the enormity of the problem faced. As he noted, defeating narco-terrorism requires "social development plans" as well as military operations.

The National Democratic Policy Committee's candidate for U.S. senator from New York, Webster Tarpley, has begun to campaign for a similar shift in policy. "I have just returned from a fact-finding trip to Guatemala, where I had the opportunity to meet with the defense minister and interior minister," Tarpley states in a campaign radio ad. "President Reagan, at the urging of George Shultz, has made \$100 million for the Contras in Nicaragua the be-all and end-all in Central America." Tarpley charged that "the Contras are just one gang of drug smugglers and terrorists fighting a bigger gang, the Sandinista regime . . . and if we insist on supporting the Contras, all of Latin America will turn against us."

Tarpley proposed that the United States "wage a serious war on drugs," which will win "wide support," and "checkmate a Soviet and Cuban destabilization strategy that runs on heroin and cocaine and marijuana." U.S. cooperation with Guatemala, which has a new civilian government backed by a patriotic military, is "a good place to gear up a war on drugs," Tarpley said. "But for 8 million people, Guatemala has 28 police cars, and only one radar set. U.S. aid is non-existent. For a small part of the \$100 million, Guatemala could have the tools to wage war on drugs, and put the Soviets and the Cubans on the defensive."

Honduras-Nicaraguan war

A strike by Sandinista Army units against "Contra" bases inside Honduran territory March 23-24, reopened Washington's policy dispute over how to defeat Soviet operations in Central America, whether by strengthening its allies, or the rag-tag "Contra" irregulars.

On March 20, the U.S. House of Representatives had defeated the administration's proposed \$100 million aid package for the Contras. The debates on the House floor produced no alternative strategic initiative, but did gain time

for Ibero-American efforts to negotiate a realistic basis for ceasefire. A meeting of foreign ministers from the expanded Contadora Group with Central America's foreign ministers had already been scheduled for April 5-6, with the main item on the agenda being the creation of Contadora border commissions to ensure the inviolability of borders in the region.

Guatemalan President Vinicio Cerezo warned Nicaragua that the defeat of the House vote threw the ball into its court. "Holding to hard and intransigent positions could lead to the generalization of the conflict," Cerezo said on March 21. Nicaragua has a "Latin American responsibility" to not spread the war.

The Sandinistas decided otherwise, launching a strike at Contra bases in Honduras. The U.S. State Department saw the Sandinista action as a propaganda opportunity to ensure a reluctant Congress votes up the Contra aid package. Assistant Secretary of State Elliott Abrams, back from an emergency tour of Central America, reported that 1,000 to 1,500 Sandinista troops had moved into Honduras. For the next 36 hours, reports of "heavy losses" in battles flowed out of Washington.

The State Department greatly exaggerated the extent of the fighting, military sources in Contadora reported, estimating that some 300 Sandinista soldiers had entered Honduran territory. Their figures matched private estimates given by Pentagon sources. U.S. military professionals argued that the United States should let Honduras take the lead in delivering the Sandinistas a military defeat, with the U.S. providing whatever aid was needed for Honduras to defend its sovereignty. The State Department's press operation only threatened to blow the crisis into greater proportions, they argued.

For 36 hours, Honduran officials denied the State Department reports outright. "We are unaware of it," a Honduran armed forces spokesman announced March 24 when asked about a "massive invasion" by Nicaraguan troops. At one point, Honduran government spokesman Lizardo Quezada suggested Larry Speakes "shut up," and called reports of 1,500 Nicaraguan troops in Honduras "disinformation," part of the "political and propaganda tactics of the Reagan administration to obtain approval" for its Contra package. Not until midday on March 25 did the Honduran government admit that "there have been new incursions by the Sandinista People's Army on Honduran territory."

Honduran military and civilian leaders are angry over the crisis thrown them by the "Contra" policy. The benefits for Honduras have been few. Honduras remains the second poorest nation in the Western Hemisphere, a poverty which opens the country to insurgents organizing. Now, some 10,000-20,000 armed men, who take orders from U.S. intelligence, and traffic cocaine as well, have been introduced in the country. Honduran leaders wish to defend their sovereignty, but without throwing their nation into civil war. In Tegucigalpa, *El Tiempo* bitterly headlined its report on March 26, "Washington Told Us That We Are at War."

Panama's Paredes tied to cocaine mob

by Gretchen Small

General Rubén Darío Paredes, the former head of Panama's National Guard, has exposed himself as an asset of the cocaine mob, tied to the drug czars under Fabio Ochoa. But Henry Kissinger and the U.S. State Department promote him as a U.S. "card" against "Torrijismo," the nationalist current inspired by the late Gen. Omar Torrijos.

Under State Department direction, the Defense Forces of Panama have been slandered internationally as an institution of drug-runners. Its commander, Gen. Manuel Noriega, is painted as the ring-leader. The Paredes scandal sheds new light on the matter. General Noriega leads the faction within the Defense Forces which Paredes spent his career trying to destroy. Now, with Paredes's ties to the cocaine mob out in the open, the drug connection falls at the doorstep of the State Department.

The Paredes and the Ochoas

"Three Panamanians Kidnapped By the Ochoa Family, Kings of Colombian Drug Traffic," the Panamanian daily *La Critica* blasted out on its front page March 21. Colombian radio speculates that the mob sought to "settle accounts," *Critica* reported, for an unpaid balance: Panamanian pilot Cesar Rodriguez, nicknamed variously "Captain Poison," "Lavamático," or, simply, "Mercenary," for his drug- and gun-running to all sides in Central America, is one of the missing, *Critica* reported; the second was a less-known young Panamanian woman named Nubio Pino de Bravo.

The name of the third soon made front page news: General Paredes's son, Rubén Darío. The reason for the mob's vengeance soon emerged. On March 21, Colombian authorities seized a luxury yacht as it refueled at the island of San Andres. Found aboard: 304 kilos of cocaine, 80% pure. Owner of the yacht: "Crystal Sky Investments." Lawyer for Crystal Sky: the junior Paredes.

Details of junior's business surfaced. Rodriguez, who flew weapons to the Sandinistas in 1979, to the Salvadoran insurgents a few years later, and most recently to the Nicaraguan "contras," was the owner of several of Panama's ritziest discos. His headquarters in Panama City, also an exclusive nightclub, was located on the 20 floor of . . . the Bank of Boston building.

"Apparently Paredes or Rodriguez had commercial rela-

tions with the Ochoas, in the buying of walking horses," *La Estrella* of Panama reported dryly. The Ochoa clan owns more than horses. Clan head Fabio was implicated in the assassination of Colombian Justice Minister Lara Bonilla. The Ochoas had been co-owners, with fugitive Pablo Escobar, of "Tranquilandia," the enormous jungle cocaine laboratory which Colombia's military destroyed on orders of Lara Bonilla. Jorge Ochoa now sits in a Spanish jail, charged with cocaine trafficking.

General Paredes sent a telegram to President Belisario Betancur, pleading for Colombian authorities to help find his son, whom he said had disappeared the afternoon of March 13, after checking into a Medellin hotel two days before, with "a friend." He issued appeals on Colombian radio, reporting that his son's business was "import-export of diverse items."

Paredes called up the Ochoa family in Medellin. "General Paredes says that he could establish that his son was not in the power of the Ochoas, because they assured him of that," *La Estrella* reported. The telephone call, Paredes explained, was arranged "through an old friend of his in Panama."

On March 25, the three missing Panamanians were dug out of a Medellin cemetery. All had been killed in the customary manner of the mafia's death squads, hands tied, blindfolded, without underwear, a single bullet hole in the left side of the head. General Paredes defended his son to the end. "He did not deserve this end," said the General. He was "a youth with a good heart, an adventurer like any 25-year-old."

General Paredes, widely rumored to have participated in the August 1981 assassination of President Omar Torrijos, became head of the National Guard less than six months after Torrijos died. Trained at Somoza's Nicaraguan Military Academy, Paredes was held up in Washington as a model "staunch anti-communist." Torrijos headed the military current which saw economic development as the key to a nation's security, and the only route for peace in Central America; Paredes was the man assigned to overturn the Torrijos project. Henry Kissinger took a personal interest in hosting Paredes around the U.S. capital.

Paredes is typical of Kissinger's "anti-communists." He was the main Panamanian backer of Colombia's Gnostic terrorist movement, the M-19, and was fond of praising the drug-running terrorists in private. When Qaddafi's arms dealer, Hugo Spadafora, and his then-ally, former Sandinista Eden Pastora, ran into financial trouble for their "contra" operation in 1983, Paredes bailed them out, said a London newsletter at the time.

Paredes' term as commander was dedicated, in foreign policy, to trying to sabotage Panama's participation in the Contadora Group, the Ibero-American diplomatic body which Panama helped found; and domestically, trying to dismantle the nationalist labor-military-industry coalition which Torrijos had created. Panama's "opposition" to the Torrijos project, led by the World War II Nazi criminal, Arnulfo Arias, hailed Paredes as a man with whom they could work.

Pressure mounts on Zia's Pakistan

by Linda de Hoyos

Benazir Bhutto, daughter of the late Pakistani Prime Minister Zulfikar Ali Bhutto who was executed by the government of President Zia ul-Haq, plans to return to her home city of Karachi, Pakistan, on April 12, after several years in exile, to lead the Movement for the Restoration of Democracy (MRD) to power in Pakistan. Her return, Miss Bhutto stated in a press conference in London in early March, will test whether Zia's lifting of martial law will permit her to do political work, which she has vowed to do "whatever the consequences."

In Karachi, the stronghold of the Bhutto family, preparations for her arrival have already begun. In a major show of strength on March 28, the parties in the MRD coalition ignored the ban on unauthorized marches to hold a demonstration of 60,000 people demanding the resignation of Zia. One banner read "Benazir, Benazir, qaum ki taqdir" (Benazir is the destiny of the nation). Civil war is now being talked of openly. In a public statement to the Pakistani newspaper *Muslim*, MRD Secretary General Khwaja Kairuddin declared that civil war in Pakistan was imminent, given the huge amount of arms in the country. Massive violence, he said, could be expected to break out at any time in the Sind and the Northwest Frontier Province, where Soviet-allied tribesmen have already clashed with the government.

The return of Bhutto as the flagbearer for revolution is but one of the pressure points being applied on the Zia government, as the Soviet Union and the United States look for a New Yalta resolution to the tensions in the region. According to Afghanistan President Barbak Karmal, in a press conference Feb. 18, "Zia must go." There will be increasing "political turmoil" in Pakistan until there is a return to full civilian rule, Karmal declared, as if the President of this Soviet-occupied country could credibly pass himself off as a champion of democracy. But Zia's removal is to one of the preconditions set for a "political resolution" to the Afghanistan problem. "If a real civilian government, relying on the will of the people, took power, the government of Pakistan would then act in line with the will of the people, who have always wanted a political solution in Afghanistan."

Karmal's words were echoed a week later by Soviet Politburo member Geidar Aliyev, the "Muslim card" player with a pedigree from Andropov's KGB who has the Soviet fran-

chise for the region. "Ask your government if there is any progress in terms of preventing counter-revolution from reaching Afghanistan from the territory of Pakistan," Aliyev told a Pakistani correspondent during a press conference in Moscow Feb. 27. An Aliyev man, Abdul Rehman Oglu Vezirov, whose career was launched in Aliyev's Azerbaijani Communist Party bureaucracy, is now the Soviet ambassador to Pakistan.

Miss Bhutto claims to have purged the Moscow-directed separatist elements from the Pakistani People's Party, who transformed the MRD agitation in 1983 from a call for democracy into a call for the demise of the nation. However, in Baluchistan and in the Northwest Frontier Province, Soviet-endorsed separatism is flourishing, in the latter based on the poppy-growing Pushtun tribesman. There is also evidence that Libya remains very much involved in the agitation against Zia. Muammar Qaddafi was one of the key sponsors of Miss Bhutto's terrorist brothers. On March 10, Pakistani authorities arrested the Libyan deputy managing director of a joint holding company for his suspected links to Libyan intelligence services and on charges of providing funds to anti-government terrorist groups.

Arab fundamentalist pressure

On the other side, Zia faces continuing agitation from the Islamic fundamentalists of the Jamati-i-Islami, who have announced that they will not accept a political settlement to the Afghanistan conflict unless it leads to majority rule in Afghanistan. The Jamati leadership declared on March 27 that it is prepared to militarily defend Afghan rebels and refugees in Pakistan—numbering 3 million—against any conspiracies against them.

For its part, the United States publicly has vowed its continuing support for the Afghan rebels. Secretary of State George Shultz declared March 21 that there could be no solution to the Afghan situation until all Soviet troops are withdrawn from the country, and claimed that all reports that the United States is planning to "cut a deal" behind the backs of the Afghan guerrillas is "disinformation" and "speculation." And Attorney General Edwin Meese, speaking in the Northwest Frontier Province capital of Peshawar March 26, the chief center for the Afghan refugees, stated, "I come here on behalf of my President to promise to you, the Afghan people, that we, the people of the United States, will continue to support your heroic struggle against the Soviet empire."

Nevertheless, the acquiescence to Soviet domination over Afghanistan, and implicitly Pakistan, is a known clause of the New Yalta deal between Moscow and the Shultz faction in Washington. And the Pakistani government might have some questions as to why Benazir Bhutto, before her arrival in Karachi, will stop in United States, where she has friendly relations with Senate Foreign Relations staffer Peter Galbraith and Sen. Alan Cranston (D-Calif.), and in Saudi Arabia—the two foreign powers, other than Moscow itself, with the greatest influence over events in Pakistan.

Ecuador harbors Sikh narco-terrorists

The Sikh terrorist drug-runners who carried out the assassination of Indian Prime Minister Indira Gandhi, now receive state protection from the government of Ecuador, according to evidence just received by *Executive Intelligence Review*. Indian newspapers have published proof, not only that Quito is the new Western Hemisphere headquarters of the Sikh terrorists, but that President Leon Febres Cordero personally approved their entry into Ecuador.

Febres Cordero's government is the Reagan administration's closest ally in Ibero-America today, the only government to oppose the Contadora Group's diplomatic efforts, break relations with Nicaragua, and endorse the U.S. "contra" policy in Central America. Ecuador's sponsorship of the Sikh operations makes their "anti-terrorist" posture a hypocritical lie.

According to *The Illustrated Weekly of India* of Dec. 15, 1985, and the Indian weekly, *Blitz*, of Feb. 15, 1986, the Sikh separatists opened a "High Commission" of their Khalistan "government-in-exile" in Quito on Oct. 3, 1985, with a reception attended by Ecuadorian government officials and cabinet ministers. Since then, "several batches of young Sikhs" have been sent to Ecuador, entering on so-called "Khalistani" passports, the London-based Sikh terrorist leader, Jagjit Singh Chauhan, boasts. Sikhs do not need visas to enter Ecuador, but are met at customs by the Sikh "High Commissioner," Chauhan told *The Illustrated Weekly*. "The Indian government might say whatever it wants, but the Ecuador government has virtually admitted that Khalistan exists," Chauhan said.

The official facilities enjoyed by the Sikhs in Ecuador were arranged in formal negotiations between Chauhan, head of the "Khalistani" separatist movement in London, and former Ecuadoran President Carlos Julio Arosemena during the summer of 1985. Arosemena is reported to have declared: "Come to Ecuador. It's a good land for the Sikh nation. We can take 20 million."

Arosemena served as the personal envoy of President Febres Cordero. Published in *The Illustrated Weekly*, is the facsimile of a telegram, signed by Febres Cordero, which addresses Chauhan as "President of the Khalistan Republic." It states: "I have received and thank you for your communication of April 10 of this year [1985] and I would be pleased to talk with your representatives. To determine the day and

time, please speak with Dr. Carlos Julio Arosemena, former President of Ecuador. Sincerely yours, Leon Febres Cordero, President of Ecuador."

The assassins of Gandhi

The Sikh plans to open Ecuador as a base of operations were first published in the *EIR* book, *Derivative Assassination*, which details Jagjit Singh Chauhan's role in the assassination of Indira Gandhi. On June 9, 1984, Chauhan told British Broadcasting Corporation that a special fund had been established to reward anyone who would kill Indian Prime Minister Indira Gandhi. "The assassination will not be carried out by our organization; it can be carried out by any member of the Sikh community anywhere in the world," Chauhan stated. Then, one week before Gandhi was murdered on Oct. 31, 1984, Chauhan predicted, "Some man will come forward and take off the head of Mrs. Gandhi."

Reported also in *Derivative Assassination*, is that Assistant Secretary of State for Interamerican Affairs Elliott Abrams, both as head of the U.S. State Department's human rights division and then as assistant secretary, met regularly with members of Jagjit Singh Chauhan's "World Sikh Organization" and served as the "godfather" of the Ecuador deal.

