

EIR

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Tel: (06121) 8840. Executive Directors: Anno Hellenbroich, Michael Liebig

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EIR

From the Managing Editor

We have curtailed some of our regular news coverage this week, to bring you a detailed report on the developments in Germany, which have been almost universally blacked out of the American media. The insurrection which broke out in Bavaria over the May 17-18 weekend was no mere "civil disturbance," but an act of civil war, steered from Moscow through its agents in the German Communist Party and the Greens.

Why are our readers hearing little or nothing about these German developments? Why has President Reagan said nothing, in the face of a Soviet-backed assault against the principal European member of NATO? Look to the policy of George Shultz's State Department, which is promoting a "dialogue" with the very Green fascists who are now storming the barricades and attacking police. Former U.S. Ambassador to Bonn Arthur Burns even thinks the Greens are "charming" (see page 44).

The same species of foreign policy blunder lies behind the explosive crisis in South Africa. Two *EIR* correspondents, Uwe Friesecke and Roger Moore, have recently returned from a visit there, bringing a report on the founding of the new trade union of black moderates, the United Workers Union of South Africa. True to form, the liberal press in the United States has blocked out this historic event. In fact, when we asked the wire photo services for photos of the founding congress, all they could offer were pictures of the opposing SATU union, linked to the Soviet-backed African National Congress, rampaging and burning trains.

We are proud to present interviews with two distinguished leaders of the South African black moderates, M. G. Buthelezi and Dr. Oscar Dhlomo (pages 28-33).

A third exciting interview is that with Helga Zepp-LaRouche (pages 45-49), who describes the efforts of the Patriots for Germany to reverse the crisis in their country. It is noteworthy that the leading candidates of the Patriots in the upcoming elections in Lower Saxony are making the issue of support for Buthelezi's endeavor in South Africa an up-front issue in their own campaigns. They are keenly aware that they are at the front lines of a fight for the future of Western civilization as a whole—not just that of Germany, or of Lower Saxony.

EIR Contents

Interviews

26 Fred Ferguson

The president of the Magnus Aerospace Corp. discusses his company's plan for a heavy-lift dirigible.

28 Mangosuthu Gatsha Buthelezi

Violence is not the answer to ending apartheid, says the Chief Minister of KwaZulu, chairman of the South African Black Alliance, and president of the mass Inkatha black liberation movement.

32 Dr. Oscar Dhlomo

The secretary general of Inkatha and minister of education and culture of KwaZulu tells why not disinvestment, but more investment for economic development is needed in the struggle against apartheid.

45 Helga Zepp-LaRouche

A co-initiator of Patriots for Germany and head of the Schiller Institute discusses the crucial strategic importance of Germany's Lower Saxony elections in June.

Departments

12 Report from Rio

Agrarian reform: Brazilian crossroads.

13 From New Delhi

Ground water potential highlighted anew.

56 Andean Report

The Colombian presidential election.

57 Report from Madrid

Trilateral tries for takeover.

58 Southeast Asia

Prem's "Phase Two"?

59 Report from Paris

The funny circle around Alain de Benoist.

60 Mother Russia

The "front" at Chernobyl.

61 Vatican

The Secretariat of State and Libya.

72 Editorial

Toward a century of science.

Economics

4 Year of complacency ends on Ibero-American debt

6 Mexico heads toward Peruvian solution, as debt pressures mount

Documentation: Excerpts from PRI leader Lugo Verduzco's party conference address.

8 U.N. Special Session: OECD countries spit on starving Africa

9 Trilateral mafia pushes trade war

11 TB outbreak shocks New York resort town

14 Banking

FDIC caught in 'Bank-gate' scandal.

15 Agriculture

Dairy slaughter proceeds.

16 International Credit

Now, Argentina is importing meat.

17 Medicine

Medical laser update.

18 Business Briefs

Science & Technology

20 The heavy-lift vehicle that's lighter than air

David Cherry reports on breakthroughs in dirigible technology that will make it possible to "move mountains" and rapidly develop the Third World.

Feature



AP/Wide World

Anti-nuclear "demonstrator" clashes with police, in one scene from the three days of violent confrontation at the Wackersdorf nuclear plant site, May 18-20.

36 Moscow foments civil war in Germany

According to the highest-level sources in Europe, the leftist insurrection at Wackersdorf, Bavaria on the weekend of May 18, was a Soviet-directed act of civil war, and just the beginning of violence which will escalate in the coming weeks.

38 Violence explodes at site of Bavarian nuclear facility

Over the May 17-18 weekend, the Bavarian village became synonymous with a new quality of mob violence.

42 The State Department courts the Greens

The "dialogue" with the Soviet-backed, pro-terrorist Greens started with Ambassador Arthur Burns and has continued with his successor, Richard Burt.

45 The historic turning point of the Lower Saxony election

Helga Zepp-LaRouche on the campaign of the new party, Patriots for Germany.

International

50 George Shultz's treasonous 'hidden agenda' at Halifax

The NATO foreign ministers' meeting in Nova Scotia May 29-30 ought to be the last meeting of those ministers allowed to be held if the Western Alliance is to survive.

52 Moscow demands that Sweden purge all Western influences

The Kremlin is particularly concerned about LaRouche's co-thinkers.

54 Battle in India's ruling party: Rajiv Gandhi shakes up the barons

62 International Intelligence

Eyewitness Report

28 Buthelezi: Why a new union was formed in South Africa

On May 1, *EIR's* correspondent interviewed the chief minister of KwaZulu about the formation that day of the United Workers Union of South Africa (UWUSA).

32 Can South Africa peacefully change?

By Uwe Friesecke, just returned from Durban, South Africa.

32 Dr. Oscar Dhlomo: 'We will need more and more investment'

National

64 Finally, Reagan has dumped the SALT framework

In the most important decision since the Strategic Defense Initiative of March 1983, the President says the United States will no longer comply.

66 Inside the Pentagon

The treason called "military reform."

67 Elephants and Donkeys

Anti-LaRouche efforts backfire on Democrats.

68 Congressional Closeup

70 National News

Correction: The article on page 37 of *EIR's* May 16, 1986 issue (Vol. 13 No. 20) refers to "Lithuanian Russia." Lithuania, now a Soviet Socialist Republic, was formerly a sovereign nation.

Year of complacency ends on Ibero-American debt

by David Goldman

A year of sham complacency from bankers regarding the Third World debt bomb has come to an end. Mexico's negotiations with the International Monetary Fund are now at an impasse, as the IMF continues to insist that Mexico reduce its public deficit by 5%, even though it has suffered a tremendous loss of income from the drop in oil prices. Mexico insists that the IMF must accept a 12% deficit.

Mexican leaders have been more alert to the nature of the crisis than the U.S. administration, which first delivered an outrageous provocation to Mexico in the context of Senator Helms's May hearings, then retracted the provocation in the form of a statement from Attorney-General Meese, and then qualified the retraction. On the contrary, Mexico's political leaders have stated the obvious truth: Mexico cannot lose more than \$5 billion a year in oil revenues under conditions of collapsing prices and falling world oil demand, and continue to service its \$100 billion foreign debt. Washington has forced Mexico into unilateral action, and well-informed observers are asking only how severe it will be.

This is not a crisis in U.S.-Mexico relations, as the administration and the press falsely portray it. The developing-sector debt crisis has continued to boil, while the International Monetary Fund sat on the lid. At Tokyo on May 2, the seven leading industrial nations affirmed their support for the IMF's posture. Now the crisis has reached another breaking point, drawing in not only Mexico, but Brazil and other leading debtor nations.

Mexico's disastrous financial position stems from the oil-price collapse, but the oil-price collapse only parallels the generalized deflation of world-trade prices under way since early 1985. Although Mexico's problem is simpler than Bra-

zil's—it has no cash and no evident means to borrow it—the two countries are victims of the same world depression spiral. It is no coincidence that the debt crisis has taken on a new dimension in both nations at once.

A special irony came from Senator Helms's focus on flight capital leaving Mexico; the Ibero-American countries have lost \$100 billion to flight capital since 1980, doubling their outstanding debt. It has now emerged that the same banks who forced their debtors to accept impossible austerity conditions, managed most of the outflow of flight capital. This revelation may have pushed Brazil over the edge.

The Mexican crisis

The French news agency AFP May 23 cited warnings from Mexican officials, that an attempt to force new sacrifices upon Mexico's internal economy would compel that country to declare a moratorium on its foreign debts. Two days later, the Mexican ruling party, the Partido Revolucionario Institucional, made official its support for Peruvian President García's debt policy, namely, limiting debt service to a fixed percentage of export revenues. The powerful president of Mexico's trade-union confederation, CTM, Fidel Velásquez, backed the PRI decision with the following words:

"We can't say that it means declaring a moratorium, but we will support our party's conclusions to the final consequences; its conclusions definitively have our complete support. . . . We are able to design our own models. . . . We can't copy solutions from others. This measure will have to be on the basis of paying with what we have, since it is impossible to pay with what does not exist."

With these words, Sr. Velásquez refuted the collective

nonsense concerning the international debt disaster at the May 2 Tokyo summit meeting of the seven leading industrial nations. Treasury officials are scrambling to issue a revised version of the so-called "Baker plan," the threadbare initiative offered by the U.S. Treasury Secretary last September. But the point remains that Mexico will fall short by several billion dollars on second-quarter interest payments, following the collapse of its oil revenues, and neither its bankers nor the U.S. government have any current proposals to fill that gap.

Mexico has to decide what form of unilateral action it will take. Virtually the only one acceptable to its creditors involves an agreement to convert a large part of its \$100 billion external debt into equity in Mexican industry and national resources, at a fraction of underlying values, given the enormous devaluation of the Mexican peso. Such a measure would destroy Mexico's political system, constitutionally founded upon the agricultural-labor-industrial coalition which makes up the ruling party. Sen. Jesse Helms, who plans additional hearings in June to follow the Mexico-bashing sessions he chaired in mid-May, has made that much explicit, by declaring support for Mexico's explicitly fascist, and covertly pro-Soviet, National Action Party (PAN). In its May 30 editorial, the *Wall Street Journal* volunteered the PAN as the local representative of "American" (i.e., American banking) interests:

"On the political front, the Institutional Revolutionary Party (PRI), which has dominated Mexican politics for nearly 60 years, is in trouble. . . . If there are any doubts about the honesty of a PRI victory, there'll be more recriminations from the U.S. . . . We ourselves share some of its economic ideas and also a taste for political pluralism."

The *Journal* editorial added, "President de la Madrid is said to have privately expressed the worry that the Americans are thinking of dumping him the way they did Ferdinand Marcos. Mexico owes some \$97 billion in foreign debt, and if yanqui-baiting should lead to an eventual default there could be horrendous damage to U.S.-Mexican relations."

The *Journal's* cold feet reflect a realization in Washington that the Helms hearings, which featured explicit attacks by U.S. officials on Mexican sovereignty, have "backfired," in the evaluation of one senior consultant to the the administration. "The result has been to destroy the position of [Mexican Finance Minister Jesus] Silva Herzog," the Mexican official most accommodating to the bankers' demands.

In fact, the Helms hearings, which took place with the full cooperation of administration, were intended to enforce what Assistant Treasury Secretary David C. Mulford explained before the Bankers Association for Foreign Trade convention in Phoenix May 16. Mulford demanded that debt-or nations follow the Chile model, by "liberalizing their direct investment regime to permit financial institutions to establish financial subsidiaries that would be active in the host country's domestic markets."

Agosto Pinochet's dictatorship, which has left Chile in a

condition of permanent near-civil war, represents the only form of government capable of enforcing the "debt-for-equity" conversion proposed under the Baker plan. Jesús Silva Herzog's finance ministry already proposed a plan to the foreign creditors of 30 private companies, under which the state would issue bonds for 60% of the private companies' debts, and the companies would pay the additional 30% in stocks—giving the creditors effective control of the companies, which include most of the country's largest.

What would be required to control the political consequences of foreign ownership of Mexican national assets was made evident on May 27, when 50,000 workers from the Fundidora Monterrey steelworks, with their wives and children, staged their third protest march against its closing.

De la Madrid cannot step into Pinochet's shoes, and may well wonder if his creditors plan to treat him like Marcos. Mexican industrialists bitterly object to the plan as well. Their association, Concamin, said they would not accept the capitalization of their foreign debts as a means of payment, since it would mean the loss of national industry. The association's president warned that companies are already laying off workers, and further layoffs at the hands of foreign creditors would cause unmanageable hardships. Mexico's reported unemployment rate is now close to 20%, and the actual rate is much higher.

Brazilian flight capital

Brazilian officials were convinced that they had uncovered the main seam of illicit flight capital May 20, when banker Antonio ("Tony") Gebauer resigned from the securities house Drexel Burnham Lambert. Gebauer is suspected of running a massive flight-capital operation out of Brazil, with which he conducted debt negotiations while at Morgan Guaranty Trust.

According to press reports, Gebauer, who just shifted to Drexel from his longtime job at Morgan Guaranty Trust, resigned when an "internal investigation" at Morgan revealed that he had "misappropriated" \$6 million from the private accounts of Brazilian clients. Gebauer's attorney, Stanley S. Arkin, said he "could not comment" on reports from friends of Gebauer, that the missing \$6 million reflected the banker's fees for placing flight-capital deposits at Morgan; the level of fees implies that billions were involved.

In a published study, Morgan estimated that \$6 billion in illicit funds left Brazil during the course of the debt crisis. Now, the Brazilians charge, Morgan was handling this money—at the same time that Morgan officer Gebauer was putting the thumbscrews on the Brazilian economy. Central bank official Carlos Eduardo de Freitas is considering legal action to force Morgan to release the names of Brazilian money-manipulators.

Such action on Brazil's part has implications as explosive as Mexico's expected limitation on payments: It cuts to the core of the international banking system's dependency on dirty money, or what *EIR* has called "Dope, Inc."

Mexico heads toward Peruvian solution as debt pressures mount

by Héctor Apolinar

The extraordinary meeting of the National Council of Mexico's ruling PRI (Revolutionary Institutional Party) May 22 and 23, and media coverage given to the Mexican visit of Dr. Debra H. Freeman, representative of the LaRouche candidates in the U.S. Democratic Party, were the initial responses to pressures—described here as “brutal”—from the creditor banking community and Washington to force a new Mexican austerity pact with the International Monetary Fund.

The Mexican government has been in desperate negotiations with the IMF in search of a means to avoid being declared “out of compliance” with IMF conditionalities, because of the severe impact of the fall in oil prices which has left the Mexican government without the \$8 billion required to meet its debt payments and permit at least minimal functioning of the economy. UPI news wires on May 26 reported that the negotiations were not going well, in view of the Fund's demand for a drastic reduction of the government's budget deficit to no more than 6% of GNP. The Mexican government position is that the IMF must accept a 12% deficit.

While the negotiations remain strained, Mexican businessmen who have visited Wall Street recently are confirming that the creditors' position is that not a single new dollar will be released until Mexico signs with the IMF.

Inside Mexico, the press has published contradictory reports on the government's response to this. Some say that President Miguel de la Madrid has decided in favor of a “Peruvian-style solution”; that is, to allocate a fixed percentage of export income to payment of the foreign debt.

However, the so-called economic cabinet, headed by Finance Secretary Jesús Silva Herzog, Miguel Mancera, central bank director, and Carlos Salinas de Gortari, budget secretary and leading client of the Wharton School, is studying a project known as the “Aztec Plan.” This would impose shock therapy on the Mexican economy. Silva Herzog and company have already launched a publicity campaign around the Austral and Cruzado plans of Argentina and Brazil, respectively, in hope of convincing the government that this same recipe should be applied to the national economy.

No one in their right mind in the government is in agreement, however. These plans are already demonstrated to be total failures.

The political groups opposed to the “pay at all cost” policy of the economic chieftains have issued their first public statement of opposition to the new round of austerity, and succeeded in tilting the recent National Congress of the PRI party to declare itself in favor of a new debt payments policy based on the Peruvian model and the Cartagena Consensus.

Sen. Adolfo Lugo Verduzco, president of the PRI, spoke for this tendency in the closing address of the Congress, attended by President de la Madrid. The senator declared that the PRI “is fighting . . . for restructuring the foreign debt on the basis of establishing a ceiling on interest and capital payments, expressed as a percentage of the country's exports of goods and services.” He explained: “We cannot accept any more internal adjustments to cover imbalances imposed from abroad.”

Lugo's speech was interpreted by political analysts associated with the government as a violent attack against Silva Herzog and Miguel Mancera. One former government official commented that various political factions within the government hope by this means to torpedo the finance minister's negotiations with the IMF.

Particularly striking was the response of President de la Madrid to Lugo Verduzco's speech. Said the President: “I substantially share the presentation Lugo Verduzco has made. . . . I will give instructions to members of my government . . . to carefully analyze the conclusions . . . of this Council . . . and to take into account the vigorous new ideas that have been raised here. . . .”

Thus, President de la Madrid placed the PRI party above his own economic cabinet, reversing the policy of the government heretofore, keeping the party under the aegis of government dictates. Among other things, de la Madrid's statement reinforces the presidential potential of Lugo Verduzco.

The change in debt payments policy proposed by the ruling party reflects escalating concerns within the Mexican government over the violent slanders against Mexico proceeding from the U.S. Senate hearings held May 12 and 13 under the auspices of North Carolina's Sen. Jesse Helms (R), hearings designed to present de la Madrid as “the next Ferdinand Marcos.” In this regard, the PRI council condemned “the new partitioning of the world,” which it attributed to

“the interest of the great powers to incorporate other states within their strategic spheres of domination, promoting confrontations, manipulating social movements, destabilizing democratic tendencies and backing internal oligarchies.”

This is apparently only the beginning of a big battle, in which the presidential succession will play a part. The PRI has issued a call to mobilize all of its cadre nationwide against the “aggressions” issuing from Washington, D.C. against President de la Madrid. In this context, the media reception offered Debra Freeman, representative of Democratic Party presidential pre-candidate Lyndon LaRouche, was a message intended for the Reagan White House.

Inside Mexico, it is clearly perceived that President Reagan has lost control of his own nation’s policy toward Mexico, reflected in the recent resignation of his friend, John Gavin, as ambassador to Mexico.

According to sources with access to the presidential palace in Mexico City, ruling circles understood the Helms hearings against President de la Madrid as a warning not to apply the Peruvian solution to payment of the debt. Not accidentally, Imevision state television broadcast a series of dramatic interviews with Peru’s President Alan García, in preparation for that head of state’s official visit to Mexico in early July.

Documentation

The following are excerpts from the closing speech of the National Congress of the Institutional Revolutionary Party (PRI) of Mexico, presented on May 23 by PRI president Adolfo Lugo Verduzco:

We PRIistas categorically affirm that we Mexicans, in the face of the economic crisis, are not seeking a national design. We already have it. . . .

In Mexico, the Constitution is the basis of the fundamental social agreements which bring cohesion and power to the nation. . . . The great demands of the nation and its people, as expressed in the Constitution, are not up for discussion. Their efficacy in making possible the development of Mexico is proven by history. We revolutionaries reject those who proclaim the national security of one country at the cost of a violation of the integrity and sovereignty of other countries. . . .

The people of Mexico will determine the path and the pace of structural changes in our model of development. Those changes are not designed to make the law of the market prevail; nor to reprivatize strategic areas, which are exclusive to the public sectors; nor to indiscriminately open the internal market to multinational competition and direct foreign investment. . . .

Structural change is the way to generate enough jobs in

the face of demographic dynamism, to satisfy the national demand for socially necessary goods and services, as well as to allow greater independence in international economic relations. . . . In no case will structural changes be an instrument for rolling back the most prized popular conquests. . . .

Mexico went into debt with foreign loans to accelerate its development process, not to cancel it. Therefore, we PRIistas do not accept simplistic schemes which ignore the pressing needs of the country’s great popular majorities.

Although we don’t deny our financial commitments abroad, the Council affirms that the solution to the foreign debt crisis demands co-responsibility of creditors and debtors to distribute the costs of adjustment equitably. *So long as that co-responsibility is not granted, we PRIistas do not accept more internal adjustment to cover imbalances coming from abroad.* . . .

The party calls for the elimination of protectionist policies in the developed countries, and justifiably fights in our action program for *restructuring the foreign debt on the basis of setting a ceiling on interest and capital payments, expressed as a percentage of the country’s exports of goods and services.* . . .

Above any interest, is the interest of the nation. . . .

. . . We PRIistas are not willing to accept concessions which threaten national sovereignty over strategic resources or harm popular interests. The sovereignty of Mexico is not negotiable. . . .

Those who suppose they can attack the country’s political institutions have miscalculated the correlation of forces. Whoever tries will be energetically repudiated by the nationalist political forces and by the Mexican people as a whole.

Those who do not share the collective aspirations of the Mexican people isolate themselves. . . . Given their inability to legitimately win power with the support of the people, *the party of the reaction goes abroad to seek the discrediting of the Mexican political system, of which they too are a part.* . . .

The unappealable judgment of Mexico’s reality belongs solely and exclusively to the Mexican people. . . . No foreigner has the right to intervene in affairs which only belong to Mexicans. This national council has energetically condemned the recent interventionist and defamatory declarations of those who have arrogated to themselves the right to air Mexico’s internal affairs.

It is about time that the real objectives of the reaction are exposed. . . that those who vote for the political organization of the reaction know that they are not [voting] for a national political party, but for a branch of foreign interests.

In other difficult times for Mexico, characterized by internal divisions, sell-out of some groups, and foreign seige, the people moved forward, led with visionary genius and historic certainty by President Benito Juárez.

. . . Let those who live outside of history listen to Juárez: “The triumph of the reaction is morally impossible.” [emphasis added].

OECD countries spit on starving Africa

by Nancy Spannaus

All of the major OECD countries, led by U.S. Secretary of State George Shultz, combined to reject the Organization for African Unity's proposal for economic recovery, at the United Nations Special Session on Africa on May 29-31. Shultz, West German Foreign Minister Hans-Dietrich Genscher, and British Foreign Minister Geoffrey all demanded that Africa submit even further to the International Monetary Fund-dictated "free market" measures which have already devastated the continent.

The entire General Assembly was convened in New York City to consider a proposal by the Organization of African Unity, for a \$128 billion, five-year economic recovery plan for Africa. The plan, presented by OAU Chairman Abu Diouf, calls for a joint effort between the African nations and the international community to go beyond the band-aid, "relief" measures which Africa has been receiving, and to invest in infrastructure key to long-term agricultural development, and reversal of the desertification process. The plan, which has been reviewed by *EIR* in previous stages, is economically competent.

The OAU program, which has been the subject of discussions among the African nations for at least six months, also addresses Africa's growing debt crisis. The African debt has currently surpassed \$175 billion, a level higher than the entire continent receives for its exports. In his opening speech to the U.N. session, Diouf demanded a fundamental change in this relationship: "Without taking measures on raw material prices and debt, it would be an illusion to believe that Africa generates sufficient growth to solve its economic crisis. If the present situation continues, only a few countries in Africa will survive."

Diouf was not exaggerating in the least. Although official U.N. agencies have reduced their level of alert on the famine in Africa, most of the sub-Saharan nations remain on the verge of disaster, and totally dependent upon the trickle of food which comes in from international relief agencies. In addition to the long-term effects of drought, many of the southern African nations are currently being hit by plagues of locusts. Further north, in Sudan, Ethiopia, Uganda, and Chad, starvation and disease are killing tens of thousands, with no relief in sight.

The OECD countries hope to use the plight of the African countries to gain a further foothold for recolonization schemes, put forward by the World Bank and the International Monetary Fund (IMF). Aware that certain politically influential African nations, such as Nigeria and Senegal (Diouf's country), are looking with interest at the success of Peruvian President Alan García's approach to the IMF, the Western nations understand that they have to move very rapidly to divide and conquer.

Secretary of State Shultz was brutally blunt in his approach. "No amount of foreign assistance, and no measures of good intentions, can alleviate the hardship caused by a government bent on misguided policies," Shultz told the General Assembly. However, Shultz is not offering either. Instead, he pumped the "free market" approach which has looted the continent of its raw materials, and virtually forbidden industrial and infrastructural development, saying, "Today many countries are re-awakening to the fundamental connection between individual initiative and economic progress. . . . Africans have learned that responsibility for their economic well-being rests squarely with themselves."

Shultz's statements are more than obscene. The Reagan administration, for all its flowery talk about "individual initiative," has put its entire weight behind the draconian programs of the IMF and the World Bank. These agencies have consistent policies: demand elimination of government protections for living standards and vital infrastructure through mandated budget cuts; devalue local currencies, thus increasing the cost of all imports; and insist upon the opening up of local economies to takeover by private international companies. Not only do these measures prevent development of American-style modern agriculture, but they also pile up mounds of usurious debt, which literally takes food out of the mouths of starving Africans.

Gramm-Rudman mandates further cuts

Having dictated that this genocidal program continue, Shultz added insult to injury. He announced that due to the Gramm-Rudman budget balancing law, it would be impossible for the United States to meet its previous foreign-aid commitment to Africa, much less increase it. The Reagan administration has currently budgeted about \$1 billion for African aid, but State Department officials anticipate a Gramm-Rudman mandated reduction to as little as 50% of that amount.

Shultz was echoed by the German and British foreign ministers. Genscher declared his nation to be a "staunch champion of free world trade," and pontificated that "the management of African economy must be improved and the private sector stimulated."

Howe remarked that African "management efficiency must be improved, public spending brought under control," and "open trading conditions maintained."

It is not known as of this writing, whether the African nations are politically prepared to buck the IMF dictates.

Trilateral mafia pushes trade war

by William Engdahl

The fuse is now burning and the next detonation of the bomb is set for July 1 in the trade war between the United States and European Community (EC) over agriculture. Investigation has uncovered an "agriculture policy mafia" running from U.S. Trade Representative Clayton Yeutter, EC Agriculture Commissioner Andriessen, to the Organization for Economic Cooperation and Development (OECD) in Paris and the GATT in Geneva.

All are tied into the Soviet-run International Institute for Applied Systems Analysis in Laxenberg, Austria, and to the secretive Trilateral Commission.

Barring a dramatic intervention from President Ronald Reagan before the July 1 deadline, a second phase of sanctions will enter into force targeting imports from European Community nations of such items as white wine, endives, and cheese.

"These sanctions, unlike the ones announced last month over Portugal, will be restrictive," stressed Mogens Marcussen, director of International Agriculture Affairs in Directorate VI of the EC in Brussels. Marcussen, a Danish lawyer who has spent the last 13 years in Brussels, revealed in a frank discussion, "We can't say if the U.S. will find a way out. I haven't great expectations. Only if the EC gives at least cosmetic compromises before July 1 will the confrontation possibly be cooled."

Marcussen said that EC countermeasures to the July 1 U.S. restrictions will affect U.S. exports of soya and other protein oils. In 1985, total EC agriculture export to the United States was \$3.4 billion.

The background to the current dispute is not so important as the parties to the dispute and their common links to a Trilateral Commission strategy for "market oriented" world agriculture trade. Since the "market" in world agriculture trade is rigged by Trilateral-associated food-cartel companies (Cargill, etc.), "market-oriented" trade means trade at prices rigged to the benefit of the cartel, i.e., destruction of price subsidies by which European and American farmers are desperately hanging on to production capacity and solvency.

In February, Clayton Yeutter, U.S. Special Trade Representative, started action against the EC over the alleged terms of Portuguese and Spanish entry into the EC. According to sources in both Washington and Brussels, Yeutter's

timing was politically motivated. Details of the Spain-Portugal entry, under which certain U.S. markets for grain and soybeans would be replaced with EC ties to the estimated size of some \$648 million/year, were available to the U.S. government last August.

Sewing up soy trade

"The real issue," a spokesman for Yeutter's office in Washington told me, "is the oilseed question. The Portugal case, even though it itself is relatively small, is a precedent. That's the real fear for us." According to a spokesman for the American Farm Bureau Federation, U.S. exports of agriculture products have declined from a high of \$10 billion in 1980 down to \$5.3 billion through the third quarter of 1985.

And, of this \$5.3 billion, fully \$5 billion consisted of the high-protein soya and corn-gluten feed products, grain substitutes which have produced a major shift in U.S. livestock production in recent years. The total world market for these protein soya and other oilseed products, according to the Hamburg Toepfer Corporation, a big European grain trader, is approximately \$30 billion per year. The production is almost entirely dominated by the huge cartel companies such as Cargill of Minneapolis and Switzerland.

Under a unique agreement made in 1962, Cargill, through its friends in the U.S. Department of Agriculture, negotiated a special concession, a so-called "levy free binding" exempting soybean and related products from EC import tariffs, the so-called variable levy. This has meant, for example, in Portugal, that against a cost of 360 ECU/liter of Portuguese olive oil, soyoil can be bought for 124 ECU/liter.

This has secured a lucrative market, most especially for Cargill, the \$32 billion family-held company which is strongly tied to Soviet agriculture exports and to the pro-Moscow political machine of Walter Mondale. The soy trade concession is the "largest single U.S. trade concession in international agriculture trade," according to a spokesman for the American Soybean Association. "Portugal is just the stalking horse to set us up. The next move will be EC-wide imposition of restrictions on our soybean exports. We don't want trade war, we just want our markets."

Trilateral manipulation

The most important feature of the entire issue is the role of a network in both Brussels and Washington as well as in all relevant international trade agencies including GATT in Geneva, where the dispute will likely be referred after July. This network collaborated in a strategy study released in 1985 by the Trilateral Commission for imposing a free-market end to U.S. as well as European subsidies to farm producers. The strategy has been promoted by EC Agriculture Commissioner Andriessen since 1985 under the euphemism "increased market orientation."

Although, owing to his public position in the EC, Andriessen did not participate in person in the Trilateral strategy, his close friend and informal adviser, fellow Dutchman

Pierre Lardinois, headed the study. Lardinois was Andriessen's predecessor until he left Brussels in 1977 to head Europe's large farm lending bank, Rabobank in Utrecht. Andriessen's chief deputy for international agriculture trade, the German Helmut von Verschuer, did take part in the Trilateral strategy. Brussels sources say Andriessen fully backs the report.

This is relevant to the trade-war conflict in the following way. Before coming to Washington to become U.S. trade representative last summer, Clayton Yeutter was in the same Trilateral strategy group with Lardinois and von Verschuer of the Brussels EC. Yeutter, then president of the world's leading food-commodity speculation operation, the Chicago Mercantile Exchange, also worked closely in the Trilateral group with Albert Simanov, of the Paris based OECD, an economic policy body being promoted to oversee the regulation of industrial economies by international banking interests, following the May 3-6 Tokyo Economic Summit.

Simanov and his group in Paris were instrumental in inserting a paragraph into the Tokyo declaration calling for more "market oriented" policies for agriculture.

Another figure in the Trilateral strategy was Gilbert Salomon, the controversial French chairman of Socopa, the giant meat processor which was involved in fall 1985 in a corruption scandal involving von Verschuer's Directorate VI, in which huge quantities of EC surplus beef were in effect given free for feeding the Soviet Red Army. Socopa is controlled by 20-year-long Gorbachov intimate, France's "Red Billionaire" Jean Baptiste Doumeng.

The man who engineered the bureaucratic details of the meat scandal, Claude Villain, left Directorate VI, where he had been von Verschuer's boss, to become president of Socopa. Today, Villain is a senior civil servant advising French Finance and Privatization Minister Edouard Balladur on agriculture! Balladur was the man who reportedly forced the new Agriculture Minister Guillaume to back down from earlier insistence on higher farm prices from the EC. That compromise has unleashed chaos in European farming as prices drop below breakeven for tens of thousands of family farmers.

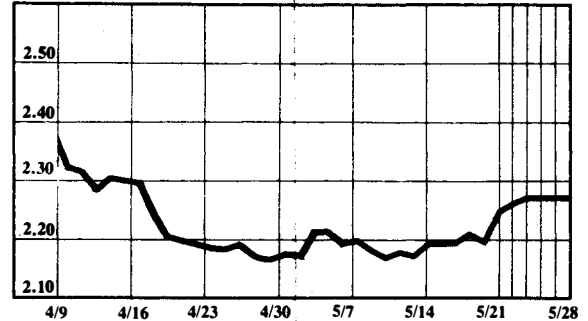
Finally, the presence in the Trilateral agriculture group of Aart de Zeeuw, another Dutchman close to Lardinois and Andriessen, must be noted. He is chairman of the GATT Committee on Trade in Agriculture, where the trade dispute will likely be referred for negotiation.

This "free market" strategy, as one participant admitted in private discussion, will allow the large international agriculture lending banks such as Trilateral founder David Rockefeller's Chase Manhattan (tied to Cargill), and Trilateral strategist Lardinois's Rabobank, or the French Cr dit Agricole whose director-general, Jacques Lallement, is a member of the Trilateral Commission, to buy up the most vital farms and farm production assets in the coming depression. Already, Rabobank is targeting the top 30% of U.S. farms which are being sold for pennies in some hard-hit farm states.