The drug link

Chauhan is now in negotiation with some 20 to 25 countries for recognition of a Khalistan government-in-exile, with the idea, according to several Indian sources, of establishing a base of operations in narcotics cultivation areas, and gaining diplomatic accreditation and inviolable diplomatic pouches for arms and drug smuggling. Sikh links to drug trafficking include:

- In June, 1985, five "pro-Khalistan" activists were arrested in Queens, New York, for possession of hard drugs worth over \$40 million.

- Jarnail Singh Ranuan, arrested on Oct. 11, 1985 in Britain with 13 other Sikhs on charges of plotting to assassinate Rajiv Gandhi, has also been jailed for possessing and supplying narcotics.

- Sikh terrorist, Jaswant Singh Thekedar, head of the "Dal Khalsa" sect in Britain, runs an opium and heroin ring from the Afghanistan-Pakistan border area into the Punjab region in India, according to *Blitz* magazine. Thekedar is close to the "Khalistani High Commissioner" in Ecuador, Balbir Singh Nijjar, who had previously been a leader in Canada of Thekedar's Dal Khalsa sect. According to reports from several Western governments, Nijjar served as go-between in the secret negotiations between Chauhan, Arosemena, and Elliott Abrams, to set up the Sikh Ecuador project.

- Accompanying Arosemena in his London negotiations was the only Sikh resident in Ecuador, one Atma Singh Khalsa, a.k.a. Adelberto Calegari, a Milan-born convert to Sikhism who, according to *Blitz* magazine, is tied to the Italian Mafia.

Burt, Biedenkopf lead new decoupling drive

During the period of March 24-26, Washington, D.C. was the scene of a dense array of private, off-the-record briefings given by two individuals most active in trying to bring about a withdrawal of U.S. forces from Europe.

EIR has learned that Kurt Biedenkopf, former general-secretary of West Germany's Christian Democratic Union and newly elected head of the North Rhine-Westphalia branch of the CDU, and Richard Burt, U.S. ambassador in Bonn, made the rounds of the D.C. institutions most favorable to "decoupling": The U.S. State Department, Georgetown University's Center for Strategic and International Studies (CSIS), the Aspen Institute Contemporary German Studies Group, and the D.C. branch of the Bonn-based Konrad Adenauer Stiftung.

Not a syllable of the content of their presentations has been published in the American or West German press, but confidential or not, the density of discussions on U.S.-German relations by this duo, does not bode well for the Atlantic Alliance.

On March 24, Biedenkopf and Burt, more or less simultaneously, gave strategic briefings, each before audiences of 30-35 individuals—Biedenkopf before the Adenauer Stiftung and Burt before Georgetown CSIS.

Although the latter's comments, coming from a government official, are being kept top-secret, the organizer of that event, CSIS's Robert Hunter, is telling inquiring journalists that it would be a "fair analysis" to say that this year will see the withdrawal of American forces from Europe. This will occur, Hunter claims, in significant part for "budgetary" reasons, due to the increasing pressures against defense spending from the Gramm-Rudman legislation in the United States.

Although not present at Georgetown, Biedenkopf, in a private discussion, described Gramm-Rudman as "very impressive and laudable," because it "may give us a new initiative" toward phasing out U.S. military involvement in NATO and toward a "relative lessening of the importance of the defense function" of NATO.

Sabotage of the SDI

At the Adenauer Stiftung, Biedenkopf pontificated against the American Strategic Defense Initiative. According to information provided by one member of the audience, Trilateral Commission member Biedenkopf made three essential points:

- The technical feasibility of the SDI has not been proven.
- The U.S. would not use SDI capabilities for the defense of Europe, in a real crisis.
- The U.S. would revive the "peace," or "Green" movement, now relatively dormant, if it persisted in developing the SDI.

In other comments, made privately in discussion with an interlocutor in Washington, Biedenkopf attacked, more than anything else, one feature of the U.S. SDI program: that it could become a new American "crash program." That, he said, would be the worst possible case, as it would "divert" technological resources from elsewhere.

His anti-SDI campaign occurred at the same time as a series of delicate discussions in Washington between a West German delegation and U.S. government officials, on West German participation in the SDI. Biedenkopf's co-thinker, West German Foreign Minister Hans-Dietrich Genscher, is determined to do everything in his power to stop such U.S.-German collaboration, and it would not be far from the point, to regard Biedenkopf's activities as in part a "spying mission" on behalf of Genscher, and against those in the government of Chancellor Helmut Kohl who want closer U.S.-German SDI collaboration.

Biedenkopf also gave two briefings to U.S. State Department officials. The first, on March 25, was given to a group of officials, together with the Mayor of Bremen, Henning Scheer, a Social Democratic Party left-winger. The second, on the morning of March 26, was given before the "Central European Roundtable," which comprises officials from the State Department's European Department, and German-desk officials from the Department of Defense and the National Security Council. The European desk at State, formerly headed by Burt, is rife with subordinates of former Secretary of State Henry A. Kissinger.

Then, he gave a closed-session briefing before the Aspen German Contemporary Studies Group the evening of March 25. Details on this meeting are expected to soon be available. Biedenkopf has a longstanding relationship to the Aspen Institute, and is heading a confidential project on "The Future of Europe" for the Aspen affiliate in West Berlin.

Biedenkopf also had dinner with Georgetown's Dean Krogh. Biedenkopf is a graduate of Georgetown, and is on close personal terms with some of Georgetown CSIS's most avid decoupling advocates, including Jimmy Carter's National Security Adviser Zbigniew Brzezinski ("Zbig is a close friend," Biedenkopf confided), former U.S. Defense Secretary James Schlesinger, and others.

Ongoing *EIR* investigations also indicate that Biedenkopf was party to discussions on the "post-Kohl era" in Germany. In a private discussion, he confessed that Kohl's finance minister, Gerhard Stoltenberg (also a member of the Trilateral Commission), is prepared to assume the reins of power, should the current spate of scandals in Bonn lead to Kohl's demise.

The farm depression goes to a vote

The fate of Chancellor Kohl's Christian Democratic government could be decided on Germany's farms.

Traditionally, farmers have probably been the most conservative constituency in all of Germany. There were times when Chancellor Helmut Kohl's Christian Democrats could count on 80% or more of the farm vote in any election. But times change. More and more farmers aren't voting for those whose policy has produced desperation in the farm sector; more and more farmers aren't voting at all.

The main reason is the bitter feeling among farmers that their hopes that Chancellor Kohl would improve their bad income situation have been betrayed. Although the farm crisis has been building over the past 10 years, especially worsening since the end of 1979 when interest rates started rising, the political blame for the current disaster is being placed on the Kohl government, in power since October 1982. Farmers have realized that there was no change from the anti-farming outlook of the Social Democratic governments of the period 1969-82. There has been as much talk of alleged "overproduction of food," and "damage to the natural environment by intensive farming," in Bonn since Kohl became chancellor as before.

German farmers have repeatedly called for state subsidies, to help bridge the annual gap between income and costs, now running at 20%. A farmer in Lower Saxony, one of the northern states of Germany, told *EIR* in mid-March: "Some years ago, I was able to put all the money on the counter whenever I wanted to buy a new machine for my farm. Today, I can't, and

I don't even get credit for necessary repair work. Imagine what happens if one of the machines breaks down."

The farmer said that most of the agricultural vote has gone to the Christian Democrats in previous years, but this time, farmers were in no mood to vote for any of "these politicians." He said that at least 30%, perhaps 50%, of farmers would abstain in the next elections.

The next elections in Lower Saxony are on June 15, for the state assembly. There are 135,000 farms in the state, many of them on the verge of bankruptcy. If the threat of abstention is real, it could mean losses of at least 5% for the Christian Democrats, which would suffice to produce an election victory for the opposition Social Democrats. That would be the prelude to an even bigger defeat for the Christian Democrats in the Jan. 25, 1987 elections for the national assembly.

After a defeat in the March 2 municipal elections in the state of Schleswig-Holstein, the Christian Democrats made a ridiculous effort to buy off the rage of the farmers. On March 3, the Christian Democratic leadership passed an "emergency farm program" promising additional funds for farmers. The farmers didn't buy it. The current president of the Lower Saxony Farm Association, Mr. Harms, characterized the new program with the words: "Fine, but we can't wait for the money to arrive a few years from now. What we need is something to put into our purses right now."

The state government of Lower Saxony hurriedly promised "special funds" for the poorer farmers, in order to secure their vote on June 15. However, as one of these poorer farmers told *EIR*: "There will be some money, sure, because there are elections. We will take that money, naturally, when it comes, but that doesn't mean we vote. This is the money we should have gotten long ago actually."

Public opinion polls and private probing into this pre-election mood have alarmed Christian Democratic leaders. The CDU's national party manager, Heiner Geissler, expressed this on March 23, when he admitted that the farm vote was "in jeopardy." Geissler appealed to the farmer's sense of a "citizen's responsibility," and called on farmers to "bear in mind what the elections on June 15 mean for the national political landscape."

The problem for the CDU and Geissler is that their appeals don't reach many of the farmers anymore. What has been reaching the farmers of Lower Saxony in large numbers is a pamphlet on agricultural policy, put out by Patriots for Germany, a non-partisan citizens' initiative. It calls for a moratorium on farm foreclosures, parity prices, and cheap credit. The CDU will either adopt the same program, or it won't be able to crack the mistrust among many farmers.

Talking to *EIR*, a whole group of farmers in the south of Lower Saxony laid down the verdict: "The candidate they [the CDU] put up in our district may be a good man, personally, but his party is no good. They promise us everything now, but after election day, we will have the same policy as before."

Thus, the fate of Chancellor Kohl could be decided on Germany's farms. It will take politicians very different from the Christian Democratic kind to win their vote.

Sudan moves into the Libyan orbit

Famine is threatening a million people, while the IMF cuts off credits and the civil war continues.

Five days of talks in Ethiopia between representatives of several of Sudan's main political parties and leaders of the rebel Sudan Peoples' Liberation Army ended in failure on March 25. The talks had been aimed at persuading the SPLA leader, John Garang, to agree to a ceasefire in the civil war which has placed a large part of the south of the country out of control of government forces.

Since the military coup which overthrew President Gafaar Numayri just one year ago, on April 6, 1985, the country has been caught increasingly in a squeeze between the International Monetary Fund, on the one side, and the Soviet-backed Libyans and Ethiopians, on the other.

Reports have reached the West that 1 million people in the south of the country are currently threatened with famine, as aid workers are denied access to drought-stricken areas by the SPLA. However, Garang refused to agree to any end to the fighting, probably on the orders of his backers, the Ethiopian regime. Garang is reported to be a virtual prisoner under house arrest by the government of Addis Ababa, Ethiopia.

Reports from the southern capital, Juba, say that the SPLA is tightening its grip on the south. Juba is still held by government forces, but conditions there are worsening: A report in the London *Observer* on March 23 said that the city has been without electricity for 10 days and without water for over a week.

The civil war in the south is only one of Sudan's problems: In Febru-

ary, the International Monetary Fund declared Sudan to be in default, and suspended any new loans or credits. Sudan owes SDR 605 million to the IMF, and had been unable to stick to its repayment schedule. As other creditors had insisted on Sudan coming to an agreement with the IMF prior to further loans being given, this means that a de facto economic boycott of Sudan has begun.

Sudan's total external debt has reached \$9 billion, more than 12 times the value of the country's exports, and is expected to reach \$12 billion in 1986-87. The country is supposed to repay \$800 million per year, of which \$350 million is just interest payments, a sum totaling more than Sudan's entire exports. Some political forces in the country are actively campaigning for the cancellation of the debt, or at least a three-year moratorium. Others, however, are prepared to submit to IMF pressure, and this group seems to have scored a point on Feb. 24, when the prices of sugar and gasoline were increased by 20%, and a new tax was introduced to be deducted directly from salaries.

The Sudanese government has turned to Libya for aid: financial and military. A Sudanese delegation visited Tripoli in early February, led by Prime Minister Gazouli Dafa'a Allal, and the Defense Minister Osman Abdullah Mohammed. A military cooperation agreement was signed, but while no details were given of the contents, the kind of cooperation envisaged became clear with reports that Libyan planes had attacked SPLA po-

sitions in southern Sudan, near the town of Rumbek, recently captured by the SPLA. Two TU-22 fighter planes are reported to have flown 25 sorties over the town and dropped 50 bombs.

Libyan aid of another kind is being given to many leading Sudanese political figures: Sudan's transitional military council has announced that elections are to begin in April for a 301-member assembly, which will draft a new constitution and choose a government. (Elections in 37 southern constituencies have been postponed because of fighting). A pilgrimage of Sudanese leaders to Tripoli, Libya has been taking place, in search of financial backing.

Sadiq el Mahdi, leader of the Umma Party, is widely reported to have received substantial financial support from Libyan dictator Muammar Qaddafi, and is seen as the most likely winner in the upcoming elections. El Mahdi is the great-grandson of Mohammed Ahmed el Mahid, who defeated the British and Turkish invaders in 1885, and became the first ruler of the united Sudan.

The Umma Party has been traditionally supported by the Ansar tribe in western Sudan, but has won more widespread backing with its opposition to the fanatical Muslim Brotherhood, which is financed by Iran. Sadiq el Mahdi has two main backers: Libya, as mentioned; but more discreet support comes from Great Britain. He studied at Oxford University, and is reported to have long cultivated ties with Britain, a somewhat ironic alliance given his ancestors' fight against British colonialism.

Without a change in the attitude of Western governments and creditors, to provide financial aid to the ailing Sudanese economy, the Libyan role in the country is certain to increase, whatever the outcome of the upcoming elections.

Behind the attacks on Opus Dei

The issue is economic policy—and the attackers seem to be looking East for inspiration.

Recent weeks have seen a violent defamatory campaign carried out in the Italian press against Opus Dei. From the weekly *Panorama*, to the head of the Socialist Party caucus in the House of Deputies, Rino Formica, to the Pious Society of St. Paul, down to the Communists, everyone agrees on demanding that an investigation be opened into the "secret" activities of this important Catholic organization, which is not an order but a "personal prelature" of worldwide scope and influence.

It is noteworthy that the anti-Opus Dei attack is being pushed not only by the usual masonic-secular crowd, but also within the Catholic world itself. Apart from the charges of "secrecy" which many have leveled at Opus Dei, it seems that the main reason that a government investigation is "a timely and not postponable issue," to quote parliamentarian Formica, is the vision of economic policy which Opus Dei promotes.

According to Opus Dei economic expert Father Antonio Livi, this prelature favors a moral approach to the economy, opposed to Marxist economic doctrine on the one hand and unbridled free-market economics on the other. For Father Livi, the true goal of human labor is the common good, hence, the defense and development of human life is the true subject of economics.

It is not just Opus Dei that is being attacked, but those sectors of the Catholic Church which have declared war on the immoral and genocidal economic policy being implemented

by the big international economic institutions. Joseph Cardinal Ratzinger is under attack for the meeting he organized at the Urbaniana University of Rome, during which the social doctrine of the Church was re-stated: the need to defend a moral conception of economics, which the old and new free-marketeers have tried to sweep away in the postwar period.

The attack is aimed against the Pope, who in his numerous pastoral visits in developing countries, has presented himself more and more as the defender of the poor and oppressed, and the most tenacious fighter for a more just, new world economic order.

It is clear that it is not an Italian affair, but is a war that must be fought on all fronts, as is attested by the recent offensive by the supporters of the "Opening to the East" policy of accommodation with the Soviets. They are working, as one Italian weekly revealed, to bring about a trip to Moscow by the Pope by 1988, for the millennium of the Christianization of Russia. On that occasion, the Pope will hold a mass together with the Patriarch of Moscow and all the Russias, in the Cathedral of St. Basil in Red Square, close to the Kremlin, to "sanctify the reconciliation between the two Romes."

A Dominican friar in Turin, Father Giacinto Scaltriti, who was one of the authors of the opening to Moscow under the pontificate of John XXIII, has even proposed that the reconciliation ceremony at the Kremlin be accompanied by a political offer to Mos-

cow to internationalize the straits between Sweden and Denmark, the Persian Gulf, and the Gulf of Formosa, and to create Russian free ports at the mouth of the Indus and in the seas of China and Japan, because: "Russia is by geographical nature besieged in its vital center, that is the Sarmatic plane, and it moves instinctively toward warm waters, to lift the seige."

Father Scaltriti, who among his claims to fame once wrote a letter to Brezhnev suggesting inviting the Pope to Moscow, has now written to Gorbachov, convinced that the situation is again propitious to "bring Russia back to its true destiny, a true Great and Holy Russia." When we asked him about ties between this proposal and the Third Rome prophecy for a world empire centered in Russia, he replied: "The design for which I have worked for years is to realize the prophecy of Moscow, Third and Final Rome."

That these are illusions is beyond doubt, and we have no interest in dilating on possible trips by the Pope to the Soviet Union. But it must be noted that those pushing for an East-oriented policy are the same genocidal forces pushing a post-industrial economic policy in the West: Father Scaltriti was a close collaborator of Aurelio Peccei, who founded the Club of Rome, the neo-Malthusian group that proposes to reduce world population by 2 billion people by the end of the century, since man is "more dangerous than an insect."

The clash is between those who want genocide, whether it be called Marxist or free-market economics, and those who want to save the world from catastrophe by returning to a Christian economic policy. The time has come for the Vatican to call things by their real name; this, and not backroom maneuvers, is the only guarantee that the good will win out.

A compromise with the devil?

The government's Muslim Women Bill, exempting Muslim men from paying alimony, has provoked an uproar.

On Feb. 15, Union Law Minister Asoke Sen introduced the Muslim Women (Protection of Rights on Divorce) Bill into the Lok Sabha, the lower house of the Indian parliament, on behalf of the government. The bill exempts Muslim divorcees from a provision in the country's penal code on indigents, under which they can obtain a judgment for alimony, and instead mandates that a divorced Muslim woman's maintenance is the responsibility first of her relatives, and, ultimately, of the Muslim Community Board. The bill is due for a vote during the present session of parliament.

The issue touched in this affair—whether the government should intervene against religious edicts concerning matters of personal law—poses a serious and knotty problem which has yet to be sorted out in this land where several great religions coexist and where “personal law” is the prerogative of the religious community.

Under Muslim religious edicts, women do not receive alimony. The government is now seeking to give the strength of law to that religious edict.

The government's move took a chunk of Congress Party leaders, the rest of the politicians, and the Delhi elite generally by surprise. The issue arose in connection with a Supreme Court verdict a year or more ago granting alimony to a Muslim woman, the so-called Shah Bano verdict. Muslim leaders demanded that the verdict be struck down. Prime Minister Rajiv Gandhi had initially encouraged one

of his cabinet ministers, Mr. Arif Mohammed Kahn, to develop a defense of the verdict.

In the event, Arif Mohammed Kahn resigned, citing what he termed the government's “surrender before the conservative leaders of the community”—a reference to the mullahs and maulanas. A hue and cry ensued from liberal and “progressive” quarters. Charges of a “retreat from secularism,” “attack on the constitution,” and “rank opportunism” were hurled freely. The Rajiv-bashing was combined with thinly veiled Islam-bashing, as Hindu chauvinists jumped onto the band wagon in pious defense of Muslim women.

But certainly, no decisions on these matters could be imposed without majority support from the religious community involved, and that, the Gandhi government did not have.

The Congress Party itself is divided on the matter, with a section convinced the whole affair will lead to the emergence of a fundamentalist Muslim political party in the same mold as the Hindu-chauvinist Bharatiya Janata Party.

Should there be a uniform civil code, envisioned but not enacted in the constitution? In a year of discussion and agitation, the progressive Muslim elite was unable to make a dent in the overwhelming mass sentiments against the Shah Bano verdict.

By early February, new fuel had been added by communal passions. A court decision was handed down in

Uttar Pradesh to reopen a religious monument, the Ram Janmabhomi, claimed by both Muslims and Hindus (the site has been closed since 1947 to prevent communal bloodletting). Twenty people died in the conflict that erupted in early February in six towns across the north of India—Muslim leaders' statements opposing agitation on the issue notwithstanding. The sensitive border states of Jammu and Kashmir witnessed their first major communal violence.

The Muslim Personal Law Board threatened more action on Feb. 21 unless their demands were met. On Feb. 14, declared a “mourning day” by Janata MP Syed Shahabuddin, the Shahi Iman of Delhi's Jama Masjid Mosque convoked a large rally to promote *jihad* against the “government conspiracy” against Muslims. Three days of violence and curfew followed in Old Delhi.

The same Shahabuddin had recently won a parliamentary bi-election in Bihar by a 73,000 vote margin on a platform of opposition to the Shah Bano verdict. The 77-million-member Muslim population is widely held to be a critical vote margin in more than half the constituencies in the country.

In the face of this, Rajiv Gandhi may have thought in pre-emptive terms. In the words of senior Congress Party leader Najma Heptullah, a Muslim who had initially praised the Shah Bano verdict but subsequently worked with Rajiv Gandhi to shape the government bill overturning it, the government's move was designed to “capture the heart of the masses”—the mass of tradition-bound Muslims.

The bill itself was drafted, according to news reports here, in a series of consultations with a delegation led by the president of the All-India Muslim Personal Law Board, Maulana Ali Hassain Naqvi.

International Intelligence

Chevron-Gulf hit by UNITA forces in Angola

Oil installations of Chevron-Gulf were shelled on March 24 by artillery of Jonas Savimbi's UNITA guerrillas in Angola's Cabinda province, a spokesman for the group claimed. The Malongo oil installations are guarded by Cuban troops, and provide a principal source of Angola's income, used by the Soviet-backed government to buy arms.

Reports on the incident varied. UNITA claimed "extensive damage," but the Angolan government's news agency ANGOP dismissed the report as "nothing more than a rumor." Spokesmen for Chevron in London and San Francisco admitted there had been fighting in the region, but denied that the oil installation had been affected in any way.

A South African source told this news service that the raid was indeed carried out, but by a faction of UNITA which apparently did not have official authorization for the strike. The source said that although the attack was not very effective, it was a signal of what UNITA could potentially do.

Terrorists attack U.S. embassy in Tokyo

A Japanese left-wing group, the Senki Kyosando (Battle Flag Communist Alliance) has taken responsibility for a bold daylight attack on the U.S. embassy and the Emperor's Imperial Palace in Tokyo March 24 using homemade rockets. There were no injuries, but the simultaneous attacks penetrated security already tightened in preparation for the May 4-6 annual economic summit of leaders of the top Western industrial nations and Japan. The Senki group has pledged to disrupt the economic summit.

Minister of Finance Shintaro Abe sent a personal message to U.S. Ambassador Mike Mansfield expressing regret and pledging to improve the guard around the U.S. embassy. American embassies around the world are already on alert because of the threat

from Libyan-backed terrorists.

Police said five explosive devices—7.5-inch-long aerosol hairspray cans filled with flammable liquid—were fired from cars outside the embassy and palace grounds.

None of the devices exploded, but one fell 500 yards from Emperor Hirohito's living quarters.

India, United States map anti-drug effort

U.S. Attorney General Edwin Meese announced on March 25 that Washington and New Delhi have agreed to consider joint efforts to fight narcotics trafficking and terrorism. Addressing a press conference in New Delhi, at the end of a two-day visit, he said that his talks with Prime Minister Rajiv Gandhi had "exceeded our expectations."

A key area of discussions was the composition of a working-group that would consider joint steps against drug trafficking. U.S. Ambassador John Gunther Dean said that the group would deal "with such areas as intelligence and information-sharing."

In a related development, Indian police on March 20 busted an international drug syndicate and arrested a Sikh in New Delhi for connections to separatist terrorists in Punjab. One hundred policemen raided a farmhouse near New Delhi and seized 553 kilograms of hashish, after a tip that an India-based narcotics syndicate with links in Europe was operating from there. The police said that they believed the militants had started raising funds through drug smuggling, to support separatist activities in Punjab.

Jewish theologian attacks 'collective guilt'

Frankfurt-based Jewish theologian Pinchas Lapidé rejected the notion of the "collective guilt" of all Germans for Hitler's Holocaust, in a statement quoted by West Germany's *Die Welt* newspaper on March 25.

"The accusation of collective guilt orig-

inates from fascist thinking," he said. "To condemn all Germans alike would be a posthumous victory for Hitler, because such a generalized anti-Germanism would not be a verdict, but rather barbarism in contempt of the Bible."

Lapidé recalled, "The Jews were the victims of the most long-standing, unjust collective-guilt accusation, that we had murdered Christ." He called on the media to give greater coverage to the "thousands of Germans who risked their lives to save Jews" under Nazism, and said these "heroes" should serve the youth of Germany as "examples to imitate, and images for a better future."

The "collective guilt" idea was imposed by the Occupation forces in Germany after World War II—Soviet and Anglo-American both—to destroy the positive heritage of German culture, along with the Nazi Reich. Unlike Gen. Douglas MacArthur, whose policies during the postwar occupation of Japan laid the basis for the moral, political, and economic revival of the defeated nation, the U.S. High Commissioner for Germany, Wall Street's John J. McCloy, determined to smash German national identity altogether. For 40 years now, Germans and the rest of the world have been brainwashed with "collective guilt" propaganda by the media.

General Noriega: IMF is strangling Panama

General Manuel Antonio Noriega, commander of Panama's Defense Forces, declared in a television interview on March 22 that his country was being "strangled" by the International Monetary Fund.

The international financial institutions have asphyxiated the Latin American countries' weak economies, he charged. "We have inherited the debt policy that the international financial institutions left us, the political and social strangulation by these great entities. . . . Everything has been the product of the 'big stick' policy of the economic institutions which got governments indebted. . . . Panama cannot go out and assume

all-or-nothing postures, nor can it commit political, economic, or social suicide by saying it will not pay."

Referring to the announcement of the CONATO labor federation that it would break its ties with the government of President Eric Delvalle, because of his agreement to IMF austerity conditions, Noriega said he hoped that the government "will exhaust all avenues, will go all the way to prevent this rupture from occurring."

'Irregularities' found in Colombian union's funds

The Colombian labor ministry has discovered that millions of pesos "disappeared" from the accounting books of the Union of Colombian Workers, during the time period that individuals close to the American Institute for Free Labor Development (AIFLD) were running the union.

According to a report published on March 23 in the daily *El Espectador*, "Grave irregularities in the accounting operations of the Union of Colombian Workers (UTC) since 1980 were discovered by the labor ministry, after a tax and accounting investigation in which 28,373,584 pesos were found missing, which seriously compromises the leadership of that worker confederation."

These funds, which add up to about \$300,000, were released by the union without proper documentation. Some of them were disbursed to federation president Víctor Acosta and to the Banco de los Trabajadores, a consortium that includes UTC leaders and narcotics mafia chieftain Gilberto Rodríguez.

The article says Labor Minister Jorge Carrillo requested the ministry to perform an audit of the UTC a year ago, when he was the confederation's vice-president. The audit found that 16 million pesos had disappeared from the union during audit periods when Tulio Cuevas was president (Oct. 21, 1980 to Aug. 15, 1982) and 13 million when Víctor Acosta was president (Aug. 6, 1982-March 31, 1985). The auditors found a lack of documentation on union income and a generalized absence of legally re-

quired bookkeeping procedures, according to *El Espectador*.

Neither the UTC headquarters nor the labor ministry has made any public comment on this matter.

As *EIR* reported on March 14 ("AIFLD: It's Not Labor, Nor Is It For Freedom"), both Cuevas and Acosta are heavily implicated in AIFLD's organized crime networks in Ibero-America. AIFLD is the foreign policy arm of the AFL-CIO on the continent, and receives funding from the U.S. State Department.

France announces moves against terrorism

France's new premier, Jacques Chirac, announced new steps to fight terrorism on March 22, to reverse the do-nothing policy which characterized the previous government of Socialist Premier Roland Dumas.

Chirac proposed measures for closer European coordination, including reversal of the policy of the last five years governing the extradition of terrorists. He called for the fight against terrorism be placed on the agenda at the upcoming summit of top industrial nations in Tokyo. Chirac has also expressed readiness to reopen the "Libyan file"—kept tightly closed by Dumas and his interior minister, Pierre Joxe—the newspaper *Le Figaro* reports.

The new government will create a National Committee for the Fight against Terrorism, under Chirac's personal direction, and involving the army, police, and justice ministry. A coordinating body will be formed in the interior ministry working in close coordination with the justice minister. The role of the judiciary against terrorists will be expanded.

Since 1981 and the disbandment of security-military courts, terrorists have been judged only for "criminal" offenses, but now "terrorist crimes" will be recognized. Also, the permitted length of time for interrogation of suspects will be extended to 72 hours.

Chirac met in Paris on March 22 with U.S. Secretary of State George Shultz, and the terrorism question was a principal topic of discussion.

Briefly

● **THE PRESIDENTS** of all five Central American countries, including Nicaragua, will meet in Guatemala on May 23-24 to discuss a negotiated settlement to the crisis there, Guatemalan President Vinicio Cerezo announced in Caracas on March 20.

● **THE FRENCH FOREIGN** ministry, prior to the departure of Socialist Foreign Minister Roland Dumas, denied charges that French Ambassador to Tunisia Eric Rouleau was plotting the overthrow of the Tunisian government, the daily *Quotidien de Paris* reported on March 21. The charge was made in *EIR* and the French newspaper *Nouvelle Solidarité*, whose coverage was reprinted by the Tunisian government.

● **FELIPE GONZÁLEZ**, the Spanish prime minister, will be visiting the Soviet Union from May 19-22. A 50-man delegation of the Spanish Industrial Confederation left for Moscow at the end of March.

● **THE SICILIAN MAFIA** and affiliated communist and separatist groups organized a week of demonstrations at the end of March, protesting a new housing tax law passed by the Italian parliament. Fighting broke out between citizens and police, and transport ground to a halt throughout the island. Sicily is the location of the U.S. base at Comiso, where American cruise missiles are to be deployed.

● **WEST GERMAN** Social Democrats demanded a parliamentary debate on SDI accords on March 27, citing a constitutional requirement that all treaties with political impact be approved by the Bundestag. Social Democrat Johannes Rau, who will challenge Chancellor Helmut Kohl next January, said the SDI agreements were unacceptable and did not serve German interests.

What the Illinois primary vote means for 1988

by Nicholas F. Benton

In his second standing-room-only press conference in Washington, D.C. in the week since the Illinois primary, Warren Hamerman, chairman of the National Democratic Policy Committee (NDPC), on March 21 urged the leadership of the Democratic National Committee not to follow the tragic and divisive path of former Sen. Adlai Stevenson III. He called on Democratic Party leaders to recognize that the vote for the two NDPC-backed candidates who scored upset victories in the primary in Illinois on March 18 represented the desire of the growing numbers of Americans living under conditions comparable to the 1930s Depression, to adopt LaRouche's program for economic reform, repeal of the Gramm-Rudman law, a war on drugs, action against the AIDS threat, and defense of the Western alliance.

Whereas most of the Democratic leadership remains in fantasyland—emulating Stevenson's blunders by hurling slanders against LaRouche and insisting that the Illinois vote was a "fluke"—many Democrats on the regional, local, and precinct level are offering to collaborate with the victorious LaRouche candidates and to extend the Illinois victory to other states. Over 750 NDPC candidates are so far running in primaries in 29 states.

Stevenson, however, insists on decimating his political career and splitting the Democratic Party by trampling on the democratic process. He is now seeking to overturn Illinois election law, in order to bolt the ticket and run as an independent. The notion that a candidate, unhappy with the results of an election (in which he was a winner!), would demand that the election laws be changed to suit his wishes, offends

virtually anyone, regardless of their specific political views. Stevenson's insults to his own constituency, insisting that their election of the NDPC candidates was only due to their preference for Anglo-Saxon names, and his grim determination to avoid issues at all costs in favor of name-calling and slander, have convinced an astonished national audience that, if his ineptitude is any example, it is no wonder that the Democratic Party is in a total shambles.

The Establishment's nightmare

Meanwhile, in Washington, D.C., the real significance of the NDPC victories in Illinois has leaked out, and the worst nightmares of the nation's "Establishment" are being confirmed. The same day as the second Hamerman press conference, the *Washington Post* published an interview with pollster J. Michael McKeon, who explained that he had told the Democratic National Committee (DNC) almost a year ago that the pro-LaRouche sentiment was on the rise among Democratic voters in Illinois. McKeon's polls showed that the great crossover vote of Democrats that went with Reagan in 1980 and 1984, would be coming back in the direction of the Democratic Party, because of disillusionment with Reagan. During the Reagan "recovery," they lost their jobs and their farms. But they would be coming back looking for LaRouche. "The DNC laughed me out of the room at the time, but look who's laughing now," McKeon said.

The McKeon poll confirmed that the Illinois vote was no fluke. In previous NDPC campaigns in Illinois, candidates running for Congress received over 40% of the vote. Sheila

Jones, 1983 mayoral candidate, is well remembered by Chicago voters for one of the most singular political campaigns in the city's history, in which she battled exclusion from televised candidate debates by the party "regulars." Jones, who ran for U.S. Senate in this year's primary, received 17% statewide, and won many key precincts in Chicago's south side.

In their March 28 syndicated column, Rowland Evans and Robert Novak debunk those Democratic leaders who insist that the Illinois election "did not represent an anti-liberal revolt." The results represented, they said, "an across-the-board protest vote of some 100,000" (actually, over 1,200,000 votes were cast for LaRouche Democrats in that primary), and added, "Moreover, now that they are given media access, Fairchild and Hart are sounding some plausible themes."