Currency Rates

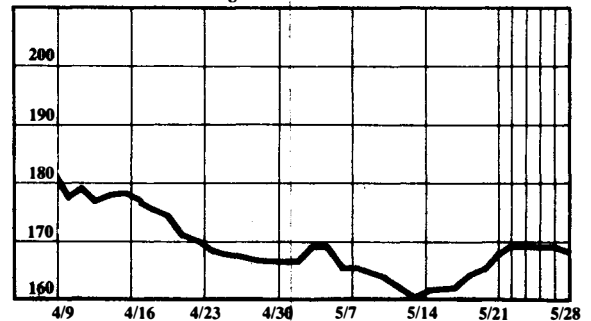
The dollar in deutschemarks

New York late afternoon fixing



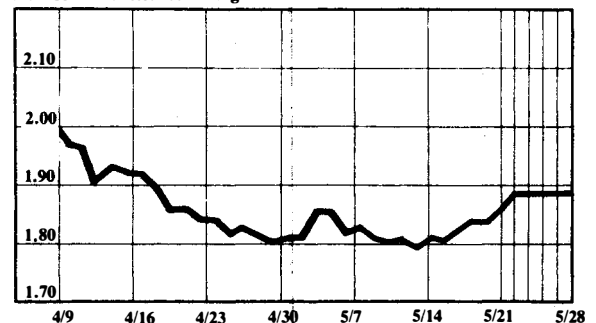
The dollar in yen

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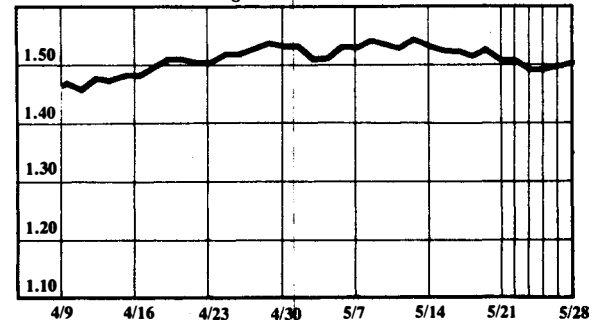
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



TB outbreak shocks New York resort town

by Ernest Schapiro, M.D.

Ellenville, New York is a small town in the Catskill Mountains, whose citizens' chief employers are local resorts and the Eastern New York Correctional Facility. In March, it was discovered that two children in Ellenville High School had contracted active tuberculosis. One of them had been coughing heavily for a long time, yet his illness went unrecognized until his brother, in the course of a physical examination, was found to have TB on his chest X-ray without any chest symptoms.

What is most shocking is that because regular tuberculosis testing is no longer required in New York schools, either on entrance or on an annual basis, no one can say how long these two boys have been infected.

In the meantime, they succeeded in transmitting the infection to many other students. In a high school of 1,000 students, 45 children were found on screening to be tuberculin positive. Three others additionally had chest X-ray findings of early tuberculosis.

Several school employees were found to be tuberculin positive, without active disease. Because there had been no previous tuberculin testing of students at the school, doctors could not determine whether those testing positive were recent converters or had been infected far in the past. A local tuberculosis specialist estimates that 80% of those testing positive were in fact recent converters!

Because of this uncertainty, all of the children are receiving medication to prevent active tuberculosis from developing.

Thus far, no tuberculosis has been detected in the elementary school. This suggests a single source for the epidemic. However, it is disturbing that the actual source of the epidemic is not known. Since the families of the two brothers included no active cases, we do not know how the boys got their disease.

This past winter, a hotel employee was found on chest X-ray to have tuberculosis. Because he was an illegal alien, he left the area taking his family with him, rather than be identified. His high-school-age child may have initiated the infection in the high school.

According to long-time residents of Ellenville, there are many hotel resort employees who work only a few months at a time before they are "dumped" without means of support. They spend their remaining funds, become indigent, and the local clergy buy them a ticket back to New York. Although some of the resorts keep their employees all year round,

others hire on a seasonal basis.

Local physicians privately complained that the local health department has no authority to test prospective employees for tuberculosis, AIDS, or other infectious diseases as a condition of employment.

One physician recounted the case of a cook at a resort hotel who was admitted to the local hospital suffering from far advanced tuberculosis of his lungs and died. Although this occurred several summers ago, a food handler at a resort still only requires a letter from a physician stating he is free of communicable disease. No specific test, such as a tuberculin test or a chest X-ray, is required. Local health officials feel threatened by the American Civil Liberties Union (ACLU), which they fear would accuse them of civil-rights violation were they to even suggest the advisability of an AIDS test.

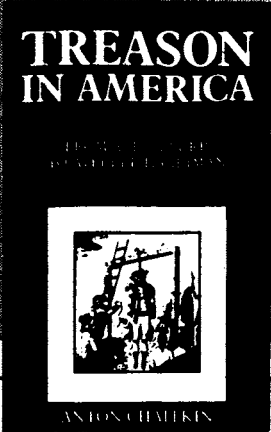
The relevance to the current case is that tuberculosis is being found to be associated with AIDS; persons carrying the HTLV-3 virus, whether or not they are overtly ill with AIDS, often have active tuberculosis.

Nevertheless, neither AIDS nor infection with the HTLV-3 virus is a reportable condition in New York State. It would therefore be illegal for a private physician or any government health agency, knowing an individual had AIDS or a positive HTLV-3 antibody test, to make this known to his employer, even though his work involves food-handling.

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Agrarian reform: Brazilian crossroads

Brazil's government can either challenge the landed oligarchy, or succumb to destabilization by fascists.

The credibility of the Sarney government in Brazil is hanging in the balance: It can carry out the agrarian reform promised by José Sarney's late predecessor Tancredo Neves as one of the central themes of his electoral program, a theme which won him the support of the population and that of the Church, or it can retreat under the threat of general upheaval at the hands of the land-owning oligarchy.

Upon Tancredo's death, Sarney inherited the pledge and in May of last year determined to fulfill that commitment. However, under the pressures of an old and powerful anti-Catholic group made up of large landowners, bankers, and politicians allied to the European oligarchy, he has retreated. Further, Sarney's original plan, intended as the simple fulfillment of the Land Statute formulated under the government of Gen. Castelo Branco, has been rewritten.

The Land Statute was intended to resolve land conflicts in the most important states of the republic, colonizing public lands and expropriating a lesser number of unproductive large holdings. As such, the Land Statute is not only limited, but a far cry from the radical changes implemented by Abraham Lincoln in 1863, when he created new forms of property by eliminating the old British plantation system—so often encountered in Brazil—and turned the United States into the world's number-one food producer.

The slowness in executing agrarian reform has opened the doors in Bra-

zil to growing rural violence, forcing the mobilization of state security forces. President Sarney has thus far refused to involve the army in the conflicts.

Since May 1985, the large landowners began to organize the Democratic Rural Union (UDR), supported by the extremist Tradition, Family and Property (TFP). The UDR has grown in Sao Paulo, Minas Gerais, Goias, Paraná, Maranhão and Rio Grande do Sul, and its TFP partners have dug up legal precedents to give the landowners the right to defend their property with arms.

In January, the question of agrarian reform and the need for militias was debated by the TFP in a Latin American seminar secretly convoked in Sao Paulo. In April, in the state of Rio Grande do Sul, TFP published enormous ads inciting the landowners to "armed resistance."

The landowners have received support from politicians linked to TFP and also from ultra-liberals, as in the case of the governor of Maranhão, Luiz Rocha. In this state, a leftist priest was recently assassinated, bringing to light the combat readiness of the landowners who have set up a security company called "A Solução-Empreendimentos e Serviços em Imóveis Ltd.," which has been denounced as the armed force of the UDR in Goias, and probably behind the priest's murder.

The TFP is controlled by the aristocratic families, Thurn und Taxis and Braganza. This year, the TFP's activities escalated at the moment that

Prince Johannes von Thurn und Taxis made his periodic visit to Brazil. The Thurn und Taxis family not only owns the TFP, but also counts among its Brazilian properties at least 57,000 hectares of land in Mato Grosso. Thurn und Taxis has no intention of allowing his properties to be affected by agrarian reform.

The Braganzas are also vast property holders in Brazil, and are notorious for their proposal to create a monarchist party in Brazil capable of intervening in the next Constituent Assembly, which the UDR has targeted as well.

Government vacillation on agrarian reform has seriously damaged relations between the government and the Church, and the threat of a genuine break is not impossible. While it is true that the theologians of Marxist "liberation" promote conflicts in the countryside, conflicts which ultimately benefit their supposed enemies among the landowners, the reader should not confuse these incidents with the genuine contributions of the Church.

The Brazilian Church has drafted a constitutional project reflecting the resolutions of the recent Extraordinary Synod of Bishops and the observations on freedom made by Joseph Cardinal Ratzinger, prefect of the Congregation for the Doctrine of the Faith.

Citing John Paul II in his encyclical *Laborem Exercens*, the Church proposes that the agrarian reform be carried out from the point of view that "The Christian tradition never defended such a right [of property] as something absolute and untouchable, but on the contrary has always understood it in the broader context that all should use the benefits of creation; the right of private property is subordinate to the right of common usage, which is subordinate to the universal destiny of all property."

Ground water potential highlighted

South Asia has enormous water resources that could give growth a quantum boost.

South Asia has the best and most extensive underground water resources in the world, and the Upper Gangetic plain alone has some 26 billion acre-feet of fresh water in storage, Paul H. Jones, an international expert on ground water, told a recent seminar in Washington, D.C.

"The resource development potential of deep aquifer systems of South Asia appears to be very large, and the economic feasibility of large-scale development appears favorable," Dr. W. David Hopper told the same seminar. Hopper, World Bank vice-president for South Asia, added that large-scale deep aquifer development could benefit 500 million people living in the Ganges, Bramaputra, and Irrawaddy river basins by providing a reliable source of agricultural, industrial, and drinking water.

The two-day Washington, D.C. seminar, organized by World Bank special adviser A. H. Shibusawa, focused on advantages of ground-water development in various parts of the world.

It was not the first time the enormous benefits and, indeed, the urgency of tapping ground water resources in the Gangetic plain have been addressed. There have been persistent voices in India urging this line of action, and in April 1985, a two-day seminar sponsored by *Fusion Asia* in New Delhi on India's economy featured a proposal for comprehensive development of the Ganges basin, in particular its ground water resources.

"We need a 'task force' approach

to the problems," *Fusion Asia* editor Ramtanu Maitra said. "Taking the valley as a whole, we need to formulate a comprehensive water-management program—including most emphatically the ground-water as well as surface-water subsystems. This program must be the basis for systematic development of the enormous economic potential of this mighty river and the basin it defines. As a first step, a time-bound professional technical survey of the basin as a whole should be undertaken."

More recently, in a talk here on India development perspectives for the year 2000, former Reserve Bank governor R. K. Hazari emphasized the potential of Ganga basin ground-water development. Hazari pointed to this project in a plea to shift the focus of planning from "preoccupations with accounting to a more visionary outlook for programs of wholesale transformation."

Exploitation of ground water resources in the Ganges and Bramaputra basins, he said, "would completely alter the poverty and unemployment situation in Uttar Pradesh, Bihar, Madhya Pradesh, Orissa, and, provided adequate care is taken of extension, marketing, processing, and transportation, it would also generate large agricultural surpluses for export."

Presently, the Ganges basin, with nearly half the population of India and dominated by subsistence agriculture, is perhaps the single biggest drag on the overall economy.

Water management has been a part

of India's development efforts from the outset, but so far it has been approached in a narrow, piece-meal fashion and results have been far below potential. Nowhere has the river-basin system of the Ganges, for instance, been looked at as an ecological whole, much less from the standpoint of leveraging overall economic development.

A study, "The Ganges Water Machine," by Harvard professor Roger Revelle and Z. Lakshminarayana of the Indian Institute of Technology in Uttar Pradesh, threw light on the potentials of the basin water system in 1975. The study showed how, with a program of ground-water pumping during the dry season and use of underground aquifers to store monsoon flows in the rainy season, maximum use could be made of the river system's total water resources, 80% of which are presently unused.

But it doesn't seem to have made much of an impact here, where the central ground-water board, just one of a plethora of water-related agencies, is still plugging away on a "hydrological survey" it doesn't intend to finish until 1995!

Now, however, the tide may be turning. Already, a committee set up by the Reserve Bank of India to look into the question of agricultural credit has recommended that before acting for construction of high storage dams in the Himalayan region, the technical feasibility of tapping deep aquifers, 4,500 feet or more, in Eastern Uttar Pradesh, Bihar, and West Bengal, must be explored.

In particular, the area between Kosi in Behar and Saizabad in Uttar Pradesh has been identified for development. According to newspaper reports here, the exploratory part of the program, in which modern drilling tools are to be utilized, has been estimated at \$23.8 million.

FDIC caught in 'Bank-gate' scandal

Some say that Donald Regan is using the federal agency as "political plumbers."

Bankers and businessmen around the country are providing evidence that White House Chief of Staff Donald Regan and Federal Reserve chairman Paul Volcker are using the Federal Deposit Insurance Corp. (FDIC) to financially and politically aggrandize the Republican National Committee (RNC) and its cronies by bankrupting thousands of small banks.

Sources report that Jake Butcher and others were bankrupted because they were Democrats. But as a report issued by *EIR* in 1983 noted, the broader motive is that Dope, Inc.'s largest institutions, like Regan's Merrill Lynch and David Rockefeller's (and Volcker's) Chase Manhattan, planned to cover their own bankruptcy by absorbing regional institutions at bargain prices.

The "Bank-gate" scandal, first exposed in *EIR*'s 1983 Special Report, "The Coming Reorganization of U.S. Banking," has now grown into a multi-billion dollar version of Watergate. Regan's FDIC spent some \$1 billion in taxpayers' money in each of a dozen bank closings, it charges, much of which was kicked back to RNC cronies in Republican-run "survivor" banks.

Tennessee industrialists say that the Regan FDIC's "dry-out" of Jake Butcher's United American Bank of Knoxville, Tennessee (UAB) was "pure politics." The FDIC shut the bank in February 1983 without even a minor depositors' run. "There is no doubt the regulators intended to stick it to the Butchers," locals said then.

The RNC moved in when Jake Butcher in November 1982 challenged their control over the state and won,

backing Democratic candidates against not only Republican Gov. Lamar Alexander, but even against the daughter of Republican Senate leader Howard Baker. "Baker, a top member of the Trilateral Commission, said 'That's it for Butcher!'" one source stated. "He put the word out to the RNC, starting with RNC chairman Bill Brock, another Trilateral from Tennessee, and to Governor Alexander.

"After the FDIC closed UAB, they brought in a Republican bank, First Tennessee, from 390 miles west in Memphis, turned over UAB's assets to them, and made payoff. Instead of encouraging First Tenn to help UAB's borrower companies, like mine, the FDIC paid them to bankrupt \$458 million in perfectly good loans to the corporate borrowers of UAB. The FDIC paid First Tenn 40¢ on the dollar—over \$183 million in taxpayers' money.

"The FDIC made First Tenn into bounty hunters—just because they were a Republican bank. First Tenn could only earn 12-15% interest on the loans—versus the 40% they were paid off for bankrupting us!

"They actually shut down the entire economy of eastern Tennessee doing this. You figure manufacturers with \$458 million in loans were put in involuntary bankruptcy, each of whom owed their vendors 3 to 5 times that, and you've put all of Knoxville into a 10-year depression.

"Mike Edwards, the liquidator for the FDIC, told me personally in front of my lawyer, 'I'm going to break you. . . . No one will ever do business with you again,' he said.

"The FDIC and the FBI down here

have made it perfectly clear to the Democrats involved that if we say a word to anyone, they'll put us away.

"I heard a man from Washington tell the FDIC guys that they had created a 'billion tax-dollar bubble' from nothing. He added it up: \$458 million in lost loans, plus \$183 million payout to First Tenn, plus \$70 million in lost interest, plus eight years paying the FDIC and FBI on the case."

The Butcher case "is the model for what is going to happen to small banks all over the U.S.," Barry Putman at the Washington Federal Reserve told *EIR* in February 1983. "It's time for a shakeout."

Meanwhile, across the farm belt today, "the Comptroller of the Currency and the FDIC are coming in and simply shutting down many banks," a Minnesota farm banker said May 30. "If you quote me, they'll finish me off.

"The way it's done is that the Republicans in Washington, like Senator Boschwitz and Senator Durenberger, both Republicans from Minnesota, tell us farm bankers that they want us to show forbearance to the farmers, not to collect or close the loans. So we stretch the loans out. Then, wham, the Comptroller or FDIC examiners come in and classify the loans substandard and kill us, make us write them off.

"My bank in particular has been turned from a viable bank into a wreck by this. In late 1984, we were negotiating with a St. Paul bank to buy us up, so we could get more capital and clean out these loans. The Fed approved it in December 1985, but then the Regan Treasury's Comptroller refused and in March 1986 they finally told us no. Well, during that time they had bled our loans down to the point where no one would buy us out now, and we can't get new capital.

"The only thing I can conclude is that they wanted the bank just shut down."

Dairy slaughter proceeds

The national cattle herd declines, exactly as planned by the international dairy cartel companies.

On May 24, the U.S. Department of Agriculture (USDA) announced its latest estimates for the number of dairy animals being eliminated at present under the "dairy herd termination program." By August, an estimated 931,360 animals will have been eliminated since April.

In addition, dairy farmers not participating in the program—in which the government pays the farmer to slaughter or otherwise liquidate the herd—are also shutting down. For example, in Tippah County, northern Mississippi in May, a dairy operation was auctioned in a sale forced by the Farmers Home Administration (FmHA) in late May. This is common.

The number of dairy cows slaughtered in April was 280,088; the number in May will be about 163,216; the number expected to be slaughtered in June is 121,603; the number in July is expected to be 137,500; and the number expected to be slaughtered in August is 228,950. The rationale given by the USDA is that there is an oversupply of dairy products, and an overcapacity of milk production. However, measured against the need for better nutrition in the country, when per capita dairy consumption has been falling, and measured against the tremendous need for high protein food supplies in nations abroad, the oversupply is a myth.

Congress, after passing the unprecedented "dairy herd termination" program last December, as part of the five-year "Food Security Act of 1985," in subsequent months, has simply made gestures of concern about the possible ill effects of the program, particularly on beef producers. Firstly, Congress has avoided serious ac-

tion to open up the vast potential for international dairy exports from the United States, despite the raging food trade warfare perspective, conducted by the State Department and the USDA, in particular, by USDA Undersecretary Daniel Amstutz, a Cargill man, who represents cartel interests.

The international dairy trade has always been dominated by only three cartel trade companies: Nestlé of Switzerland; Unilever of northern Europe and Britain; and the New Zealand Dairy Board—a holdover from the British Empire. The U.S., with its extensive dairy infrastructure, was never permitted entry into the world dairy trade. It is the policy of the international dairy cartel companies that the independent dairy output potential of the U.S. be drastically scaled back.

The number of milk cows in the national dairy herd will be slashed by over 10% in the short 18-month period of this current termination program. As of January 1986, there were about 11.79 million milk cows (that have had calves). This number is now declining weekly.

The beef cattle producers filed suit and won compliance by the USDA with the beef producers demands that the dairy slaughter program be conducted in a way to stop the devastating market price drop that is hitting the beef farmers. However, little has been done, because the national behind-the-scenes policy of the USDA and State Department and collaborators in Washington is to drastically reduce the food output potential across-the-board in the U.S., not merely to cut back so-called surplus dairy production.

This food reduction policy, for ex-

ample, was spelled out in detail under the Carter administration, in the form of the White House-ratified report, *Global 2000*, which called for cutting the world's population by half by the year 2000. In this line of thinking, there would be half as many farmers, and far less food. This policy has been continued on the level of undersecretary and staff under the Reagan administration.

The total cattle and calf inventory of the country (both beef and dairy) has shown the following decline in recent years: July 1983: 123.54 million head; July 1984: 121.5 million; July 1985: 116.3 million; and January 1986: 105.468 million head. This represents a drastic reduction in breeding stock and output "bounce-back" potential, as well as a simple drop in numbers.

In a display of ineffectual dissatisfaction with the dairy herd termination program, the House Operations Subcommittee voted 5-2 on May 15 to subpoena Frank Naylor, USDA undersecretary, to testify before the committee, because he had refused to provide them information on how the program was being implemented. Naylor claimed he was not involved. Subcommittee chairman Glenn English (D-Okla.) said, "By refusing to testify, Mr. Naylor is showing his contempt not just for Congress but for American farmers whose very livelihood depends on the sensitivity and even compassion of officials who carry out farm programs such as the dairy buy-out."

However, Congress was too timid and ill-informed to subpoena the party higher-up who is responsible for the deliberate policy of shutting down farms and food, Undersecretary Daniel Amstutz. Representative English said that the subcommittee wanted to have Amstutz appear, but that they focused on Naylor, because he refused.

Now, Argentina is importing meat

Another crime of U.S. Federal Reserve chairman Paul Volcker, who helped impose the Austral Plan.

You may not believe it, but Argentina, formerly one of the world's major meat-producing countries, now, on the eve of the first anniversary of the launching of the famous "Austral Plan" of President Raúl Alfonsín, has begun to import meat.

In fact, the Alfonsín government has just authorized importing 5,000 tons of chicken from Brazil, and will import 5,000 tons more in the next month. At the same time, Argentina has begun to import lambs from Uruguay, and it is reported that the Economics Ministry is now studying the possibility of importing beef from the European Common Market.

The implications of this situation go far beyond Argentina itself, since Argentine agricultural products are key to the survival of other nations, particularly within Ibero-America.

The cause of this situation is the Austral Plan, which was negotiated under the table, with the officious aid of U.S. Federal Reserve Board chairman Paul Volcker, to pay war reparations for the 1982 Malvinas conflict.

The Plan, fraudulently advertised as a "heterodox" solution to the problems of a debtor nation outside the strictures of the International Monetary Fund, brought in a new currency, the *austral*, and pretended to make concessions to the populace by means of a wage-price freeze.

The measures of the Austral Plan have provoked a drastic drop in Argentina's agricultural production, at

the same time that the Plan has raised the domestic price of meat by increasing the production costs, with very high interest rates.

Although the alleged aim of the Austral Plan is to hold down inflation, reality is that inflation has gone up, reaching truly astronomical levels.

Despite the brutal recessionist measures imposed by the International Monetary Fund, the rate of inflation achieved this year shows that the "anti-inflationary" effects of the Austral Plan, which will have been in effect one year on June 13, do not exist. Between January and February inflation went up at a monthly clip of 3%. In March, it was 4.6%; in April it grew at the rate of 5%; and in May, in just the first three weeks inflation reached 4.4%, and could climb to 6% for the month.

As for industry, the situation keeps getting worse. Already in the last quarter of 1985 the Gross Industrial Product had suffered a record descent of 15.7% in only three months. Today, Argentina has a Gross Industrial Product equal to that of 13 years ago, and the per-capita GIP has dropped to the level of 1970.

The fall in industrial production has been worsened by the very tight money policy, which has provoked high interest rates that impede reactivation of the economy. During May, the interest rates paid by the Central Bank for the so-called "treasury letters" mounted to 4.75% monthly for

operations of \$7,000 and up.

For figures below \$7,000, the interest rate on fixed-term deposits is 4% monthly. Moreover, corporate and private borrowers have to pay the so-called "interbusiness circuit" which is 7% monthly, if they are top businesses, and make a reserve deposit in dollars or government bonds.

The medium-sized and small businesses, which don't have dollars or government bonds as guarantees, pay a monthly interest rate that runs between 8% and 15%. In addition, when the top firms get behind in paying their vendors, the latter charge interest rates of 9% monthly on the back debt. This figure is higher yet when the debtor company is of smaller size.

These interest rates and the fictitious stability of the austral/dollar exchange rate imposed by the government have reintroduced the notorious "financial bicycle" practiced during the era of Treasury Minister José Martínez de Hoz, a good friend of Henry Kissinger and the international banking fraternity who has so far managed to stay out of jail despite his key role in the abuses of the former military regime.

Any foreign or national investor can exchange his dollars for australs, lend the australs at these exorbitant interest rates, get back the australs after one, two, or six months, and return to buying dollars with them or take them out of the country.

Riding this bicycle, for every \$100 which in the past 11 months of the Austral Plan came into the country as short-term loans, the speculators extracted between \$160 and \$200: that is, an annual financial "profit" of 60-100%.

It is calculated that the "financial bicycle," invented by the wizard Martínez de Hoz and reiterated by the wizards of the Austral Plan, has already cost Argentina about \$1 billion in the first five months of 1986.

Medical laser update

A whole new generation of laser instruments, combined with fiberoptics, makes the surgeon's job much easier.

The sixth annual meeting of the American Society for Laser Medicine and Surgery May 24-26 in Boston presented an impressive display of the revolution in medical treatment which has occurred since Theodore Maiman, a scientist at Hughes Aircraft, created the first working laser in 1960.

Initially used by ophthalmologists for certain eye problems, the first ruby lasers have given way to a whole generation of new instruments which, combined with the development of fiberoptic technology, have enabled physicians to access and treat lesions previously untreatable, and to reduce the complications of traditional surgical procedures.

Lasers are now used extensively in ophthalmology, gynecology, dermatology, pulmonary surgery, and ear, nose, and throat surgery. Their use is now expanding into the digestive tract, nervous system, urinary system, and even the cardiovascular system.

Because of the ability to focus energy precisely, and both cut and coagulate, the laser has primarily been used as a substitute for the scalpel and cautery in surgery. In these applications, the laser has demonstrated its ability to reduce operative and post-operative bleeding from such major procedures as mastectomy. In addition, patients undergoing laser surgery suffer less post-operative pain and spend less time in hospital.

In September 1985, a new hospital with centralized laser-beam supply systems was opened in Omiya City,

20 miles north of Tokyo. At present, beams of three different types of lasers can be supplied to two operating rooms and six outpatient treatment rooms by optical fibers up to 300 feet in length. In each room is a terminal which can input the doctor's orders into the central computer—laser type, power output, patient appointments, etc. In addition to the three central lasers, Nd-YAG (Neodymium-Yttrium-Aluminum-Garnet), Argon, and Argon-Dye, there are mobile Nd-YAG, CO₂, He-Ne (Helium-Neon), and semiconductor laser units installed at the hospital. In the near future, gold-vapor and excimer laser units will be added. As of November 1985, 40 major surgical operations were performed using the laser system.

One of the most rapidly growing areas in laser medicine is photodynamic diagnosis and therapy. This new development is based on the fact that tumors, and certain other lesions, selectively accumulate chemicals, such as hematoporphyrin derivative (HPD), which is a breakdown product of hemoglobin, the pigment of red blood cells.

Diagnosis is based on the fact that HPD, and other similar chemicals, are optically active, and will fluoresce when illuminated with light of certain wavelengths. This causes tumors in such areas as the bronchial tree to light up when they are illuminated, enabling doctors to identify tumor tissue otherwise indistinguishable from normal tissue.

In photodynamic therapy, tissue

containing these dye substances selectively absorbs laser light and undergoes necrosis, or tissue death, while adjacent normal tissue is spared. A variation on this effect is under study in the treatment of arteriosclerotic plaques in arteries. Laser wavelengths which are preferentially absorbed by the yellow plaques are used to destroy the plaque while avoiding damage to the normal blood vessel wall.

Like other forms of radiant energy, lasers exhibit a destructive effect at high intensity and a stimulating effect at low intensity. Since 1971, scientists at the Postgraduate Medical School of Budapest, Hungary, have studied the effect of low-intensity laser irradiation on non-healing and poorly healing skin ulcers. Treatment by laser has resulted in healing of 80% of previously non-healing skin ulcers, including post radiation therapy ulcers.

Another use of low intensity laser irradiation, reported on in Boston, is for relief of pain in rheumatoid arthritis and other musculoskeletal conditions. In one study, in California, 72 subjects with rheumatoid arthritis received treatment with a low-powered Helium Neon laser, or a placebo treatment. There was a highly significant decrease in pain and increase in activity in the treatment group, compared to the control group.

Another study on inflammatory diseases of the mouth, such as gingivitis and periodontitis showed a relatively rapid regression of inflammation, with lessening of secretion, swelling, and hemorrhage, following application of low-power laser energy from a Helium Neon laser. In addition, there was suppression of bacteria and enhanced regeneration of tissue.

While the laser, like any other medical treatment, is not a cure-all, it does represent a quantum leap forward in medical diagnosis and treatment.

Business Briefs

Epidemic

Uganda suffers AIDS outbreak

In late May, Dr. Ruhakanga Rugunda, Uganda's health minister, announced that emergency health measures would be taken in the face of the "widespread" presence of the deadly Acquired Immunity Deficiency Syndrome (AIDS) disease, admitting for the first time that a serious problem existed in the African nation. Dr. Rugunda conceded that Uganda was faced with a serious outbreak of AIDS, and said it was seeking help and advice from the United States and the World Health Organization. Funds have been allocated for an anti-AIDS campaign.

A Pakistani missionary doctor, Dr. Mohammad Bajwa, said that nearly 1 in 1,000 people had AIDS, and a minimum of 500 people have died in the past 12 months in Rakia district, one of the worst affected.

Researchers estimate that 10% of the sexually active population—women and men—may be infected with the virus. "It is as if an entire segment of the population here had been irradiated; what we've got here is a sort of Chernobyl," said Dr. J. Wilson Carswell.

When asked if Uganda were experiencing an AIDS epidemic, Carswell responded: "It was an epidemic last year. It is now a disaster. It's going to wipe out many, many people here."

"What our numbers suggest," said Dr. Rick Goodgame, an American missionary doctor, "is that we have more people with the virus in Uganda than in the whole of the United States."

Labor

García prevents mass strike in Peru

Peruvian President Alan García succeeded in averting a mass strike in Peru, a situation which had caused him to postpone—for the fourth time—his planned trip to Panama the week of May 25 to work out details of his proposed Ibero-American debtors summit.

In a statement to the nation on May 25,

García declared that there could be no solution to Peru's economic crisis unless there was "order and acceptance of authority to defend our democracy." He said that he had postponed his Panama trip because "I don't want to bring shame for Peru. When I travel [to Panama], I want to bring a position of solidarity, that proves our country is mobilized."

Approximately 180,000 teachers returned to their jobs May 27, while the 500,000-member civil-servants' union CITE also suspended a planned strike for the that day. Leaders of both unions met with García and agreed to return to work while negotiations on their demands continued, although some 35,000 health ministry workers of the CITE did walk off the job, despite the agreement. One day earlier, 7,000 public health doctors had returned to work after a seven-week strike, ending a bitter confrontation with the government.

Fanning the flames of confrontation with the García government has been the Communist Party-run CGTP trade union, which on May 21 published a full-page ad in the daily *La República* calling for a national strike against "the reactionary labor policy of the government."

In an interview with the leftist magazine *El Nuevo Diario*, the cultural secretary of the CGTP, Hernán Espinoza, described the government as using "fascist" methods of repression against the workers "comparable to those of Mussolini and Hitler."

Espinoza stated that a right-wing coup was in the works in Peru, and—reversing an earlier position of his union federation—declared that the CGTP would not defend the García government against such a coup threat.

Asia

Thai union adopts development plan

The Thai Trade Union Confederation, the nation's largest confederation, led by Paisal Thawatchainan, has adopted an economic platform put forward by Pakdee Tanapura, the Thai representative of the international Schiller Institute, headed by Mrs. Helga Zepp-LaRouche. Thawatchainan is an ad-

visory board member of the Institute.

In the Executive Council meeting, Tanapura presented the outlines of a development program for Thailand, that the TTUC will now use to measure candidates in the July 27 elections.

The program calls for Thailand to:

- Adopt the Peru model for national economic sovereignty against the International Monetary Fund;
- Embark on a major campaign to upgrade agricultural productivity;
- Upgrade national education, especially science education;
- Institute a two-tiered credit system favoring production;
- Build a canal through the Isthmus of Kra;
- Establish parity prices for farmers.

The TTUC Executive Council sent the program to all party leaders on May 29, inviting them to come before the TTUC June 8 to discuss the program.

This is the first initiative in Thailand to propose an economic program that can solve the current government crisis. The program will also appear in the second issue of *Off the Record*, EIR's Thai monthly newspaper.

International Trade

West German industry shocked by U.S. policy

The West German Machine-Tool Association, the VDW, is shocked over U.S. import restrictions recently announced by the Reagan administration. An association spokesman told *EIR* on May 26 that they were "completely surprised" and alarmed at the form of import restrictions on machine-tools imposed this month by the Reagan administration.

Reagan's May 21 call, the spokesman declared, is for a very broad "voluntary" ceiling for Germany, along with Japan, the world's largest exporter of machine-tools. Swiss and Taiwanese exports are also included, but the VDW source indicated the de facto quota hits German machine exports at a very vulnerable time.

The Reagan administration had decided to restrict negotiations on voluntary limits

Briefly

● **THE EUROPEAN** Community (EC) has opened an office in Jakarta, Indonesia to manage relations with ASEAN, according to a newsletter of the Catholic Institute for International Relations in April. The EC is the third-largest investor in ASEAN.

● **UNITED STEEL** Workers of America local presidents gave their approval in late May to a tentative contract agreement with Bethlehem Steel Corp. The contract would cut wages and benefits to the 30,000 employees by \$1.98 an hour.

● **SOUTH KOREA'S** economy grew by 9.5% in the first quarter, the Bank of Korea reported the last week in May. The 9.5% annualized increase, a provisional figure, compared to 5.5% for all 1985. The Bank of Korea predicted that growth for the year would reach 8.8%. The manufacturing sector grew 11.4% in the quarter. Exports grew by 22.9%, while imports increased by 16%. Korea's current account deficit went down from \$778 million in the first quarter of 1985 to \$212 million this year.

● **A HALF MILLION** workers walked off their jobs throughout Australia in protest delays in wage raises on May 28, one day after Prime Minister Bob Hawke warned of hard times ahead for the economy. The "Day of Protest" called by powerful Australian Council of Trade Unions closed down all major ports for 24 hours and disrupted almost all major industries and public transport.

● **THE MEXICAN** Economic Council is "on a forced march" toward adopting a "heterodox shock" plan to meet some of the demands of the IMF and foreign bankers, according to *La Jornada* of May 29. A official of the planning ministry said that with or without moratoria, "We will have to continue adjusting public finances: increasing income and making expenses appropriate."

to six months; if no decision has been made by that time, the administration will take action.

New orders for German industry for the first quarter of this year are down 13% over one year ago, while export orders, some 62% of the German output, are down 29%.

Banking

Colombia declares loan 'unconstitutional'

The Colombian Supreme Court in late May declared that a Chemical Bank syndicated loan to Colombia is unconstitutional.

The \$1 billion loan arranged by Chemical Bank was ruled invalid because it violated national sovereignty by surrendering jurisdiction over the contract to foreign courts. The loan stipulated that U.S. courts had jurisdiction on any litigation arising from the loan.

The loan was signed early this year following several years of haggling, but only \$50 million has been disbursed. The creditors have withheld other disbursements to blackmail the Colombian state sector into paying other alleged debts.

Free Enterprise

Legalized gambling rejected by Mexico

Casino gambling was turned down in Mexico, the interior ministry officially announced May 24, one day after the leader of the "tourism lobby" had announced it would go to the Congress to ask for permission to legalize casinos.

The major argument of the tourism lobby had been that casinos would attract U.S. gamblers to come and spend money in Mexico, while discouraging Mexicans from going to Las Vegas.

Mexico's tourism industry is heavily penetrated by border-straddling organized crime. The Tijuana race track is a classic example of the Los Angeles mafia's use of

Mexico for its money laundering. The roulette wheels would serve as washing machines for the huge flow of dirty money now cleaned by Mexico's resorts and prostitution rings.

Casinos would also serve as a cover for accelerated capital flight. Most of the estimated \$3 billion spent by American tourists annually in Mexico disappears into the illegal black market and leaves the country.

Until very recently, the dope lobby was convinced it would have casino licenses by the end of the year. Late last year, the same interior ministry gave permission for the Vog discothèque to hold a dry run operation of a casino, using fake money, according to its owners. The demonstration was stopped when attention was called to it by the Mexican Labor Party.

The interior ministry ended its communiqué published in leading newspapers by asking Zapata, who has claimed that there are 400 illegal casinos operating in Mexico City alone, to provide it with sufficient data on the location of illegal casinos "to close them and punish those responsible."

Banking

Who will buy up Continental Illinois?

In late May, the Federal Deposit Insurance Corporation (FDIC) was trying to find a way to divest itself of its 80% ownership in Continental Illinois.

The federal agency has hired the Morgan Stanley investment bank to advise it on disposing of its ownership in the banking company that the FDIC "rescued" in 1984 with \$4.5 billion.

The dilemma, reports Reuters, is that, with a bank the size of Continental Illinois, laws would have to be changed to allow a large U.S. bank to buy it. "Money center banks in New York and California cannot buy banks in Illinois under current laws," Lawrence Cohn of Merrill Lynch lamented.

Otherwise, a foreign bank will be found to buy Continental. Two large non-U.S. banks, Bank of Montreal and Algemene Bank Nederland, already own large Chicago Banks.

The heavy-lift vehicle that's lighter than air

David Cherry reports on breakthroughs in dirigible technology that will make it possible to "move mountains" and rapidly develop the Third World.

A program for rapid world economic development will have the urgent task of solving the problem of transporting capital equipment to Third World countries, where roads, ports, and other infrastructure are often nonexistent. This will require an airship that can carry high tonnages at low cost per ton-mile. It will have to have the vertical takeoff and landing (VTOL) and precision hover capability of the helicopter, but it will have to far exceed the payload tonnage of the most powerful helicopter, while outstripping the helicopter in cost per ton-mile. To meet those requirements, it must be a lighter-than-air (LTA) craft.

Consider, for example, the daunting prospect of hydroelectric development in Central Africa or the Lower Himalayas. Cable, transmission towers, transformers, concrete, and reinforcing steel must all be transported at a snail's pace over hundreds of miles of winding dirt road—road that may have to be constructed for the purpose. Unless, of course, a heavy-lift LTA vehicle is perfected. Over the past decade, design and experimentation for this kind of craft has been under way.

The history of the airship goes back to a parallel development with the early airplane. Ferdinand Zeppelin launched his first dirigible in 1900. It used lightweight metal girders to keep the body rigid, was controlled by two 15-horsepower engines driving propellers, and could fly at 50 miles per hour.

During World War I, the German Navy used Zeppelin dirigibles to scout the North Sea for surface vessels and

submarines. After the war, the U.S. Navy took an interest and developed a helium-filled dirigible for long-range scouting over the Pacific Ocean. Two versions of it were built, the *Akron* and the *Macon*.

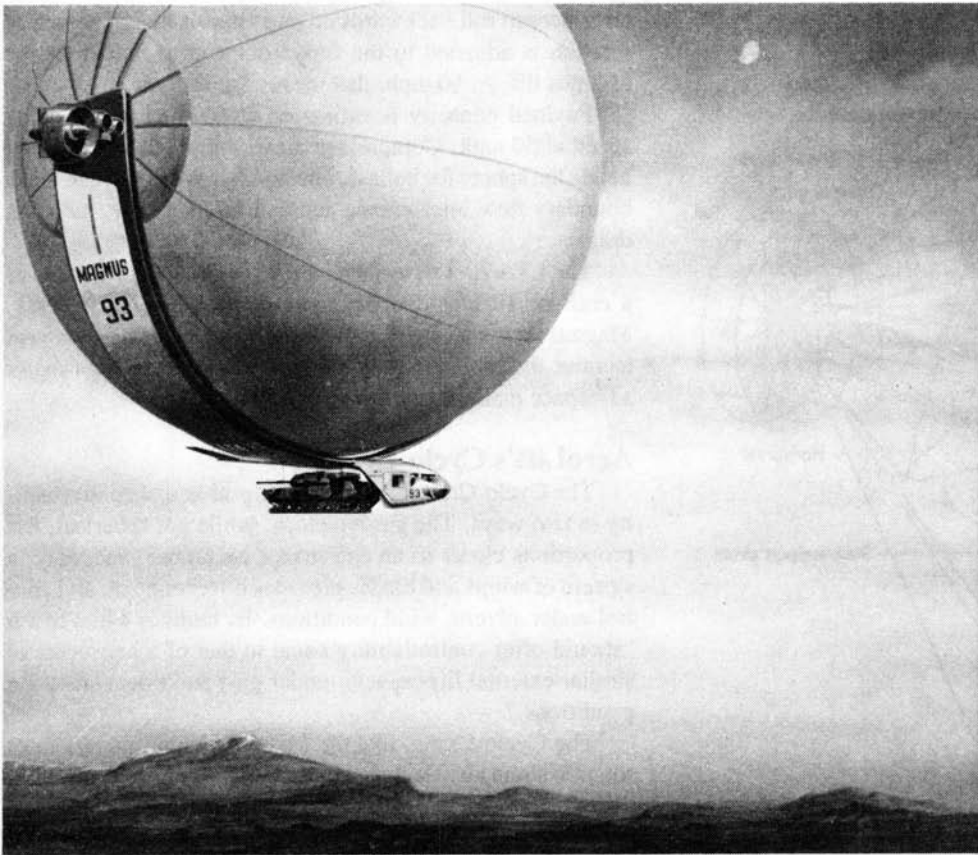
Both were destroyed in storms at sea, the *Akron* in 1933, the *Macon* in 1935. Then in 1937, the famous hydrogen-filled Zeppelin dirigible *Hindenburg*, which had made 36 transatlantic flights, crashed and burned in a storm at Lakehurst, New Jersey. This spelled the end of the huge rigid airships. During World War II, blimps were used for coastal convoys, but the blimp is a smaller, nonrigid craft with very limited maneuverability.

Why did so many dirigibles crash, and why was the dirigible idea abandoned? The flammability of hydrogen gas was not the problem. In fact, the American airships always used helium gas, which does not burn. What doomed the dirigible was the vulnerability of its large, lightweight frame to sudden stresses in stormy weather.

During the 1920s, the future of the dirigible looked rosy, since the airplane was then a flimsy and very dangerous craft. Dirigibles were ahead of airplanes in transatlantic flight. But during the 1930s, the design of airplanes advanced by leaps and bounds.

Airplanes began to be built of metal instead of cloth stretched over wood frames. Radio was installed in the cockpit to enable the pilot to stay on course while flying at night or in bad weather. Meanwhile, the best engineering efforts

FIGURE 1



The LTA 20-1 designed by Magnus Aerospace Corporation of Ottawa. The sphere rotates backward on the horizontal axis to produce Magnus lift as the craft moves forward. Hover is controlled by the thrust of turboprop engines mounted on either end of the axle. The engines can rotate to provide forward-backward and upward-downward thrust.

Magnus Aerospace

did not produce a dirigible that could stand the strain of storms and compete with the airplane in speed.

Because of the revolutionary advances in airplane technology, the dirigible offered no competition in most of its applications. The subsequent development of the helicopter met the need for heavy lift, where VTOL and precision hover were required.

The 1970s and '80s are witnessing a revival of the dirigible for tonnages no helicopter can be designed to carry. Two companies at work on these vehicles are featured here. Both got their initial impetus from the needs of the North American logging industry. While Third World needs are not shaping the market at present—quite the contrary—the other uses for heavy-lift LTA have led to significant interest in both companies' efforts.

AeroLift of Tillamook, Oregon is the company in the lead in actual development. Its Cyclo-Crane has undergone manned flight testing in a small version capable of two tons net payload. Its competitor is Magnus Aerospace of Ottawa, Canada, with an interesting and completely different design. Magnus has flight-tested a model of its LTA 20-1 too small to lift a significant payload or carry a pilot. A third design,

Piasecki Aircraft's Heli-Stat, now in the flight testing stage, is also of interest.

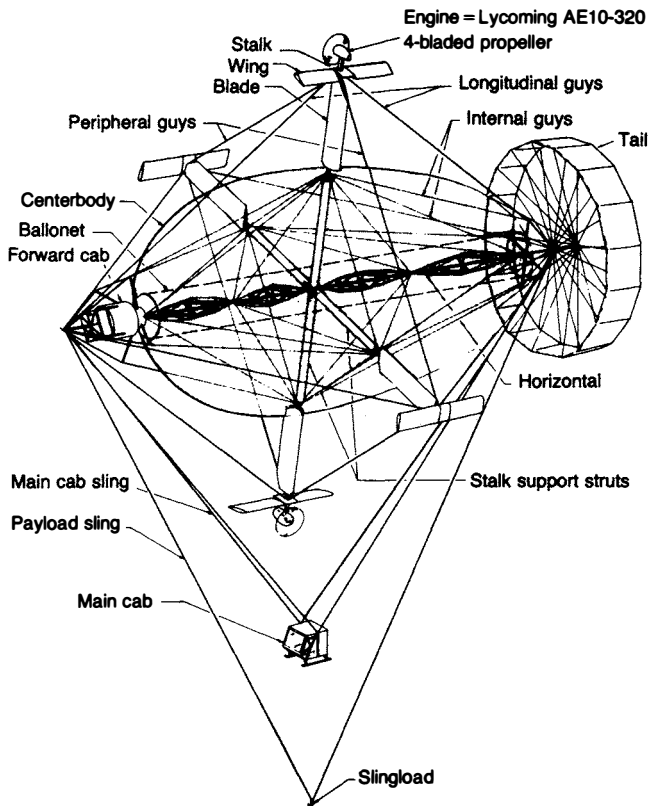
Both Cyclo-Crane and LTA 20-1 depart from all previous designs by combining aerostatic lift—provided by helium—with aerodynamic lift. Both consider that their designs could be scaled up to at least 100 tons of net payload (the most powerful helicopter can lift 15 tons).

In sum, because of the VTOL and hover requirements associated with many heavy-lift tasks, the airplane does not qualify. Because of the sheer weight of the cargo, the helicopter is ruled out. Because of metal fatigue, there is a limit to the size at which helicopters and airplanes can be built. But to exploit the dirigible for heavy lift, it has been necessary to address the unsolved problem that spelled the end for dirigibles in the 1930s—the problem of structural integrity under conditions of stress—and to develop more powerful control over the vehicle in flight.

The Magnus LTA 20-1

The Magnus design is based on a spherical gas envelope, on the grounds that the sphere provides the structural soundness lacking in the dirigibles of the 1930s (Figure 1). The

FIGURE 2



Schematic of the Cyclo-Crane. The entire gas envelope rotates on a longitudinal axis—the easiest means to rotate the blades and winglets. For vertical lift, no forward motion, the blades and winglets are positioned for this rotation, as shown here. The pitch of the winglets changes in the course of each full rotation, such that lift results. Going into forward flight, body rotation ceases and the winglets rotate through 90° on their stalks to face forward. These positions are shown in Figure 3.

AeroLift Inc.

sphere is geometrically the ideal shape from that standpoint. An axle passes through the sphere, and an aerodynamically shaped gondola is suspended from its ends. Also attached to the ends of the axle are the turboprop engines for maneuver and liftoff of the craft. They can rotate to shift the direction of thrust.

The employment of Magnus lift is the unique feature of the LTA 20-1. Magnus lift—named after the 19th-century German physicist Heinrich Magnus who observed the phenomenon—is the lift generated when a backspin is imparted to a flying sphere. It is why a baseball or golfball may “pop up.” Eighty percent of the craft’s lift derives from helium,

and 20% is generated by causing the giant, 61-meter-diameter sphere to roll backwards on its axis as it flies. The rate of rotation is adjusted to the forward speed to maximize the Magnus lift. At 60 mph, that means 3.5 rpm.

Payload capacity is estimated at 60 tons and cruising speed at 50 mph. Compressed air is pumped into a ballonet inside the sphere for ballast. The gondola is designed to mask boundary flow interference and control side flow, reducing drag.

The LTA 20-1 described here is the projected scale-up of a craft of 19-foot diameter first built and flown in 1981. Magnus Aerospace will issue stock in Canada later this year to raise the money to scale up, and is looking for a major aerospace manufacturer to go in with.

AeroLift’s Cyclo-Crane

The Cyclo-Crane addresses the problem of controllability in two ways. The gas envelope, while not spherical, has proportions closer to an egg than a cucumber. Secondly, a system of wings and blades provides hover control, and control under adverse wind conditions. Its builders claim that it “should offer controllability equal to that of a helicopter of similar external lift capacity under gust and direct sidewind conditions.”

The Cyclo-Crane, like the Magnus design, incorporates rotation about an axle through its center—but in a completely different approach (Figures 2 and 3). The axle runs the long dimension—along the line of flight instead of across it. The entire craft rotates to achieve rotation of winglets oriented parallel to the axle and mounted on four pods extending from the gas envelope at 90° intervals around the craft. Rotation (up to 13 rpm) is used to produce lift in the absence of forward motion, and is not employed once forward motion is well underway. Forward motion generates sufficient lift in itself.

How does this work? The winglets are subject to “cyclic control,” that is, the angle of attack of each winglet is varied in a repeating cycle in each full rotation. When one winglet is at the top, the one opposite is at the bottom. Their angles of attack at that moment are such that they complement each other in producing lift. This principle of cyclic control is borrowed from the helicopter.

As the vehicle goes into forward motion, rotation ceases, the winglets are rotated on their pods by 90° to face into the line of flight, and a separate “collective control” system takes over to adjust their angles of attack for achieving lift in that configuration. Also included in the collective control system is control over the airfoils on the pods (called blades in the diagram), for the same end of achieving lift in forward flight.

The designs compared

Comparing the two designs is difficult, since they are not at the same stage of development, and projections do not happen to have been premised on comparable payloads. The

FIGURE 3

AeroLift's Cycle-Crane at its mast in Tillamook, Oregon. The stabilizer tail design has been replaced by the one shown in Figure. 2.



AeroLift Inc.

Magnus LTA 20-1 is to employ four engines totaling 14,000 horsepower, and its projected payload is 60 tons. The flight-tested model of the Cyclo-Crane with a payload capacity of two tons, uses two tractor propellers with 300 horsepower combined.

Prof. H. C. Curtiss, of Princeton University's Department of Mechanical and Aerospace Engineering, points out that the two designs are roughly comparable in engine power

once the difference in scale is allowed for.

Curtiss says that gas volume scales up proportionally to payload, but that engine power scales up at more than the cube of the volume or payload (about a power of 3.5). The calculation necessarily ignores any redesign for scale-up. Curtiss is an authority on helicopter technology, and developed the mathematical model for the control of the Cyclo-Crane.

Curtiss urges that cheapness and efficiency are subordinate issues relative to controllability of the craft in hover and when faced with winds. "After all, all of these designs are *relatively* efficient in that they get so much lift 'for free,' so to speak. The Cyclo-Crane has strong positive control, and for the other two designs [the LTA 20-1 and the Heli-Stat—see below] it is less clear that they do," he says.

The Cyclo-Crane, he points out, employs its cyclical control system to maintain hover. In other words, it uses variations in the angle of attack of the winglets, and gets instant response from the craft. By comparison, the LTA 20-1 accomplishes hover by varying the thrust and direction of the turboprop engines mounted on either end of the axle. Hence some rotation of the craft must be accomplished before each desired lateral motion. This dictates a slower response of the craft, and the problem becomes more serious as the scale of the craft becomes bigger.

The spherical shape which gives the LTA 20-1 its advantages also brings along a significant disadvantage—the sphere is not a preferred shape for forward flight because the turbulence in its wake causes a great deal of drag. Magnus Aerospace President Fred Ferguson argues that his craft will give

a superior performance in cost per ton-mile. That may be true below a certain speed. His design has indeed undergone wind-tunnel tests at the Institute for Aerospace Studies of the University of Toronto. But Curtiss recalls a predecessor of the Cyclo-Crane in the late 1970s called the Aerocrane, based on a spherical gas envelope (*Journal of Aircraft*, October 1980). A research version was flown, but air resistance arising from the spherical shape made it very hard to drive, he says.

The Piasecki Heli-Stat

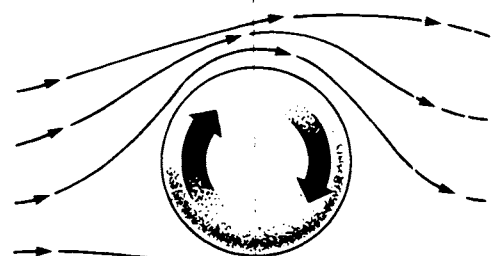
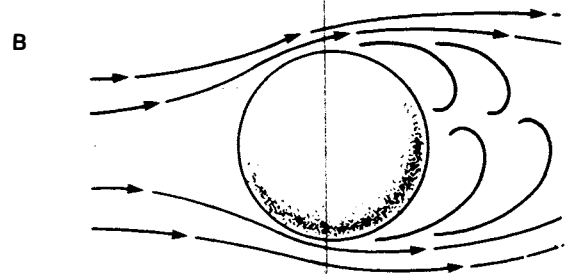
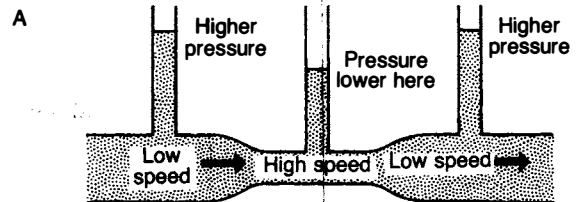
In addition to the two designs featured here, Piasecki Aircraft, headed by Frank Piasecki in Philadelphia, is experimenting with a craft called the Heli-Stat. It is a blimp whose gondola is attached to an H-shaped structure; each arm of the H is attached to an H-34 Sikorsky helicopter. The principle here is to use the lift of the blimp to relieve the helicopters of the work of lifting their own weight. The helicopters' power can be used entirely to lift the payload. The Heli-Stat is not lighter than air, and is described as a "buoyant quadrotor." By comparison, the Cyclo-Crane is truly lighter than air, and must literally fly downward to reach the ground.

The Magnus effect

When a liquid or a gas moves across a surface, the pressure it exerts on the surface will decrease if the fluid speeds up. This is called Bernoulli's principle. Diagram (a) shows a flowing liquid being forced to speed up when the tube narrows. The pressure columns show that the pressure is less where the speed is greater. This can be demonstrated using plastic or glass tubing from a scientific supply house.

The Magnus effect is a special case of the Bernoulli principle, applied to a rotating cylinder or sphere, which was first noticed by the German physicist Heinrich Magnus more than a hundred years ago. Here is how it works:

In the non-rotating sphere (b), airflow separates equally from the top and bottom near the midpoint of the sphere. In the rotating sphere, flow remains attached longer to the top side. The sphere's rotation speeds up the airflow. At the bottom side, the rotation goes against the direction of airflow. This causes earlier flow separation. The velocity difference and the downward deflection of the wake produce Magnus lift.



Flight-testing

The U.S. Forest Service is interested in both the Cyclo-Crane and the Heli-Stat as potentially useful for logging, and contracted the Aerospace Corporation in El Segundo, California to write the specifications for flight-testing both craft.

Forest Service interest in the Cyclo-Crane goes back to 1982, when it put \$1 million into testing it. The original craft was destroyed in a gale that year, after tolerating winds of 70 knots for hours. After rebuilding on a much-reduced budget, the Cyclo-Crane in January 1985 achieved full forward flight at about 40 mph with a load of timber. Some flight data were accumulated before the Forest Service money ran out.

The Forest Service resumed flight testing with money from the Pentagon's DARPA, in tests which ran from June until mid-December 1985. The military interest in the Cyclo-Crane stems from a need for heavy lift and the need for a phased-array radar platform capable of remaining on station for days at a time. During these tests, the Cyclo-Crane hovered, maneuvered vertically and laterally, and made the transition to forward flight. It exercised all controls both tethered and untethered. A great deal of data was accumulated on magnetic tape, and data reduction is still continuing. The data goes into the continued development of the computer model simulating the performance of the craft, providing coefficients from actual flight.

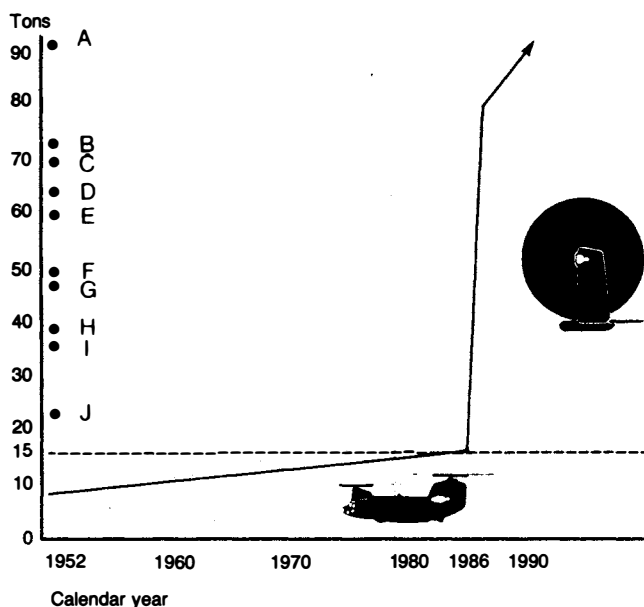
The design of a scaled-up Cyclo-Crane for the Army is now on the horizon, according to Virgil Binkley of the Forest Service's Bureau of Timber Management in Portland, Oregon. Binkley says that \$900,000 is expected from the Army through Fort Eustis, Virginia for such a design, and the definition of the contract is now in process. McDonnell Douglas and Lockheed have expressed interest in manufacture of the Cyclo-Crane.

Flight testing for the Heli-Stat at Lakehurst, New Jersey has been supported by Forest Service money and Navy equipment and personnel. Testing is in the initial phase, and control evaluation and calibration has been carried out with the craft tethered to the mast. Two free flights in hover have been accomplished. A control difficulty was experienced in the second of these, on April 28, resulting in damage to two landing gears, but flight testing should resume before the last week of May. An error in calibration is held responsible. Testing should then continue through the summer.

Foreign interest

Foreign countries, especially in the Third World, have expressed interest in LTA heavy-lift technology. Ray Trudeau, Magnus Aerospace vice president for sales, says that companies in Japan are interested in representing Magnus in the Pacific Rim, including C-Itoh and Nissho Iwai. Trudeau mentions Singapore, Indonesia, and Malaysia in connection with logging operations and the placement of transmission towers. China and India are energy-hungry, Trudeau says.

FIGURE 4
Heavy-lift vehicle capability
Typical payloads



- A: D-10 tractor
- B: 5 pieces of pipe
- C: 28 ft. x 8 ft. x 40 ft., 150 containers
- D: Main battle tank (M102)
- E: Pipe layer (D-9 with counter balances)
- F: D-9 tractor
- G: 2 mil vans
- H: Pre-fab structures
- I: 8 ft. x 8 ft. x 40 ft., 150 containers
- J: Mil van (8 ft. x 8 ft. x 20 ft.)

The potential of heavy-lift LTA in relation to helicopter capacity, as conceived by Magnus Aerospace.

Magnus Aerospace

India has plans to spend more than \$40 billion chiefly for hydroelectric capacity according to World Bank information, and in China, one such energy project alone is priced at \$26 billion.

Inquiries to Magnus directly from Africa have not been forthcoming in the past two years, but Bechtel Engineering has been in touch concerning mining applications.

In earlier years, LTA heavy-lift technology was the subject of studies by the United Nations, for food relief and transport of goods to market. Such goods can take three to six weeks to travel 700 miles over existing rail lines—where they exist. The U.S. Agency for International Development studied the technology for such uses in the Sahel.



The Magnus Aerospace plan for a heavy-lift dirigible

Mr. Ferguson is the president of Magnus Aerospace Corporation, in Ottawa, Canada. He was interviewed by David Cherry on March 24.

EIR: You're at the stage where you must scale up, and you're looking for funds to do that. What is the best current prospect?

Ferguson: We will be raising money—the major funding we expect—by way of a public stock issue in about six to eight months. We will be keeping the project here in Canada and will have the advantage of certain forms of government assistance in bringing manufacturing on line in a high unemployment area in the eastern part of Canada.

EIR: Do you have a town or site selected?

Ferguson: We have a proposed site for the manufacturing in the Cape Breton region, which is the northern part of Nova Scotia.

EIR: Are the logging companies still interested?

Ferguson: Yes. I'm not sure that I would consider them a prime target market, but yes. The economics of logging varies, depending on whether lumber is selling at high or low prices. That's what makes logging a prime target or not. So we see the target markets as being more in the transportation of expensive or heavy equipment and supplies to northern and off-road areas, the erecting of buildings, transmission towers, and pipeline. The James Bay hydroelectric project could have made very good use of this vehicle. If you have to move transformers or D-9 tractors, it is ideal.

EIR: The Fusion Energy Foundation has proposed the development of Africa on a crash basis. Could you comment on the applicability of your craft to that purpose?

Ferguson: We have letters on file from the heads of some countries in Africa. They wrote asking if we could get them a craft. This goes back about three years. We have also had a number of consultations with some of the major aid groups for Africa, concerning the supply of wheat and foodstuffs to the interior. The nice thing about the craft is that it operates

at a very low cost per ton mile.

We have not commenced taking orders for the craft. Our business plan at the moment is to bring in a major aerospace group such as Westland in England [parent company of British Hovercraft—ed.], and form a working agreement with them. We're arranging all the financing here.

EIR: Has the Canadian government shown an interest? Have government departments come to see you or come to see trials of your scale-model craft?

Ferguson: Yes, they have. For example, the Department of Regional and Industrial Expansion (DRIE). We're working closely with them. Also the Transport Department has been keeping an interested eye on the whole program. The Air Industries Association of Canada—a lobbying body including everything from Pratt and Whitney to De Havilland—had enough faith in this as a project to have voted me in as a director and committee chairman.

EIR: What about Canadian defense?

Ferguson: I think Canadian defense is interested, but not as interested as the U.S. The U.S. military has shown a keen interest over the last three years. They would be the prime market.

The Army, for example, has shown an interest mainly because our craft will lift the new M1 tank that weighs 60 tons, and the Army has only one aircraft, as I understand, that can transport that tank [the Lockheed C-5A—ed.]. And aircraft require runways. I wouldn't consider our craft to be something you'd want too close to the front lines, although its radar image is minimal because of the amount of composite involved. It's more appropriate to long haul, and getting equipment to localized action. Now, the payload range of our craft starts at more than 50 tons net payload, and the flight range is up to approximately 1,000 miles given full net payload. And we can achieve much longer ranges by cutting back the payload.

The craft also has modular design, so you can change the size of the power plants, and they can be broken down for servicing. The craft is designed to respond easily to varying

mission requirements. In other words, there are a lot of modular options, something like the F-64 Skycrane helicopter. It is designed not to require hangars. And I think all of that's of real interest to the military. The 60-ton craft has a 180-foot-diameter sphere. We can go up to about twice that size given today's technology. This is off-the-shelf development, using standard aircraft fabrication techniques. We could actually go into production at about twice that size, at 360 feet, and at that size we could be achieving roughly 400 to 500 tons net payload.

Unlike a blimp, it handles exactly like a helicopter. It has the same hover capability and vertical take-off and landing performance.

EIR: What is the handling problem with the blimp?

Ferguson: The difference between what we have and a blimp is the difference between a tugboat and a sailboat, or a motorboat and a sailboat. A blimp is more of a sail-like vehicle. A blimp will not maintain a true hover. People say they hover; what they're really doing is maintaining a general position over the ground into a headwind, the same as a sailboat. That is best called "station-keeping."

True hover or "precision hover" refers to the ability to turn through 360° while holding a position within standard, specified limits. Helicopters do this. Precision hover is necessary for landing, docking, and unloading, without any ground crew involved in maintaining the craft's position. Our craft meets the standards of precision hover. The spherical shape—giving it the same exposure from every direction—and the powerful turboprop engines achieve this.

What we have under development is a very powerful craft that has controlled movement in all three axes similar to a helicopter. This may not be all that important when it comes to dropping off food, but it's important when you run into difficult weather, and when it comes to tasks such as placing transmission towers and logging operations.

EIR: In your design, until the sphere starts to rotate, the craft is slightly heavier than air—is that correct?

Ferguson: No. The rotation of the sphere doesn't assist lift-off. Rotation doesn't come into play until you go into forward motion. To lift off, you go from negative to positive buoyancy by way of an internal spherical bladder or ballonet, but it's a pressurized one, as opposed to the normal kind you usually have on blimps. We can pump air into that bladder, which reduces the volume of the helium through compression and increases the air weight within the bladder, and that provides quite a latitude in gross buoyancy. It's something like the air bladder of a fish that the fish uses to go up or go down.

The crucial problem with blimps and dirigibles—the reason you don't see them flying around now—is that they have no structural integrity. Supposedly the flammability of hy-

drogen spelled the end of the dirigible era. It's not true. Hydrogen is flammable, though not all that explosive. But I don't think it burns any worse than the swimming pool full of fuel in a Boeing 747. The outcry over hydrogen flammability in the 1930s was off base. Hydrogen did have the advantage of twice the lifting power of helium.

The real reason for the demise of the dirigible was the lack of structural integrity. We address that problem by using the sphere, which offers the smallest surface area for the given volume. The spherical shape makes the craft pretty close to structurally perfect. So we don't see a structural problem. Now, a blimp gets around those problems because it yields. It absorbs the stress and strain. But blimps have a limitation in size to about five tons net payload. That's why you don't see large blimps. Above that limit, blimps tend to simply bend in half. Imagine a child's helium balloon in a long sausage shape. Hold it in the middle, and the two ends will go up. That gives you an idea of what a large blimp does in response to any force from the outside.