The word circulating around Washington, casts the significance of the NDPC victory in even more momentous terms. In every election since 1964, there has been a very powerful factor that has surfaced, with a potential to overturn Establishment politics. This is an element of the American voter base which is concerned principally with bread-and-butter issues like employment and crime, and is loyal to no one who does not deliver on these issues. They hate drugs, and most things associated with hedonistic liberalism. They are pro-technology and for a strong defense. They wept at the Shuttle disaster, and want the Strategic Defense Initiative.

It is this constituency which stopped Nelson Rockefeller from getting the nomination of his own party for President in 1964, because they didn't like the smell of his money, his corruption, and his liberalism. They went with George Wallace as an independent in 1968, and when that movement gained steam as Wallace joined the Democratic Party in 1972, they swept Wallace to two straight victories in the Democratic primaries of 1972 in northern states, just before he was shot. In 1976, 1980, and 1984, they went with Reagan.

After Illinois, the great fear of the Establishment, is that this constituency is now coalescing around LaRouche.

One analyst said that the proof of how deep this fear is in the minds of the politicians at the top, is that none of the massive press coverage of LaRouche in the wake of the Illinois primary has mentioned the obvious—if superficial—parallel, that to Wallace. After all, Wallace joined the Democratic Party after running as an independent, just as LaRouche did in 1980. The very thought of linking LaRouche to Wallace gives the likes of McGeorge Bundy the shakes.

What makes LaRouche different?

There are three factors which give the LaRouche movement a more explosive potential for a "breakout" by this core constituency than ever before, all of which factors the leaders of the Liberal Establishment are painfully aware of: 1) An economic blowout is around the corner, arising from accumulated domestic and foreign non-performing debt and a

banking collapse; 2) LaRouche is far brighter and more ruthless than any other political figure this constituency base has gravitated toward in the past; and 3) LaRouche's policies, especially their moral foundation, gain him a broad base of support among the economically ravaged, as well as governments, parties, and unions abroad, in nations abused by the International Monetary Fund. All of these factors make LaRouche a top contender for the presidency in 1988.

All this adds up to a panic among the top circles of the Establishment, whose smug confidence in its ability to orchestrate affairs in both leading parties has until now been only mildly tempered by this "disloyal and independent" bloc of American voters. The result has been a bizarre "Keystone Cops" routine played out on television and in the press. Self-contradictory slanders, blundering political decisions, and self-defeating demagoguery emanate from figures, like Stevenson, who lack the ability to back up their ominous allusions to "purges," "authority," and "discipline." Ted Koppel on ABC's "Nightline" dragged in a frazzled, wild-eyed stringer for the dope lobby, Dennis King, as a so-called LaRouche expert, who began foaming at the mouth so badly, that Koppel had to threaten four times to cut off his microphone. Cable Network News invited a soft-spoken Democratic hack, Victor Kamber, to "expose" LaRouche on one of its shows. He started out calmly enough, insisting that LaRouche's supporters would "hang themselves with their own noose" by telling the public their real views, but when one such supporter began to outline the NDPC program in a sensible and straightforward way, Kamber went berserk, even admitting his hysteria in front of a nationwide audience.

Inside reports from the agitated backrooms of the Democratic National Committee indicate a growing factionalization between those who insist that the party concede the growing LaRouche influence and try to work with it, and those who tend to "eat a live chicken with their bare hands" everytime they entertain such a thought. Officially, however, the DNC has continued to ignore the economic and related realities which provoked the electoral revolt in the party. It has proceeded to send out warning messages about LaRouche to all of its state party leaderships, as if to presume these leaderships could (or would) simply dictate to the population that voting for LaRouche is forbidden. Paul Kirk, chairman of the DNC, has also reportedly said he is looking for ways to "purge" LaRouche candidates from the Democratic Party—which presumably would require some kind of ideological test of a "true Democrat." Given the current stubborn prejudices of the DNC, this would surely drop the Democrats below the Porcupine Party for national membership. Can you imagine a "loyalty test" in favor of Jimmy Carter or AIDS in the classroom?

The battle begins

The LaRouche-versus-DNC battle is reminiscent of the battles between Reagan and the Republican National Committee in the mid-1970s when the RNC was Rockefeller-

controlled and claiming that if Reagan were ever to become President, we'd be in a nuclear war within a month. They stopped Reagan, barely, from getting the Republican nomination in 1976, which gave us four years of Carter.

Now, the battle shapes up most importantly in four states: Illinois, Texas, New York, and Ohio.

Illinois: NDPC victors Hart and Fairchild have announced they will form a "Unity Slate" to try to bring Democratic victory in November over the "tight-fisted" austerity policies of the Republicans, despite the claims by Stevenson that he is going to leave the ticket, one way or the other. In addition to the victories of Hart and Fairchild, the NDPC won the Democratic Party nomination for Congress in the 13th C.D. (Dominick Jeffrey) and the 15th C.D. (William Brenner), where these candidates were running unopposed. Lower-level party officials from throughout the state have called the campaign offices of Hart and Fairchild to report that they want to work to get them elected.

In Chicago, especially on the economically ravaged south side, Hart and Fairchild campaign workers are finding the population overjoyed with the LaRouche victory. Rather than being put off by media slanders, the population is made curious by them, and when told where the slanders are coming from and why, and what the NDPC stands for, they understand immediately and become very interested. Contempt for Stevenson's blundering, party-splitting, high-handed approach is evident among Democratic voters throughout the state. The state is ripe for a Hart-Fairchild victory in November, because in Chicago, once the seat of one of the strongest Democratic Party organizations in the nation, the party is split almost beyond repair, and Mayor Harold Washington has had nothing to offer to improve the poverty in the city. On the other hand, downstate, among the farmers, the level of bankruptcies has left this traditionally conservative voter base totally disillusioned with the Reagan "recovery," and the NDPC has articulated the only specific policy proposals to reverse the trend.

Texas: This is the scene of the next primary, on May 3. Here, the NDPC is running only one statewide campaign, that of farmer Noel Cowling against incumbent state Agricultural Commissioner Jim Hightower. But the NDPC has already been guaranteed victory in two congressional races, where the candidates it backs are running unopposed, and may win in others where the state Democratic Party conceded the district or is not actively opposing the NDPC candidate. Once the strongest state party organization in the nation, the Texas Democratic Party, under the leadership of Averell Harriman tool Bob Slagle, has driven even the famous Texas "Yellow-Dog Democrats" (allegedly the most loyal kind around) out of the party, by its support for homosexual rights and related causes. For example, in 1983 the Democratic-dominated Houston City Council voted up an "equal rights" ordinance for homosexuals. The population rebelled, and

voted 84% against the City Council in a subsequent referendum.

Slagle says he's going to warn everybody about the NDPC. Does he seriously think he's going to stop the NDPC in Texas by revealing that the NDPC wants universal AIDS screening? On top of this, every major bank in Texas, but one on the basis of non-performing oil and real estate loans, is ready to collapse any day. The NDPC has made an oil import tax to salvage the Texas oil industry a campaign issue. No one else has.

New York: Here the Democratic Party has already collapsed. The NDPC's Webster Tarpley is so far running unopposed for the Democratic nomination for U.S. Senate, in a primary slated for September. The Democrats were going to run Geraldine Ferraro, but were afraid her husband might be in jail before the election. They thought of turning the race into a farce, by running entertainer Harry Belafonte, but Belafonte apparently had too much self-esteem for that. Meanwhile, in New York City, Mayor Ed Koch's machine is starting to unravel in the face of scandal. The New York City Democratic Party, rife with corruption of the worst order, is dead; the potential for an NDPC takeover of the party, behind the candidacy of Tarpley and of Judah Rubinstein's campaign for governor is an imminent reality. That's why the assignment was given to flop-jowled U.S. Sen. Daniel P. Moynihan from New York, to read two lengthy slanders of the NDPC into the *Congressional Record* at the end of March. Such propensity for lies and filth is all that is left of the New York Democratic Party. No wonder that Hulan Jack, borough president of Manhattan in the 1950s when the New York Democratic Party machine functioned to represent its constituency on a block-to-block basis, abandoned Carter and endorsed LaRouche for President in 1980, and has been a cornerstone of the NDPC ever since.

Ohio: Here, the NDPC is directly challenging the exposed dope mafia for control of the party and the state. NDPC-backed U.S. Senate candidate Don Scott, who won the Democratic nomination for Congress in Ohio's 7th district in 1984, with more than 60% of the vote, has challenged the corrupt organized-crime networks of Marvin Warner of Cincinnati. Warner, who was linked to the collapse of Home State Savings and Loan in Ohio, has recently been indicted by a federal grand jury for criminal activity that included drug-money laundering. He contributed \$250,000 to Ohio Democratic Sen. John Glenn in 1984, and provided similar support for Ohio Gov. Richard Celeste. Scott has called upon Glenn, his opponent in the May 6 primary, to disassociate himself from the "drug-mafia controlled Warner-Ruvolo-Celeste corruption of the Democratic Party in Ohio," and has vowed to root out this corrupt element in an unrelenting war on drugs. This same mafia, he charges, is responsible for handing the banking industry in Ohio over to the New York-based drug banks.

Economy was the critical issue

by Stephen Pepper

While the national and state Democratic Party leaderships continue to give a good imitation of Chicken Little, serious political analysts are becoming increasingly aware that the victories scored by the National Democratic Policy Committee-backed candidates in Illinois were no fluke. The candidates, who addressed first of all the issue of the economy, and then fears of drug-related crime and of the deadly disease AIDS, got the support of the voters.

The Democratic leadership in Illinois made a point of declaring to the world before the election that there were no issues. Dave Drucker of the state party told *EIR* before the primary on March 18 that nothing of national importance would take place; and Wade Nelson from Sen. Alan Dixon's office proudly proclaimed that there were no issues in the primary test, "and if they do exist we don't know about them."

Now that the voters' wrath has exploded, the party officials are in a self-proclaimed "state of shock," but although it is clear that the voters intended to send a message, unfortunately for the present Democratic Party, no one is in mental shape to receive it. The same officials who dismissed the vote four days before it occurred, are now fabricating the wildest stories: the LaRouche Democrats had simple names, the Stevenson Democrats ethnic ones; no one knew who he was voting for, etc.

A simple analysis of the vote would soon destroy these fairy tales. In fact, the two successful candidates backed by Lyndon LaRouche restored the coalition created by Franklin Delano Roosevelt, which transformed the Democratic Party overnight into the majority party of the last half-century. The FDR coalition consisted of blue-collar workers, farmers, small entrepreneurs, ethnics and minorities, all of whom had been left out of the Hoover "recovery." The Illinois returns show that with the probable exception of the white ethnic vote, the LaRouche Democrats restored this coalition.

The clearest evidence for this result was in an election that has received no media attention, that of LaRouche-backed candidate Robert Hart for State Treasurer. Hart ran fourth in a field of four for this position, with 14% of the vote. The other three candidates largely split the urban vote, but Hart carried 34 counties, or roughly one-third of the total number

of counties in the state, a far higher number than his rivals. These counties form a clear pattern on the map: Almost without exception, they are the ones along the Ohio and Mississippi rivers, and those adjacent to them, where the Reagan "recovery" has caused the most hardship. Here bankrupt farmers and laid-off miners, unemployed blue-collar workers, and disenfranchised welfare recipients voted solidly for the candidates most identified as attacking the myth of recovery, and the smugness of the status quo. For example, in Johnson County in the far southern tip of Illinois, where fully 40% of the total income is in the form of government checks, Hart and the LaRouche Dems swept the field.

At the other end of the state, the vote for Sheila Jones in her race against Alan Dixon for U.S. Senate in the black wards of Chicago gives an equally clear reading. Jones, herself a prominent black leader, ran consistently 20-30% of the vote in these wards, and in the black 6th Ward, she received 40% of the vote. Anyone familiar with Chicago ward politics knows that for an insurgent, even in this era of breakdown of the old machine, such a percentage is staggering.

Overall the vote for Jones was a remarkable expression of the voters' desire to protest the present politics. She is known throughout Chicago for strong leadership, not to say "outrageous" campaign methods, in the last mayoral race. But far beyond the precincts of Chicago she was pulling an impressive state-wide total of 127,788 votes or 15.2% against Alan Dixon, the incumbent and the most popular vote-getter in the history of the state. Jones had no funds for state-wide media, and her responsibilities to the entire ticket prevented her from touring down-state. Had any of these circumstances been different, it is very likely that she would have topped 300,000 votes.

It is a fairly good estimate that 300,000-350,000 is the size of the protest vote that turned out for the NDPC. Janice Hart, the successful candidate for Secretary of State, polled 359,744 or 51%, while carrying the non-urban vote by 2-1 over her opponent, Aurelia Pucinski. Mark Fairchild, candidate for lieutenant governor, got more than 310,000 votes. In much of downstate it is clear that the voters pulled the lever for Stevenson at the head of the ticket, and then deliberately sought out the LaRouche candidates and voted for them across the board. Peter Bowen, the NDPC-backed candidate for governor, who ran an aggressive campaign, received only 44,807 votes because the voters were not yet ready to buck the Stevenson name. But Donald Clark, running for the NDPC for comptroller, polled 178,621 or 23% of the vote.

If anyone wanted to look, it would be plain as a pikestaff what all this means, but no one in officialdom wants to find out what happened. The LaRouche-linked candidates connected with the voters on the issues, and the rest of the Dems are still denying that the issues—or for that matter, the voters—even exist.

Drug lobbyists are attacking LaRouche

Ever since victories by his supporters in the March 18 Illinois primary, the news media, which had wholly blacked him out for years, have been making the name of Lyndon LaRouche into a household word. The same news media, as often as not, have been featuring interviews with “experts” on LaRouche, in particular, the talk-show television hosts: *Irwin Suall* on the Phil Donahue Show; *Dennis King* on Ted Koppel’s Nightline; and *Chip Berlet* on the “little league” circuit, mostly Chicago television news affiliates of NBC and ABC. LaRouche, they say, is “extreme right-wing,” “extreme left-wing,” “funded by the KGB,” and “anti-Semitic.”

Suall, King, and Berlet have two things in common, besides being liars—they are left-wing socialists and they are tied into drug-pushing networks.

Irwin Suall

Irwin Suall is the head of the Fact-Finding Division of the Anti-Defamation League of B’nai Brith. The ADL is the organization created at the turn of the century to protect those organized-crime networks which came to be headed by Meyer Lansky. Kenneth Bialkin, ADL national chairman, was the 1970s lawyer and business partner of Robert Vesco in Investors Overseas Services, Meyer Lansky’s dirty money laundry which bilked investors of hundreds of millions. Vesco, who absconded with the funds, now runs cocaine out of a base in Fidel Castro’s Havana, Cuba. In 1981, Bialkin’s Wilkie, Farr, and Gallagher lawfirm was fined \$35 million as restitution to IOS investors.

Suall is an ideological socialist, identified with the Socialist International and the British socialists who trained him at the John Ruskin Labor College in 1948.

The young Irwin Suall was arrested and convicted in 1942, 1945, and 1956 for untoward behavior in demonstrations. He was a member of the Young People’s Socialist League, and an aide to Norman Thomas, Socialist Party presidential candidate. Today, in addition to his ADL position, he sits on the board of the League for Industrial Democracy, which created the 1960s Students for a Democratic Society.

He has run a “dirty tricks” unit against LaRouche since 1978, when the publication of the book *Dope, Inc.*, commissioned by LaRouche, exposed many ADL leaders, among others.

Suall has ordered demonstrations against LaRouche using drug pusher Dana Beal of the Youth International Party (Yippies), Dean Latimer, an editor for *High Times*, and Mordecai Levy, a protégé of the founder of the Jewish Defense League, Meir Kahane. Beal served a brief stint in jail for bombing the offices of the *Soho News* in New York, after it exposed his involvement in a multimillion-dollar international marijuana-smuggling ring.

Suall specializes in arranging “anti-Semitic acts” to enrich ADL coffers. One of his paid agents, Jimmy Rosenberg, a.k.a. Jimmy Mitchell, a.k.a. Jimmy Anderson, belongs to the KKK and the Christian Patriots Defense League, and attempted to organize the bombing of the Trenton, N.J. chapter of the NAACP. Another, Mordecai Levy, was exposed in Philadelphia in 1979 posing as “Nazi James Guttman,” issuing death threats to Jews.

In 1961, while national secretary of the Socialist Party, Suall, using the pseudonym John P. Graham, Jr., authored a pamphlet, “The American Ultras: The Extreme Right and the Military Industrial Complex,” defaming Ronald Reagan, then an employee of General Electric. He also slandered Reagan for “ultra-right” views to executives of General Electric.

Dennis King and Chip Berlet

Dennis King is a drug-user, and is diagnosed as a paranoid obsessive consumed by oedipal rage. Sources say he was recruited as an FBI informant during the 1960s, while a member of the Maoist Progressive Labor Party. As “Caspar the Friendly Ghostwriter,” he was arrested in 1979 for sale of a term paper to a Columbia University student. King’s “connections” allowed him to elude prosecution.