EIR: How does the rotation of the sphere generate lift?

Ferguson: The back-wheel rotation of the sphere creates an effect exactly the same as the passage of air over the airplane wing. It reduces the air pressure going over the top of the sphere. The actual rotation of the sphere doesn't take very much energy—about 180 horsepower to achieve the properties that allow for 40 tons of lift. Keep in mind, there is 14,000 horsepower pushing the sphere forward. The speed of rotation of the sphere is proportional to the speed of the craft. Imagine a 180-foot sphere rotating on a craft that is traveling 60 miles per hour—rotation will amount to about 3 or 4 rpm to achieve surface velocity of 60 mph.

EIR: Do you have ideas in the works other than the heavy-lift dirigible?

Ferguson: There are a number of areas and projects. There's a solar electro-converter for which the engineering evaluation is complete. I have not had time to have a prototype built, but I believe we will be able to convert solar energy on a mass-produced item that will sell for less than \$1 capital cost per watt. That compares favorably to what is normally \$4 or \$5 per watt. That is, a \$2,000 unit will basically provide you with 2,000 watts under conditions of bright sunlight.

EIR: What is your own background in aerospace and engineering?

Ferguson: I have neither. My original background was in design. I always had a love for technology. I wanted to get out and see what I could do with it. I had no particular romantic interest in blimps and dirigibles. I realized in 1978 that there was a very large market where governments and companies were seeking to utilize helium that was a by-product of natural gas.

Buthelezi: Why a new union was formed in South Africa

The following interview with Mangosuthu Gatsha Buthelezi was conducted by EIR's correspondent Uwe Friesecke on May 1 in Durban, Natal, Republic of South Africa. Chief Buthelezi has been Chief Minister of KwaZulu since 1972. He is chairman, South African Black Alliance (1978-); and president of Inkatha, the moderate black mass liberation movement.

EIR: Your Excellency, you inaugurated today a new trade union organization, United Workers Union of South Africa (UWUSA). What is the significance of this inauguration?

Buthelezi: First of all, for a long time I kept out of the trade union field because I felt that the labor movement was not something that political organizations should get mixed up with—as you know is the case with the U.S., there is not any direct political intervention. But I have discovered that I was inept, as I said in my speech, because I have found that a lot of political organizations, since the government has allowed trade unions to operate amongst blacks, have decided to poach membership from the trade unions.

The reason why we sought to have today's occasion is because on Dec. 1 of last year, there emerged a confederation of trade unions called Cosatu, Congress of South African Trade Unions. Clearly, at the time, one of the first things they did was to launch an attack on me and the free enterprise system. They mentioned that they were going to fill up a vacuum which was created when the ANC [African National Congress] was banned, and some of the things that they were saying were nothing more nor less than just the policy of the ANC. I had information that they came about because the

ANC in fact prompted them to come about through SATU, the congress of trade unions which was already affiliated to the ANC.

So you could say that today, a real trade union movement is starting which will concern itself primarily, first and foremost, with workers' issues, unlike these other trade unions which clearly have just become fronts for political organizations operating outside of this country like ANC and SATU.

EIR: Will this new trade union also play a role in the struggle for reform and changes of the law of this country, which is your liberation struggle?

Buthelezi: Yes, of course. I think it would be wrong, Mr. Friesecke, if we as black people said that one must ignore the political struggle which is going on. But you see, at the same time I personally think that you know we are newcomers, by we I mean blacks in the field of labor relations, and I think that the first task, is first and foremost to establish ourselves as trade unionists and to know how the negotiations within which a trade union operates are done, this is first and foremost. But of course we cannot ignore certain things: For example, Cosatu is promoting a whole political program, and they reacted very sharply when I said they were a front for the ANC. Already I said in my speech from last month they were consulting with the ANC and SATU in Lusaka [Zambia—ed.].

EIR: How do you judge right now the political process in this country; at what point is it from your standpoint?

Buthelezi: Well, something happened a few days ago when



Chief Minister Buthelezi: "Though there are so many things that need to be put right, they haven't proven to us that a socialist future is the answer for our country."

the State President [P. W. Botha] abolished the pass laws. I think this was a very important thing in easing the lives of the blacks because, as I said in my speech today, it is we black people whose mobility has been very much circumscribed by pass laws and influx control regulations. So, therefore, I think that it is that action of the State President that has been significant and I don't believe myself that one should not give him credit for those things. To say they are cosmetic is being intellectually dishonest, because they will make a very big difference in the lives of the black people. But at the same time, of course, the major issue in this country is power-sharing and we think that is the issue the State President should have addressed if those people who are committed to violence are not going to gain the upper hand and mislead a lot of people into thinking violence is the answer here, because it certainly isn't, it isn't the answer. We certainly haven't tried everything to the extent we can say everything else has failed and the only thing that is left is violence.

EIR: Now, there has been a lot of discussion in the last days about the ANC and the process of bringing the ANC into the discussion of the political scene in South Africa. There have been arguments that the majority of the ANC are nationalists and only a small part are infiltrated by communists, and therefore, President Botha should allow the ANC, should legalize it, and that would be an important step forward in the resolution of the conflict in this country. What is your attitude toward that?

Buthelezi: Well, I am all for negotiations, and they should be involved in negotiations; Dr. Mandela, Mr. Sisulu, and Mr. Kathrada, and others, and Mr. Govan Mbeki who are in jail should be released so that participation in negotiations can be meaningful, and so that people cannot use that by saying that there are leaders who could have participated but who were not there because they were in jail. But on the

question of nationalists and communists: I find there is a very long list of South African Communist Party members in the national executive of the ANC; but, of course, my colleague here, Dr. Mlalose and I, as students at the university, we were members of the ANC when it operated under the old philosophy of the founding fathers of 1912 on the strategy of non-violence, and we did have a few communists at the time, but just a few. I remember Mr. Marx, people like Kodani and people like Kruma, they were just a few. But then there was that alliance with the white Congress of Democrats who were in fact members of the South African Communist Party. Now that alliance existed as long ago as then, but it has become even more because the external mission of the ANC gets a lot of funding and also a lot of military hardware from Russia and other Eastern bloc countries. So I really don't know to what extent those who are nationalists, as you say, can extricate themselves from the alliance within which they find themselves entrapped with members of the Communist Party. The members of the Communist Party in the executive now are quite many, much more than we had, for instance, when the ANC was operating within this country. So, the question of who are nationalists and who are not I do not know, because already I see they have reacted by saying there is nothing like that and that they don't take seriously, should I say, what Mr. Botha has attested.

EIR: What in your opinion should be the next step Mr. Botha should take to find a way for a constructive process of negotiating the power sharing of the future of this country?

Buthelezi: Well, the first thing that I've tried to persuade him to do is declare a Statement of Intent, which he told me he was not prepared to declare. He has now suggested a National Statutory Council, and I have said yes, provided certain ingredients were included and there was a program which could be changed and added on to. I couldn't see that my constituencies, in other words, Inkatha, on the one hand, and members of the Assembly and my colleagues in the Central Committee of Inkatha and my colleagues in the Cabinet, would allow me to participate unless it were clear that the present Tri-Cameral Parliament is sentenced to death, as I put it. It has got to be very, very clear that the present Tri-Cameral Parliament should go. If the National Statutory Council is created as a body to find a solution for the country, I think there are many blacks who would find this acceptable, to know that this is merely an interim measure. But if the National Statutory Council is going to operate in order to legitimize the continued existence of the Tri-Cameral parliamentary system, then many of us won't participate.

EIR: What type of constitutional solution would you propose for the power sharing of this country?

Buthelezi: We are really charmed into thinking that a unitary government, a unitary state democracy a'la Westminster

was something that came from God. But you see, it seems to me that in our country Germany is for instance a federal state, America, many other countries are a federal state, Nigeria is experimenting along those lines. I think a country which has so many cleavages, and so many multi-ethnic traditions in this country, it could well be we should have a federal form. And we in Inkatha have already said our idea is one man, one vote in a unitary state, but we are prepared to look at other alternatives. This is why we appointed a commission, called the Buthelezi Commission, which did come out just for this

Whites need blacks as much as blacks need whites, in fact we are interdependent. So that economic interdependence can be used in negotiations to convert it into political interdependence.

region of Natal/KwaZulu, it did make recommendations about one legislature. But that is, of course still academic. At present my colleague, Dr. Mlalose, our national chairman, represents Inkatha with five advisers in what is called *Indaba*, which is a Zulu word for a convention where you discuss things and reach a consensus. We invited various organizations, the cabinet, and the executive council which governs the white part of this region, Natal as it is called, and had discussions. On the 11th of last month, I went to Cape Town to present to the government the agreement that the province and the chamber had reached about the future of this country, of this region.

At present they're going to allow us to have a joint authority, but we pleaded the answer is really a joint legislature, that is what we are working on. Dr. Dhlomo, our secretary general, is representing the government with five advisers as well. Both my colleagues were reporting to us just last Tuesday, that things are so far getting on very well, I would say better than they had expected. Now we believe if this experiment were left alone to get its own momentum and take its course, it could well be a pilot project for this whole country, to the extent that then other people can show that white and black can negotiate together and reach agreement. It's not necessary to fight, to kill each other.

EIR: Now Excellency, you give special emphasis to the economic prosperity and economic development of your country. Right now the Republic of South Africa is also affected by the international debt crisis, by a devaluation of its currency; it is affected in a sense similar to other African countries which are effected in a very dramatic way, and to other developing sector countries like Latin America. Do you

see your struggle as part of the struggle of other nations of Africa, Latin America, and Asia for a New World Economic Order, that is for a reform for a new Just World Economic Order, so that genuine economic growth and development can take place again?

Buthelezi: Yes, of course. South Africa, as you can see, sir, part of it is first world, but the black side is actually third world, so that therefore, from the point of view of development, we are struggling for that new order. We are still looking for a new Jerusalem here.

EIR: What do you think in this respect of proposals and measures, for example, President Alan García of Peru has made, who said I am only going to pay 10% of my export earnings to the banks, the rest I will use for the development of my country and I will not allow the sovereignty of my country to be suppressed by financial institutions like the IMF. Could you see a certain connection to that struggle, to the struggle you are waging?

Buthelezi: Yes, I think it is basically the same struggle. The circumstances may differ, but basically I would say we are facing the same struggle.

EIR: Do you have a special proposal about what the international community, on the one side the advanced sector, on the other side leaders in the developing sector, should concentrate more on to help your struggle?

Buthelezi: I think that myself, take America: There is a lot of pressure, of course, that Apartheid should be abolished in this country. President Reagan has been very statesmanlike and wise regarding South Africa, for which he has paid a very big price. He impressed me, for instance, when he applied partial sanctions, that was followed by the EC countries. I admire him very much, where in fact he wanted to send a loud and clear message to South Africa by applying partial sanctions, but at the same time he did not want to destroy the economy, so he didn't go further. Alternatively, I admire the fact that he balanced the imposition of partial sanctions against South Africa with stepped-up humanitarian aid to the black people. I think the international community can do wonderful things in that field. My colleague here is the minister of health and welfare, and I am sure he can tell you some very sad stories about the health of our people, the state of health, and the vast needs our people face and the extent to which the international community can help with doctors and all sorts of things.

For example, in America, I know they are collecting money to equip clinics and material to stock our clinics, because we have a shoestring budget and it seems to me, therefore, in those countries, we still need a lot of help. We still need a lot of expertise. One help that I think is still needed is to help us to produce food. Although South Africa is a country that sells food, here again, though Western type

economies work, there are some disgraceful things here where there is dumping of much needed things like milk and so forth to keep the price at a certain level. I believe myself one of the problems of my people is to be able just to feed themselves, because that is basic to health and I think it is one aspect of the liberation struggle which we have not tackled.

EIR: You are a leader of a nation of the African continent with a very long history. What is your historical vision for the continent of Africa as a whole, a continent which has gone through devastating economic crises of starvation and where suffering and injustices are suffered by the people, what is your historical vision for this continent?

Buthelezi: Africa, you know, can really contribute a lot to the international community. But at the moment we are still confronted with basic things like food production because it is a continent of disaster as well. You have a desert coming down and you've got all kinds of very, very devastating things like cyclones, like droughts and so forth, but I feel nevertheless we haven't even touched its potential. One of the things that I was hoping would happen: If the South African economy is not affected, I would think it has a lot to offer black people, the know-how in it. I believe that South Africa is the only country in Africa which has a sophisticated developed economy, an economy that has reached a certain self-sufficiency. I therefore do believe that Africa is going to play a role, and I believe Nigeria and South Africa can play a very important role in the development of Africa in the economic field.

EIR: UWUSA at this point seems to be the only union in South Africa that is fighting for jobs, whereas Cosatu is trying to take away jobs.

Buthelezi: Absolutely right, they are taking away jobs from people, they are taking away bread from people. We say to people, to struggle you need to be fed. While the struggle for self-fulfillment that is going on that our children should be preparing for, for I am certain we are going to take our place in this country. It is no good having a whole generation of illiterates and semi-illiterates such as Cosatu proposes. You remember in my speech I mentioned they have involved themselves even in trying to influence children to rebel and they are doing so as lackeys of the ANC, of course, trying to provoke children not to go to school but instead to destroy the buildings. They are committed as a front for the ANC, the ANC is committed to making the country ungovernable, as is the UDF. They are playing those games at the same time and not concerning themselves with the problems of trade unions.

EIR: One of the banners at the rally was France, United States, Great Britain, West Germany, invest in South Africa, help fight hunger.

Buthelezi: Absolutely, sir, it is the only way you can help us, it is the only way you can really help us. And I find it strange too, our brothers are talking about a socialist future, they are talking about setting up some kind of Marxist state here, and they are talking about nationalizing mines and industries. Of course, if the socialist system is so wonderful, I wonder why is it that the Russian bear is fed by America, a country whose economy they say is based on exploitation. Why do they eat food that comes from exploitation? If Russia is such a wonderful system that our people are aspiring to through the ANC with a socialist future, why is Russia not able to feed itself?

I somehow fear that although there are many faults that one can point at as far as this economy is concerned, I believe that though there are so many things that need to be put right, they haven't proven to us that a socialist future is the answer for our country. Therefore, I think it is another aspect which many people in the West don't realize. Overseas I think that many interest groups, which support directly or indirectly our brothers and want to put pressure to bear or economic pressure on South Africa, are people who don't realize that the ANC has got a blueprint, and that blueprint is that the economy of this country, the free enterprise system, is as evil as Apartheid itself. When they say pressures should be brought to bear from countries of the West, they are not doing so because they genuinely want to put pressure on Mr. Botha and the government. They do so because they want to destroy the economy itself and I think that is a very irresponsible thing because whoever rules this country, be it a decade or two, would need massive wealth. Because black people are increasing in this country at the rate of 3% per annum. That is very, very high, with a population bulge that needs an interest we can't service already.

EIR: Could you say that the contribution of technology, know-how, and economic performance for the development of the South African economy and for the development of the economies of the African continent is the political security guarantee for the whites in South Africa?

Buthelezi: Look, sir, whites need blacks as much as blacks need whites, in fact we are interdependent, and therefore, it seems to me, there is a guarantee. I have always said myself let us not delude ourselves that one morning we'll get up one day or Christmas Day, one Easter morning, and find we love each other, that is, black and white. I think our vested interests will decide the issue because I think the people of this country, black and white, are not foolish, and they know that it is in their interests. Already in the economic field there is interdependence, and black people are increasingly becoming more and more advantaged in the sense in which the economics of the country depends on them. So that economic interdependence can be used in negotiations that can take place to convert it into political interdependence.

Can South Africa peacefully change?

by Uwe Friesecke

The political conflict in South Africa has reached a decisive phase. Either assistance will be given to the clearly constructive plans in both black and white political camps to bring them to a common breakthrough, or further radicalization

will plunge the country—and with it, the entire region—into chaos, ungovernability, and economic misery. What is particularly important is that the West and the Non-Aligned nations understand who these constructive elements in South African politics are, and under what internal and external conditions they can achieve a common success.

President P. W. Botha and his group of reformers in the National Party, in which high-ranking military figures are also to be included, are seriously following a course with the goal of abolishing the Apartheid system. Chief M. G. Buthelezi, chief minister of the KwaZulu nation and chairman of

Interview: Dr. Oscar Dhlomo

'We will need more and more investment'

EIR interviewed Dr. Dhlomo, the KwaZulu minister of education and culture and secretary general of Inkatha, on May 2, 1986, in Durban, Republic of South Africa.

EIR: Secretary General Dhlomo, could you explain the strategy of Inkatha in terms of the fight against apartheid and the fight for investment?

Dhlomo: We believe that apartheid must be dismantled in this country but we feel that the dismantling of apartheid will only be the beginning of a far richer struggle to set up a structure that will try to redress all the problems that apartheid has brought about. We believe therefore that economic development and foreign investment in this country will be very useful tools in that struggle in the post-apartheid era. That is why we do not support the policy of disinvestment. We feel that we will need more and more investment, a better rate in the economic growth in the country after apartheid has been destroyed.

EIR: How would the call for disinvestment, if it were actually implemented on a large scale in the next months, affect the struggle against apartheid?

Dhlomo: Well, I think that the call for disinvestment would destroy the economy of the country. Admittedly in the process it would destroy the perpetrators of apartheid, but also the victims of apartheid. We therefore feel that in that situation, the people who would be needing more jobs, people who would be needing to be assisted to develop, would suffer if change had come through as a result of disinvestment. The economic base of the country would

be destroyed. We are also worried that in both cases what happens is that under conditions of economic strife there is not any measure of liberalization on the part of the government in power. We see that the government tends to be more reactionary than before, whereas, under conditions of economic growth, the chances for liberalization are enhanced.

EIR: What would be the conditions you would consider essential to then have the ability for successful negotiations with the government? In other words, what would they have to do to prove themselves a worthy negotiating partner for the future of South Africa?

Dhlomo: I would say the first thing they should do is to issue a Statement of Intent which, amongst other things, would include a willingness on the part of the South African government to share political power with all the people of the country regardless of race. We would not even insist how that would be done, just a willingness to do so would be enough. Two, we would ask them to issue a statement to the effect that apartheid was going to be dismantled and coupled to that, we would need an action program with time scales how this would be done. We would also wish that they would devise a way of including all the people in such negotiations, movements that would have to be enabled, to decide if they wanted to be a part of this process or not. Leaders who are imprisoned would also have to be given an opportunity of either accepting or rejecting this offer.

EIR: In terms of what Inkatha has stood for since its founding in 1975, do you think it's possible that if the existing government abandons leadership on the question of economics, that Inkatha now could address the question of an economic policy for South Africa even if you don't have the power yet?

Dhlomo: Well, Inkatha does not have an economic blueprint at the moment. I think it has always been felt that that would need to be left to the people in the post-apartheid era. There are certain elements and guidelines that

the Inkatha Peace Movement, is seeking a practical constitutional solution that, on the one hand, abolishes racial discrimination and, on the other, gives the necessary security guarantees to whites for their future in the country.

Both leaders find themselves in an extremely dangerous domestic change of direction, which is bringing P. W. Botha especially into conflict with the base of his own party. Those politically responsible in the West, as well as those in the Non-Aligned nations of the Third World, who seriously wish to contribute to abolishing the Apartheid system, must understand that the prejudice-ridden attacks on President Both-

a's government, on the one hand, and questioning of Chief Buthelezi's efforts on the other, are the best way to preserve Apartheid and bring about chaos and destruction, by weakening exactly those who are working on a serious solution.

The goal of the strategy for southern Africa formulated in Moscow in 1964 is to pull the military ring tighter and tighter around South Africa from the Front Line States and, simultaneously, to make the country domestically ungovernable through terrorist destabilization and prevent a peaceful, pro-Western solution. Both processes have progressed to a dangerous extent.

Inkatha would subscribe to, for instance Chief Buthelezi has said that he does not see that the present economic system, the free enterprise system, could be totally destroyed and replaced by a new system. At best he would want the system to be reformed and expanded so that the deprived people who have never been part of the system for years, the black people, would be part of it fully. We also had some ideas, as for instance in the Buthelezi Commission report, where people are looking at what they call a mixed economy, providing for a manner of state intervention in order to redress the problems of the past. A policy that promotes economic growth whilst at the same time it aims at eliminating poverty. Other than those basic elements, we have not at Inkatha sat down to draw up a detailed economic policy.

EIR: What is the actual political strength of the Inkatha movement, and how do you judge the influence of ANC-related groups in your country?

Dhlomo: At the moment, Inkatha is the strongest and the largest black political movement in the history of this country, a membership of over 1 million, with branches all over the country in the four provinces. The ANC, of course, is banned in South Africa and it operates in exile. There are no visible ANC formations inside the country because of that reason. There is, however, the UDF, the United Democratic Front, which pursues ANC policies. It is not banned, it operates legally in South Africa. The UDF is a loose federation of different political groupings, most of them ethnically based and coming together in this umbrella organization called the UDF.

Now each strength at the moment I know basically, although they would argue at their launch they registered 600 different organizations of different sizes, but some of those organizations were formed just for the purposes of attending the launch of the UDF, and we have never heard anything about them ever since. The UDF has this terminal weakness, in that, unlike Inkatha, it is not a membership based organization. In other words, the UDF has no direct links with its grass roots because people associate

with it via a loose federation. If you are talking to the leadership of the UDF, you are not talking to the affiliates of the UDF, while, in Inkatha, if you spoke to the president of Inkatha, then you are talking to over 1 million members because we are membership based, they are not. The UDF are not membership based. It is therefore an organization of that nature unable to carry out any effective action program backed by the entire membership.

That is why most UDF action programs are never pursued by the movement in its entirety. In Natal, here, if you talk about the UDF, you talk about one or two strong affiliates of the movement which are the Natal Indian Congress. Even the leadership of the UDF in this area of Natal would come from the Indian community and not from the African community. It's not quite possible to compare Inkatha and UDF because of those differing structures, but there is no doubt that Inkatha itself is enormously powerful. It has a potential to influence the developments in this country far more effectively than the UDF which is, as I mentioned, a loosely arranged and federated organization.

EIR: Now recently [ANC leader] Oliver Tambo in Germany attacked your movement very strongly and said Chief Buthelezi would never be part of a solution. What do you say?

Dhlomo: Well I think that is totally wrong and unfounded. The situation in South Africa is such that we are serious in finding a solution. Chief Buthelezi would be a major element in that solution. We don't say, as Tambo is saying, that the ANC would not be part of this solution. All we are saying is that the ANC should stop deceiving the world and making people believe they are the sole and authentic representative of black people in South Africa because that is wrong. The ANC is part of the solution, but it is not the only solution. The ANC can not liberate this country without the input of Inkatha and Chief Buthelezi. The sooner people like Mr. Tambo recognize that, the better it will be for the liberation struggle in this country.

In the last 18 months, the Soviet Union has been able to considerably consolidate its military and political presence in the region, most spectacularly in Angola. With the help of East German advisers and the presence of over 40,000 Cubans, the Soviets have installed a complete radar air-surveillance system and a rocket anti-aircraft system in southern Angola that, together with the MiG-23s of the Angolan Air Force, flown by Cuban pilots, presents a serious challenge to the South African Air Force and limits as never before that air force's sphere of action. Additionally, in the last eight months, the Soviet Union has especially concentrated on massive arming of the Free Angolan People's Liberation Army (FAPLA) land strike forces and has brought in modern mili-

troops through Botswana directly to the northern border of South Africa. The second is that pushing through Resolution 435 in the United Nations will open Namibia to the Soviet-controlled Southwest African Peoples Organization (SWAPO), and, as a result of the pullback of South African security forces, Namibia would be overrun by Angolan-Cuban troops, working with SWAPO, all the way to the Orange River.

The consolidation of the Soviet position in the Front Line States has been accompanied by a dramatic escalation of violence in South Africa itself, to which the terrorist violence of the outlawed African National Congress (ANC), under the protective shield of the legal United Democratic Front (UDF), has been the primary contributor. In fact, violence in the townships has increased in the two months since the abolition of state of emergency—the death rate has increased from three to five victims per day. The victims of ANC violence are almost exclusively blacks who, denounced as collaborators with the whites or as traitors, fall into the hands of youth gangs and suffer the terrible “necklace death”; an automobile tire is tied around the victim and set fire.

The terrorism spreads fear and horror throughout the black population, and makes work on practical advances toward overcoming racial segregation increasingly impossible for moderate politicians. The leaders of the ANC do not allow the least doubt about the goals of their strategy. Recently, Winnie Mandela, who in April had a friendly exchange of opinion with the chairman of the German Social Democracy, Willy Brandt, stated that Africa will be liberated with “our matches and with our necklaces.” Oliver Tambo, who functions abroad as head of the ANC in London and Lusaka, has repeatedly declared in the past two months that a revolutionary expansion of violence would be the ANC's next step.

Even though many in South Africa point out that security forces there have not at all, up to now, proceeded against terrorism with all available means, the previous successes of the ANC's terror strategy cannot be denied. In the regions not under the influence of Chief Buthelezi's Inkatha, the local governments of black townships have frequently been destroyed and fallen under the control of revolutionary people's committees. In part, these people's committees have also taken the courts into their own hands, and no one is now safe from one day being condemned as a traitor to death through the “necklace.” The signs of a dangerous escalation of violence are unmistakable. In the last weeks, various large ANC arsenals have been destroyed, and organized para-military terrorist attacks are on the increase.

ANC terror has nothing to do with overcoming Apartheid. On the contrary, it is directed precisely against those who are attempting to create a new constitution in a practical and peaceful way. For that reason, the ANC is attempting, first, to kill moderate black politicians on all levels and to penetrate into the sphere of influence of the Inkatha movement in Soweto and KwaZulu/Natal. Second, the calculated effect of the ANC terror is to create an increasing polarization, pushing the white population toward fanatical propo-

ANC terror has nothing to do with overcoming Apartheid. On the contrary, it is directed precisely against those who are attempting to create a new constitution in a practical and peaceful way. The Soviet terror strategy aims at destroying the possibility of a peaceful solution, by creating an extreme polarization among blacks and whites.

tary equipment in unprecedented quantities. In Angola today, there are Soviet tanks of the T-62 and T-64 types, and very possibly also T-70s. Neither the pro-Western guerrilla force of Dr. Jonas Savimbi, UNITA, nor the South African Army has anything comparable to deploy against such tanks.

Along with Angola, the Soviet Union has also systematically built up its political and military position in Zambia and Zimbabwe, as well as Mozambique. Bases on the Angolan coast give the Soviet Navy control over the South Atlantic, and bases in Mozambique give it a further solid position on the Indian Ocean. The build-up of military power in the Front Line States to this point not only gives the Soviet Union the necessary cover for its actions in the south, but also puts it in the position to operate toward the north, especially toward Zaire. The Soviet armaments in Angola and the Front Line States are merely a part of a systematic process of seizing influence over the entire African continent.

Two possibilities for a direct Soviet escalation against South Africa are conceivable. The first is that UNITA could be decisively weakened through a major Angolan-Cuban offensive. That would permit the advance of Soviet-directed

nents of Apartheid such as the leader of the Afrikaner Weerstandsbeweging (Afrikaner Resistance Movement) (AWB), E. N. TerreBlanche, who today can already mobilize larger audiences at public meetings, and against moderate white politicians such as Foreign Minister P. K. Botha.

The Soviet terror strategy aims at destroying the possibility of a peaceful solution to the domestic crisis, through the creation of an extreme polarization among blacks and whites. As the Soviets have already demonstrated in other parts of Africa, they are pursuing in southern Africa a strategy of "scorched earth." Their goal is to deny to the West access to the strategic minerals in the region running southern Zaire (Shaba province) south to the Cape, as well as unhindered naval passage around the Cape.

The process of Iranization

As in the case of the destabilization of Iran or the recent case of the Philippines, the Soviets' best allies in South Africa are Western intelligence agencies, along with the majority of Western mass media. It is a known fact that, along with the demonstrated financing and weapons supplies from Eastern sources, the ANC and UDF are primarily supported by Western church circles, and that SWAPO is supported with Western funds from the U.N. In South Africa, the Anglo-American press and the major U.S. television companies are repeating the same scenario they used to topple the government of the Philippines only a few months ago.

NBC and ABC have, with the help of the UDF and the ANC, constructed a well-coordinated information and communication system in the townships. Camera teams are most precisely informed in advance of the time and place of violent confrontations, so that they for the most part learn of those before security forces do. The UDF activists consciously hold demonstrations in such regions where they know the security forces will have no choice but to react harshly. The TV cameras are brought into position beforehand, and, a short time later, pictures of the latest violent measures by the police are widely distributed throughout the world. By this means, the real character of the ANC violence is covered up.

Finally, the figure of Bishop Desmond Tutu is used to sanction the violence of the ANC in the townships in the eyes of the world public. A year ago, when the first black became the victim of a mob that burned him as a traitor, Tutu raised his voice in protest and accusation—today, he offers himself to those who ultimately bring disaster upon the black population of South Africa.

Disinvestment

The international press propaganda against South Africa serves to justify the economic disinvestment campaign. The economic consequences of that campaign are borne primarily by black workers in the townships since export firms, for example, in textiles, hit by the boycott measures, are forced to throttle production and, consequently, either lay off workers or cut wages.

Further, this campaign is not concerned with the abolition of Apartheid, for the results of the campaign work as much for the ANC as for extreme right-wing groups such as the AWB. The disinvestment campaign has a much broader strategic significance. That became clear at the end of 1985, when David Rockefeller's Chase Manhattan Bank suddenly canceled South Africa's credit. Many South African bankers and politicians could hardly believe their eyes and ears as the Wall Street bankers' mafia of the U.S. Eastern Liberal Establishment made it quite clear during debt renegotiations in early 1986 that they intended to obliterate the nation of South Africa from the face of the Earth.

South Africa could be the Japan of the African continent, making a decisive economic, technological, and scientific contribution to overcoming the economic catastrophe of black Africa. For that very reason, South Africa today is being attacked with the same methods with which the Western bankers' faction and the International Monetary Fund have devastated the rest of Africa. Economically, the African continent has already been written off by the bankers. In South Africa, the attempt is being made to manipulate existing racial conflict from the outside in such a way that this still relatively strong African economic power collapses into chaos.

The American State Department is pursuing for southern Africa an Iranization policy on the model of those with which Mexico, Panama, Colombia, and Peru are being attacked and destabilized. U.S. Assistant Secretary of State for African Affairs Chester Crocker has, according to his own statements, never pursued a crisis-solution diplomacy, but rather one of a never-ending crisis management. Therefore, high-ranking South African military figures and diplomats fear today in Namibia that American foreign policy has involved itself in deceptive horse-trading with Angola and the Soviets concerning the withdrawal of Cubans from Angola, and that ultimately the whole of southern Africa will be overrun by the Cubans and Soviets.

In order to meet this threat, the West must fundamentally change its position toward South Africa. First, preventing a military defeat of Jonas Savimbi's UNITA in Angola is absolutely crucial. The West, and especially the United States, must supply Savimbi with sufficient matériel, so that he is capable of withstanding the coming Soviet-directed offensive. Simultaneously, American diplomacy must insist uncompromisingly on the total withdrawal of Cubans from Angola, thus bringing a halt to the short-term military penetration of Soviet influence in southern Africa. Second, a political and, especially, economic, framework must be created for the entire region in which the efforts of reformers of P. W. Botha's National Party and the freedom fighters of Chief Buthelezi's Inkatha, as well as other moderate political leaders, can be successful.

Part II of this series on the political situation in South Africa will discuss the status of the reform efforts of President Botha as well as the role of Chief Buthelezi and the Inkatha.

The Soviets foment a civil war in West Germany

An enormous bloody riot, lasting almost two days, took place in Wackersdorf, Bavaria, on May 18-19, under the ostensibly rallying cry of opposition to nuclear power, which produced over 350 casualties, over half of them law-enforcement personnel. The level of violence was unprecedented by any yardstick of ordinary "civil disturbance," including even the notorious "student riots of 1968."

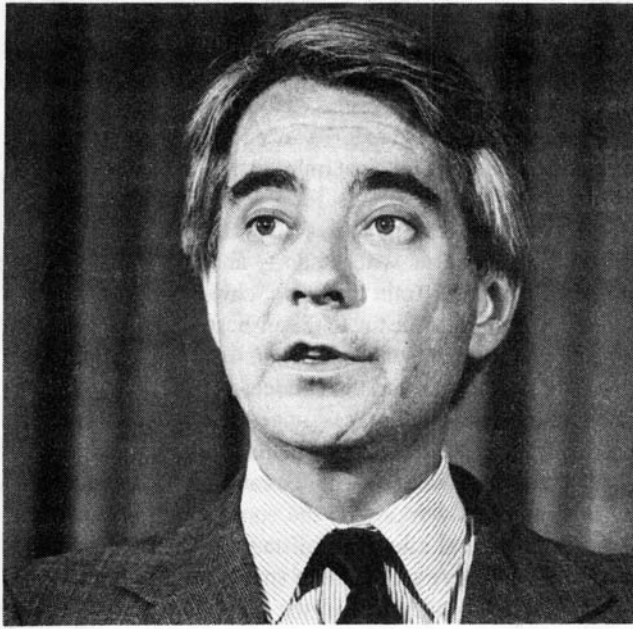
In fact, the affair, as it turned out, was no "ordinary civil disturbance." *EIR* investigators, at the time of the occurrence, identified two unusual patterns: a high-degree of military-style organization of the ringleaders among the violence-inflicting elements of the rioters, and a continuous communications link which included, as one of its nodal points, the Congress of the Green Party, taking place in Hanover on the same day.