His only credentials as a “journalist” arise from contributions to the *High Times* drug magazine, and his deployment by Suall and the ADL to attack LaRouche. It began with a series in *Our Town*, an East Side New York throwaway owned by Edward Kayatt, who served time in prison for savings-bond forgery. Kayatt’s attorney is Roy Cohn, New York’s best known mob lawyer.

In *Our Town*, King first stated his bizarre charge that LaRouche’s vision of uplifting man to the level of Reason—what Plato called the creation of “golden” souls—was a manifestation of Nazi race science.

In May 1981, *High Times* published an attack on LaRouche by Chip Berlet, King’s sidekick, under the headline: “War on Drugs: The Strange Story of Lyndon LaRouche: They Want to Take Your Drugs Away!”

Berlet, of a Swiss family, is a former contributing editor of *High Times*, a cocaine-user, and an employee of the National Lawyers Guild, a terrorist-attorneys’ front of the Communist Party U.S.A. Based in Chicago, he was hired by the Anti-Defamation League and Irwin Suall to spread slanders about LaRouche at approximately the same time that Dennis King was hired in New York.

New England slate takes on Brahmins

by Marla Minnicino

In an open letter to New Hampshire Democratic Party chairman George Bruno, Major (ret.) Robert A. Patton, "LaRouche candidate" for the Democratic U.S. Senate nomination, urged Bruno and all New Hampshire Democrats to rally behind his campaign to defeat Republican Sen. Warren G. Rudman (as in Gramm-Rudman) at the polls in November. "Mr. Bruno, if your desire is to restore the Judeo-Christian values that made this nation great, and restore the Democratic Party concurrently," says Patton, "then I suggest we meet to plan a program for New Hampshire that will do just that."

Patton's initiative is part of regionwide campaigns by candidates backed by the National Democratic Policy Committee, of which Lyndon LaRouche was a founder. They have told New England citizens that those who are supposed to be representing them in Congress are traitors in the notorious tradition of the Boston Brahmins. Recently, the national newspaper *New Solidarity* began to publish a biweekly supplement, called the *New England Spy*, which gives voice to the same kinds of issues being raised by the NDPC candidates.

In Massachusetts and New Hampshire, candidates endorsed by the NDPC are taking aim at not only Rudman, but House Speaker Tip O'Neill (D-Mass.) and Brahmin figure William Weld, U.S. Attorney for Massachusetts. In conjunction with Patton's offensive in New Hampshire, members of the NDPC's Massachusetts slate held a news conference March 21 to announce their campaign against the Boston "bluebloods."

"We are going to get this conflict-of-interest dope-running Bill Weld," LaRouche candidate Richard Black declared. Black, the New England NDPC coordinator and a candidate for the 8th Congressional District seat now held by Tip O'Neill, charged that Weld is conducting a grand jury fishing expedition against LaRouche supporters, while his family's investment firm, White, Weld—now owned by Cr dit Suisse and Merrill Lynch—is steeped in dope-money laundering and corruption.

Black urged his opponents in the congressional primary—including Joseph P. Kennedy, Jr.—to join him in a call for Weld's resignation. Commenting on the 8th C.D., Black observed: "Voters should be glad to be rid of that inebriated hulk of hypocrisy and treason called Tip O'Neill."

The NDPC has already filed a slate of 51 LaRouche

Democrats for State Democratic Committee in Massachusetts. In addition to Black, three other candidates have announced for Congress. On March 21, former Quincy mayoral candidate David Peterson launched his campaign for the 11th District seat currently held by Democrat Brian J. Donnelly, asserting that the victories of LaRouche candidates in Illinois indicate a "willingness on the part of the American people to endorse the LaRouche program and to repudiate the Carter-Mondale leadership of the Democratic Party."

Also running for Congress on the NDPC slate are Norman Livergood of Plymouth, a skilled nuclear technician and Air Force veteran, who hopes to defeat incumbent (and avowed homosexual) Gerry Studds (D) in the 10th C.D.; and David Kenner of Dorchester, running against ultraliberal Rep. John Moakley (D) in the 9th C.D.

A retired Air Force bomber pilot, Major Patton is currently the only announced opponent of Rudman. In his open letter to state party chairman Bruno, Patton called the victories of LaRouche candidates in Illinois a "political shockwave" and urged party leaders to back his bid for the Democratic Senate nomination. "We must see to it that 'Rudman's folly' [the Gramm-Rudman act] is immediately repealed," said Patton. "History and the U.S. population await your decision."

Bruno, however, has already stated that no "follower of Lyndon LaRouche" can be elected in New Hampshire and vowed that the Democratic Party will field another candidate to oppose Rudman. Rudman—whose re-election was previously considered a safe bet—is himself in effect soliciting the Democrats to field a "more worthy" candidate to challenge him. The March 27 *Washington Post* reported that Rudman told New Hampshire Democrats it would be "bad" for their party if it were represented on the ballot by a LaRouche candidate. Rudman stated that he would "prefer" not to campaign against Patton. Is he asking the Democrats to save his neck?

The reason for Rudman's dismay is obvious: Patton is now touring the state, placing before the voters the very policy issues which decided the Illinois primary, including opposition to Gramm-Rudman. Patton thinks voters are ready to respond to the LaRouche program, especially on economic issues, support for a war on drugs, and drastic action against the spread of AIDS.

Patton has also called for the colonization of Mars by the year 2000 and demanded a stop to the campaign to destroy NASA in the wake of the Space Shuttle disaster. He said his campaign benefits "every time Rudman opens his mouth," and, thus, has demanded more press coverage for his opponent. Patton warned that if his campaign is tagged with the slanders being retailed against LaRouche, "there will be 'trouble in River City.' I'm not talking about violence in the streets. I mean there's going to be a catalytic reaction by the population of New Hampshire."

The Adlai Stevensons: generations in the service of America's enemies

by Leif Johnson

On May 19, a shaken, tweedy little man emerged, half an hour late, to face the 50 newsmen. The night after the election the little man and his advisers had accumulated the courage to face his friends in the news media.

Adlai Stevenson III, scion of the well-known Democratic family, two-time U.S. senator, and just-nominated candidate for governor, told the press assembled at Chicago's Executive House that he would never appear on the Democratic ticket with LaRouche Democrats. He then quoted from *New Republic* magazine:

"Indeed, the LaRouchian programs contains many elements of neo-Nazism: Dictatorship—in fact of industrial capitalism. 'Immediate elimination' of Jewish influence in business, government and labor; a demand for a 'permanent special prosecutor's office' to try Jews for treason; a call for a Germanophilic remoulding of American culture; and a call for 'total mobilization' in preparation for 'total war.'"

Not one person asked Stevenson if he had any proof of these amazing allegations. The media were, after all, his propaganda agents, and the boss was in a tough spot. Janice Hart, a LaRouche Democrat, had beaten Stevenson's hand-picked candidate for secretary of state in the Democratic primary. Worse yet, for the narcissistic Stevenson, Mark Fairchild, another LaRouche Democrat, had beaten his hand-picked boy for lieutenant governor, and Stevenson would now be forced to campaign with Fairchild.

Not only didn't the press ask about the truth of Stevenson's insane charges, they failed to note some ironies: Janice Hart, the LaRouche Democrat, is Jewish; and Stevenson has a well-deserved reputation among Illinois blacks as a racist.

Then Stevenson said something that did shock his media troops—and more so, those of his running mates who were not knocked out by LaRouche candidates. Stevenson announced that if he could not "purge" the LaRouche victors from the November general elections by "legal" means, he would leave the party and form an "independent party" to run in November.

His candidates for U.S. Senate, treasurer, and attorney

general, along with numerous other Democratic officials, denounced his proclaimed threat to form a third-party slate as "hasty," "impossible," "crazy." The public reaction was typified by Chicago Alderman Bernard L. Stone: "If we really intend to keep the party together, we'd have Adlai Stevenson move to Indiana."

Had Stevenson gone mad? Bolting the party would ensure defeat for himself and any other candidate following him. Would Stevenson, whose family were Democratic sachems since the Civil War, wreck his own party in what looked like a fit of insanity?

Destroying the electoral process

Certainly insanity plagued the Stevenson family. Ever since days of Adlai III's grandfather Lewis, a spoiled only son, whose only work was to collect the rents on the family's sharecropper plantations, and whose violent jealousy of his wife drove him to repeated confinement in mental asylums in Berlin and Lausanne, Switzerland, the family shouldered almost continuous mental illness. The burden of the family's seemingly congenital male impotence fell hardest on the women, driving them to madness. This was perpetuated to each generation as the children rarely saw their busy "public servant" fathers, and their upbringing was overseen by their deranged mothers.

Adlai III, who says the most important things in life are "catching your breath, maintaining equilibrium, and communing with yourself," has been politely characterized by the press as "ill suited for rough-and-tumble political life." That is not to say that Stevenson is simply mad. No, he is under orders to destroy the Illinois Democratic Party if he and his ilk cannot control it. He is under orders from the "Trust," the secret agency of the Russian KGB/Orthodox Church and the satanic financial oligarchy of the West. Stevenson is under orders to destroy America, its Constitution, the freedom and liberty of its people.

Consider Adlai's words at this March 19 press conference: "The election of the LaRouche candidates is a *subver-*

sion of the electoral process." When patriotic American candidates like Hart and Fairchild are elected, the dictatorship that the Trust and its agents like Stevenson and the media have over decades woven into the minds of Americans begins, in an instant, to be overturned. The crack in their drive for complete dictatorship is what the Trust calls "a *subversion of the electoral process.*"

Failing to destroy the rule of law under the Constitution, Stevenson will wreck the Democratic Party, to attempt to destroy the victories of patriots Hart and Fairchild. Those are his orders.

The Stevenson clan is one of the oldest and most prominent Trust agents in the Midwest. Decades before the Trust was assembled by the European financial oligarchy in the 1890s, the Stevenson family was in the employ of the oligarchy. Copperheads during the Civil War, backers of the enemy agent General McLellan, they worked for the defeat of the Union forces. In the 1880s they demanded "one-world government," the dream of the oligarchy. At the turn of the century they managed 49 semi-feudal estates tenanted by sharecropper farmers in Illinois and Indiana, and assisted William Randolph Hearst in the creation of his "yellow press" empire.

In the 20th century they became ardent supporters of Benito Mussolini, the Fascist usurper dictator of Italy, and of the Bolsheviks. They created the Chicago Council on Foreign Relations, accurately characterized by one leading Chicago attorney as "a training school for treason to America." The Stevensons were among the most prominent backers of the Trust-sponsored United Nations Organization, a half-way house to one-world government, and a vehicle for British and Soviet manipulations. Adlai III's father Adlai II ran his presidential race in 1952 against Dwight Eisenhower on the explicit demand not to oppose Russian aggression in Korea, espousing thereafter every key pro-Moscow cause, including the destruction of American strategic superiority over Soviet war-winning potential. At home, the Stevensons wrecked the Chicago worker-minority-middle class-based Democratic machine. Nationally, Adlai III was an avid member of the committee that imposed the "McGovern reforms" which disenfranchised the majority Democrats in favor of homosexuals, lesbians, drug pushers, and radicals of the drug-rock counterculture.

The first Adlai

The first Adlai was Adlai Ewing Stevenson, who settled in Bloomington, Illinois as an attorney and land speculator. In 1860 Adlai ran for State Attorney on a ticket with Stephen A. Douglas, the champion of state's rights over the Union. The content of the famous Lincoln-Douglas debates before the Civil War was whether the Union would be preserved. Slavery, fostered by Democrats like Stevenson, was merely the issue which forced this issue. Douglas was allied with those anglophilic Eastern Establishment bluebloods who

wished to destroy the Union. Adlai was so close to Douglas that he gave the eulogy on Douglas's death in 1861.

Several years later Adlai I, a top Scottish Rite Mason who later became Postmaster General and Vice-President under Democrat Grover Cleveland, prophetically declared his hatred for national sovereignty: "Long before another century shall have passed, International Courts will have been established for the adjustment of controversies amongst nations."

Adlai's son Lewis, characterized at the time as a "completely spoiled only son," collected half their crop from the sharecroppers, and abandoned the family to go on jaunts abroad. Adlai II, the man most Americans remember from his two terms in the Illinois governorship (1948-52) and his disastrous presidential campaigns against Eisenhower in 1952 and 1956, was the eldest son of Lewis. With an insane father

Adlai Stevenson II hailed the Fascists in 1926: "For its dynamic, dramatic qualities, Mussolini's character has few historical counterparts. Italy presents a cleaner, a more vigorous and enthusiastic atmosphere than ever before."

whom he rarely saw, he was raised by a mother who followed her husband's path to madness, dying around 1930 of "depression."

Given all the blueblood training (Choate preparatory school, Princeton, Harvard, Harvard Law), he was dubbed by the media an "egghead," a learned person. In fact he was, like most bluebloods, sincerely uninterested in ideas. Stevenson's 1976 biographer John Martin noted, "Stevenson was not a great reader, and few books except 'working books' show much evidence of having been read."

His earliest ideas, maintained lifelong, were those of *New Republic* magazine, founded in 1914, the year after the United States lost its financial sovereignty in the creation of the Federal Reserve Board. *New Republic*, the magazine quoted by Adlai III at the press conference slandering LaRouche, was created by the British Fabian Society as an instrument in their effort to replace the U.S. constitutional system of government and separation of powers with a "one-world" feudalism, later known in the 1920s and 1930s as "Universal Fascism."

Steered by Walter Lippmann and Herbert Croly, the *New Republic* glorified the "Universal Fascist" experiments of the Trust: the Fascismo of Benito Mussolini in Italy and Lenin's

Bolshevism. During the 1920s, the magazine advertised classes on eugenics—the “science” that later justified Hitler’s racial policies. *New Republic* liked Mussolini’s Fascism, but criticized him for his lack of ardor for World Government and for his nasty methods—although they never criticized the Bolshevik Terror. Bolshevism and its related Communist Parties in all Western nations was much closer to *New Republic*’s Universal Fascism. Said the magazine: Bolshevism was the closest form of government to Fabian Socialism that could be hoped for on this earth.

No Soviet atrocity was believed by the *New Republic*. While millions were unemployed in the West during the Great Depression, the journal pointed to the “full employment” in Russia. It supported Stalin’s “Popular Front” tactic to ensnare Western political parties in Stalin’s orbit; it claimed the murder of millions of peasants during “collectivization” to be grossly exaggerated.

In 1926, the 26-year-old Adlai II traveled to Italy. In a column he wrote for his family-run newspaper, the *Pantagraph*, he relayed his endorsement of Mussolini’s Fascist government:

“Here the first conquest of the new spirit of Italy and the first great manifestation of the new feeling of hope and accomplishment that has radiated from Italy through all Europe—the restless spirit of youth which is everywhere supplanting the old order [i.e., constitutional government] with its faith and its passion. Thenceforth Fascismo was no longer simply a movement of reaction against bolshevism; new and greater roles suggested themselves to its tireless leader. . . .

“For its dynamic, dramatic qualities, Mussolini’s character has few historical counterparts. Italy presents a cleaner, a more vigorous and enthusiastic atmosphere than ever before. . . . What the future of Italy is, no one can say. One thing is clear, that Fascismo has done great things for Italy. . . . Mussolini ranks with Lenin as one of the great national idols of all time, but Italy must have peace and tranquility if the vigorous tree that he planted is to bear fruit.”

Adlai, who, according to biographer Martin, “all his life had a fondness for and admired British aristocracy,” which had created the Fabian Socialism, liked the Nazis less. The purpose of the Fabians was not simply to create fascist governments but to destroy all nation-states, to destroy all national sovereignty. Adlai recruited pro-Hitler and pro-Mussolini speakers for events at his Chicago Council on Foreign Relations as late as 1939. He remarked that the Council was “having some lively times, they have heard a Nazi. . . .” This in 1939!

In the 1920s, a leading bank in Chicago, Continental Illinois, marketed the Mussolini government bonds which bought the guns and poison gas that killed the barely armed Ethiopians and later killed our GIs as they fought to free Italy from the fascists in World War II. The attorneys and thus advisers to Continental Illinois were the well-known law firm of Mayer, Friedlich, Spiess, Tierney, Brown & Platt. Adlai

Stevenson III became a partner in 1966.

All this should be borne in mind when recalling that the Illinois election code contains a section stating that no candidate for state office may be “directly or indirectly associated with Communists, Fascists, Nazis or other un-American principles,” a statute the Stevenson crew, to the horror of wiser minds, have reportedly considered trying to use against the Hart-Fairchild candidacies!