As the news of scores of policemen being hospitalized were being piped into that conference, the convened Green Party delegates would interrupt their proceedings and break out in wild applause. By the day's end, over 150 policemen had been hospitalized, and the Green Party had voted up its political platform, whose central themes were four:

- 1) elimination of NATO;
- 2) dismantling of all German internal security agencies;
- 3) immediate shut-down of all nuclear power production and, incredibly,
- 4) legalization of sex with children.

While the principal political officer of the U.S. embassy in Bonn, insisted on the record that the embassy continues to view the Green Party with approval, and it intends to continue its, now institutionalized, "dialogue with the Greens," some of the highest-level sources in Europe have reported to *Executive Intelligence Review*, that the leftist insurrection at Wackersdorf, Bavaria on the weekend of May 18, a full account of which is presented in the article following this, was:

- 1) a Soviet-directed operation;
- 2) not a "riot," but an act of Soviet-directed civil war ("low-intensity military-surrogate operations");
- 3) not an incident, but the launching of an on-going Soviet-directed warfare which is being continued now in such forms as the new Soviet-staged Berlin crisis



NSIPS/Philip Ulanowsky

Richard Burt, the U.S. ambassador to the Federal Republic of Germany. His "dialogue" with the terrorist Green Party is sanctioned by Secretary of State George Shultz.

presently in progress;

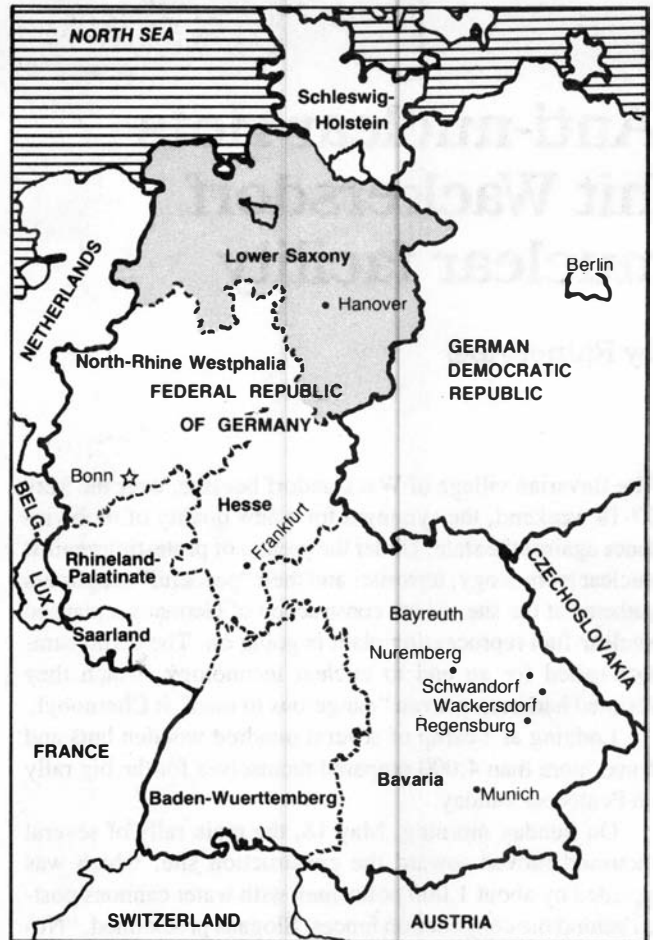
4) run by the Soviets in cooperation with the East Germany-funded German Communist Party (DKP), and in close coordination with the Green Party of West Germany.

The violence in West Germany will escalate, to the effect that the Wackersdorf insurrection will rank as the least violent of the series of incidents now being unleashed.

Having pursued our own independent cross-checking and verification, we can affirm that, there is no doubt of the precise accuracy or official quality of this assessment of the situation. The future of not only Europe, but implicitly Western civilization, is now hanging by a thread.

Aided by Henry A. "New Yalta Agreement" Kissinger's public campaign to force a large U.S. troop withdrawal from Western Europe, the Soviets are determined to reduce West Germany to a state of ungovernability, to assist in bringing Willy Brandt's Social Democrats to power by January 1987, or even earlier. As we documented repeatedly earlier, leading spokesmen for that party have promised, if they come back into the government now, that means West Germany is out of NATO to all practical intent.

Some U.S. circles do have the right assessment of this situation. The leading reason that the U.S. government is refusing to issue an accurate characterization of the situation, so far, is that Secretary of State George Shultz is violently defending a continuation of his long-standing policy of "dialogue with the Greens," and giving total backing to Ambassador Richard Burt's continuing that friendly relationship. Insiders wonder whether the policy of "dialogue with the Greens" could be ended without firing Shultz; there are strong doubts from some well-informed quarters that President Rea-



gan is prepared to fire Shultz at this time.

Lord Carrington's closed meeting of NATO foreign ministers, in Halifax, will advance the cause of a "New Yalta" capitulation to Moscow, but this meeting is of relatively trivial importance, by comparison with the Soviet's launching of a new Berlin crisis in the context of Soviet-backed, Green Party-supported, insurrectionary actions in West Germany.

It would be difficult to exaggerate the importance of the characterization of the situation in the Federal Republic. The larger issue behind the Wackersdorf insurrection, the growing pattern of reported violent interventions of Soviet-directed operatives in local electoral campaigns within the Federal Republic of Germany, such as in Lower Saxony at the present time, and the Berlin crisis, has the same degree of importance as the issue of the betrayal of Czechoslovakia by the Munich pact of 1938.

The extent of State Department involvement in nurturing, cultivating, and promoting the Green Party—especially in light of the use to which the Soviet services are now employing that Party—has gone beyond the scandalous to the treasonous.

—The Editors

Anti-nuclear riots hit Wackersdorf nuclear facility

by Rainer Apel

The Bavarian village of Wackersdorf became, over the May 17-18 weekend, the synonym for a new quality of mob violence against the state. Under the pretext of protesting against nuclear technology, terrorists and their "peaceful" supporters gathered at the site, where construction of Germany's planned nuclear-fuel reprocessing plant is going on. The demonstrators called for an end to nuclear technology, which they claimed had been proven "dangerous to man" at Chernobyl.

Lodging at a camp of several hundred wooden huts and tents, more than 4,000 prepared themselves for the big rally on Pentecost Sunday.

On Sunday morning, May 18, the main rally of several thousand moved toward the construction site, which was guarded by about 1,000 policemen with water cannons posted behind the construction fences. Slogans proclaimed, "Nuclear power means war to the people," or that "Wackersdorf will build the German A-bomb."

Then, having come close enough to the construction fence, an estimated 1,200-1,300 demonstrators formed a mob to fight the policemen with slingshots, steel bolts, stones, firecrackers, and Molotov cocktails. After the melee, 183 policemen were left injured, with 24 of them having received serious injuries such as bone fractures. Had there not been massive use of tear gas, dropped from police helicopters, the violence would most likely have left several policemen dead on the scene.

Police spokesmen, caught off guard by the rioting, were in a state of shock. The character of the attack was new, since the mob advanced in three waves. The first provoked the police to move outside the fence and counterattack the mob, to make some arrests. Then the second wave hit the police with full brutality, and the surprised police squads were then hit by the third wave, which carried out targeted attacks on individual policemen. Firecrackers and Molotov cocktails were thrown into the faces of policemen, as well as steel bolts and sharp steel splinters.

Police response was made more difficult by the fact that the hard-core terrorists were operating out from the other 3,000 "non-violent" protesters gathered close to the fences, and withdrew there after every new assault. This served the

violent mob as sort of "human wall" against the police. This technique had been perfected by the radical anti-nuclear movement several times before, at other nuclear power projects, or at the Frankfurt Airport runway construction site.

The scene at Wackersdorf was accompanied by acts of violence and sabotage against railroad tracks, electricity towers, police stations, and trains, for several kilometers around. At the same time the mob was attacking the police at the construction fence in Wackersdorf, another, smaller mob stopped a passenger train between Schwandorf and Fuerth, smashed windows, stole fire extinguishers, and harassed passengers. Several hours later, a freight train was stopped, the cars were decoupled, and the conductor's cabin bombarded with stones. The conductor managed to flee with his locomotive, leaving the freight cars behind, which were demolished by the mob. Numerous police cars and vehicles belonging to companies working on the construction at Wackersdorf—even several kilometers distance from the main construction site—were set on fire or smashed.

The logistical operation of the mob was carried out by squads of between 30 and 50 heavy motorbikes, which circumvented the police barricades on the roads. In several cases, police managed to stop such squads only at gun-point, but without being able to arrest anyone. Radio communication was used by the mob during the whole operation to connect the various confrontation theaters and to report on police moves.

The riots continued on Monday, May 19, with more sabotage of railroad tracks, attacks against police cars around Wackersdorf, and the like. Telephone poles were cut and barricades built on roads. On Sunday night, a high-voltage electricity tower was demolished.

On Monday morning, a group of 30 policemen in two vans drove into an ambush of about 1,200 protesters, of which 300 began attacking the vans directly. Police helicopters had to fly in at low altitude to fire tear gas grenades into the mob. Police spokesman said later that the scene had been "close to a catastrophe," close also to the use of guns by the encircled police. Officials stated that the use of firearms would have been fully justified in this life-threatening situation.

The riots and acts of sabotage continued throughout Monday night. Railroad tracks were blocked by trees in several locations, telephone poles destroyed, and windows of police stations in the region smashed. On Tuesday, a mob of about 50 on heavy motorbikes attacked a police station, with the intention to free three rioters imprisoned there. Again, the mob was chased away only at gun-point.

On Tuesday, police finally had brought in enough reinforcements to be able to clear out the rioters' encampment. This removed at least one of the logistical bases from where the mob had been operating, but acts of sabotage continued.

Of about 1,200 violent rioters, police succeeded in arresting only 22. As we go to press, police are braced for further violence on June 7, when the anti-nuclear protesters are threatening to break the ban on further demonstrations at

the site, and renew their offensive.

Behind the masks

While the identity of more than 1,000 of the Wackersdorf masked rioters was not determined, their origin is certainly known. The Pentecost riots had been building for several months, and were prepared propagandistically and logistically by the same groups which had launched the violent anti-nuclear riots of previous years.

Tageszeitung, one of the principal mouthpieces of the pro-terrorist underground in West Germany, had already mentioned long before that groups from Brokdorf, Lueneburg, and Grohnde were part of the mobilization against the Wackersdorf project. These were the sites where the first violent mass riots occurred against nuclear power, during the period from 1977 to 1981. Also groups from the anti-runway movement at Frankfurt Airport were pouring into the area. The anti-runway movement, which emerged in late 1981, has turned into a training ground for violence-prone groups, which can test their mobility and strength against the police guarding the runway area.

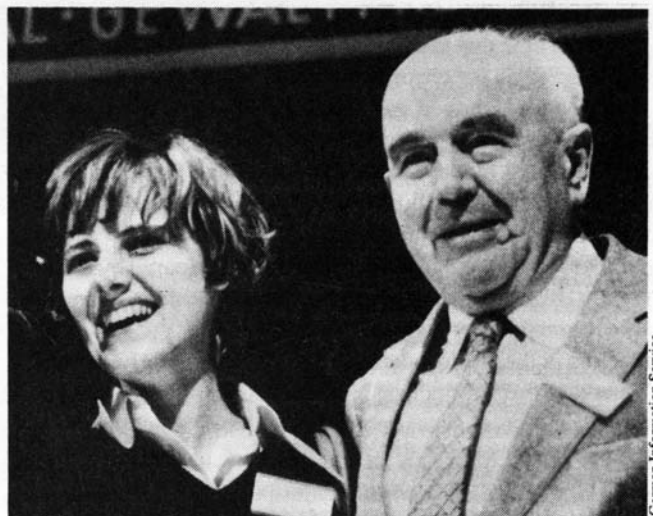
It is from the anti-runway movement that connections to violent opponents of Japan's Narita Airport, have been cultivated over the years. It is from the Narita-Frankfurt connection, that the image of civil war against the state has been built up in the minds of the most radical groups. Film clips of the bloody battles between the Narita protesters and the Japanese police in the early 1970s have been shown at "solidarity events," as well as films of the violent riots at the German nuclear power sites Brokdorf (1977-81), Grohnde (1978-80), and Gorleben (1979-81).

The 10-12,000 violence-prone "streetfighters" in Germany, organized around the Revolutionary Cells, the "Autonomous" movement, the Nicaragua Solidarity Committees, various anarchistic grouplets, and the like have declared Wackersdorf the center of violent confrontation with the West German state, which they call "the pig system."

These groups hold public meetings; their intentions are known, as are their targets. The so-called Anti-Imperialist Congress of 900-1,000 extremists, which took place at Frankfurt University in February 1986, discussed the formation of a European-wide terror front, as well as the importance of the anti-nuclear movement. A document of more than 60 pages was circulated among congress participants, which mentioned Wackersdorf as one of the "fronts," where the linkage of terrorist, anti-NATO, and anti-nuclear-power groups had to occur.

Thus, it came as no surprise, that portraits of Ulrike Meinhof and Gudrun Ensslin, two of the founders of the Red Army Faction terrorist gang, appeared on posters at the rioters' camp at Wackersdorf as early as in March 1986.

Several generations of radical squatters, ecology extremists, "anti-imperialists," punks, and motorbike gangs have helped to produce a hard core of about 2,000 German youth willing to commit violence against the state. This circle of



Green Party leader Petra Kelly is shown here with August Haussleiter (right), whose Nazi past was exposed in 1980, leading to his resignation from the party.

extremists, which overlaps the terrorist organizations of the Red Army Faction, the Revolutionary Cells, and the "Autonomous," has built its own health service, its own communication network, its own logistics, its own police countersurveillance, and can be assembled by telephone chains at any point in Germany in 24 hours.

There are around 10,000 fellow-travelers of the hard-core terrorists, who would join acts of violence at little risk to life or limb. They build encampments and help with the logistics—from food, blankets, and radios, to megaphones and munitions needed for sabotage. These groups are violence-prone enough to cause problems for the police, even when they gang up in mobs smaller than the one at Wackersdorf. The police in West Germany have had bloody experience with them for more than 15 years, and clashes have become more violent over the past 7 or 8 years.

In direct confrontations with such groups, the police, who are under a great deal of pressure not to use weapons, can gain the upper hand only if they have a clear majority over the rioters. At Wackersdorf, 1,000 policemen confronted more than 1,000 rioters, who were committed to kill. This problem will be addressed further, later in this report.

The role of the Greens

Law enforcement officials are confronted, however, with a much more difficult political problem in dealing with such riots. Eleven years of campaigns for ecology and against nuclear power have produced several hundred thousand German citizens, who consider a "green" issue a higher value than the state and its institutions. All in all, the ecology movement in West Germany adds up to more than 2 million citizens—the voting base of the Green Party.

Not only is the Green Party a harbor for terrorists, with some of them even seated in state and federal parliaments; it has also become the main political mouthpiece for anti-nu-

clear hysteria. The Green Party held its national convention just at the time that the riots at Wackersdorf were developing, and cheered on the terrorist victories. The convention, which took place in Hanover, more than 500 km from Wackersdorf, was in close communication with the rioters. When the news about the first bloody clashes and the casualties inflicted on the police at Wackersdorf was communicated to the convention delegates, they applauded enthusiastically.

The atmosphere in Hanover had been prepared by leading Greens like national executive member Rainer Trampert, who termed "every single one of the 374 nuclear power reactors in the world a declaration of war against humanity." He added that all nuclear projects had to be stopped, since they were "acts of state terrorism" and "nuclear murder against the people."

The Wackersdorf project, the planned construction of Germany's reprocessing plant for spent nuclear fuels, was declared a "project to build a German nuclear bomb." This absurd charge sounded like the propaganda put out by the Soviets, the East bloc, and the German Communist Party (DKP). There may have been more than just "verbal agreement" of the Greens with the Soviets: Trampert had been in Moscow, conferring with Soviet President Andrei Gromyko and other Kremlin officials, just a few days before the Green convention in Hanover began.

The way the Greens reacted to the Chernobyl disaster indicated how much they view the world through the screen of the Kremlin's propaganda. They called the nuclear accident "a warning to mankind," and called for the immediate closing down of nuclear reactors in Germany. For the first three weeks after the Chernobyl accident, the Greens refused to say a single critical word against the Soviets, because they didn't want "to join ranks with the anti-Soviet campaign in the Western media."

The post-Chernobyl hysteria campaign in Germany about how nuclear radiation would contaminate West German food, was whipped up prominently by the Greens, who considered this a transmission belt for their mobilization against Wackersdorf. Green Party member Joschka Fischer, minister of ecology affairs in the state of Hesse, first boycotted an effort by his minister colleagues in the other states to get the hysteria under control; then he marched ahead with extreme decrees banning the sale of all fresh produce in Hesse, and then he presented a document calling for the "withdrawal from nuclear technology at all costs."

Fischer is prominently linked to the anti-Wackersdorf mobilization. On Dec. 12, 1985, he was sworn in as minister of ecology affairs in Hesse, and two days later he appeared as one of the prominent guests at the anti-nuclear encampment near Wackersdorf. For several years, Fischer has been co-publisher of the Frankfurt rag *Pflasterstrand*, which is a mouthpiece for numerous violent groups, including the movement against the Frankfurt Airport runway. *Pflasterstrand* is also one of the most anti-American publications in the Frankfurt region.

Apart from the Green Party leadership, the organizers of the anti-Wackersdorf project itself also maintain direct contact to Moscow. The leader of the ecology group at Amberg (in the vicinity of Wackersdorf), Helmut Wilhelm, who is one of the organizers of the protest actions leading up to the Pentecost riots, spent time in Moscow in January. He had been invited by the Soviets, who had already lyingly attacked the Wackersdorf project as part of "a plan to build a German nuclear bomb."

The German Communist Party

Far more important than the more numerous, but also heteronomous Greens, is the tiny German Communist Party (DKP). A proto-Stalinist cadre organization, dependent on an annual subsidy of 50-60 million deutschemarks (\$22-26 million) from East Germany, the DKP has been a central element in the emerging of the West German anti-nuclear movement.

The DKP has helped, with funds, manpower, and its printing capacities, to build the movement against nuclear power since the mid-seventies. Its party organ, *Unsere Zeit (UZ)*, has been a mouthpiece of the anti-nuclear and anti-American movement for more than 10 years. Soviet nuclear technology has never been attacked by *UZ*, naturally. The DKP also played a prominent role in building and broadening the mass movement against the "NATO airport project" of the Frankfurt runway between 1981 and 1983. The DKP printing press also did good service to slander critics of the movement as "CIA agents."

Thus it came as no surprise, that from the very beginning of the protest actions against Wackersdorf, the DKP was present. Members of the DKP from the region around Wackersdorf helped to build the first anti-nuclear encampment in August 1985, and the second one in December 1985. At the end of 1985, *UZ* reported: "The chairman of the Regensburg DKP section personally helped to raise the wooden cross of resistance" in the encampment. On Jan. 7, 1986, *UZ* revealed: "In the construction of the camp, the logistical supply, DKP members from Oberpfalz [the region around Wackersdorf—ed.] participated. At the same time, the communists organized information campaigns in the cities."

Since then, the DKP and its press have given the growing protest movement against Wackersdorf regular support. The DKP press portrayed the riots of Pentecost weekend as "police brutality" against the protesters.

The DKP has maintained a certain political distance, at least for public purposes, from the Greens. It sticks to the idea of a "popular front," rather than an organizational merger with other parties. This leaves room for political and financial blackmail, for changes of alliances, and shifting political emphasis. The DKP has, for example, defended Soviet nuclear reactors even after Chernobyl, attacked nuclear power in the Western countries, criticized the Greens as "irrational," and at the same time, supported the movement against Wackersdorf—all without any ideological problems.

If politically convenient, more direct alliances are made, however, and in the case of the movement against Wackersdorf, the DKP has dropped its caution and merged with the Greens for the Bavarian state elections in October. Thus the DKP's election front, "Peace List," has placed its member Schramm on the slate which the Green Party from Mittelfranken is fielding in the upcoming elections. Mittelfranken is the region directly neighboring on the Oberpfalz region, where Wackersdorf is located, and contributed a sizeable contingent to the recent riots.

In addition to the direct infiltration of the green and anti-nuclear movement by DKP cadre, one must not forget the direct role of the East German intelligence service in steering these movements. A report of the West German federal interior ministry mentions "active measures against the nuclear industry in the Federal Republic of Germany" as part of the long list of "active measures" aimed at destabilizing the state. The report, which was published in February 1985, says:

According to current evaluations, the Chief Investigation Department of the Ministry for State Security (MfS) [the central East German intelligence service—ed.] had plans in the mid-70s for long-term measures directed at severely disrupting the economic development and economic capabilities of Germany. Through influence and support of press campaigns against the supposed dangers of nuclear power designed for civilian use, the intent was to achieve a broad mobilization of the population against nuclear facilities.

As an example of a planned but ultimately not realized action, there were deliberations in the MfS to deposit small, harmless amounts of radioactive substances in the surroundings of nuclear power stations or processing plants. The projected nuclear processing plant of Gorleben was chosen as a target. For reasons of political opportunity, this measure was delayed. The MfS reasoned that it would be a bigger success, if the project could be hit with such a measure shortly before the completion of the plant.

Traditionally, West German intelligence services and the media are ordered by the faction of the government around Foreign Minister Hans-Dietrich Genscher to "keep their hands off" such stories.

Social Democrats join the fray

The German Social Democrats (SPD) are playing a leading part in the escalation of the anti-nuclear destabilization. Opposing the Wackersdorf project from its very beginning, SPD officials in the Wackersdorf district have played the main role in legal sabotage of the plant. The two district commissioners, Hans Schuierer and Benno Zierer, responsible for the administration of the Wackersdorf district, have delayed the beginning of construction of the reprocessing plant, and encouraged the actions of the "movement."

Both Schuierer and Zierer were regular participants in anti-nuclear rallies on the site, and both have attacked the police for "brutality against peaceful demonstrators." Police actions prior to the latest confrontations were called "terrorism in its pure form" by Schuierer, and he has not changed his view even after the Pentecost riots, but attacked the Bavarian government. Schuierer is now facing disciplinary charges by his superiors.

On a national level, the SPD has denounced the Wackersdorf project, and called for the end to all nuclear construction activity in West Germany after Chernobyl. Concerning the Greens, the SPD pursues a policy of close political alliance, and in the state of Hesse, has even formed a coalition government with them. The SPD also maintains close contacts to the liberal Free Democrats on anti-police and anti-nuclear issues (the Free Democrats have also denounced the Wackersdorf project).

Because of its position of power nationally, the SPD plays a much more destructive role than the Greens and DKP taken together. The SPD forms a political shelter for both the Greens and the DKP, helping them to proceed with their subversive activities. For the SPD, the two minor parties and the "movement" are pawns in its game to decouple West Germany from the U.S. nuclear umbrella, and then from membership in NATO. Encouraging the movement against nuclear power, means an entry into a mass movement against nuclear weapons for the SPD.

SPD executive member Erhard Eppler, addressing a major anti-nuclear rally at Wackersdorf on Feb. 12, summed up this political game, when he defended the radical ecologists: "I always keep telling my friends in the SPD, these are your friends, they make your policy possible."

The Bavarian state section of the SPD, which wants to topple Franz-Josef Strauss, Bavaria's pro-nuclear governor and the chairman of the Christian Social Union party, in the upcoming state elections in October, has documented how these "friends" indeed make their policy possible. When on March 16, riots near Wackersdorf injured 22 policemen, Bavarian Justice Minister Lang accused the SPD of having encouraged the clashes through its alliance with the "movement," and of "allying with enemies of the state." The SPD parliamentary group marched out of parliament in protest, demanding that Lang resign or be dismissed from office. On all issues pertaining to security questions, the SPD has boycotted the parliamentary sessions ever since, as a sign of "fundamental disagreement."

Since this incident, and even more so since Chernobyl, SPD spokesmen have repeatedly charged the Bavarian government and the police with "exaggeration" and "brutality." On Easter day, the whole state executive of the Bavarian SPD joined ranks with the anti-nuclear movement at Wackersdorf for an "Easter rally." This one remained relatively non-violent, however.

During the Pentecost demonstration, the SPD prominents did not put in an appearance at Wackersdorf. SPD state slate-

leader Fred Hiersemann and his energy policy spokesman Hans Kolo, one of the leading anti-nuclear voices in the Bavarian SPD, were in East Berlin the day after the bloody clashes of Wackersdorf. They were shaking hands with Socialist Unity Party chairman Erich Honecker and discussing "ecology issues" with him. This meeting was a public gesture from both sides, but certainly an encouragement of the Bavarian SPD's anti-nuclear policy by the political leader of the East German regime.

Requirements for the security forces

Very few political leaders in Germany have responded adequately to the new escalation of violence. The CDU/CSU federal parliamentary faction chief, Alfred Dregger, commented on the Wackersdorf riots: "For the first time after the Hitler dictatorship, the threat is not coming from the outside, but from within." He added that under red-green alliances, democratic rule would be abolished. "The right of the fist would take over more and more, as it did under the rule of the brown power."

State Attorney General Kurt Rebmann also issued a harsh warning: The rioters of Wackersdorf represent a possible pool of personnel for the terrorist Red Army Faction, Revolutionary Cells, and other autonomous terror-groups. The spokesman for the conservative police union came out with similar statements.

For years, competent security and police specialists have demanded effective measures against the escalation of street violence. The first measure must be the creation of a federally effective special file on violent rioters and the terrorist support apparatus, which would allow effective police measures *before* violence breaks out. This measure was constantly sabotaged by former interior minister Gerhard Baum, a Free Democrat, until 1983. Since then, SPD- and SPD/Green-governed states have kept up such sabotage of internal security. Anti-police groups controlled by Greens, Communist Party specialists, or even "former" terrorists have gained influence.

A second urgent measure is the reinstatement of the anti-riot law which was thrown out in 1970, when the Willy Brandt government took over and started a vast sweep against the German security apparatus. This law guaranteed efficient crowd control, since if violence were committed, the police could issue three warnings, and if unheeded, then the whole crowd, violent or "nonviolent," could be subject to arrest or other measures. Today violent criminals can always hide behind the human wall of "nonviolent" demonstrators, preventing police measures and resulting in almost no arrests.

Another requirement is the introduction of police shotguns and pistols designed for anti-riot ammunition, which could keep attacking crowds at a distance of 50 meters.

These minimal measures will have to be implemented immediately, in order to demonstrate that the state is not willing to compromise with the kind of mob rule which destroyed the Weimar Republic in the early 1930s.

State Department courts the Greens

by Scott Thompson

Since the founding of the fascist Green Party in 1979, a dialogue has been underway with these modern "Brown-shirts," which is reminiscent of the U.S. Eastern Establishment's attempts in the 1920s and 1930s to coopt Adolf Hitler and Benito Mussolini. This traitorous *pas de deux* with the Green fascists, one of the greatest U.S. foreign-policy blunders since World War II, has been coordinated by the New York-based Council on Foreign Relations (CFR), the Eastern Establishment's flagship institution, through its members in the U.S. State Department.

The State Department's "dialogue" with the Green fascists was the secret backdrop against which Greens staged violent demonstrations against U.S. bases in West Germany. When Secretary of Defense Caspar Weinberger protested against the State Department's policy of turning a blind eye to these actions, sources report that he was overruled by an irate Secretary of State George Shultz.

Since CFR member Shultz has held office, the State Department has had an "open door" policy of talking to all opposition forces within allied nations, including those linked to that Soviet-backed, "state-sponsored terrorism" which Shultz publicly decries. So the State Department meets with West Germany's Green fascists, and organizes tours for them in the United States, although it is well known that Green leader Petra Kelly knew terrorist leader Muammar Qaddafi before co-founding the Green Party, which has received covert Libyan funds to stage violent demonstrations against U.S. bases in Europe.

Ambassadors or traitors?

Even after the "low-intensity warfare" staged by the Greens and the German Communist Party (DKP) at the construction site of the Wackersdorf nuclear reprocessing facility in Bavaria, Arthur Burns, former Federal Reserve Board chairman (1970-78) and U.S. ambassador to West Germany (1981-85), believes that reports of Green Party ties to terrorism are "exaggerated."

It was Burns, an influential CFR member, who initiated the State Department's dialogue with the Green Party, taking its leaders Petra Kelly, Gen. (ret.) Gert Bastian, and terrorist

attorney Otto Schily under his wing. The Austrian-born Burns admits that he would invite these three Green fascists for private discussions at his home every two or three months, becoming "somewhat friendly with them."

This policy has been continued by Burns's successor, CFR member Richard Burt. When Burt was being confirmed as assistant secretary of state for European affairs, the post he held before being named ambassador to Bonn, a respected member of Congress called for Burt to be tried for violation of the national security act, when it was revealed that Burt had leaked highly classified "signals intelligence" as a *New York Times* reporter. One of Burt's first steps after his confirmation, was to recruit Soviet-fixer Armand Hammer—identified in earlier State Department documents as a Soviet intelligence agent—to act as Burt's "back channel" to the Kremlin.

It should not be surprising that Burt leaped at the possibility of a dialogue with the Soviets' Green fascist assets. On March 16, 1986, Burt's former employers at the *New York Times* described a Tex-Mex dinner that the new ambassador threw for "a delegation from the anti-NATO Green Party. . . . Petra Kelly, a party leader, said he was 'so charming that hardly anyone was able to make an argument against him.'" In the same article, the *New York Times* adds that the *tageszeitung*, a West Berlin-based counterculture newspaper which is part of the support group for the Red Army Faction, Communist Alliance, Red Cells, and other terrorist groups, has nicknamed the ambassador "Bad Boy Burt," for his well-publicized practice of singing Rolling Stones songs with a rock band in West Berlin.

The 'charming' Green Party

Burns said recently that he found General Bastian, the constant companion of Petra Kelly, a "charming" person. Since the ouster of Kelly from her post in the Bundestag (parliament) and as Green Party national chairman, Burns has staked his hopes upon Otto Schily, whom Burns believes to be "more pragmatic."

Yet Otto Schily is the most pro-terrorist Green in the Bundestag. He became infamous as an attorney for the terrorist Baader-Meinhof gang (Red Army Faction) in the 1970s, when Schily was investigated for smuggling information from the jailed terrorist leaders to their followers. Schily and his friend Christian Stroebele, the founder of the pro-terrorist *tageszeitung*, were then also close associates of East German agent Dr. Kaul. Schily was twice a member of Green Party delegations that met with Muammar Qaddafi, to discuss violent demonstrations against U.S. bases in Europe. Raised as a member of the Anthroposophic cult, Schily advocates German adoption of a *Mittleuropa* stance—a Europe supposedly independent of the two superpowers, but actually in the Soviet "sphere of influence."

It was Schily who, on Oct. 18, 1984, introduced scurrilous charges to "watergate" Christian Democratic Union Chancellor Helmut Kohl—an ally of the Reagan administra-

tion. Schily claimed that Kohl became head of the CDU in 1973 through bribes paid to his predecessor, Rainer Barzel, by the Friedrich Flick concern.

In contrast to Burns's praise of Schily, CDU General Manager Heiner Geissler went to the heart of the matter, writing an open letter on Oct. 19, 1984, that called upon CDU members "to resist the attempts of the Greens to damage and humiliate the honor and reputation of the chancellor by slanders and vicious allegations in the same style the Nazis and Communists of the Weimar Republic employed."

Three U.S. tours

During the month of October 1984, when Schily was seeking to topple West Germany's democratic institutions, Petra Kelly and General Bastian were completing their third tour of the United States since the Greens first entered the Bundestag. These U.S. tours had been facilitated by Ambassador Burns and the State Department.

On Oct. 21, 1984, Kelly appeared at a forum on "The Nuclear Crisis," sponsored by the University of California at Berkeley. Appearing with her was the newly appointed NATO secretary general, Lord Peter Carrington, who has been known as a proponent of an "independent Europe," identified by spokesmen for the CFR and the Trilateral Commission as "a global New Yalta." Also speaking at the forum was Kelly's friend Paul Warnke, who had been the chief negotiator of the SALT II treaty.

CFR member Warnke was reportedly a co-sponsor of a standing invitation for Petra Kelly to address the Council on Foreign Relations; this she did on a Sept. 15-28, 1983 tour of the United States, with Bastian. To this day, the Council on Foreign Relations will not reveal who attended this meeting with Kelly, nor what transpired. The only indication of what was said appears in a Nov. 23, 1983 article in the *New York Times*, which paraphrased Kelly's report on the CFR meeting to the Bundestag. At the height of a Soviet effort to "decouple" the Western alliance by revving up protests against the deployment of U.S. missiles in Europe, CFR leaders had adopted the Soviet line with Kelly, saying "that the United States was not ready to sacrifice Chicago for Hamburg in a nuclear exchange." "'And we,' intoned Miss Kelly heatedly, 'are not ready to sacrifice Hamburg for Chicago.'"

This second U.S. tour for Kelly was advanced by Green Party leader Rudolf Bahro, an East German agent, who has publicly praised "Brother Hitler." While Bahro held public speaking engagements throughout the United States that month, Kelly and Bastian visited the CFR and State Department. On Sept. 21, 1983, Kelly and Bastian attended a closed-door session at the National War College in Washington, D.C.

Throughout the previous month of August, Kelly had led demonstrations against the deployment of U.S. Pershing II and cruise "Euromissiles" in West Germany. Kelly admitted in an interview with *Le Figaro* newspaper that during the course of these demonstrations she had consulted as many as

three times a day with a KGB agent, Smagin, operating from the Soviet embassy in Bonn.

These demonstrations followed Kelly's attempt, on her first U.S. tour in July 1983, to enlist the State Department as an ally in blocking the "Euromissile" deployment. During that first tour, Kelly was scheduled to meet with Undersecretary of State Thomas Niles, director of the State Department office of U.N. affairs Edward Dillery, and former arms-negotiator Paul Warnke to protest the deployment.

Kelly went almost directly from these State Department meetings to demonstrate with U.S. "peace movement" figure Philip Berrigan in front of the White House against President Ronald Reagan, whom the Greens proclaimed "a new Hitler."

The CFR and State Department's strategic insanity, shown in this courtship of the Soviets' Green fascists, is largely responsible for the attack upon West German democracy that occurred at the Wackersdorf construction site in May.

Arthur Burns and the 'charming' Greens

The interview with former U.S. Ambassador to West Germany Arthur Burns that we excerpt here, was conducted on May 30, and made available to EIR:

Q: I understand you initiated the State Department's dialogue with the Green Party. Did you have any influence upon them?

Burns: I had good contacts with members of the Green Party. I invited them to my residence every two to three months, particularly General Bastian, Petra Kelly, and Otto Schily. I invited them to special functions. I became somewhat friendly with them. I don't know whether it had any effect, but, as human beings, I found these people quite likeable.

Q: After Chernobyl there is talk of the Greens doing very well in Lower Saxony. This has renewed the SPD's interest in a "Red-Green" coalition.

Burns: I have heard from my friends in Germany that the election there would be very close. Of course, I deplore such a result as a "Red-Green" coalition. But it's my judgment that it will be close there.

... By the time I left West Germany, I thought the Green Party had changed. The Greens may be confused and quarreling among themselves, but I thought they had become less anti-American. Kelly and Bastian repudiated the Krefeld Appeal [a Communist Party-sponsored disarmament call—ed.]. I thought they had become increasingly critical of the Soviet Union. I would have said they were about equally critical of the Soviet Union and the United States by the time I left.

Q: Who would you see as the new leadership of the Green Party?

Burns: I think Otto Schily is very smart and pragmatic. General Bastian is very charming. Schily is much less of an ideologue. I found him very likeable. He brought me a little gift when I left Germany, which I found touching.



Carlos de Hoyos

Burns (left) with Henry Kissinger.

Q: Yes, but it is Schily who is trying to topple Chancellor Kohl through the Flick Affair.

Burns: That is because he is a very shrewd and hard-working attorney. I know he worked very hard on that case. He is very capable. I think he is more interested in turning the Greens into a conventional party. He is more pragmatic than the others.

Now to get back to your question about my influence upon the Greens. You know, one can reason with these people. I respect other people even when they are half-demented. I was always honest with these people. The United States is not perfect, and I told them when I thought we had made a mistake. That is why they listened to me.



The historic turning point of the Lower Saxony election

Helga Zepp-LaRouche is a distinguished figure in the West German and international political scene. Several times a candidate for federal parliament in the Federal Republic of Germany, she also founded, in 1982, the international Club of Life, and in 1984, the Schiller Institute, a think-tank for republican foreign policy committed to defending the Western Alliance against efforts at "de-coupling" Europe from the United States.

In fall 1986, she was a co-initiator of the "Patriots for Germany" movement, which went public with a series of newspaper advertisements mobilizing patriotic Germans to fight against the threat of a "Red-Green" ruling alliance between the Social Democrats (now dominated by pro-Moscow appeasers, hence "Red") and the ecological fascists of the Green Party. Her most recent major writing, titled, "Germany's Positive Contribution to World Development: Foreign Policy Theses for the Federal Republic of Germany," was serialized in *EIR* in November-December 1985, and published as a book in West Germany.

She was interviewed by Nora Hamerman on May 27.

EIR: Patriots for Germany was formed about eight months ago, and has just now declared itself a party and put a full slate of candidates forward for the June 15 state elections in Lower Saxony. Many of the candidates for the Patriots have belonged to other parties, and in many cases still belong to other parties. Why was it necessary to form a new electoral slate at this time?

Zepp-LaRouche: When we started the initiative of the Patriots for Germany, this was out of recognition of the fact that Germany was faced with an increasing number of dramatic crises, ranging from the effects of the economic crisis, terrorism, a possible destabilization of the government, a moral crisis, a crisis in education, and so forth, and that none of the existing parties in the government would have any adequate response to those problems. So in the beginning the Patriots for Germany initiative was an attempt to rally together all patriotic forces from all different social layers of the population, with the explicit statement that we would be prepared

for any upcoming crisis, to just do our patriotic duty.

In the beginning, it was not decided if it ever would become a party or not, but eventually, as the Lower Saxony election came closer, it became clear that it was necessary to form a party. If you look at the party landscape in Germany, the Social Democracy (SPD) has been transformed, away from the Schumacher Social Democracy of the postwar period, which was fiercely fighting for the alliance of West Germany in the Western Alliance. But especially since Helmut Schmidt's government went out in 1982, the SPD leadership has undergone a further shift into becoming literally the fifth column of Moscow, in the same fashion that this is true for the Socialist International internationally.

On the other side, the CDU-CSU-FDP [Christian Democratic Union-Christian Social Union-Free Democratic Party] government, which came in after Schmidt, promised the so-called *Wende*, the "change." This change did not occur: not in economics, not in military policy, not in education. Then, the recent elections have demonstrated the very unusual pattern for West Germany, of a high percentage of non-voters. In the entire postwar period, the percentage of people going to vote would be something like 95-97%, so a dramatic earthquake occurred for the first time in North Rhine-Westphalia last fall, when for the first time there was only 75% voting, that means 25% non-voters.

Voting in Europe, especially in Germany because of the history of the 20th century, has been taken as a duty of the citizens, and seen as a sign of stability of the system. You may have a different preference, but at least you would be voting for one of the constitutional varieties of parties. This is changing now, and the recent communal election of Schleswig-Holstein only had a participation of 68%, i.e., 32% not voting. And some polls say that there are 40% expected not to vote in Lower Saxony. We know from our own organizing that up to 80% of the people say they don't know whom they are going to vote for and if they are going to vote at all.

This reflects complete disappointment with the existing parties. A certain percentage of Social Democrats will not

vote because they do not agree with the pro-Moscow course of the present SPD leadership; but a higher percentage of voters will not vote CDU because they feel sold out by that party.

EIR: Why Lower Saxony? Is it the timing of this election, or is there also something special about this state?

Zepp-LaRouche: Both. In terms of the timing: Because of the recent state election results, if Lower Saxony is lost to the CDU—right now Minister-President Albrecht belongs to the CDU—if the Red-Green coalition takes over that state, then the CDU will no longer have a majority in the Bundesrat [the federal upper house of parliament, elected by the states—ed.]. The Bundesrat could block the chancellor, which would probably lead to a new election, cabinet reshuffle, government crisis, or something of that sort.

More important, all the recent elections were catastrophes for the conservative, pro-Western camp: In the Saarland, Lafontaine won, who is known for his raving anti-NATO stance, and the CDU suffered a landslide loss; in Hesse, as you know, there is a Red-Green coalition; in North Rhine-Westphalia, the CDU lost in a major way; in Schleswig-Holstein, there were major losses.

Since this Lower Saxony election is only six months before the next federal election in January 1987, everybody knows that if the conservatives lose in Lower Saxony under present conditions, then a Red-Green victory in January is as good as guaranteed. According to all declarations, this new Red-Green coalition would leave NATO on the spot, and reverse the cruise-missile decision. It would mean the end of NATO, because if Germany leaves NATO there is nothing left. The French are acutely aware that you can't defend France at the French border.

Therefore, Lower Saxony is an historic election campaign. We decided that our aim is nothing less than to absorb the 30-40% of the non-voting population, to replace the Liberal Party (FDP) which is expected not to reach the 5% [needed to qualify for seats in the legislature], go for an outlawing of the Greens, and be the new strong coalition partner of the CDU. That would change every aspect of German policy you can think of.

EIR: On what basis are you demanding the outlawing of the Green Party?

Zepp-LaRouche: We have produced in the past several hundred pages of documentation proving, first of all, that by their own declarations and stands on issues, the Greens are not on the basis of the German constitution. It is their explicit desire to overthrow the German constitution; they completely support terrorism of the worst kind; it has been proven that they are financed by Qaddafi and Libya, that they are financed by the East bloc, that they are controlled to a significant extent by the G.D.R. [East Germany] and the Stasi [East German secret police], that they are by their philosophy in the tradition of the Nazis. So basically you have both Moscow con-

rol, a pro-terrorist philosophy, and a neo-Nazi cult. All of these aspects we have documented in great detail in the newspaper *Neue Solidarität*.

EIR: There are some recent events, especially after Chernobyl. . . .

Zepp-LaRouche: Chernobyl has been used by the Moscow-controlled elements to create mass hysteria in Europe. It was used as a pretext for the recent riots in Wackersdorf, where the German reprocessing plant in northern Bavaria is being built right now. There were riots, very little reported by the American media—three days of what you can only call complete civil war. And as we have from expert security sources in West Germany, this was on direct orders by Moscow, based on a notion of what they call *der moderne Kleinkrieg*, which is something like Low-Intensity Warfare. The explicit aim is to penetrate and sabotage all institutions of the state in the tradition of the destabilization of the Weimar Republic, escalating violence in such a way that finally the state will be overthrown by these kinds of actions. So the assessment of German security and military sources is that Moscow, in its desire to decouple Germany from NATO, launched that civil war with that aim.

EIR: So the Soviets are directly involved, in your view.

Zepp-LaRouche: It's not only my view. My view is the view of military and security experts whose judgments I highly respect, that this was a direct order from Moscow.

EIR: Lower Saxony, if one looks at a map, has a long border with East Germany.

Zepp-LaRouche: First of all on the Wackersdorf incident, I want to emphasize that this is war. In the same way that people are talking about Libya being involved in state terrorism, Syria, Iran, and so forth, everybody knows that there is in the final analysis only one command center, for international terrorism, which all terrorist groups from the Jihad al-Islami, the Red Brigades, the Baader-Meinhof. . . .

EIR: . . . the drug mafia in Latin America. . . .

Zepp-LaRouche: . . . Yes, they all have the same logistical center, they finance themselves with guns for dope, and so forth, and from that standpoint, the entire terrorist wave we have seen in the recent past, especially hitting Europe, has been part of that undeclared war. If there would ever be any kind of move by the Soviet Union into West Germany, the northern plains of Lower Saxony and Schleswig-Holstein are one of the main areas where Soviet tanks would go through. I think this is one of the reasons why the people who have done this incredible breakthrough, made the decision that none of the existing parties will save Germany, so we have to form a party. And in five weeks—this is really extraordinary—they were able to fill a slate of 100 candidates for 100 districts, and recruit more than 500 people, because each candidate has to be voted for by two other ones in his district.

They did this because they are acutely aware that if we lose Lower Saxony, and consequently lose West Germany, our freedom will be gone forever. And especially because Lower Saxony has such a long border with the G.D.R. and everybody knows that Soviet tanks are just minutes away, the people who mobilized themselves did it with the full consciousness that they are standing up for freedom of the West and that they indeed are the first defense line of Western civilization.

Since I have been in close communication with these people since the whole initiative began, I must say I have the utmost respect for their courage. They know what kind of risk they take. The fact that we had this terrorist attack in Celle, at an election rally, demonstrates that we are the only ones who have the courage to stand up to the Russian threat—especially now after Chernobyl. The SPD says, out of nuclear energy, the Greens had that policy in any case; and the CDU all of a sudden, instead of saying *aussteigen* [to get off the train], they say *umsteigen* [to transfer], which is just a semantic fraud. Albrecht for example, the head of the CDU in Lower Saxony, says we have to go to solar energy as soon as possible. That has very little to do with nuclear energy, and everybody knows that without nuclear energy, Germany is completely reduced to Third World status. It has to do with the fact that in front of the Soviet threat, they started to capitulate and to appease the monster.

EIR: The liberal media portrays Europeans as being less and less pro-American, more and more inclined to accept an alliance with the Soviet Union. The same was put forward by Henry Kissinger in his recent syndicated column. Can you comment?

Zepp-LaRouche: Fortunately, I know first-hand that Kissinger's recent trip to Europe was met with disgust by every decent person in Europe. On the other side, the problem is a real one. You have to differentiate between the normal mass of people who rely on the media, and the people who really know what is going on. The mass of the population in Germany, and France, and so on, and that was demonstrated by polls, fully supported the U.S. raid on Libya; as a matter of fact that was one of the strongest pro-American signs you could have wanted.

However, the people who really know what's going on, also know that the time bomb of Gramm-Rudman is ticking. It is very well known in European leading circles, especially military and government, that if the sword of Damocles of Gramm-Rudman is not lifted, by no later than this fall, automatically, the troop withdrawal from West Germany will begin. Since the existence of U.S. troops in Western Europe is the only real guarantee deterring the Soviets right now from grabbing all of Western Europe, even a partial withdrawal would be the psychological symbol of a noncommitment by the United States to the defense of Europe.

It is very important for Americans to imagine what the particular situation in West Germany is. On the one side, the

Soviet tanks are very, very close. It's not across the Atlantic. Germany is divided into two. West Berlin is in the middle of the G.D.R., surrounded by G.D.R. territory—which very few Americans know, by the way. . . .

EIR: Soviet occupied territory.

Zepp-LaRouche: Yes, and the fact that they did not let through certain water cannons that were requested by the Bavarian police from West Berlin [for Wackersdorf—ed.], demonstrated that they can shut off Berlin any time they choose. There is a looming Berlin crisis right now.

Look back at the history of American behavior in the postwar period. Did they support the East German uprising in 1953? No. Did they support the Hungarian uprising in 1956? No. What did they do after the Cuban Missile Crisis? They withdrew missiles out of Europe. Did they prevent the Wall from being built? No. Did they support the Prague Spring? No. If you look at each case where it counted, it is not clear that the Americans would really be there for their defense. And the Greens, being a KGB front operation, have used that to the hilt in saying that the Americans would never sacrifice Chicago for Hamburg.

Let's assume the best case under the present NATO doctrine of Mutually Assured Destruction, namely, that the Americans would come to the defense of West Germany. Now according to the MAD doctrine, you have an initial attack, an invasion of Germany by Soviet ABC troops, and then maybe after 48 hours the United States would come in and bombard all those troops on German territory. It is not a very uplifting thought! Germany would be gone, under the present doctrine, no matter which way you take it.

EIR: But the Patriots support the new doctrine embodied in the Strategic Defense Initiative, do they not?

Zepp-LaRouche: That's precisely the reason, because only if we have an SDI-TDI (Tactical Defense Initiative) combination, is there any hope for a defense doctrine which can guarantee the survival of Germany as a nation.

EIR: This is a somewhat technical question: What are the Patriots aiming for in the election, concretely in terms of votes?

Zepp-LaRouche: In Germany unlike in the United States, you have to reach 5% of the vote in order to get seats in the parliament, or, as a direct candidate you have to get an absolute majority. So, we are aiming for both. To get certain candidates as direct candidates, we have several very promising situations.

The people attracted to us right now mainly are farmers, who, since it is a farm state, represent a large segment of the population; middle-level industry which has been completely abandoned by the CDU; also shipyard workers; blue collar workers; white collar workers; nuclear workers who are very happy that we are the only ones that defend them; and not insignificant military and police forces who also feel that they

are being abandoned by the politicians. It is hard to predict the outcome, but in the best case, 40% of the vote is reachable and could be gotten. I'm not saying that necessarily we will get 40%, but we are definitely in the realm of between 20% and 30-40% of possible votes. Because if we succeed in reaching these people, and right now we are doing the impossible against tremendous opposition, tremendous harassment, but if we are visible and people see our programs, I think this is a quite reachable goal. That would change world history, and this is not an exaggeration, because that vote is an historic vote.

EIR: Unlike the other parties you have named, which professed allegiance to a Western system of values, at least at the time of their foundation, the Greens openly espouse values which are contrary to the Western Judeo-Christian tradition. The fact that they have been able to gain the success that they have means something is very wrong. How are the Patriots addressing this cultural and moral problem?

Zepp-LaRouche: I think that the Greens as a phenomenon are the outcome—and this again we have documented in great deal—of international oligarchical forces like the Club of Rome, the World Wildlife Fund, and similar organizations which have put out the thesis that the Earth is limited, its resources are limited, and so forth. If you tell a young person, "Too bad kid, you were born too late, all the great discoveries have been made in the last century, and everything you invent now is bad because technology is bad," and so forth, what you are doing, in essence what Alexander King and Aurelio Peccei have done, is to seed cultural pessimism in the young person's mind, because you don't give him a conception that it is worthwhile to learn something. I blame these people, Aurelio Peccei and the rest, for menticide. They deserve to be hung at Nuremberg because they have destroyed the minds of these young people.

The other component was the Brandt education reform. Despite the fact that the Nazis did a lot of damage to German classical culture, and despite the fact that the occupying forces, under John J. McCloy, tried to "re-educate," to destroy what remained of German classical culture, fortunately they did not quite succeed. So, I am the way I am today, because I had the fortune of having a couple of teachers who would tell us about classical drama, and classical music, so you had at least a surviving chance.

In 1971, when Brandt became chancellor, he introduced the education reforms. They were not only a reform in form, but in content. They threw out the idea of transmitting the examples of 2,500 years of Judeo-Christian culture. The way I explain the Greens is that they are stupid. If you don't teach kids great classics or science or history, it's not surprising that they become superstitious and think a tree is something holy. That's what happened in the Middle Ages when people did not know what caused thunder, so they made thunder a god.

Therefore, one of the most popular demands in the Lower Saxony campaign is our demand for a third examination for teachers. In Germany, there are two teacher examinations. You go to the university, you do your practical school, and then you take two examinations, and then you are a full-fledged teacher. I have proposed a third one, which would sort out, at present, about two-thirds of all teachers. You would have to throw in a lot of older teachers for the time being and give the ones who flunked the test about six months to learn their curriculum or else look for a different job.

Some say Genscher belongs to the "Dresdner Mafia." A bunch of people came over from Dresden, East Germany, in the 1950s, and made their way into high positions. If you make a list of those people, you find that they are all now on the appeasement line. Whether they are agents of East Germany remains to be investigated.

People really love this, because they have had it with these Greenie teachers. Lower Saxony is notorious, together with the SPD-Green governed state of Hesse, for having the worst educational system. We have set against that a return to the Humboldt system, an emphasis on those subjects which improve the character to the fullest, before you go into any expertise: the highest form of your own language, ancient languages, art in various forms, great theater, sculpture, paintings, music, also natural science. We would combine the best of our tradition of the past with the future, namely, those areas which are really frontiers of the future.

EIR: Some people have mentioned you as a candidate, on behalf of the Patriots, to become the foreign minister, in the shakeup which will occur after the election. What do you think about that, and as foreign minister, what would your policy be?

Zepp-LaRouche: If the Western alliance is to be saved, Genscher as a foreign minister has to be ousted. Many people say Genscher belongs to the "Dresdner Mafia" with all that implies.

There was a whole bunch of politicians who came over [from Dresden, in Soviet occupied East Germany—ed.] in the 1950s, and then made their way into high positions. If you make a list of those people, you find that they are all now on the appeasement line. Whether they are agents of the G.D.R. remains to be investigated; but I think as long as Genscher is there, he can bring down any government in the

same treacherous way as he brought down the Schmidt government [in 1982—ed.]. Apart from the fact that his connections and support to Libya, Syria, Iran, etc. are known, and his opposition to the SDI, and so forth.

On the positive side, the reason that I would indeed consider such a proposal, which was made to me by some people in Germany, is because through my work in the Schiller Institute, in the last two years, we stand for the concept of a just new world economic order. This is based on the moral and ethical principles of *Populorum Progressio* of Paul VI, that development is the new name for peace, and the recent demands by Cardinal Ratzinger, that economic policy and moral policy should be coherent. I think I am internationally known as a representative of the new world economic order, a reorganization of the international debt, and the issuing of large, low-interest rate credits for large projects in the developing sector. In the context of the Schiller Institute work, I have developed contacts with leading politicians of about 18 countries, so that my assuming such a role as foreign minister would almost automatically mean a dramatic improvement in West German relations with all these countries. Given the fact that I am married to an American who is a presidential candidate [Lyndon H. LaRouche, Jr.—ed.], and also more immediately, that I have a strong stand for the SDI, for the NATO alliance, for a strong defense. I think this would strengthen especially President Reagan and Defense Secretary Weinberger. I think I would get along very well with French Premier Jacques Chirac. I think the Western alliance as a whole would be strengthened.

There are areas where I think in terms of foreign policy I would get along with Kohl much better than his present foreign minister. For example, when Mr. Jenninger, from Chancellor Kohl's office, recently went to Israel, he supported the Peres "Marshall Plan" proposal. I support the Peres "Marshall Plan" fully: I support the view of [Israeli Prime Minister Shimon] Peres that the economic crisis in the region will eventually lead to a catastrophe, especially because the oil price crisis will have a tendency to increase fundamentalism and radicalization in all these countries, and on the other hand, that only a massive development plan can actually pacify that troubled region of the world. So here is a concrete area where, in terms of foreign policy, the CDU and Mr. Kohl in particular, and I would get along very well.

EIR: In Europe today, what would the effects of the campaign of Patriots for Germany be in Scandinavia, Spain, France, Italy, all countries which are facing elections or have just had elections, and under tremendous tension because of the economic crisis?

Zepp-LaRouche: Chernobyl did not lead to a slowdown of the Soviet war preparation, contrary to what some liberal media here may say. They are escalating their production of nuclear bombs, of ABC weapons, their variety of SDI; and the West is crippled by the economic crisis and the insanity

of sticking to a bankrupt economic system which simply does not give them the means to have a crash program for the SDI. So therefore, if Gramm-Rudman prevails, the Soviets will win. It's as simple as that.

If we were to change the situation in West Germany, even if the U.S. government were stupid enough to stick to Gramm-Rudman, we could implement the kinds of measures, credit policy, debt reorganization, tax policies, to gear up the German economy for a crash program for our component of the TDI research. And I believe that despite all the stupid mistakes made under the Social-Liberal coalition, in Europe together with France, Italy, and whoever else wants to go along, we have a tremendous scientific and technological potential. . . .

EIR: Maybe the Japanese would join this.

Zepp-LaRouche: I'm convinced that the Japanese would be more than happy to have an alternative to the present trade-war scenario, which is not exactly to their advantage. On the practical side, the kind of economic measures we would take, would have a most uplifting effect on everybody else, apart from the fact that we would stop the immoral International Monetary Fund conditionalities toward the Third World.

More fundamentally, apart from the practical immediate impact, when I founded the Schiller Institute and was a co-initiator of the Patriots for Germany, I proceeded from the absolute conviction that the Western Alliance could not be saved if we would stick with our present moral degeneration, and only if we would mobilize the resources of our best traditions in each country, in America the American Revolution, in Italy the Italian Renaissance, in Germany the German classical period, and so forth, that only if we revitalize that in our populations and out of that create a new Renaissance, that the West would prove itself to be the superior system. The fact that the Patriots are standing up in the face of a seemingly overwhelming enemy, with very few allies, that indeed now they all demand that the Emperor Quartet [by Haydn—ed.] be played at the beginning of their election rallies, which as you know is the basis for the German national anthem, that they want to have classical music played because they know the uplifting character of classical music.

What is happening is that the Patriots movement has become a true republican movement of a similar spirit to the time of American Revolution or the period of the Liberation Wars in Germany, even though it is still growing and has not yet reached power. Renaissances in the past were always made by a handful of people, but when they showed what the higher ideal of mankind could be, it would tend to radiate and have an uplifting effect on all of the people around then. This is why in a certain sense we still live off the Italian renaissance, which occurred 500 years ago. So I think the deeper significance of the Patriots' winning elections would be that indeed we would create the kind of ethical renewal, moral renaissance, without which the West will not win.

George Shultz's treasonous 'hidden agenda' at Halifax

by Criton Zoakos

This season's semi-annual meeting of the North Atlantic Treaty Organization's 16 foreign ministers which was held in Halifax, Nova Scotia, May 29-30, ought to be the last foreign ministers' meeting allowed to be held if the Western Alliance is to survive. *EIR*, harboring no sympathy for the current crop of bureaucrats running the Alliance's foreign ministries, has been both documenting and warning, in the last three years, of the large-scale treachery being woven by this exclusive club of diplomatic professionals since March 23, 1983, when President Reagan first announced his Strategic Defense Initiative.

U.S. Secretary of State George Shultz has been the principal inspirer and leader of this cabal in the West's foreign services. Halifax was no exception.

The significance of that meeting was not so much in what deliberations it promoted, but rather in the context of the strategic circumstances in which it promoted them. The deliberations themselves were simple enough: First, unanimously, all NATO foreign ministers announced a policy of a "Europe from the Atlantic to the Urals," strongly echoing Soviet General-Secretary Gorbachov's favorite theme: "Within the alliance," the ministers' statement reads, "we cherish the ideal that all the peoples of Europe, from the Atlantic to the Urals, should live in peace, freedom, and security. To achieve that ideal, bold new steps are required in the field of conventional arms control. To work urgently towards the achievement of this objective, we have decided to set up a high-level task force on conventional arms control." Sources close to the meeting, confide that this "high level task force" is intended to pursue the heavily disadvantageous "comprehensive disarmament proposals" made by Mikhail Gorbachov last Jan. 15.

Second, all foreign ministers vehemently attacked President Reagan's announcement that the United States is no longer holding itself bound to the SALT I and SALT II agreements—despite the fact that all ministers conceded that the Soviet Union has consistently violated the agreements.

Third, George Shultz's behavior, in light of this orchestrated criticism of President Reagan, was most curious. In response to his colleagues' orchestrated bickering, Shultz stressed that the "SALT Agreements are increasingly obsolete as means of restraint," and that the United States is "not throwing away the concept of mutual restraint, but is seeking to develop a truly effective form."

The diplomatic "form of mutual restraint" alluded to by Shultz is generally recognized by diplomatic observers as the infamous "New Yalta Agreement" to which NATO Secretary-General Lord Peter Carrington and his associate Henry Kissinger are known to be committed. Shultz, in effect, informed the NATO foreign ministers that the State Department's response to President Reagan's scrapping of SALT, will be a redoubled effort to put into effect a new redivision of international spheres of influence known as "New Yalta."

The most essential component of "New Yalta" is a military disengagement of the United States from Europe, the so-called "decoupling." Precisely the kind of task assigned by the Halifax cabal to its newly appointed "high-level task force," concerning itself with the military affairs of "Europe from the Atlantic to the Urals."

'New Yalta,' Shultz, and Kissinger

The known elements of the "New Yalta" were identified in two published locations during 1982. The first was a March 1982 interview of Soviet leader Yuri Andropov in the West

German weekly *Der Spiegel*, and the second was a speech by Henry Kissinger in August of the same year at the Bohemian Grove in California, in the presence of a very select audience which included the then just-named Secretary of State George S. Shultz. Andropov's formulation proposed that the U.S.A. and the Soviet Union accept the designation "sea power" and "land power," respectively, the United States taking control of all the affairs of the Western Hemisphere (presumably including Cuba, Central America, and other unwilling nations), and the Soviet Union maintaining supremacy over the Eurasian landmass—by means of a special Soviet-Western European arrangement which would exclude the United States.

Kissinger's 1982 speech put matters slightly differently: "The worldwide sphere of influence of the United States," Henry argued then, "should be reduced to approximately 25% of its post-World War II extent," in order, presumably, to be made proportionate to the decline of United States military and economic power.

Shultz, at the time, went on record that he is in agreement with Kissinger. In the week before the Halifax cabal, Shultz went on record, together with Richard Perle, supporting Henry Kissinger's most current proposal, published in a syndicated column just prior to Halifax, recommending withdrawal of United States troops from Europe. Kissinger's recommendation was no idle speculation—it has been introduced in bill form in Congress by Rep. Pat Schoeder (D-Colo.), and is viewed with sympathy not only by Shultz and the State Department, but also by the leaderships of both House and Senate Armed Services Committees.

The context

The Halifax cabal took place at a time in which European NATO is rapidly unraveling:

1) Its northern flank is in a process of collapse, as a group of quisling Soviet collaborators took over the government of Norway, and are now energetically pursuing a policy to establish a "Nordic nuclear-free zone," according to the specifications of the Soviet Union.

2) NATO's southern flank has all but disappeared as Turkey, cynically maneuvered by the State Department and Ambassador Strausz-Hupé, was forced to announce that it intends to seek its own accommodation with the Soviet Union, preparing to purchase its own national security by offering to the Soviet Navy a separate agreement for passage of warships from the Black Sea to the Mediterranean through the Turkish Straights.

3) Most important, (see cover story, page 36), the Federal Republic of Germany, NATO's pivotal central sector, is under general assault from the Soviet Union in the form of an already unleashed political civil war. As we document elsewhere, the shock-troops of this civil war are under direct Soviet control, but its cannon-fodder is supplied by the State Department-sponsored "Green Party."

The cancer of the foreign-service brotherhood

One senior diplomat who was forced into retirement during the previous decade, when Henry Kissinger and his masters were revamping the foreign services of the alliance, remarked: "Something very unusual was going on in the ranks of the West's foreign services, a certain kind of 'affinity group' is emerging in the foreign policy milieu . . . a sort of 'homintern,' whose loyalties transcend loyalty to any particular nation's interest."

It appears that this "affinity group" came fully of age during the tenure of George Shultz in the State Department, and established control in virtually all Western foreign ministries, especially after 1983, when the struggle to derail President Reagan's Strategic Defense Initiative became a central and single-minded objective. From the beginning, in March 1983, the State Department has been the main bastion of opposition to the SDI. The British, West German, and Italian foreign ministries almost immediately followed suit, even though those nations' elected governments and military establishments had gone on record supporting President Reagan on this particular policy. During last year, for instance, NATO displayed the incongruous phenomenon of having all of the alliance's defense ministers endorsing the SDI and, subsequently, all of the foreign ministers' during their previous semi-annual meeting, in Madrid, condemning it.

The Halifax meeting is the follow up of that in Madrid. These two meetings' express opposition to the SDI and to President Reagan's rejection of the SALT treaties is informed by a doctrinal commitment to the perverse theory of "Mutually Assured Destruction," which in turn, gained currency during the 1952-58 period when hydrogen bombs and intercontinental rockets were first developed. The initial authors of this theory, for the most part major supranational financial interests known to specialists by the designation, "The Trust," had sufficient clout to push through the ranks, over the decades, a selected type of foreign-policy bureaucrat whose outlook cohered with the doctrine of Mutually Assured Destruction and its cognates. The results of this selection process now dominate the top ranks of Western foreign services.

By training, upbringing, and selection, this layer is impervious to the realities of the Soviets' military drive for world domination. A massive and deeply entrenched phenomenon of appeasement, fueled by hundreds of little Neville Chamberlains, is, so far, the West's diplomatic corps' response to the Soviet onslaught against all of NATO's fronts. President Reagan's SDI of 1983 and nullification of SALT of 1986, are simple, necessary responses to this Soviet challenge—these two Presidential acts, have, in effect, put an end to the era of MAD. The contest which has now emerged as a result, requires a general cleanup of this legion of little Chamberlains in the ranks of the West.

George Shultz, the dean of the West's appeasers, ought to be the first to go. His firing will have salutary effects on the rest of the alliance.