In the 1930s, when Adlai II helped to found the Chicago Council on Foreign Relations, his key associates were Walter Paepcke, chairman of Container Corporation of America; Robert Hutchins, president of the Fabian Society’s University of Chicago; the Kellogg family of Battle Creek, Michigan, and Don Lourie, later president of Quaker Oats. It was in turn Paepcke and Hutchins who in 1949 went on to establish the Aspen Institute, the leading institution in the West today promoting the counterculture and the “New Yalta” deal with the Soviets, against sovereign nations. The Kellogg family, notorious promoters of world government and originators of the 1927 Kellogg-Briand “anti-war” treaty, were, like Don Lourie, part of the international grain cartel—whose Genoa and Odessa branch created the Trust.

Adlai III, born in 1930, is the sad sack of the family. His mother was frequently institutionalized for depression. Adlai II, rarely with the family, meanwhile displayed his male impotence in numerous quite public extramarital romances with domineering women. Adlai III told his father’s biographer, “We never demonstrated affection in our family. Dad was in London or somewhere. The children were away in school or on trips.”

“My memories of my mother are not all pleasant. . . . Weekends we saw the most of him [his father], skating, riding, trap shooting and lots of tennis at the house. He was constantly trying to make tennis players and golfers and horseback riders out of us.

“I have vague memories of quarrels, bitter quarrels. I guess we weren’t very happy as children.”

However, as a leading Trust deputy, Adlai III had no choice but to enter political life. He is quoted in the 1974 edition of *Current Biography*: “It was ordained at birth that I would go into a life of public service. The question was never ‘whether’—it was always ‘when’ and ‘how.’” Adlai III adopted the transcendentalist state of mind passed on to his Unitarian father from the Boston opium traders and bankers: “the things that are really important: catching your breath, maintaining equilibrium, communing with yourself.” At the same time he pursued the objectives of the Fabian Socialists: dismantling the strategic military defense of America and disenfranchising the working and middle class of the Democratic Party in favor of the “counterculture.”

In August 1968 several thousand drug-sodden hooligans from the SDS-Weathermen descended on Chicago to terrorize the Democratic National Convention then being held there. The SDS (Students for a Democratic Society) had been or-

ganized by the student branch of the League for Industrial Democracy, a spawn of the Fabian Society/*New Republic*/ Socialist Party in the early 1900s. The SDS "Days of Rage" saw gangs of radical thugs, like Mussolini's *squadristi* and Hitler's SA, smash cars and store windows and beat police and delegates to the Democratic Convention. The difference between Italy and Germany of the 1920s, and America of the 1960s, was that the police upheld the law.

Stevenson viciously denounced the police. In a statement dated Sept. 17, 1968 he demanded "reform" and "change" within the Democratic Party. He denounced the "feudal structure" of the Illinois Democratic machine which, he said, "employed storm troopers in blue" against the SDS terrorists.

Stevenson then increased his drive to disenfranchise the Party base in favor of the radical counterculture. In April 1969 he told the *Washington Post*, "If we don't give Blacks, women and others more voice, then August and Chicago will be just a prelude."

The very Illinois Democratic machine that he was trying to obliterate, especially in Chicago, had long had black and female representation and functioned, in the absence of a true republican movement like Lincoln's, as an approximation of true representative government. The ward leaders sought to guarantee residents' concerns of sanitation, street repairs, public improvements, educational opportunities, and safety. Indeed, it was the very black wards in Chicago whose political representation Stevenson had undermined with his

McGovern Commission "reforms" that in this 1986 election gave 70% of their vote to Janice Hart, the LaRouche Democratic candidate for secretary of state.

Stevenson played that same "inside-outside" game with the Vietnam war. First, individuals like his father's lifelong allies George Ball and Averell Harriman, and the McGeorge Bundy Eastern Establishment liberals had convinced President Kennedy to enter a war of extermination in Vietnam. Then, when the Trust had arranged a U.S.-Moscow deal to hand the country over to Moscow, Stevenson became a vehement critic of the war. In 1971 he proclaimed, "The only thing we can do for these people now is to get out. We gave them helicopters and military supplies. What they need is leadership, and they can only get that if we leave them alone." Vietnam got the "leadership"—from Moscow; Cam Rahn Bay is now the largest Soviet naval base in Southeast Asia.

Adlai could hardly be surprised by this strategic disaster. In his term in the U.S. Senate, he consistently denounced the American "arsenals of ugly and unusable instruments of human destruction." He opposed appropriations for the Safeguard antiballistic-missile defense system, the Trident nuclear submarines, and the MX missiles.

Recall now the slander from the *New Republic*, uttered by the hapless Adlai at his press conference. It was not some meaningless piece of filth—it was exactly what he believed. Neo-Nazism is the Fabians' code word for patriotism and nationalism. For Adlai, and his controllers at the Trust, like

New Republic: Straight KGB disinformation

Since its founding in 1914 the leading voice for the liberal establishment in the United States, *The New Republic* has been part of a blatant Anglo-Soviet operation to disinform the American population. The extent of Soviet influence over the weekly was revealed when its former editor-in-chief and publisher, Michael Straight, revealed in *After Long Silence* that he had been recruited into the same Anglo-Soviet spy circle as Harold A. "Kim" Philby, who is today a KGB general in Moscow.

Straight was recruited into the Philby circles at the University of Cambridge by Sir Anthony Blunt, a member of the homosexual Cambridge Apostles, who was made Keeper of the Queen's Pictures, once his role in the Philby network was secretly made known to U.S. intelligence. Straight was an active Anglo-Soviet espionage agent, while returning to the United States to take up duties at *New Republic*, which had been founded by his father, Morgan

bank executive Willard Straight, using family funds.

New Republic editor Walter Lippmann was a member of both the British Fabian Society and the Intercollegiate Socialist Society at a time when the future founders of the Communist Party U.S.A. were incubating in this movement. Editor Robert Morss Lovett worked with Soviet Comintern agent Agnes Smedley to co-opt Indian revolutionaries in the United States to work with the Soviet Union in association with Comintern leader M. N. Roy, the founder of the Soviet Tashkent oriental intelligence operations complex. Editors Edmund Wilson and Malcolm Cowley aligned themselves with the Communist Party U.S.A. and the Comintern during the 1930s.

Under Michael Straight, *New Republic* became the coordinating center for Vice-President Henry Wallace's 1946 presidential campaign, which was aborted once it was revealed that his campaign staff had been taken over by the Communist Party. His brother-in-law, Louis Dolivet, edited the family's *United Nations World* (formerly *Asia*), until Ladislav Farago, a wartime member of the Office of Strategic Services, ran an investigation to confirm that Dolivet was really a Romanian named Ludovicu Brecher, who had been an important Comintern agent.

the *New Republic* magazine, Abraham Lincoln would have been a "neo-Nazi" because he was a nation-builder and great defender of the Union; Gen. George Patton and Gen. Douglas MacArthur would have been neo-Nazis because they defended the sovereignty of the United States.

For the Trust, Jews like Trotsky, Meyer Lansky, the Bronfmans, Max Fisher, are mere agents, like the Jews who were forced to be tax collectors in the feudal period. They fear and despise Jews like the great Mendelssohn family of Germany. LaRouche is being accused (rightly) of wanting the "immediate elimination of *Trust* agents from business, government and labor and a special prosecutor's office to try *Trust* agents for treason."

"Germanophilic remolding of American culture" means the great republican ideals of the German poet Friedrich Schiller, the poet of freedom who inspired our Founding Fathers, and the classical music of Mozart and Beethoven.

"Total mobilization for total war" is the Trust's war on all republican forces in the world—especially the United States: the attacks on nation-states by the International Monetary Fund, the Soviets and the Trust-dominated State Department, the European financial oligarchy and world's largest business, Dope, Inc., and the hideous drug-rock counter-culture and Trust-created cults. These are the specific forces on whom LaRouche has indeed launched "all-out war."

AMA backs murder of the comatose

by Linda Everett

On March 15, the American Medical Association announced that it had determined that it is "ethical" for physicians to starve their coma patients to death. The ruling by the AMA's Council on Ethical and Judicial Affairs allows physicians to withhold food, water, medicine, and "heroic" procedures from comatose and non-terminal patients if the family agrees, and if it meets the patient's previous wishes.

The announcement followed a New Orleans Conference on "New Ethics for a New Medicine," and is the predictable outcome of 18 months of collaboration between the AMA and the premier voice and formulator of the "new ethics of the '80s," the Hastings Foundation of New York.

This, of course, is the old ethics of the 1930s and '40s in Nazi Germany, among other locations.

The ruling was a brutal awakening to just what the euthanasia forces and medical "cost-efficiency" experts have achieved in an avalanche of second-generation "living-will" bills and euthanasia court cases which have hit the United States in the last six months. The AMA has thrown over the Hypocratic Oath to advocate murders of convenience, and there is no doubt that this will have immense impact on life or death court decisions in coming months, among them:

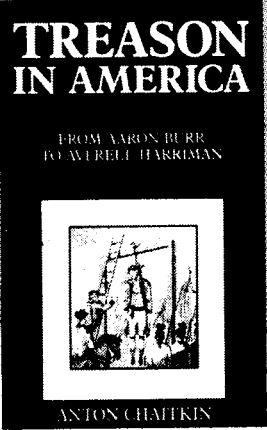
- Three New Jersey courts have denied the requests of the Lincoln Park Nursing Home for a "life advocate" to protect the rights of their patient, 30-year-old Nancy Jobes, considered "permanently comatose" by her husband, parents, and the court-appointed guardian, who want to remove her feeding tube. But this relatively healthy young lady has a high level of awareness, moves her head to follow her visitors around the room, and responds to light, pain, and more. Her physicians feel she is, in fact, seriously disabled and not even in a coma. Her case began to be heard by Judge Arnold Stein of the Morris County Superior Court on March 24.

- The ruling of the New Jersey State Ombudsman for the Institutionalized Elderly, Jack D'Ambrosia, who prevented removal of the feeding tube of a 65-year-old, severely brain-damaged patient, Hilda Peter, will be appealed in the Appellate Division of the New Jersey Superior Court. Eberhard Johanning, Peter's companion, wants to broaden the conditions set in the 1985 Clair Conroy decision that allows starvation of incompetent elderly if they will "probably" die within a year, and if there is "limited evidence" that the patient would want all medical care (including nutrition) removed.

- On Oct. 22, Dedham, Massachusetts Probate Judge

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610 pages; published by New Benjamin Franklin House, New York. Order from: Ben Franklin Booksellers, Inc., 27 South King St., Leesburg, VA 22075. \$11.95 plus shipping (\$1.50 for first book, .50 for each additional book). Bulk rates available.

David Kopelman denied permission to the "loving" and "very Catholic" family of 48-year-old comatose patient Paul Brophy to starve him to death, saying that the state is "morally obligated to sustain the life of an ill human being, even if one in a persistent vegetative state." When the decision was presented to the Appellate Court, the Supreme Judicial Court, the highest court in the state, intervened and scheduled an appeal. The Supreme Court decides on matters of far-reaching importance, such as Judge Kopelman's decision, for he clearly put a limit on just how far a patient's or family's "right" to order death can go.

● California Superior Court Judge Warren Deering, in a Feb. 13 decision, denied the removal of a naso-gastric tube supplying nutrition to cerebral palsy victim Elizabeth Bouvia. He stated: "If we allow her to die because of an irreversible handicap, we're making a value judgement on the worth of her life." In 1983, Bouvia, a quadriplegic, lost a petition in California courts to be allowed to be starved to death while hospitalized. Richard Scott, her ACLU and Hemlock Society lawyer, argued that her right to refuse medical care—even if that refusal brings her death—must be protected. Judge Deering's decision is being appealed.

● New York Governor Mario Cuomo has found a "legal" way to eliminate costly care for the state's coma patients. His taskforce produced two "ethical" rulings: "'Do Not Resuscitate' Guidelines" and the latest, "Exact Determination of Death," which eliminates care and allows organ farming once the patient is declared "brain dead."

The only dissenting voice on the task force was Rabbi David Bleich, professor of Talmud, Yeshiva University, and professor of Jewish law and ethics, Benjamin Cordozo School of Law. He stated: "The decision to withhold treatment from a person manifesting a given clinical profile [is] not a judgment that further medical treatment will be of no avail. . . . *It is precisely because the patient is not beyond medical treatment that a determination not to employ treatment is advocated. . . .* [his emphasis]."

A New Jersey commission, patterned after Cuomo's in New York, was created in January 1986 to deal with refusal and termination of treatment, surrogate decision-making, and the care of seriously disabled newborns.

From living wills to 'active inducement'

The Nazi-euthanasia organization called Concern for Dying and the Right to Die announced recently that the number of states with living-will is now 36. Ideologues are happy with this, but cost-efficiency experts and insurance companies are now demanding *active inducement* of death, whether death is imminent or not, whether you are terminally ill or not, whether you ask for it or not, and in some cases, whether you are pregnant or not. Just about anyone qualifies in the second generation living-will bills now being pushed in Massachusetts, Oregon, and elsewhere.

Included are the following:

● Stanford University Hospital includes living wills in their information packet when admitting patients, seeking their signature while sick, vulnerable, and without objective advice.

● Bill No. 3228 has just been defeated in Washington State, for now. It called for elimination of all care, all feeding which would "postpone the moment of death" for anyone in "any prolonged or unresponsive state without evidence of purposeful or voluntary movement and a state from which the patient cannot be aroused, although such patients might have the appearance of wakefulness . . . and such a state has been present for not less than 30 days."

● Derek Humphrey of the Hemlock Society could not find a sponsor for his legislative proposal to allow California

The only dissenting voice on the task force was Rabbi David Bleich of Yeshiva University and Benjamin Cordozo School of Law. He stated: "The decision to withhold treatment [is] not a judgment that further medical treatment will be of no avail. . . . It is precisely because the patient is not beyond medical treatment that a determination not to employ treatment is advocated. . . ."

doctors to give lethal injections to terminally ill patients who request it. He will try again. Humphrey, who killed his own wife, calls this "rational suicide." He says, "Current laws must change. They spring from the idea that life is totally sacrosanct. . . . This is the last modern issue society must decide: Can we provide help for death? We say yes."

● For many months, the "ethical experts" for genocide have incessantly preyed upon the patients and doctors of the artificial-heart research program, demanding a moratorium on operations, and demanding that the patients themselves and their families reconsider dying as better than the "quality of life" they would enjoy with an artificial heart. The son of recipient Bill Schroeder said, "Dad chose life and the artificial heart," and no family or patient has ever expressed a desire to withdraw from the program.

Nevertheless, legislation allowing artificial-heart patients to disconnect themselves from life support systems was approved on March 19 by the Senate Health and Welfare Committee.

Demjanjuk fraud further exposed

The French daily Le Monde has published new evidence that the Cleveland autoworker was framed by the KGB.

New and explosive charges about the Soviet KGB's concoction of the "Ivan the Terrible" Treblinka concentration camp hoax were published in the French daily *Le Monde* on March 27. This includes never-before-published comments of the lawyer of accused defendant John Demjanjuk, Mark O'Connor, about how the Soviet Embassy in Washington, the KGB, and the U.S. Department of Justice's Office of Special Investigations have worked together to "trick the American courts."

Demjanjuk, a Cleveland autoworker, was stripped of his citizenship and deported to Israel to be tried for war crimes, after a U.S. court identified him as the murderous concentration camp guard "Ivan" of Treblinka.

Le Monde says that "several pieces of evidence recently provided to the dossier lend weight to Demjanjuk's protestations of innocence." The paper notes the testimony of Barcelona-based Treblinka survivor Joaquín García Ribes, who has provided evidence that the real "Ivan the Terrible" was murdered in Treblinka, and who has now come forward "to be in peace with his conscience." Also, *Le Monde* reports that on March 19, Radio Israel published the words of someone who corroborated García Ribes's account, who reported the words of a Treblinka inmate: "We tore down the fence. Another group ran into the gas chambers, killed Ivan the Terrible and his lackey, and threw them into a fire." The author of this account died one year ago, but

his testimony is contained in the archives of the Center for Documentation on the Holocaust of the University of Bar-Illan in Tel-Aviv.

A third witness, Elias Rosenberg, had provided testimony in December 1947, affirming that "the prisoners killed the Ukrainian Ivan the Terrible, by strokes of a shovel, while he was sleeping." That information had been provided to Tuvia Friedman, then head of the Center of Jewish Documentation in Vienna, and now director of a center for historical studies in Haifa, who has just "exhumed" this testimony from the archives. *Le Monde* reports that Rosenberg's deposition was utilized in 1963, during a trial in Dusseldorf, West Germany, against eight German war criminals who had worked in Treblinka.

Under the heading, "The Hand of the Soviets," *Le Monde* reports charges by Demjanjuk's lawyer, O'Connor, now in Israel:

"The Office of Special Investigations of the U.S. Justice Department and the KGB have tricked the American tribunals. The only document provided to prove the presence of Demjanjuk in an SS training camp in 1941, was transmitted to the United States by the Soviet Union in 1976. But this identity card is a giant fraud. The photo of Demjanjuk has not been taken in profile, as was the rule, but full face. It had been retouched. The information carried on the card, is in Slavic, and not in German.