Moscow demands that Sweden purge all Western influences

by Göran Haglund

The merciless light thrown on Soviet pre-war deployments against Europe's northern flank in the Swedish press recently, punctuated by calls for Sweden to join the Western alliance, has left Moscow visibly distressed over the stubborn resistance forming against its current efforts to "Finlandize" all of Scandinavia.

It's not that the Swedish Social-Democratic regime of Ingvar Carlsson isn't trying to please its growling neighbor to the east. But the pace of events is producing an accumulation of provocative incidents between Sweden and the neighboring superpower—a circumstance in which a catalytic role can be played by the LaRouche co-thinker organization, the European Labor Party, whose demands that Sweden join NATO, a taboo subject only a short time ago, now sound ever more credible.

The Soviets are reacting in the usual, brutish fashion, trying to make the Carlsson regime deliver the European Labor Party's head on a silver platter.

On the public side, the Kremlin's approach to the Finlandization of Sweden is to repeatedly demand more "realism" and a more "active neutrality" from the regime. This means stopping all talk of the "imaginary" Soviet threat, and otherwise never to mention, nor permit the press to mention, Moscow in an unfavorable light. The idea is to compel Sweden to maintain its "neutrality," as that "neutrality" is successively reinterpreted in favor of accommodation with the Soviet empire.

In an interview for the Social-Democratic journal *Aktuellt i Politiken*, Boris Pankin, the Soviet ambassador to Sweden, put the matter thus:

"In the future, our relations have to proceed from realities and not from artificial and invented arguments. That is also one of the results of Premier Ingvar Carlsson's visit to Moscow. In and of itself, this is an idea which is difficult to include in a document, but which possibly has entered the mind of all politically interested persons."

Three Soviet complaints

According to *Svenska Dagbladet's* May 25 account of Soviet goals as they emerged during Carlsson's April 14-17 visit to Moscow, the European Labor Party is Moscow's paramount concern. The article never mentions the European

Labor Party by name. The reference, however, is unmistakable. For example: "The prevailing Foreign Ministry perspective today is that Soviet political criticism aims at pointing to tendencies which, unless they are criticized and thereby stopped, could lead to a negative development."

The Soviets have issued three distinct points of political criticism against Sweden.

1) *Swedish military capabilities*. These have been under permanent Soviet attack, including Sweden's allegedly high defense expenditures, which contradict Sweden's official disarmament policy and, Moscow claims, increase the tension in northern Europe.

2) *Technology transfer policy*. A new target of strong Soviet attacks, issued personally to Carlsson by Soviet Premier Nikolai Ryzhkov in Moscow, is the law passed by the Swedish parliament shortly before the Palme murder to prevent American high technology from being smuggled through Sweden into the Soviet Union, in accordance with the so-called Cocom agreement among Western nations.

3) *The European Labor Party*. The third point of attack is certain unnamed "circles," which exercise influence on other "responsible circles," and which are accused of anti-Sovietism and of forging evil plots aimed at bringing Sweden closer to NATO.

"Consequently, Soviet diplomacy, employing a mixture of criticism and siren calls, aims at making the Swedish government deal with the 'anti-Sovietism' in Sweden," as *Svenska Dagbladet* puts it.

As the West was still reeling from the shock of Olof Palme's Feb. 28 assassination, Moscow exposed its hand trying to deal with such "anti-Sovietism" itself. Beginning one day after the Palme murder, Moscow started running a massive disinformation campaign, using the services of KGB-tainted Western media, attempting to implicate the European Labor Party in Palme's murder.

It was later learned that this KGB disinformation campaign not only employed KGB-asset journalists, but was coordinated with certain police leadership, and involved political tampering in the Palme murder investigation itself by Social-Democratic elements, including elements inside the police (see *EIR*, May 30, 1986). According to sources, this was the subject of talks during Carlsson's Moscow visit, with

the participation of Soviet ambassador Pankin, a disinformation specialist.

The Swedish Social Democrats' desire to accommodate was severely compromised by the public revelation of a Soviet plan to kidnap the Swedish royal family. Revealed in a new secret Pentagon report cited by columnist Jack Anderson on May 23, the Soviet plan has been given big publicity in Sweden.

Largely repeating *EIR* charges about the training and capabilities of Soviet special forces—so-called *spetsnaz*—and Russian designs on Sweden, the Anderson column reports that the purpose of kidnapping the royal family, on the eve of a war between East and West, is to create chaos and confusion in Sweden and thwart any alignment of Sweden with NATO.

Anderson reports that Soviet mini-submarines have already been detected in the Stockholm harbor, a mere kilometer away from the Royal Palace, and also claims that Soviet intimidation attempts against Sweden seem to have had the opposite effect, as Sweden, its neutrality notwithstanding, has requested NATO assistance to track Soviet mini-submarines.

Sources close to the Swedish royal family privately state that it is obvious that the Soviets would be planning to kidnap the king in a pre-war situation, but that Sweden nevertheless must remain neutral.

After Soviet mini-submarines were first detected in Stockholm harbor in 1982-83, the royal family moved from the Stockholm Palace to take up residence in nearby Drottningholm—"to escape the noise and air pollution of central Stockholm."

Immediately upon publication of Anderson's column on the Soviet threat, the Swedish government had to scramble to prevent the wave of anti-Sovietism it was bound to prompt from leading to a breach of Swedish "neutrality." A sop was thrown to Moscow: A May 27 classical music concert at the Royal Armory inside the Stockholm Palace was abruptly canceled, because the sponsoring Academy of Humanistic Studies, a non-partisan cultural organization, according to the Swedish police, "has connections to the European Labor Party."

Conservative purges

The determination of the regime to purge conservative and military layers in Sweden of "harmful, pro-Western" influences has become evident. Aside from the European Labor Party, which is routinely subject to libelous attack by the media, the regime has directly targeted the military intelligence sources of *Svenska Dagbladet*, the newspaper most widely read by Swedish conservatives.

On May 22-23, *Svenska Dagbladet* was placed on trial by the Social Democratic regime, represented by Chancellor of Justice Bengt Hamdahl, allegedly over two articles published in the summer of 1985 as part of a series on subversive

activity against Sweden. The articles allegedly revealed state secrets of Sweden. However, the two articles actually gave details of Soviet *spetsnaz* operations against Sweden.

The cause of the trial is clearly not a serious breach of Swedish secrecy. Drawing almost exclusively on publicly available sources, only a few details in the articles indicate access to classified reports, compiled by Swedish military intelligence on behalf of the Supreme Commander.

The articles' naming of the Soviets as culprits, including quotes from military intelligence reports, is a diplomatic embarrassment to the regime, which prefers speaking of "a certain foreign power."

The targeting of patriotic sources in military intelligence is the real aim of the law suit, which was initiated through a complaint by Sweden's Defense Staff chief, Vice-Admiral Bror Stefenson, who is the regime's political commissar inside the military command.

In a preliminary ruling on May 23, the jury found *Svenska Dagbladet* guilty in connection with one of the two articles in question, but guilty only of the milder of two possible offenses: that of careless handling of secret information. However, the chancellor of justice announced that now, his intention is to go after the sources.

Suvorov's scenario

As the trial opened, *Svenska Dagbladet* ran a new article on the *spetsnaz* threat to Sweden, based on an interview conducted in London with Soviet defector "Viktor Suvorov," formerly of the Soviet General Staff and an intelligence officer of the GRU, military intelligence, based at a large Soviet embassy in Western Europe.

According to Suvorov, who still says "we" when speaking of the Kremlin, the basic Soviet concept is dividing Europe from the United States, which makes seizing Norway militarily crucial.

"Sweden is blocking the pathway. Therefore, you have to be neutralized. That is of utmost importance; not only for the need to control the Atlantic, but also for us to take West Germany. For such an operation, control of south Norway is required. The road there also passes through Sweden.

"The Soviet Union is striving to expand its power. All actions go to the same effect. While we speak of peace, we deploy submarine operations and other activity against Sweden. We try to give you the impression that if you behave well, everything will be alright. When you have made a small concession, we escalate our demands. That is the way it is," explains Suvorov.

There is little doubt that *spetsnaz* activity against Sweden has already escalated from the training and reconnaissance phase to live operations. The May issue of *Conservative Digest* magazine, in an article on Soviet *spetsnaz* operations, notes that "heavy speculation has also arisen about *spetsnaz* involvement in the recent murder of Swedish Prime Minister Olof Palme."

Battle in India's ruling party: Rajiv Gandhi shakes up the barons

by Susan and Ramtanu Maitra from New Delhi

The political pundits in New Delhi polished their crystal balls a few weeks ago to divine what is next in the drama unfolding within the ruling Congress Party. They were prompted by the sudden April 26 move of the Congress (I) high command to expel former Finance Minister Pranab Mukherjee from the party for six years, and suspend three other veteran leaders for an unspecified period.

The delinquents were a rallying point for the corrupt and self-seeking Congress "Old Guard" that Rajiv Gandhi had put on notice at the Congress Centenary celebration in Bombay in December.

"The Congress workers are handicapped, for, on their backs ride the brokers of power and influence who dispense patronage to convert a mass movement into a feudal oligarchy. They are self-perpetuating cliques who thrive by invoking the slogans of caste and religion and enmeshing the living body of the Congress in their net of avarice," were his harsh words on that occasion.

The April expulsions took most by surprise. Was Rajiv Gandhi finally acting on his promise to clean up the party? Would Pranab fight back? Would the Congress (I) split? And what about the party elections scheduled in July? Having been caught off-guard again by a man whose actions have repeatedly defied conventional political wisdom, the pundits' reactions have been cautious.

Yet, certain things are clear.

First, the move was an exemplar—a warning shot aimed as much at the gallery of grudgebearers waiting in the wings as at the ousted individuals. The move was meant to nip in the bud a vengeful process before it got off the ground. Second, Rajiv Gandhi is serious about his commitment to clean up the party and the government.

Pranab and Co., paper tigers

As a former finance minister (Pranab was considered unofficially the number-two man in the late Mrs. Indira Gandhi's cabinet), Mukherjee's moves have been the focus of intense speculation for more than a year. He was dropped from the Rajiv Gandhi cabinet following the 1984 elections

which brought Congress (I) back to power with an overwhelming majority, and had subsequently been removed from all party committees. An ex-somebody, he has been moving around like a self-proclaimed general in search of troops.

Pranab's suspended cohorts are similarly "ex" officials. Sripat Mishra was a member of parliament and former chief minister of Uttar Pradesh, a Congress (I) stronghold; A. P. Sharma was a member of the Upper House of parliament, where members are inducted through party nomination, and was former governor of West Bengal; and Prakash Mehrotra had served as governor of Assam and India's high commissioner to the United Kingdom. The suspended leaders have been asked to "show cause" as to the justification of their anti-party activities.

In spite of efforts to color their discontent politically, the dissidents from the outset had only one thing in common: their resentment of the new leadership. The ostensible issues with which they tried to cover their own ambition were two: a claim that the Rajiv Gandhi leadership was enrolling "bogus" members in the party en masse in order to overpower the old guard in the upcoming party elections, and a claim that the Muslim Women Divorce Bill moved through the parliament by the administration was harmful to Muslim women.

In an interview with *India Today* following the disciplinary action, Rajiv Gandhi characterized the dissidents' dilemma. "Party elections are coming and it is going to expose all paper tigers," he said. "We have not had elections for 13 years, so we have people who have lost their base, who do not have any standing. This will all be exposed." Indeed, earlier a member of a dissident Congress Party, Pranab Mukherjee has never won an election in his home state of West Bengal, where the Communist Party (Marxist) has been entrenched in power for almost a decade.

Pranab, who had given a lengthy interview to the *New York Times* magazine of India, *Illustrated Weekly*, a week before his expulsion, staking his claim to leadership of the dissidents, feigned ignorance as to the cause for his censure.

Meanwhile, the seamy underside of the "net of avarice"

shaken in the disciplinary actions has come out in revelations implicating the former finance minister in bombing his own family's home to keep his name in the limelight. The source of the revelations, the man to whom the explosives used in the blast were traced, is a big-time swindler involved in a myriad of extortion and fraud cases. He has had a very close relationship with the Mukherjees for years.

The 'Indira loyalists' . . .

Rajiv Gandhi's words at the Bombay Centenary were tough, but too true. The revolt of all those who had for one reason or another enjoyed power and prestige during Mrs. Gandhi's time began immediately. Who does he think he is, the indignant buzzing went, this upstart neophyte politician Rajiv, with his computer boys, to question "politics as usual"—sometimes referred to as the "Congress culture"—of the past two decades?

The shape of the revolt was prefigured months earlier when a motley assortment including the left wing of the Congress, ex-officials, disgruntled power brokers, representatives of some business, and other baronial interests teamed up under the banner of "Indira loyalists" to protest the party economic resolution put forward by the Rajiv Gandhi leadership. The straightforward, essentially pragmatic document outlines the prime minister's known views toward modernization and upgrading the economy.

Gandhi's policies will tend to have the effect of draining the swamp in which "Congress culture" floats and breeds despotism. The resolution was attacked as "deviationist," a repudiation of the Nehru-Indira Gandhi tradition, and so forth. In the end, the word "socialist" was put back into the resolution, and the guardians of the faith piped down for the time being, in anticipation that "the boy" would appreciate the virtue of coming to terms with them.

The Bombay Centenary dispelled such expectations. By March, a gripe session brought some 400 congressmen from West Bengal, Orissa, Bihar, Karnataka, and Gujarat states to New Delhi to demand changes in the way the party was being run in their respective states. Though there are indications that many proto-dissidents had decided to make their peace with the party leadership, by the middle of April the rumor mills in Delhi were running overtime again with stories that the "Indira loyalists" would soon hold a convention and set up a parallel power block to defy the Rajiv Gandhi leadership.

. . . and the patriots

The campaign has been kept alive by a sector of the press. Girilal Jain, editor of the *Times of India*, has led the charge. Jain, who enjoys a cozy relationship with some powerful figures in the U.S. establishment, has been condemning the prime minister daily for everything from his upbringing to his handling of Punjab, even questioning his personal honesty.

Jain has been joined by newspapers representing the "left faction" within the Congress (I), who have been issuing not-so-veiled warnings to Rajiv Gandhi for many months. In all, thousands of column inches have been devoted to attacks on the administration for "mishandling" Punjab, Assam, South Asian relations, and the economy, and to scenarios portraying the imminent "crack up" of the Congress Party.

A diabolical wrinkle was provided after the disciplinary action by the *Patriot*, a pro-Moscow news daily published in New Delhi. *Patriot* made an effort on its front pages to cover for Pranab Mukherjee by pointing to Indian President Zail Singh as the mastermind of the dissident activity. *Patriot* pursued this tack, even after a public denial of the allegations issued by the highest office in the land. At a time when Punjab troubles are at a sensitive stage, any effort to embroil the President of India, who is a Sikh, in trouble which may lead to the fracturing of the ruling party has far-reaching implications of its own.

Push comes to shove

The last straw in Round One of Rajiv Gandhi vs. the barons was a letter fired off to the prime minister in late April complaining of the "growth of dissension" within the party, this one signed by Kamlapati Tripathy, the party's "working president." Tripathy, an octogenarian in ill health, hails from Varanasi in Uttar Pradesh. He was reactivated by Mrs. Gandhi, who brought him into the party leadership in the early 1980s when she came back to power. Tripathy is himself a power broker who fits the model of the "feudal oligarchy" Rajiv castigated at Bombay. Tripathy has criticized the administration's economic policies, now in the hands of a powerful Uttar Pradesh politician, Finance Minister V. P. Singh.

Rajiv Gandhi responded to Tripathy's letter, seeking a meeting with the old Brahmin. Tripathy was meeting simultaneously with the dissidents in a cat-and-mouse game which led at least some of the dissidents to believe that the old Varanasi power broker was going to give them support.

But the action against Pranab and friends has put Tripathy in a fix. As he well realizes, any open breach with the Congress (I) leadership at this time will doom his conniving to secure the reigns of Uttar Pradesh politics for his son.

A day before the expulsion order was issued, the Youth Congress (I) held a meeting which included some 40 members of parliament. The body demanded harsh action against all the disgruntled elements. The same sentiment was reflected after the fact by an old Congress wiseman who spoke to a local press commentator anonymously.

"You ought to go a little into the unknown antecedents of all these Congressmen who are ganging up against Rajiv Gandhi," he said. "You know too well their past, don't you? What credibility do they have? He [Rajiv] has nothing to lose but the deadwood, and forget about what they can do to him. They are a gutless bunch of so-called leaders."

The Colombian presidential election

Will the nation's new President follow the path forged by Betancur, or permit the return of the narcos?

Virgilio Barco's overwhelming margin of victory in Colombia's May 25 presidential elections was less a mandate for the white-haired MIT graduate with the American wife, than it was a final and decisive *adios* to his opponent, Alvaro Gómez Hurtado. Gómez, son of the 1950s dictator Laureano Gómez, is closely associated in the minds of most Colombians with the era of the *Violencia*, a bloody civil war orchestrated by Gómez, Sr., in which the nation was bitterly polarized between the Liberal and Conservative parties—down to the present day.

Gómez is further remembered as the "silent partner" behind the 1974-78 government of Alfonso López Michelsen, which ushered in the reign of the dope kings. The so-called *tenaza* (pincer) alliance between the two "free-enterprise" enthusiasts succeeded in destroying the dignity of an entire nation.

The majority of Colombia's electorate historically votes Liberal. In the case of Belisario Betancur's stunning 1982 victory over López, the population was rejecting the corrupt, oligarchic family dynasties which have ruled Colombia for decades, opting instead for an innovative maverick risen from peasant, albeit Conservative, ranks. On May 25, they were offered no such choice, and returned to the Liberal fold. It remains to be seen whether Barco can now escape the clutches of Liberal Party boss López

Michelsen—and his own oligarchic pedigree—to continue the Betancur tradition.

A fervent nationalist, Betancur succeeded in reversing Colombia's descent into the inferno of drugs and violence by taking a vanguard role in fighting narco-terrorism, while simultaneously intervening to halt the degeneration of neighboring Central America, through the mediation of the regional Contadora Group (Panama, Mexico, Venezuela, and Colombia).

The challenge to Barco is manifold:

- The drug mafia intends to ride back into Colombian politics on the Liberal Party's coattails, and has already put out a proposal for an amnesty in return for paying the Colombian foreign debt. If accepted, this would go a long way toward ultimate legalization of the drug trade—the goal of López Michelsen and company. Chosen for the presidency by the very Liberal Party machine controlled by López Michelsen, it is incumbent upon Barco to distinguish himself by waging an effective war on drugs. Barco has yet to respond to the mafia proposal, or issue a policy statement regarding the war on drugs.

- With the majority of the Ibero-American continent under the murderous blackmail of the International Monetary Fund, the proposal of Peruvian President Alan García for a presidential summit of debtor nations is at the top of the agenda for any gov-

ernment that would salvage its national sovereignty. Barco, a former director at the World Bank, has expressed a rather distant sympathy for the plight of Colombia's debt-racked neighbors, but appears unlikely to embrace the García proposal on his own initiative at this time.

- The escalating narco-terrorist threat in Colombia will present the President-elect with another tough challenge. Barco has indicated a willingness to preserve some version of the amnesty program Betancur forged with portions of the Colombian guerrilla movement, but must draw a sharp distinction between historically malcontent peasant layers and the terrorist armies deployed by the mafia.

- Barco has similarly stated his intention of backing the Contadora peace effort initiated by Betancur, but at this moment of difficulty for the Contadora Group he will have to provide the kind of inspired leadership that Betancur offered. That will especially mean rejecting the "advice" of López Michelsen, who has repeatedly denounced the Contadora initiative as "lawyering for Nicaragua."

- Finally, Barco will have to work hard to win the confidence of the organized labor movement, which is understandably resentful of remarks by López Michelsen just days before the presidential election. López charged that concessions won by labor constituted "subversion" of the state and that the right to strike was "a seizure of power, not through elections but through the unions."

López's attack on the unions is especially important, given that the former President has not abandoned his goal of capturing the presidency again. In a televised interview just before the election, López warned that a "Betancur candidacy, four years hence, is practically inevitable," and would have labor's backing.

Trilateral tries for takeover

The battlecry is liberalism; the aim, turning Spain from a potentially industrial nation into a new Hong Kong.

On May 18, some 200 members of the Trilateral Commission met in Madrid. Little information filtered out of the inaccessible rooms where this "charity association," as some frustrated journalists labeled it, was meeting. According to *ABC*, the most "trilateral" of Spanish papers, the topics were: economic cooperation of the industrialized countries; opening up world trade; the Chernobyl catastrophe; and East-West dialogue.

There might be several reasons why the Trilaterals met in Spain at this time. The Spanish Socialist government is actively pushing for decoupling the Western Alliance, which is a Trilateral plan.

Talking to journalists, some Spanish Trilateral members denied any possibility that Communist Party members or Eastern Europeans could join the Commission, but did not exclude the possibility for the future. David Rockefeller landed in Madrid after a 15-day tour of Russia.

On May 3, the *Financial Times* of London had announced it was time to include Soviet Russia in annual economic summits of the "Big Seven," as well as a representative from Ibero-America. One can imagine Trilateral founder David Rockefeller dreaming of a future confab with Gorbachov and Fidel Castro, to plan out the next Five Year Plan for Western Europe and the United States.

But there is definitely one specific reason why the Trilaterals picked Spain. Spain is still an open field for economic policy direction. In the last part of the Franco regime, the Spanish

economy was run by the "technocrats" of Opus Dei, who built up important infrastructure, including nuclear plants, but then, in a quite oligarchical way, gave growing predominance to financial operations and abandoned real economic development.

Spain was, and is still, a very poor country. From 1973 to 1983, wages went up four times faster than the average for OECD countries, yet the minimum wage today here is still half that of France.

The cry for liberalism will be the center of the election campaign for the June 22 political elections. When the Socialist government was elected in 1982, it heralded social reforms and democratization. Part of the demogogy was a pledge to lower unemployment by about 700,000. After four years, joblessness is higher than ever. Official unemployment is 22%, while youth unemployment is 50%, the highest in Europe.

This occurred because of the "Moncloa Pact," a deal between government, labor, and industrialists to plan economic policy, under which the unions accepted wage cuts and growing unemployment. This allowed a slow death of the economy, in the total absence of new credit for capital formation.

In the mid-1970s, new credit represented a 30% yearly increase of the money supply. Now it has dropped to less than 10%, with additional restrictions in the credit-issuing capacity of the banking structure. Thus, while the trade unions take care of controlling the workers, the productive capacity

of Spain is being "reconverted" into oblivion.

Now, the opposition parties want to take advantage of the failure of the Moncloa Pact, to peddle to voters the free-market liberalism of the Mont Pelerin Society.

"Liberalization" advocates claim that the late dictator Franco had a dirigistic economic policy, which has continued, and must now be ended. But what this "liberalization" will entail has yet to be defined.

In some leading strata, there is a revolt against the International Monetary Fund's liberalism, the liberalism of high interest rates and cutting the budget under the banks' guidance. For many people here, free-market economics ("liberismo") means an economy free from the direct bureaucratic control of the State, but also free from the IMF and the supranational cartels and monopolies.

One objective of the Trilateral Commission is to organize Spain around "Hong Kong"-style liberalism, patterned on Hong Kong's role as the premier center of financial operations for the opium trade.

This relates to the recent leap in mafia-related activities in Spain. For example, the Venezuelan Cisneros interests, who have been linked to financial circles involved in the laundering of drug money, bought the supermarket chain, Galerías Preciados, at yard-sale prices. They are now mooted making Spain the springboard for a huge investment program in Europe. In Spain's Canary Islands, Resorts International, a mob-riddled outfit, has been channeling funds to increase casino gambling.

Kissinger's crony Mark Rich has sunk millions of dollars into the biggest office building in Madrid, Jerez Towers. Rich is already charged with financial crimes in the United States and illegal-drug related activities.

Prem's 'Phase Two'?

The firing of the Army Commander-in-Chief coincides with one of the dirtiest election campaigns ever in Thailand.

In the thick of coup rumors, Prime Minister Gen. Prem Tinsulanonda, by way of royal decree, has dismissed Gen. Arthit Kamlang-ek from the post of Army Commander-in-Chief on May 27 while allowing him to retain his Supreme Commander post. This was allegedly done to preempt a coup by General Arthit. General Chaovalit Yongchaiyudh, known for his shrewdness and his loyalty to Prem, was nominated the new Army Commander-in-Chief.

Political analysts suspect that this is the second phase of Prem's plan to remain prime minister for at least another year and a half in order to enjoy the honor of presiding over the royal celebration of the 60th anniversary of His Majesty King Bhumipol Adulyadej on Dec. 5, 1987. It is believed that in order for Prem to be sure of his seat, he might move to implement "the third phase" of his plan—canceling the upcoming general elections, justified by "rumblings of another coup" and appoint a government of "national salvation" headed, of course, by himself. The first phase was Prem's move—also with royal decree in hand—to dissolve the parliament on May 1, after a majority of parliamentarians led by former Deputy Prime Minister Boontheng Thongsawasdi, at the time a Social Action Party member of parliament, voted down a government decree which would have raised taxes on diesel and LNG-fueled engines.

As the election campaign proceeded, it became increasingly clear that parties, politicians, and the military

establishment were lining up behind either Prem or Arthit. The "military" Rassadorn Party headed by Gen. Tienchai Sirisamphan, who made a name for himself when he quashed the Sept. 9 coup attempt last year, is in support of Prem. The dubious Mualchon Party of police Gen. Banteung Kampanatsaengyakorn, daringly put up huge electoral signboards saying: If you want Prem as prime minister, vote Democrat. But if you don't want Prem anymore, then vote Mualchon. The Democratic party headed by Bichai Rattakul, however, is split between the southerners who expect to win some 30 to 40 seats and bring back Prem while others in the party are not so sure they want Prem back.

As for the Social Action Party (SAP), headed by Prem's own planted mole, Foreign Minister ACM Siddhi Savetsila, it has dwindled so much in size by now that it cannot be counted on to swing anything significant.

It is possible that Prem assesses his chances of being called back as prime minister to be very slim, which may have pushed him to preempt an "Arthit alternative." A recent popularity poll run by the national statistics office placed Arthit ahead of Prem and M. R. Kukrit Pramoj, the other potential candidate for prime minister.

From the word "go," the July 27 general elections has promised to be one of the dirtiest campaigns ever held in Thailand. All observers of the Thai political situation speak of heavy foreign intervention into the election: extravagant payoffs, backstabbing, harassment, threats, etc. Within only the

two weeks since May 10, a half-a-million baht bank robbery took place, a bomb exploded at Don Maung Airport (Bangkok), and a SAP member of parliament, the local favorite of Udom Thani (Northeast), was shot dead. Some of the dirt is just beginning to float to the surface.

Sources report that investigations are already underway to answer two questions; 1) Where did the 200 million baht come from that was reportedly used to pay off members of parliament to bring down the Prem government? 2) How has the military secret-operations fund been utilized?

Whatever the outcome of this dangerous power play, dangerous because it concerns the fate of a nation, the threat of coup d'état is not yet dissipated. But a "political" or a "military" coup by whom? The new up-front factor on the political scene is Gen. Chaovalit Yongchaiyudh, who still has five and a half years of active service left in the army. Prem in general has the support of the U.S. embassy. Under Prem's administration, the International Monetary Fund and World Bank, operating on behalf of the big Western banks, have been able to impose a harsh austerity on the country, sending the economy reeling downwards. General Arthit has been an outspoken opponent of the 1984 baht devaluation imposed on the economy, but has offered no programmatic alternative. If Chaovalit is not able to set the economy on a different course, then Thailand's internal instability will continue at an escalating pace. From the standpoint of the U.S. embassy and others, who are out to loot the Thai economy, instability is an advantage, by minimally paralyzing the Thai leadership in internecine battles. It is also to the advantage of the Soviets, who are waiting for one more ASEAN "domino" to fall.

The funny circle around de Benoist

French court rulings against the slanderers of Helga Zepp-LaRouche expose a strange left-right convergence.

On May 21 and May 22, courts in France ruled in favor of Helga Zepp-LaRouche and the Parti Ouvrier Européen, the French co-thinker organization to Mrs. Zepp-LaRouche's European Labor Party, in legal actions brought against two French publications. The first of the two decisions was taken by the Chamber of Tribunal of Paris, against *La Lettre de Magazine-Hebdo*, for defamation against the plaintiffs.

The second, and more substantive, was taken against the widely circulated weekly *L'Express*, which was obliged, by the 17th Chamber Correctional court, to pay 20,000 French francs in damages, for a mid-1985 article lying that Mrs. Zepp-LaRouche had been born in East Germany, and that, in effect, she was a traitor to the Federal Republic of Germany. The magazine was charged with defamation. The magazine's owner, Britain's Sir Jimmy Goldsmith, was obliged to pay 5,000 francs in fines to the French state, as was the author of the slander, Elie Marcuse.

What has been brought to the surface about the strange coalition behind the slanders of Mrs. Zepp-LaRouche and the POE, is quite an amazing story.

It shows total convergence between the so-called left and the so-called right in France. In historical terms, not so ironic: These categories were, in fact, first invented, to designate the seating arrangements in France's National Assembly, during the riotous events of the French Rev-

olution, when the leading elements in both camps, "left" and "right," were both controlled from the same place. In those days, the Anglo-Swiss bankers, ultimately, held the purse-strings. Today, the reader can guess for himself, as we present the evidence.

The left-right convergence centers around a figure well known in France, one Alain de Benoist, the head of the French *Nouvelle Droite*, or "New Right." De Benoist is the *éminence grise* behind two of France's sleazier publications, the periodicals *Eléments* and *Nouvelle Ecole*.

France's New Right has been characterized by Israeli and other researchers into the matter as, alternatively, "fascists," "national-communists," and "Gramsci-ists of the right," the latter after the 1920s' Italian Communist Party leader Antonio Gramsci. The movement's belief structure is founded on fanatical white-supremacist racism, holding, as the Nazis did, that the "superior white race" historically emanates from the mythical island of Thule; this is a combination of what these creatures call "racial mysticism" with "biological realism." They also support, not surprisingly, measures of eugenics, and a geopolitical alliance with the Russians against the Americans, against what one de Benoist co-thinker denounced, in a November 1985 piece, as "the American-occidental sub-culture," and the "Western model."

Before *L'Express* published its slander of Mrs. Zepp-LaRouche in mid-1985, *Eléments* had printed a de-

tailed slander against her husband, Lyndon LaRouche, and associates. Soon thereafter, it was discovered that the lawyer for de Benoist and the *Lettre de Magazine-Hebdo* was one and the same, a certain Maître Mocquet. The *Lettre* has been a constant source of anti-LaRouche slanders, for over a year. Early this year, it was further discovered that the *Lettre de Magazine-Hebdo* was pushing a similar editorial line to de Benoist's *Eléments* on many crucial issues. French insiders have come to the conclusion that de Benoist has been, in effect, dictating editorial policy to the *Lettre*.

Then, as France's legislative elections were approaching in March, investigators made a new discovery: that then-Interior Minister Pierre Joxe, a left-Socialist whose connections to the Soviet-KGB apparatus are enormous, had put in place a special police unit, the *Groupeement d'Etudes et de Recherches (GER)*, which was involved in coordinating disinformation campaigns against the POE—especially by disseminating the lie that the POE was controlled by the KGB, through publications of de Benoist's *New Right!*

The final piece in the puzzle emerged, following the appearance of an extraordinarily violent slander against Lyndon LaRouche, published by a known socialist mouthpiece, called *Evénement de Jeudi*, soon after the victory of candidates associated with LaRouche in Illinois on March 18. The publication could barely contain itself, charging LaRouche with being a Nazi, anti-Semite, and everything short of the reincarnation of Satan.

It emerged, upon still further investigation, that the chief editorialist at *Evénement de Jeudi*, Jean-François Kahn, had written a letter to de Benoist's *Eléments* in late 1985, endorsing the *New Right* policies of the latter publication!

The 'front' at Chernobyl

Moscow exploits the nuclear accident to propagandize the benefits of combat and qualities of the "Soviet soul."

Since the time, some three years ago, when Soviet media began to publicize the war in Afghanistan as a scene of great heroism and battle-testing of a new generation of Soviet soldiers, the army paper *Krasnaya Zvezda* (*Red Star*) has printed many articles under the rubric, "The place of the feat was Afghanistan." The "feat," the Russian *podvig*, is always a heroic deed, carried out at great risk to the hero and often costing his life.

In May 1986, *Krasnaya Zvezda* now trumpets a variation: "The place of the feat was the Chernobyl NPS" (Nuclear Power Station).

Krasnaya Zvezda's readers are told that those who performed best during the Chernobyl disaster were the communists and the combat-tested Afghanistan veterans. The qualities they manifested, the paper adds, were the deepest, in-born strengths of the "Soviet soul"—Soviet propaganda's lightly disguised version of the mythical "Russian soul" (invoked here without regard for the fact that the accident took place in the Soviet Ukraine).