"Valery Kubanov, first secretary of the Embassy of the Soviet Union in

Washington at the time, and the district judge Frank Battisti, have admitted in my presence that they were aware of the deception of the document, which, nonetheless, was allowed, in 1981, to deprive Demjanjuk of his American citizenship."

Asked about Soviet motives in such an affair, O'Connor responds: "It is the epoch where Moscow was expressing its concern to cooperate with Washington in the hunt for ex-Nazis. Demjanjuk was an easy prey. Captured in 1941 by the Germans, he had failed in his orders, not to let himself be captured alive. Prisoner of war transferred from camp to camp in Poland, he fought from 1943 on as a simple soldier in a Ukrainian division of the Vlasov [Russian pro-Nazi general] army. He lived in the Federal Republic of Germany from 1945 to 1952, the year in which he emigrated to the United States. He became a naturalized American citizen in 1958.

"It was an article in a Soviet review published in English—*The Soviet Way*—which, in 1975, drew attention to Demjanjuk. The Russians had a dossier on him, since his wife, who had gone to the Soviet Union two times to visit her parents, had given news on Demjanjuk." O'Connor labeled Demjanjuk a "scapegoat of a cooperation between the two superpowers in the search for ex-Nazis."

Le Monde itself comments that a heavy weight is now falling on the state of Israel. If convincing evidence is not provided about his identity, it could lead to a "no-decision" verdict at the trial. O'Connor, meanwhile, believes that more truth on the real "Ivan the Terrible" can be gleaned from the villages near Treblinka, and is now departing, by prior agreement with the Israelis, to "travel in Europe," to see if he can enrich his dossier.

Time for some midnight oil-burning

The Pentagon's latest publication of Soviet Military Power challenges "common knowledge" at the Army Staff Colleges.

The release of the Pentagon's annual publication *Soviet Military Power* provides the citizen an opportunity to look at two important processes: an excellent review, in a compact and handy format, of the latest developments in Soviet weaponry and tactics, and a direct look at the state of U.S. analysis of that threat.

For the past five years of its publication, *Soviet Military Power* has contributed immeasurably to the ability of the American and European citizen to understand, in a straightforward way, the magnitude of the military threat which the Soviets represent.

In the summer of 1985, *EIR* published a groundbreaking report, *Global Showdown: the Russian Imperial War Plan for 1988*, and added a shockwave to the cumulative pressure for reality-orientation created by the successive publications of *Soviet Military Power*, by providing irrefutable historical and epistemological evidence that the Soviet Union has a coherent plan to build the largest military machine in history—and to use it.

Without the analytical tools developed in *Global Showdown*, one cannot fully appreciate the implications of crucial material presented in this year's *Soviet Military Power*.

This is not a matter which has to do with security classification: Although one of the functions of *Soviet Military Power* is to declassify intelligence, very little of what is declassified involves national security issues

of "sources and methods." The real classification fights revolve around the political impact a given piece of information would have on things like arms-control negotiations.

Therefore, when information is released to the public which challenges certain areas of "common knowledge," you should look closely.

One of the most common strategic truisms in circulation holds that the overwhelming numerical superiority of Warsaw Pact forces facing NATO is offset by the technological edge held by allied forces. It is concluded, therefore, that it is possible to consider NATO ground forces an effective deterrent, able to battle Warsaw Pact invaders to a standstill for a period long enough to allow a political resolution of the conflict, or a final settling of accounts through the employment of strategic nuclear forces.

The conduct of that type of battle, primarily a European battle, is the subject of the study of the operational level of war, and, as an integral component of the current AirLand Battle doctrine of the U.S. Army, currently enjoys much attention at the Army Staff Colleges.

If the indications provided in this year's *Soviet Military Power* are studied, there will be midnight oil burning. The summation provided by a Defense Department background briefing, stated that the most disturbing feature of current Soviet military progress is the high level of technology available to their ground troops—

technology which is in every way comparable, and in some cases superior, to that employed by U.S. forces.

In other words, the "force multiplier" is fast disappearing on the ground. Soviet artillery and armored vehicles will dwarf U.S. units by a factor of five in the 1990s, and this will be new equipment. In certain categories of military equipment, they are employing technologies we have only begun to research.

In those areas where the Soviets have already achieved the desired numbers, such as fighter aircraft, there is a continual upgrading of capability to parity with Allied forces. The acquisition of look-down shoot-down radar technology for their interceptor fleet provides a defense against the threat of cruise missiles.

In this case, the technology was "stolen" from the West (one is reminded of the famous case of Henry Kissinger's "gift" of machine-tool technology which accelerated the Soviets' ability to MIRV their ICBMs). The "theft" provides the Soviets with a remedy to the "destabilizing effects of cruise missiles" so much lamented by the arms-control crowd.

This is all being accomplished with the aid of a thoroughly modern machine-tool industry, which is the basis of Gorbachov's ability to conduct an integrated economic mobilization of Soviet scientific, technical, and industrial capabilities.

The section of the book which describes the functions of the TVDs (Theaters of Military Operations) is a new addition, and puts Soviet theater operations in perspective. The consolidation of this command apparatus was a decisive step in the current war-footing of the Soviets.

The full implications of these and other aspects of *Soviet Military Power 1986* will be developed in a future issue of *EIR*.

Kissinger Watch

by M.T. Upharsin

Few think like him

"Even in the United States, there are few people thinking like me." A most remarkable statement from the most pompous individual in American postwar politics, even more remarkable because it is true, and Henry Kissinger never tells the truth. But, before an audience of French businessmen and journalists on March 26, this admission slipped out of Kissinger's mouth, according to the next day's daily *Le Matin*.

The admission was made in the context of Kissinger, the past decades' leading advocate of appeasement, pretending to be a lone fighter for a hard line against terrorism and hostage-taking. But, on the "political-subliminal" level, something more fundamental was being expressed: A week earlier, candidates running on the ticket of Kissinger's main adversary, Lyndon LaRouche, had won the Democratic Party nomination for top posts in Illinois.

Throughout 1984, candidate LaRouche had defined himself as the "man Kissinger hates the most," and Kissinger, in March 1984, had promised to deal with the "LaRouche problem . . . once the Democratic primaries are over."

It is not only the "Illinois syndrome." Two days before Illinois, on March 16, France's chief Trilateralist, Raymond Barre, had suffered an embarrassing defeat in France's national legislative elections, scoring badly both in his own election district and with his "Barriste" electoral list. Political insiders now see Barre's ambitions to be France's next President, come the time of scheduled elections in the spring of 1988, as dashed. It could be said that both the French elections and the Illinois results were a rejection of Trilateral, or Kissinger-

ian, policies, in economics and defense.

Not surprisingly, the days since March 18 have seen a flurry of activity in Paris from the Kissinger Associates-Trilateral crowd.

Getting the line straight

On March 20, Trilateralist banker Edmond de Rothschild, of the *Compagnie Financière de Holding*, held a private dinner for Trilateral Commission members, including "several of our American friends," in de Rothschild's words. The Baron angrily hung up the phone, when *EIR* asked him what, if anything, had been said about Illinois during this gathering.

But something, evidently, had been worked out. Whereas, on March 20, Trilateral Commission Executive Director Paul Revay, based in Paris, was speechless, when asked his reaction to Illinois, by March 27, as Henry Kissinger was ending his visit to France, Revay was commenting, "I am told by my American friends, that within one month, you won't hear much about LaRouche anymore. Illinois was just a slip-up by a local machine."

On the official level, Kissinger visited both French President Mitterrand and new Premier Jacques Chirac, on March 26.

On the "private" level (the American embassy in Paris told callers it had "nothing to do" with Kissinger's sojourn), Kissinger spoke before various business or economic associates, including a commercial group called "HEC," and a private dinner sponsored by the French economic magazine, *L'Expansion*. *L'Expansion's* chief, M. Boissonnard, is a true-blue Trilateralist, who took part in the Oct. 25-27 meeting of the Trilateral Commission's European division in Paris, and who is a big supporter of Ray-

mond Barre. Details of this private dinner are being kept secret.

According to a French journalist, Kissinger left Paris on March 27 for Brussels. Reportedly, his main stopping-point in the Belgian capital, is the office of Count Etienne Davignon, of the *Société Générale de Belgique* bank. Davignon is heading a Trilateral Commission project on "Global Economic Management," aspects of which will be presented at the Trilateral Commission summit in Madrid, May 17-19. Davignon is a board member of Kissinger Associates.

Count Davignon epitomizes the disastrous nature of Trilateral economic policies. He headed the "Davignon Plan" for reorganizing the European steel industry, which has been the forward edge of deindustrializing France, Germany, and other European countries.

Davignon is at the center of other Kissinger projects. In late 1985, he was at a private meeting of the newly created "International Leadership Forum" of Georgetown University. Held in Rome, the meeting was organized by Trilateral Commission ex-director Zbigniew Brzezinski, and focused on the "global economic situation."

This group is an outgrowth of another Georgetown unit, described in the official literature of the Georgetown Center for Strategic and International Studies, as "Henry Kissinger's International Business Councilors," founded in the late 1970s, to bring Kissinger's wisdom into the business world.

All these groups should stop destroying our forests with the reams of paper that contain their studies. When it comes to economics, the voters of Western Europe and the Americas, are demonstrating, indeed, that there are "few people thinking like" Henry Kissinger these days.

Weinberger grimaces at Gramm-Rudman

It was a large grin, but it might as well have been a grimace on the face of Defense Secretary Caspar Weinberger, when he called on this reporter at a Washington press conference and I asked him why his new Pentagon report, *Soviet Military Power 1986*, made no reference to one of the biggest weapons in the Soviet arsenal: the Gramm-Rudman budget-cutting bill.

Weinberger fielded only a handful of questions from the press at his briefing on the new report March 25, but two of them were from reporters from this publication. Since you won't read this anywhere else, I report the exchanges verbatim here.

The interchange drew out the economic issues underlying the current debate over defense policy, on which the defense secretary has been at loggerheads with White House Chief of Staff Don Regan and the other "Wall Street boys" in the administration. Whatever the failings in Weinberger's understanding of economics, he is quite clear on one thing: Gramm-Rudman will be a disaster for defense.

Benton: It seems to me the most upsetting thing about your report is the assertion that the Soviets actually have a nuclear war-winning conception for defense.

Weinberger: They've had that for a long time.

Benton: You haven't mentioned one of the greatest weapons in their arsenal in your report, which is the Gramm-Rudman bill. Already, the Republican-dominated Senate Budget Committee has proposed cutting \$25 billion out of the President's budget; the House Budget Committee is threat-



ening to cut \$50 billion out. What effect would it have on the balance of power, were these cuts to go through?

Weinberger: I have said many times, we cannot stop now. We did stop this year by going down some 6% in our regaining of our necessary military strength that we lost in the '70s, and a second year of that would have an equally bad effect on us, not only on the balance, but on our ability to maintain a deterrent capability.

The Soviets have long had—as we can tell from all of their doctrine, from all of their training, from all of their public statements, and from the things they do—a belief that a nuclear war can be fought and won. We believe a nuclear war cannot be won and must never be fought. But the Soviets do all these things—hardening their silos, hardening their command-and-control facilities, the survivability of their military leadership, and very large civil defense programs and refiring capabilities, reload capabilities—all of these things are very clear, that they do have the belief that they can fight

and win a nuclear war.

It is all the more vital that we keep our modernization programs up to a level that will provide a continued deterrent, and it is always difficult to measure that equation. But we certainly know we can't reach it and keep an equation that gives us deterrence, if we are going to cut military spending as far as we have already cut it and then cut it again in response to some automatic formulas that may be brought into effect.

Leo Scanlon: It has been implied that the Soviet technological developments are closing the force-multiplier gap also on the ground. In that context, there continue to be proposals to redeploy U.S. troops, for economic and various other reasons, out of Europe. Would you comment on the effects of this change, and what the implications of these kinds of proposals are?

Weinberger: The Soviet conventional forces are being improved and modernized, as all of their military capability is. I think it would be a very great mistake to move more American troops out of Europe, or to bring them home, as opposed to leaving them forward-deployed.

I think that one of the best deterrents we have in the conventional war is the total NATO strength that is forward-deployed now, and our other forward deployments in Asia are equally vitally needed. There is a great misconception around that you save some money if you bring troops home. You don't; it's more expensive. Apparently some people feel if you don't have troops abroad, your chances of conflict are reduced. Your chances of conflict are not only *increased*, but made much more difficult. Forward deployment is one of our best guarantees for keeping the peace.

Moynihan unhinged by LaRouche wins

The Illinois election victory, of LaRouche candidates Mark Fairchild and Janice Hart, was apparently a little more than Sen. Daniel Patrick Moynihan could handle. On March 21, and, again, on March 26, New York's senior senator took to the floor of the Senate to warn his colleagues of the "threat" to the democratic process presented by those victories.

In the course of his diatribes, which he entitled "The New Threat of Fascism in the United States," poor old Pat may have actually rendered a service to the careful reader.

First, on the matter of exactly who is a fascist: Moynihan reprints a 1982 campaign leaflet by former LaRouche mayoral candidate Mel Klenetsky. That is the leaflet that documented the Averell Harriman family's Nazi pedigree. Moynihan reprints the facts about:

- the Harriman family's drive to sterilize the "genetically inferior";
- the family's sponsorship of the 1932 Conference on Eugenics, which hosted Nazi doctors;
- the family's disinformation campaign which claimed that pellagra was an hereditary disease, resulting in the nontreatment and death of millions of black Americans.

Pat only fails to mention that this information was drawn from public records, such as the *New York Times*. Moynihan then confirms his own political ties to Averell Harriman.

Second, on the matter of Moynihan's sources: Moynihan praises Dennis King as the "first American jour-

nalist" to "get on to" the LaRouche group and write a "brilliant" series of articles for the New York weekly *Our Town*. Moynihan fails to mention King's connections to the drug lobby, through that lobby's publication *High Times*, which has attacked LaRouche because "He Wants to Take Your Drugs Away."

Third, on the matter of Moynihan's analytical ability: In his March 21 piece, Moynihan opines that the LaRouche group uses "code language," and that "British" is to be translated as "Jewish." Pat says that "the constant reference to 'British conspiracies,' and the somewhat odd implication of the 'Queen of England,' almost always refer to the Jewish people and Jewish leaders. I have sometimes thought that Golda Meir was the 'Queen of England' in this code language."

Pat hasn't yet discovered the significance of the code word "English muffin," a secret reference to bagels!

KGB Democrats line up for Libya

House Foreign Affairs Committee Chairman Dante Fascell (D-Fla.) led the pack on March 25 in attacking the Reagan administration for its attack on Libya. Fascell, who left the next day for a series of high-level meetings in Moscow, sent a letter to President Reagan claiming that U.S. actions in the Gulf of Sidra were taken in disregard of the 1973 War Powers Act.

Echoing Fascell were: Rep. Ron Dellums (D-Calif.) who said that Rea-

gan is playing a "dangerous game of chicken"; Sen. Jim Sasser (D-Tenn.), who called the U.S. actions "clearly provocative"; and Sen. Alan Cranston (D-Calif.), who declared that the Libyan actions strengthened his resolve to block an arms sale to the Libyans' "friends," the Saudis.

If it's Tuesday, we must be overthrowing Grand Fenwick

As an ongoing service to its readers, *EIR* continues its coverage of congressional attempts to destabilize nations which are friendly to the United States.

Taiwan joins the list of countries that are on the hit-list of the congressional throw-them-to-the-wolves faction. On March 25, Senators Ted Kennedy (D-Mass.) and Claiborne Pell (D-R.I.) introduced Senate Concurrent Resolution 121—Concerning Representative Government, Political Parties, and Freedom of Expression on Taiwan. Kennedy and Pell, two of Moscow's most reliable assets, make no bones about the intent of the resolution. Kennedy says, "The time has come for Taiwan to follow the same path of the Philippines."

The resolution calls for the "democratization" of Taiwan, through the institution of "free and fair election" of all members of all national legislative bodies, and direct presidential elections. Similar resolutions have been introduced regarding South Korea, another embattled country on the front-lines against Soviet allies.

Ironically, Kennedy details the current situation, prevailing in Taiwan—a situation he apparently wants

to change—as follows: “The thriving economy of Taiwan has been the envy of the developing world. By hard work and ingenuity, the people of Taiwan have created an educated citizenry, a prosperous society, and a respected body of able local leaders. Stability and peace have prevailed on the island of Taiwan and in the Western Pacific region.”

Bentley on collapse of machine-tool industry

Representative Helen Bentley (R-Md.) warned of the “deindustrialization” of the United States, in a speech delivered to the House of Representatives on March 20. Mrs. Bentley detailed the ongoing destruction of the machine-tool industry, which she correctly described as central to U.S. industrial production. She pointed out that in 1980, total U.S. shipments of machine-tools stood at \$5.9 Billion, and that by 1984, this had dropped to \$2.2 billion. Employment in the industry has dropped from 110,000 to 75,000—a loss of 35,000 people.

Mrs. Bentley said that those people, “mostly what the military would call critical specialties, are now out hustling hamburgers or washing your car. They are not maintaining and upgrading the skills we may need in a national emergency.”

The congresswoman, whose district borders on and includes the Port of Baltimore and what is left of its steel-producing areas, stressed the national security implications of losing our machine-tool and industrial capabilities: “Many of you are old enough

to remember the history of World War II. Slogans from that great war still ring in our ears. ‘America is the Arsenal of Democracy.’ Our strength was in Detroit and Pittsburgh as much as in our Armed Forces. Even earlier, the same fear which plagued the Axis Powers had frightened the Central Alliance. Our industrial strength won us both of the catastrophic wars in this century. But they will not win the next one, if, God forbid, we are forced to fight it. We are losing our great production strength . . . not because our people are unwilling to work; not because our entrepreneurs are less ingenious—but because our leaders have embarked on a new vision of our place in the world.

“We are no longer to produce but to consume.”

Mrs. Bentley argues that the cause of the collapse of the U.S. machine-tool industry, however, is unfair trade practices. She seems to miss the point, that it has been the overall credit and tax policy of the U.S. government, during, especially, the Volcker years, which has destroyed the overall productive capability and competitiveness of U.S. industry.

Good news, and, mostly, bad news

The Senate on March 27 joined the House of Representatives in passing the first omnibus water projects bill in 16 years, allowing the Army Corp of Engineers to begin construction of new flood-control, inland-waterway, and port-improvement works.

That’s where the good news ends.

Both Senate and House bills contain requirements that the specific users and beneficiaries of the projects share in the cost of constructing and maintaining them. Thus, a 200-year-old nation-building tradition, in which the government provides for internal improvements, has been overturned.

An alliance of environmentalists and “fiscal conservatives” have been at work for over 10 years to overturn the national commitment to internal improvements. The battle between that unholy alliance, on the one hand, and traditional, pro-growth members of Congress, on the other, is what has stalled the passage of any legislation for over a decade. The log-jam has now been broken, on the side of the left- and right-wing zero-growthers.

The Senate bill proposes 191 new projects and authorizes \$11 billion, compared to the House bill, passed last spring, which calls for 230 new projects and would spend \$20 billion.

The Senate bill was worked out in concert with the White House and requires local interests to pay 25% of the cost of flood-control projects and 50% of the price of harbor improvements. Port users would pay 4¢ for every \$100 worth of cargo. Inland waterway users would pay 10¢ a gallon on barge fuel, which would eventually be increased by 20¢ per gallon.

The charges imposed by the House bill are not quite as high, but still encompass the same philosophy. In short, the legislation ensures that the movement of physical goods will have to bear an additional tax, adding one more penalty to those who are actually engaged in productive activity in the U.S. economy.

National News

U.S. Constitution saved—this time

By a vote of 66 to 34 at the end of March, the U.S. Senate failed to achieve a two-thirds majority and pass Senate Joint Resolution 225, to propose an amendment to the Constitution requiring a balanced federal budget. The original sponsors of the bill, conservatives Orrin Hatch (R-Utah) and Strom Thurmond (R-S.C.), were joined by liberal Democrats Paul Simon (Ill.), Albert Gore (Tenn.), and Claiborne Pell (R.I.).

President Reagan, who supports the amendment, has vowed to take the battle to state legislatures, where the states can convene a convention for the purpose of revising the Constitution.

The Framers of the U.S. Constitution specifically rejected the notion of a balanced budget, as an impediment to the national development. As the Constitution specifies, "The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States . . . to borrow money on the credit of the United States. . . ."

Warnings confirmed of Maryland health danger

Dr. Debra Freeman, public health spokesman for the National Democratic Policy Committee (NDPC), testified before the Queen Anne County Board of Supervisors on March 26 that the sudden outbreak of virulent strains of tuberculosis on Maryland's Eastern Shore, demands urgent measures by state public health officials to prevent a dangerous disease outbreak. Tuberculosis frequently coincides with the incidence of AIDS.

Since tuberculosis first appeared among workers at a seafood processing plant in Kent Narrows in June 1985, forty-five cases have been diagnosed and three people have died.

Twenty percent of the population of the region tested "positive" for TB. Yet health officials are denying that there is an emergency, and the Atlanta Centers for Disease Control (CDC) has officially counted only two TB cases.

Dr. Freeman is a candidate for the Democratic Party nomination to the U.S. Senate. She has led several fact-finding tours to the Eastern Shore, and has warned that the extreme poverty of seafood processors in the shantytowns of the region could make Kent Narrows "another Belle Glade," the Florida center of an AIDS-TB outbreak. She reports that on one tour, she found 114 workers and their families living in a 10-room house with only one bathroom.

Two regional newspapers, the *Bay County Times* and the *Eastern Star Democrat*, reported on March 24 that Dr. Freeman's warnings had been confirmed, when two additional cases of TB were announced by the State Department of Health. These cases, like many of the others, are reported not to be responding to standard treatment.

Vatican lowers boom on 'American Heresy'

The Vatican's recent crackdown against Fr. Charles Curran, professor of moral theology at the Catholic University in Washington, is just the beginning of a new pattern of intervention into the United States, predicted Fr. Kenneth Baker of the New York Diocese, who came to Washington on March 15 to report on the Church's November-December 1985 Extraordinary Synod in Rome.

Father Curran was warned by the Church that he will be stripped of his right to teach as a Catholic theologian, if he does not retract his views on sexual morality. He was given this warning in a personal meeting in March at the Vatican with Joseph Cardinal Ratzinger, Prefect of the Congregation for the Doctrine of the Faith. Curran is pro-abortion, pro-homosexuality, pro-masturbation, and pro-euthanasia.

Father Baker said that the Extraordinary Synod decisively rejected the concept that the Church embodies "the people of God"

concept. This notion underlies the pro-Marxist "liberation theology" of those, such as the Jesuits in Nicaragua and Cardinal Sin in the Philippines, who have led political destabilizations serving Soviet strategic objectives. The Synod also resolved that bishops' councils do not have any compelling moral authority in the Church—for example, the U.S. Bishops' recent papers on disarmament and the economy.

New York City passes 'gay rights' bill

New York City has now officially adopted the legal code of Sodom and Gomorrah; on March 20, the city council passed the much debated "gay rights" bill, by a vote of 21-14. The bill would, among other measures, impose jail sentences upon employers of more than four workers or landlords of more than two families for "discriminating" against homosexuals.

The New York City Catholic Archdiocese, headed by Cardinal John O'Connor, had conducted an intense lobbying effort to defeat the bill, along with Jewish and Protestant religious leaders. Episcopalian Bishop Paul Moore, on the other hand, led an effort on behalf of the bill.

A referendum measure to overturn the bill in the November elections will face hefty legal obstacles, as New York law provides for referenda only to amend the city charter, not on policy issues.

Senator Garn hits 'vultures' in media

Senator Jake Garn (R-Utah) sharply criticized the media, the Rogers Commission, and the Congress for their behavior in the current investigation of the explosion of the Space Shuttle Challenger. In a speech before the annual American Astronautical Society on March 20, Garn said he has "never been more irritated at the way things were

handled" than during this investigation.

The sole concern of the "vultures" in the media, he said, was to "point a finger and find blame, to pin it on somebody." The press acts as if the "crews were duped" into flying. "There are no draftees on the Shuttle," said the senator, who flew on a Shuttle mission last year. "We're all volunteers."

Garn stated that "the only limiting factor" in the U.S. program has been the Congress. "The reason we didn't go to Halley's Comet was the budget," he said, "not NASA." The American people are a "long way ahead of their politicians and the press," in their support for the space program, he said.

Abrahamson to widen view of ABM Treaty

Lt.-Gen. James Abrahamson, the director of the Strategic Defense Initiative Office, has been given "a new opportunity" to review the SDI test program in the framework of a broad interpretation of the ABM Treaty, he told a Senate subcommittee on March 25. Abrahamson informed the Senate that under a less restrictive interpretation of the treaty, "we could go directly to the most convincing tests," which would also be the "most cost-effective. It could save both money and time and gain a higher confidence in results."

Conflict over the "broad" vs. "restrictive" interpretation of the ABM Treaty erupted last October, when the Defense Department and then-National Security Council head Robert McFarlane fought with the State Department to drop the narrow reading of the treaty, which has hindered the SDI's progress. At the time, President Reagan compromised, upholding the Pentagon's view that the United States was entitled to adopt a broad reading, but ruling that the program would continue to be conducted under the more narrow interpretation.

At a meeting of the NATO Nuclear Planning Group in Wuerzburg, West Germany, on March 20, General Abrahamson delivered a report to the NATO allies on progress toward the SDI, emphasizing the following developments:

- Several technological breakthroughs have been made, including successful testing of the ERIS kill weapons, designed to intercept incoming missiles, and the miniaturization of ring laser gyros, which form an essential part of SDI guidance systems.

- Japan is showing interest in participation in the SDI program.

- Britain and Israel have made progress in the design of "smart shells," fired by electromagnetic rail guns.

- Progress has been made in cheapening the cost of rocket motors, increasing the power of propellants and thrusters, and lightning detectors and rocket linings.

- Work on ground-based chemical energy lasers, a key element in SDI technology, is well-advanced; the most efficient in the world have recently been tested at the Livermore National Laboratory in California.

Space commission urges Moon, Mars program

The President's National Commission on Space will shortly issue a report recommending an ambitious space exploration and development program for NASA, including proposals to mine the Moon and asteroids over the next 50 years, and to establish a manned base on Mars by 2027, according to *Aviation Week* magazine.

The Commission's plan calls for building lunar and Martian bases to house space pioneers and serve as centers for scientific research, manufacturing, and exploration of the solar system.

The panel, including former NASA administrator Thomas Paine, astronauts Kathryn Sullivan and Neil Armstrong, and pilot Chuck Yeager, assumes that the proposed space station will be built by 1994, and calls for developing several vehicles to transport both humans and cargo to a Moon base, where large-scale mining and construction projects would begin after 2000. Later, a network of spaceports would link the Earth, Moon, and Mars, leading to a permanent colony by 2027.

Briefly

● **JAMES BEGGS**, the former NASA head, received the Spaceflight Award of the American Astronautical Society on March 20, at the Goddard Memorial Symposium. Beggs, who was hounded out of the space agency by a trumped-up fraud indictment, received a standing ovation from the 400-plus representatives of industry, NASA, and the scientific community.

● **LOUIS FARRAKHAN**, the Hitler-loving head of the U.S. Nation of Islam, was a prominent speaker at a meeting of the International Pacifist Forum in Tripoli, Libya, at the end of March. Farrakhan has received \$16 million from Libya, the London *Times* reports.

● **JESSE JACKSON** was one of the few American politicians to criticize the U.S. strike against Libyan missile installations. "We must stop this very dangerous, short-sighted 'Rambo-ism' in foreign policy," he said on March 24. "I hope that what happened today will be stopped immediately."

● **THE NEW YORK TIMES** and the *Washington Post* on March 21 ran a two-page ad sponsored by the Soviet embassy in Washington. It included speeches by Soviet leaders calling for "eliminating nuclear missiles by the year 2000," "a nuclear-free world," and a nuclear test ban.

● **GEORGE BUSH** will tour Persian Gulf countries at the beginning of April, visiting Saudi Arabia, Bahrain, Oman, and the Yemen Arab Republic. U.S. officials say the purpose of the trip is to calm the "jitters" resulting from the Iran-Iraq war and the recent coup in South Yemen, and to assure U.S. friends in the area of continuing American interest in their security.

Sin, and the mass media

In a brief homily delivered on March 29, Holy Saturday, Pope John Paul II drew attention to modern man's loss of the sense of sin. "Man commits sin without calling by name what he does," the Pope said. "But this is not the way of liberation. It is only the way of falsifying the truth."

It is not necessary to be a Roman Catholic to agree with the Pope on this question. It is precisely the same Liberal Establishment-controlled mass media, that have extinguished cultural optimism in the United States, that have also obliterated the notion of sin—the idea that yes, some actions are evil, prompted by evil thoughts, enacted by evil people, indeed in the gravest cases, by *organized* evil.

Nowhere is this more evident than in the wicked economic policies to which the U.S. government obsessively clings, thanks to the iron grip which the Wall Street crowd of Donald T. Regan, James Baker III, and above all George Shultz, holds over the administration's economic actions.

Scores of economic horror stories reach *EIR*'s headquarters every few hours, presenting a picture of galloping worldwide depression:

- Finance Ministers from the Organization of African Unity (OAU), at a meeting that began on March 28 in Addis Ababa, Ethiopia, stated that \$115 billion will be required through 1990, just to restore agricultural infrastructure to pre-famine levels. Africa carries an estimated \$170 billion in foreign debt.

- Mexican living standards have been reduced by 30% in the past five years, according to a Mexican newspaper report of March 28. Mexicans now spend 70% of their wages just to feed themselves. Real wages for the average salaried worker have fallen even faster than those of the general population. All of this has occurred under the terms dictated by the International Monetary Fund when it seized control of Mexico's economic policy in 1982, as a condition for extending credit.

- A congressional report released in March, predicts that by the year 2000, only 50,000 farmers will be

left in the United States. Already, the collapse of U.S. agriculture has undermined our capacity to supply food to developing countries, and the U.S. food supply itself is in peril.

- As the price of oil continues to decline toward the \$8 per barrel mark, the states of Texas and Alaska are facing the prospect of immediate bankruptcy.

None of this is necessary. Fifteen years ago, when President Nixon, at the instigation of George Shultz and company, cut the dollar loose from gold in 1971, Lyndon LaRouche warned that this action would sink the United States and the world economy, and he laid out the measures by which the disaster could be reversed in a single day. At a Bonn press conference in 1975, he launched the proposal for an "International Development Bank" which would put the world monetary system on a sound basis of technology-vectored industrial growth.

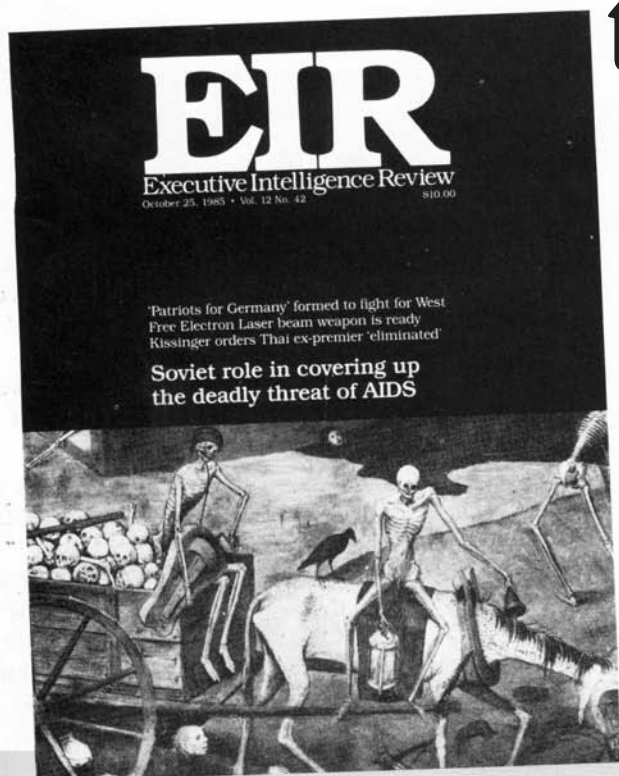
In spring 1982, LaRouche, who had just publicly proposed the shift in strategic doctrine that later became known as Reagan's Strategic Defense Initiative, published a lengthy study of the conceptual basis of the new defense doctrine. He showed that only the technological leap embodied in the SDI, could transform the civilian economy sufficiently to spark a world economic recovery—given the by-now catastrophic collapse of plant, infrastructure, and population.

Had the media had the minimal morality to give LaRouche's proposals objective coverage 15, 10, or even 5 years ago, millions of people might still be alive, who have died in Africa or Ibero-America of starvation and disease. Millions of American youth might not have had their minds and bodies wrecked by the dope trade—the only "business" that flourished as the real economy died away.

Alexander Hamilton, the first U.S. treasury secretary, wrote, "It is by the press that the morals of this country have been ruined, and it is by the press that they shall be restored." We challenge the media to admit the existence of sin—and join us in restoring the country's morals.

AIDS is now a threat to everybody

Who said it first?
EIR did!



On March 2, the New York Times Magazine finally admitted that AIDS could spread outside of the so-called risk populations of homosexuals and drug-users. EIR had the story six months before: that millions of Africans, men, women, and children, had the disease; that AIDS is a disease of economic breakdown, spreading under conditions of overcrowding, lack of sanitation, etc.; that quarantine was mandatory—and that the Soviet Union, in control of the World Health Organization, was playing the principal role in covering up AIDS' nature and spread.

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