Moscow has also issued an endless stream of complaints about how the U.S.S.R. was wronged throughout the Chernobyl events—claims that nuclear accidents in the West were just as bad, unnamed Soviet officials' insinuations to the effect that imported Western, especially German, instruments were to blame for the accident, and so forth. In combination with this, the battle-style press coverage aims to impress upon Soviet readers, that the

police and Army forces on the scene are warring with not only the elements and the accident, but also foreign enemies.

Here, in direct translation, is some of *Krasnaya Zvezda's* propaganda from the Chernobyl "front."

From Col. A. Polyakov's dispatch, published May 9: "'Much has been said about the beauty of the soul of our people,' said . . . Internal Service Col. N. Khoroshok, 'Chernobyl and the tragedy that unfolded here have brought to light many new colors in it. . . . Take Sergeant Aleksandr Nemirovskii, a driver. . . . When daring of a high order was required, he found it: He decisively drove a special fire truck right up to the reactor to pump off water.'"

A few days later: "Brought up on the great heroic idols of the Great Patriotic War and the Soviet warriors who fulfill their international duty in Afghanistan, soldiers here document, in an altruistic, heroic effort, the most secret depths of the soul of Soviet man—his dedication to sacrifice, if it helps to avert danger from his fatherland."

On May 14, Polyakov filed a story on the arrival of a junior officer at the scene of the hurried effort to construct a dike, to contain contaminated water around the Chernobyl reactor: "Lt.-Col. Belousov met Kostenko only at the scene of the task. . . . He met him, and couldn't believe his eyes. Before him was that same Yuri Andreyevich Kostenko, who in his time had commanded a mortar battery platoon,

which covered for the advance of the first motorized company in one battle with the [Afghan] bandits. He had earned a medal, 'For Valor.' . . . Well, the battalion commander himself had spent quite a bit of time on Afghanistan's steep slopes and had seen battle. He had received two Orders of the Red Star and a medal 'For Meritorious Combat,' in recognition of his combat services to the Motherland."

A picture of a helicopter adorned with the military's red star illustrated a May 17 story by "front" correspondent Col. V. Filatov, who noted that some pilots wore mustaches, "just like those our pilots wear in Afghanistan."

The military's role at Chernobyl is not only the stuff of *Krasnaya Zvezda's* propaganda. On May 20 came an announcement, that Army Col. V. Keleberda had been put in charge of coordinating the military, civil defense, and other forces engaged the clean-up at Chernobyl.

The next day, a press appearance by Viktor Sidorenko, deputy chairman of the State Committee for the Safe Conduct of Work in the Atomic Power Industry, hinted that aspects of military activity at Chernobyl may not yet have been made public. He told foreign journalists, "I myself was at Chernobyl," beginning just three hours after the explosion.

Until this statement, no presence at Chernobyl or other role of Sidorenko and his committee had been mentioned in public. Yevgenii Kulov, its chairman, is a former official of the Ministry of Medium Machine Building, which oversees "military applications of nuclear energy" and fuel-cycle operations at all Soviet nuclear power plants.

Sidorenko said that the accident occurred "at the stage of experimental research work," being carried out during a routine shutdown of the reactor.

The Secretariat of State and Libya

How badly the Secretariat misunderstood the U.S. actions, was confirmed by the scandal around Ambassador Wilson.

As we already stated in previous articles, the Vatican Secretariat of State's policy is totally out of phase with the strategic situation and recent developments in the Mediterranean region. This confusion in the upper spheres of Vatican diplomacy is confirmed by the recent scandal involving the U.S. representative to the Holy See, Ambassador William Wilson, who is now stepping down from his post.

Wilson, with the aid of the State Secretariat and the Italian foreign minister, Giulio Andreotti, had organized a personal meeting with Muammar Qaddafi, in Libya, in January of this year—unbeknownst, it is said, to the White House, which during that same period was accusing Tripoli of participating in organizing the terrorist atrocities at the Rome and Vienna airports in December 1985.

The story has many twists and turns, and involves several governments. According to newspaper accounts, Wilson, already in 1982, when he was not yet officially named ambassador, because of the absence of full diplomatic relations between Washington and the Holy See, which were only set up in 1984, had begun to establish contacts with high officials of the Libyan government. At the time, it is said, these had to do with oil deals.

The personal envoy of the U.S. President to the Pope apparently was taking care of the Libyan business affairs of an American oil company, Pennzoil, of which he had been a top executive. From business to diplomacy, Wilson became the go-between

for a peace plan pasted together by Italian Foreign Minister Andreotti and the Vatican Secretariat; on Jan. 15, the *Malta Times* revealed that the American ambassador to the Vatican had given Maltese Prime Minister Bonnici a message for the Libyan dictator, which had a tone of détente and the content of reaching an understanding to avoid a military clash in the Mediterranean.

All this occurred while the American government had broken off contact with the Libyan government, and President Reagan had decreed a ban on all American citizens traveling or staying in Libya, and the military operation against Libya was being readied. At that point, the "parallel diplomacy" of the enterprising, or perhaps naive, Ambassador Wilson was too embarrassing: His resignation arrived immediately afterward.

It remains to be clarified how in the world William Wilson, a personal friend of President Reagan, and first American ambassador to the Holy See after more than a century of difficult relations, should have gotten mixed up in such a scandal. Is it personal bad faith which pushed him to go against official Washington policy, or are we dealing with the latest victim of the cynical policy of Mr. Andreotti and his protectors at the Vatican Secretariat of State?

Of personal interests and obscure deals tacked together in the shadow of the pro-Libyan foreign policy of Minister Andreotti, there has been plenty of talk in the last period. According to an Italian daily, Ambassador Wilson had developed "reciprocal relations of

esteem with Andreotti" which the Vatican viewed with great appreciation. Mr. and Mrs. Wilson's "entrées" in the exclusive "Circolo della Caccia" (Hunt Club), a notorious stomping ground for the blackest Roman nobility, and frequented by the pro-Libyan Prince Alliata di Monreale, are well known.

Also not to be ruled out is the Venetian-Benedictine angle. It is known that Ambassador Wilson had formed solid ties with the monks of the Benedictine monastery of San Giorgio Maggiore in Venice.

The reason for the blunder of the Secretariat of State remains to be clarified. Possibly, the supple Vatican diplomats did not know about the imminent American intervention in the Mediterranean—or why would they have attempted a mediation, destined to fail, via the poor American ambassador to the Holy See?

There could be many answers, but one thing is sure: A strange traffic tangle allowed the Vatican "intelligence" capability to be blinded in particular in regard to the Middle Eastern area. One key to reading this could be represented by the tight relations running between Vatican diplomats and the unsavory "Anti-Defamation League" of Kenneth Bialkin and Nathan Perlmutter. The League, best known for its connections with various drug runners of the Robert Vesco variety, was actually chosen to represent the Jewish faith in the celebrations of the 20th year of the promulgation of the encyclical *Nostra Aetate*.

The gaffe committed by the U.S. Ambassador William Wilson forced him to resign; how many other diplomatic incidents will we have to await from Cardinal Agostino Casaroli and from Monsignor Achille Silvestrini before the Pope decides to ask for their resignations?

International Intelligence

News media caused hit against U.S. agent

U.S. intelligence sources have angrily confirmed that the assassination of a West Berlin-based U.S. intelligence operative, Mohammed Ashur, on May 22, was a direct result of leaks by the U.S. news media.

Ashur was part of a network of on-the-ground agents in Europe who were responsible for much of the information utilized for the U.S. raid on Libya April 14-15. To protect this network, the U.S. government had falsely reported that its sources of information were satellite and electronic intercepts. However, media leaks of details pertaining to the raid, allowed the East German intelligence service, the Stasi, to pinpoint Ashur's role. He was then assassinated.

Three other operatives, who had assignments similar to Ashur, are now missing and presumed dead or kidnapped.

Is Moscow seeking a new Berlin crisis?

On May 25, East German border guards at Checkpoint Charlie between West and East Berlin denied entry to diplomats from the United States, Britain, and France who refused to show passports. The unprecedented restriction could be the beginning of a new Berlin crisis.

Throughout the postwar era, diplomats of the four occupying powers—U.S.A., Britain, France, and the U.S.S.R.—have only been required to show I.D. papers, not passports, as Berlin is a city under Four-Power administration; the inner city border does not constitute a state border.

So far, the East Germans have applied the restriction only to diplomats. No such actions have been taken against Allied military personnel.

The action came as Moscow launched attacks on the West German state of unprecedented ferocity, and may be the first taste of the "new diplomacy" expected to follow Soviet party chief Mikhail Gorbachov's re-

call of all Soviet ambassadors from abroad for consultations.

The governments of the United States, Britain, and France today filed official protests with East Germany. Spokesmen from the three allied embassies in Bonn announced that "counter-measures of some sort" would be undertaken, but denied, for the time being, any intention to break diplomatic relations or recall ambassadors. The provocation was placed on the agenda of spring meeting of NATO Foreign Ministers in Canada.

A West German source characterized the move as "a clear indication by Gorbachov to Reagan that he can play the Berlin card. We will see more of this."

Assassination attempt on Peruvian party chief

Three workers for Peru's ruling APRA party were assassinated May 26 in a failed attempt on the party's national organization secretary, Alberto Kitasono. The intended victim is a close friend of President Alan García.

In the attack, four terrorists dressed as schoolchildren threw explosives at Kitasono's party, and then advanced on them, opening fire with machine-guns at close range. Kitasono, a karate expert, grabbed the gun of one of the terrorists and held her as his shield. Three other assassins escaped on foot.

For years, Peru has been plagued by guerrilla terrorism by a gang of narco-terrorists called *Sendero Luminoso* (Shining Path), but this was the first act of selective terrorism against a national APRA party official. Emphasizing the seriousness of this new escalation in a statement issued after the atrocity, Helga Zepp-LaRouche, head of the international Schiller Institute, stated:

"The existence of Sendero Luminoso depends upon a support apparatus centered in the nations of Europe. The governments of Europe must act now to shut down this support apparatus. This is necessary to save the institutions of the Republic of Peru. This is necessary to save the institutions of democracy and civilization from bestial, irra-

tionalist narco-terrorism. If Europe acts promptly to solve its side of the problem, Peruvian authorities will promptly solve theirs."

García's policy of limited debt payments to the forces of usury in North America and Europe represented by the International Monetary Fund has made his government a target for early destabilization, and, as this attack might indicate, civil war.

Botha asks law to put blacks in government

Legislation to create a multi-racial National Council, providing South African blacks participation in government for the first time, was presented to South Africa's parliament on May 22, by Minister of Constitutional Development Chris Heunis. The council, first proposed by President Pieter Botha in January of this year, "should be viewed as a starting point for power-sharing and the beginning of a government of greater national unity. The aim is to provide an instrument and process through which a new constitution can be arrived at," he said.

In the interim, the council "can serve to provide black communities with the opportunity to participate in the process of government on the executive level." It would be made up of 10 black urban leaders, a number of cabinet members and members of parliament, and 10 others chosen for their leadership abilities. All members would be appointed by the State President.

Chief Mangosuthu Buthelezi, head of the million-member Inkatha social movement, called the legislation "the kind of statement that the world is waiting to hear," but emphasized that power-sharing must include leaders of the independent tribal homelands as well.

As news of the legislation spread, police clashed with white extremists who invaded a hall in the Transvaal town of Pietersburg, forcing Foreign Minister Pik Botha to cancel a scheduled appearance there. An estimated 3,000 members of the fascist Afrikaner Weerstandsbeweging (Afrikaner Resis-

Briefly

tance Movement) of self-avowed Hitler-admirer Eugene TerreBlanche, forced their way into the hall, waving their swastika-banners.

Botha commented, "It is no setback. Of course we will go ahead with our reform initiatives."

When Chirac is in Tunisia, Rouleau won't be

French Premier Jacques Chirac does not want to meet with French Ambassador Eric Rouleau in Tunisia. Rouleau, involved in plotting the destabilisation of the Tunisian government and exposed for same in *EIR* and France's *Nouvelle Solidarité* newspaper, was recalled to Paris for "consultations" during Chirac's official visit to Tunisia at the end of May.

The French daily *Liberation* comments that Chirac did not want to meet Rouleau during his visit, and that Rouleau had been the "target of a hostile campaign" in the Tunisian press which published an article from the "confidential extreme right-wing newsletter *Nouvelle Solidarité* accusing Socialist leaders of organising a plot against Tunisia's President Habib Bourguiba. Rouleau was the coordinator."

Chirac declared upon arrival in Tunis: "If Tunisia needs French aid, we will give it immediately. If Tunisia is the target of aggression, from no matter what quarter, she will find France at her side."

Propose Central American federation

Guatemalan President Vinicio Cerezo stated on May 24 that the Presidents of Central America who began meeting in Esquipula, Guatemala on that day "have the intention of creating a Federation of Central America's Republics."

Cerezo, who has been criticized by some Ibero-American leaders for seeking to by-

pass the "Contadora Group" process seeking a regional peace settlement in the region, said, "We don't want to supplant any other institution or any other effort."

News wires said that the meeting was convened to discuss not just the Central American conflict, but also a Central American common market and a Central American parliament.

Israel launches probe of Shin Beth chief

Israel's "inner" security cabinet has taken the unprecedented measure of instructing the Israeli police to open up an investigation of the head of Shin Beth, Israel's domestic counterintelligence agency, Avraham Shalom. At issue is Shalom's behavior in an April 1984 incident in which two Palestinian hijackers of a bus were shot by Israeli police.

The investigation was requested by Attorney-General Yitzhak Zamir, who overrode objections from Police Chief Chaim Bar-Lev, who argued that pursuit of the case would threaten Israel's security.

Zamir said that what is known to the public about the April 1984 case "in no way describes the gravity of the facts or the great danger to the foundations of law and democracy in Israel." He is charging that Shin Beth's behavior in the affair threatens Israel's democratic decision-making processes.

The strongest opposition to the investigation has come from Minister of Trade and Industry Ariel Sharon, according to the *Times* of London. He said Israel's government needed absolute freedom of action in combating terrorism, and could not be dictated to by officials. "In this instance, it is not a matter of the survival of law and democracy, but one of danger to the very survival of Israel," he said.

Press reports from Israel indicate there was a very stormy debate in the "inner Cabinet," composed of 10 ministers, on May 25. Justice Minister Yitzhak Modai, and Finance Minister Moshe Nissim, strongly opposed Zamir's demand for an investigation.

● **MIKHAIL GORBACHOV** can't be pushed around," said Armand Hammer, who has had close ties to Moscow since 1921. "He is the best Soviet leader since Lenin." Hammer, who recently returned from a meeting with the Soviet party chief, told a news conference that he doesn't know if a second summit between the United States and the Soviet Union is possible.

● **THE SOVIETS** plan to build up their embassy in Madrid to make it their biggest in Europe within two years, the Spanish weekly *El Tiempo* reports. There are indications the matter was discussed between the Soviet leadership and Spanish Prime Minister Felipe Gonzalez, who was in Moscow May 19-23.

● **A BRITISH HIGH COURT** judge in Leicester has reinstated charges against three Sikhs that they plotted to assassinate Indian Prime Minister Rajiv Gandhi. They were freed May 22 on a technicality. The three Sikhs were immediately rearrested as their defense lawyer, Ivan Geffen, protested the decision as "a political conspiracy between the government of this country and the government of India." The prosecution was obtained under a Voluntary Bill of Indictment, almost unheard of in British justice, bypassing the committal hearing to send them directly to trial. Reportedly, they were only "released" to allow undercover agents to testify without identifying themselves.

● **TWENTY WARRANTS** will be issued by magistrates in Rome against persons now believed responsible for the terrorist attack on the Rome airport in which 17 innocents died last February. Among those who may be named is El Kouri, the deputy-chief of the Syrian Air Force, and "Abu Nidal," the Syrian-based terrorist leader.

Finally, Reagan has dumped the SALT framework

by Nicholas F. Benton

In its most important decision since launching the Strategic Defense Initiative in March 1983, the Reagan administration on May 27 announced it has broken the United States free from unilateral compliance with the Strategic Arms Limitation Treaty (SALT) framework.

From the time he took office in 1980, President Ronald Reagan has criticized SALT I and the never-ratified SALT II treaties as "inherently flawed." Nevertheless, until May 27, he made repeated commitments to hold U.S. strategic arsenals within the limits set by the treaties. Even while doing this, the President sent three reports to the Congress detailing extensive Soviet violations of these and other treaties—especially the Anti-Ballistic Missile (ABM) treaty.

Now, that self-imposed constraint has finally been broken. Larry Speakes, in making the announcement on the President's behalf at the White House press briefing May 27, said, "Today, the President announced that the U.S. cannot continue to support unilaterally a flawed SALT structure that Soviet non-compliance has so grievously undermined and that the Soviets appear unwilling to repair. Therefore, in the future, the United States will base decisions regarding its strategic forces on the nature and magnitude of the threat posed by the Soviet Union, rather than on standards contained in expired SALT agreements unilaterally observed by the United States."

Although certain major media apparently couldn't yet grasp this when they first heard it, and therefore reported virtually the opposite of what was said at the outset, the significance of this bold policy shift was lost on no one by the end of the week. All the expected sources—from the Soviets to former Carter arms-control negotiator Paul Warnke, former Defense Secretary Robert McNamara, the *Washington Post*, *New York Times*, and Britain's Margaret Thatcher—were howling in protest. Many in Congress were expected to yelp as soon as they returned to Washington follow-

ing the Memorial Day recess.

Apart from the President, only Defense Secretary Caspar Weinberger seemed truly happy with the announcement. Quipping to reporters prior to giving a commencement address to the graduating class at West Point May 28, Weinberger said bluntly that compliance with SALT is over, and that when the B-52s start being loaded up with cruise missiles in August, the formal ceiling set by SALT will definitely be broken. "I think it is far better for us to equip our forces in the way that best serves our national security interests, than trying to stay within the artificial limits of a flawed treaty that has expired," he said.

Weinberger expanded his view the next day, on NBC's "Today" show: "A lot of people think the arms control process is more important than anything else. The SALT agreement is an agreement that allowed the Soviets to expand and build more of what they already had, and that's not a very good agreement. What the President wants, what I want, what everybody wants, is to try to get agreements that reduce very drastically the amount of arms on each side, and SALT wouldn't do that."

Victory for 'reality' faction

Weinberger put his finger on the significance of the administration decision. As even *New York Times* analyst Michael Gordon was forced to concede, this decision was a victory for the "reality" faction of the administration, represented by Weinberger, over the State Department faction, represented by Secretary of State George Shultz and all the career diplomats there who have held forth since the days when Henry Kissinger first locked the U.S. into the self-defeating SALT framework.

The State Department faction—which is, predictably, indistinguishable from the Eastern Liberal Establishment on this issue—argues that "any treaty is better than no treaty,"

and that without the constraints of a treaty, the Soviets will be provoked to "break out" much faster than the United States can.

This is the gist of the May 30 editorial in the *Washington Post*. It calls the Reagan decision "a mistake," adding, "The Joint Chiefs of Staff, in the past, anyway, have believed that Moscow is far better placed than Washington to field new weapons quickly if the two sides break out; that's why they have supported the treaty. The Soviet leadership must deal with a tight budget, but not with an independent Congress, opposition and public. The notion that Moscow, under this sort of American pressure, will easily change the ways of which the U. S. complains is, at the least, highly speculative."

Thus, the Eastern Establishment crowd running the *Post* threatens Reagan that Congress, under the constraints of Gramm-Rudman, will make him wish he'd never thought of "breaking out."

But what the *Post* crowd, including Warnke and McNamara (who is on the board of the *Post*), fail to mention once, of course, is the reason Reagan has decided to break SALT in the first place. Namely, because the Soviets have been engaged in the biggest military buildup in history, including gross violations of many treaties, to the point they have attained a dangerous advantage that could tempt them toward a nuclear first strike. Since 1972, under the constraints of SALT, the Soviets have made the biggest relative advance in strategic capabilities against the U.S. in history. They went from being significantly behind in almost every category, to being significantly, and now dangerously, ahead.

This, the administration insists, is why the decision to break SALT was taken. Examine the facts! At a point at which the Soviets are orchestrating a growing civil war inside West Germany, and provoking diplomatic incidents in Berlin, they are moving to exploit an advantage in strategic defense, combined with assembly-line production of mobile SS-25 and SS-24 missiles, to provoke a global showdown aimed at winning an irreversible strategic advantage within the next year, if not sooner. A successful "neutralization" of West Germany on or before its national elections next January will be the key to achieving this.

Thus, the administration decision to "base decisions regarding our strategic forces on the nature and magnitude of the threat posed by the Soviet Union, rather than on standards contained in expired SALT agreements unilaterally observed by the U.S." may be too little, too late. Especially since it includes the dismantling of the two Poseidon submarines in conjunction with the launching of the new Trident model for sea trials in late May, thus technically postponing the official "break out" of the SALT constraints for a few months. Weinberger wanted to dry-dock the Poseidons, instead, but their dismantling was a concession to the Shultz side of the faction-racked administration.

Nonetheless, the new criteria of response according to "the nature and magnitude of the Soviet threat" are a quali-

tative breakthrough for Reagan, and must be rapidly transferred as the operative criteria for decision making to Congress, as well.

Congress was expected to return from its Memorial Day break on June 2 on the warpath against the President's SALT decision, the defense budget as a whole, and, in particular, the Strategic Defense Initiative budget. Already, 43 Congressmen have banded together to launch an offensive against the SDI budget. To top it off, Rep. Patricia Schroeder (D-Colo.), from Gary Hart's home state and backed by a lot of the same people, has introduced legislation to reduce U.S. troop presence abroad by 50%. House and Senate resolutions have determined to slash the President's Fiscal Year defense budget request anywhere from \$19 to \$35 billion. Most of these steps have been justified by the constraints of the Gramm-Rudman balanced-budget law, which requires reducing the federal deficit to \$144 billion in FY87.

However, as Weinberger stressed repeatedly on his recent tour of Europe, the Congress is making a drastic mistake to place fiscal considerations ahead of the reality posed by the Soviet threat, just as the administration was making the same mistake when it placed SALT compliance ahead of the same reality.

Just what is that reality? As the Pentagon's 1986 edition of *Soviet Military Power* reports, Soviet operations include "actions and behavior which indicate that [the Soviets] believe a nuclear war could be fought and won," including via "a massive first strike."

In three reports sent by the President to the Congress, repeated Soviet violations of the SALT and ABM accords have been documented, including violations of the Limited Test Ban Treaty of 1963, the Biological and Toxin Weapons Convention of 1972, the Geneva Protocol on Chemical Weapons of 1925 and the Helsinki Final Act of 1975. The Soviets have also likely violated the Threshold Test Ban Treaty of 1974.

Last December's report cited the following violations:

- SALT II: New SS-25 ICBM development (combined with SS-X-24, gives the Soviets two, not the limit of one, new ICBM type), and extensive encryption of telemetry on ICBM missile flight tests (impeding U.S. verification of treaty compliance by using concealment, or coding, measures), exceeding numerical limit of Strategic Nuclear Delivery Vehicles and concealing association between SS-25 missile and its launcher. "Ambiguous" Soviet behavior involving possible violations in SS-16 activity. Backfire bomber's intercontinental capability and production rate.

- SALT I: Use of former SS-7 ICBM facilities in support of deployment and operation of new SS-25 mobile ICBMs.

- ABM Treaty: Illegal building of ballistic missile detection and tracking radar at Krasnoyarsk; combination of activities involving missile mobility, testing, and rapid reload, suggesting the Soviets may be preparing ABM defense of entire national territory.

The treason called 'military reform'

William Lind spelled it out: desertion of Europe and abandonment of the republican conception of a citizens' army.

With the Congressional budget cuts enacted in the spring, even the most optimistic projections of the future of the U.S. military budget are exceedingly grim. And with each round of spending reductions, the voices of the ubiquitous "military reformers" are raised in chorus, aggressively revealing the strategic military plans which underlie the budget cuts.

Anyone naive enough to believe that "balancing the budget" is Congress's aim, should listen closely to the strategy proposed by the "pro-defense" Military Reform Caucus.

To judge them, judge the actual consequences which would result if one were to follow their prescriptions. William Lind, a leading spokesman for the reformers, recently gave a pretty fair idea of what the cuts, and the "reforms," are meant to do to the U.S. armed forces.

The occasion for Lind's remarks was a forum at the Ft. Meyer Officers Club in Washington, addressed by himself and another leading "reformer," Jeffrey Record. The general subject matter of the discussion was the proposals advanced by Lind in a new book, entitled *America Can Win*, which is the most complete statement of the reform movement's purpose published to date. Lind's remarks at the gathering provoked some sharp questioning which was answered with an unusually frank description of the reformers' intent.

Since the general public is not privileged to hear such exchanges, and

the news media not likely to remedy the problem, we will recount the essence of the issue here, and leave a detailed review of *America Can Win* to a later date. Lind's points can be summarized thusly:

1) The problems facing the military are not the size of the budget, but the nature of the organization of the armed forces.

2) The current officer corps contains a surplus of officers above the junior grade, and should be cut in size by 50% promptly. Those officers who remain, should not be educated in engineering sciences but in a nebulous discipline called "the art of war," which supposedly will instruct them in "how" to think and not "what" to think.

3) Reorganization of the force structure should proceed with the objective of fighting a "maritime" as opposed to a "continental" war.

As you might suspect, a continental strategy is a land war in Europe—the maritime strategy considers Europe expendable. Lind's accurate aside concerning this element of his theory: "Deterrence falls out of this. . . ."

Lind briefly touched the more complex question of weapons systems, and proposes an armory roughly suited to the purposes described above.

A member of the audience soon rose to point out to Lind that the ultimate purpose of the American military is not war, but to present a force so formidable as to deter war on the nation or its allies. U.S. military pol-

icy, therefore, is a mobilization strategy based on the Hamilton and Calhoun model of an *expandable* army. In peace-time, the army is necessarily "top-heavy." Any reduction of the officer corps would decapitate the mobilization capability.

The reformers' technical criticisms of specific weapons systems have the same purpose.

Lind's response to this insightful critic shows that well aimed firepower will force even an accomplished sophist like Lind out into the open:

"Our equipment base is not oriented to a mobilization," said he. "There are many bottlenecks built into our high technology weapons systems which can't be overcome within the limits of our present economy, and why, therefore, should we maintain a strategy based on an economic mobilization the nation will never again be oriented to carry out?"

Further: "Middle-level and senior officers are of little consequence in such a mobilization."

As for Europe: "Increasingly, our problems do not come from the Soviet Union . . . and ultimately, the real deterrent in Europe is the French nuclear force, which will stop the Soviets when they encounter it—which they will do when they reach the Rhine. The French have always considered the Rhine their actual border in any case. . . ."

The case could not be presented in a clearer fashion, and as Lind pronounced the last cited remark, with a flourish followed by a few professorial puffs on his pipe for emphasis, he awaited his audience's response.

What there was of it made apparent to this writer that, even at this late hour, even in the face of such open proposals to hand Europe to the Soviets, most of the officers and military thinkers present were not prepared to believe that Lind and his friends in Congress mean exactly what they say.

Elephants and Donkeys

by Stephen Pepper

Anti-LaRouche efforts backfire on the Democrats

If the Democratic National Committee pursues its policy of persecuting LaRouche Democrats through the remaining primaries, the result will be a massive victory for the Republicans in November. Although the GOP is very vulnerable throughout the country, and especially in the farm belt, old and decayed industrial areas, and black wards, to win, the Democrats have to turn out a large vote in these areas. If a significant number of voters from these traditional constituencies stay at home, then the Democrats are doomed to defeat.

This is exactly what is happening with the notable exception of the turnout for those Democrats supported by the National Democratic Policy Committee (NDPC). In states as diverse as Idaho and Pennsylvania, as Illinois and Texas, the NDPC-backed candidates have steadily increased their core vote, and have generally increased their percent in farm precincts, black and Hispanic wards, and areas of double-digit unemployment.

Since Illinois, the media have reported in hysterical terms that LaRouche candidates have been defeated. While it is flattering to the NDPC that its success be measured only in terms of victory, it is unrealistic. NDPC-backed candidates running for federal office have yet to approach in any race the \$5,000 spent that requires filing a report with the Federal Election Commission (FEC). Since it is the

conventional wisdom that one must spend at least \$150,000 to win a congressional race, rising to \$550,000 in an urban area, the fact that NDPC candidates have spent less than 1% of that figure, and have still polled 30% or higher in every two-way race where there is no incumbent, is so astounding that conventional politicians are incapable of accepting it as true.

In one encounter, for example, between NDPC-backed Jerry Belsky and his Senate opponent, former Carter aide Hamilton Jordan in Georgia, Jordan claimed that Belsky had violated election law because he had not filed his FEC report, to which Belsky replied that he was only required to do so if he had spent \$5,000, which he had not.

Not only have the NDPC-backed candidates accomplished their results without money, but they have done so in the face of a blizzard of slanders. Since Illinois, in every state in which the NDPC has fielded a strong candidacy, the state party chairman has spent as much to *attack* the candidate as he would normally on an election campaign, usually including mass mailings, press conferences, and paid ads. What could be more eloquent testimony to the strength of the LaRouche candidates' appeal.

The latest demonstration of this is the primary that took place in Idaho on May 27. The NDPC's Joe Stewart, running in the 1st CD with a campaign staff of two and a budget of \$500, carried 40%, or nearly 10,000 votes. However, Stewart was greatly helped to attract voters by a mailing that Mel Morgan, the state chairman, sent out to every registered Democrat in the district, in which he repeated every canned slander of LaRouche he could lay hands on.

Stewart, in a tongue-in-cheek press statement following the campaign,

proposed that the cost of the mailing be treated as a contribution in kind to his campaign.

Morgan's effort epitomizes the situation: By calling attention to the hostility with which the Democratic apparatchniks view the NDPC, their anti-LaRouche efforts have added to the LaRouche candidates' appeal to those voters most discontented with the present party leadership. The NDPC has consistently run ahead of the regular candidates under such circumstances: In Mercer County, Pennsylvania, Senate candidate George Elder finished second in a race of four, polling 33% in an area where the farm sector is hurting; Georgia Irey, NDPC-backed Senate candidate in Indiana, polled 32% statewide, but actually ran ahead of Jill Long in the depressed steel-town of Gary, 5,451 to 4,367; in Texas, Noel Cowling, candidate for Texas agriculture commissioner, polled 17% statewide, but ran over 30% in Bexar County (San Antonio), the heart of the Hispanic vote. In the same county, the NDPC-backed candidate actually won the race for county chairman, while in CDs such as the 16th in Ohio (Masillon, Canton) and the 4th in Indiana (Ft. Worth), where double-digit unemployment has existed for years, NDPC candidates ran 42% and 34% (in a three-way race), respectively.

What this adds up to is that, wherever there is, so to speak, a significant concentration of the Forgotten Majority—the name LaRouche has given to traditional base of the Democratic Party—the NDPC has run ahead of its average statewide total. To professionals who look at such variations more than overall results, this means that if the Democratic regulars don't find a way to treat the LaRouche movement other than as poison, they will lose in November.

Schroeder bill to cut U.S. forces abroad by 50%

Rep. Pat Schroeder (D-Colo.) introduced legislation into Congress May 20 that would mandate a nearly 50% cut in the number of American troops stationed abroad over the next five years.

"She's very serious about this," a spokesman for the Congress-thing told *EIR*. "The Congresswoman introduced similar legislation in 1982, but this time around, the climate is much more favorable to passage."

A prominent member of the so-called Military Reform Caucus, and former national co-chairwoman of Sen. Gary Hart's 1984 presidential campaign, Schroeder has motivated the bill on the grounds that European members of the NATO alliance have failed to fulfill their promise to raise defense spending by 3% each year. Only one NATO country has kept the 1981 pledge, she says—"Uncle Sucker."

Schroeder's legislation, which she also intends to introduce as an amendment to the FY87 defense authorization bill, proposes a new "division of labor" among NATO and allied nations. That formula is contained in Henry Kissinger's recent call for the United States to redeploy its forces out of Europe to fight colonial-style wars in the developing sector—the perspective of the so-called Military Reform Caucus.

"We will continue to provide strategic and common defense needs," says Schroeder. "But it's time for our allies to take up the slack in defending their own land and the sea and air lanes connecting them with the rest of the world."

This, she claims, will send a "sig-

nal to our allies that it's time to bear some of the burden for their defense."

Under the terms of the legislation, the 325,000 American troops now stationed in Western Europe would be reduced to 165,000 by 1991. Troops stationed in the Pacific and elsewhere would also be affected.

Furthermore, the measure specifies that one of every two divisions brought home every year after its passage, be decommissioned.

A Schroeder aide reported that the Congresswoman will seek co-sponsors for the bill when Congress reconvenes in early June, and will also try to ensure that a complementary measure is introduced on the Senate side. The aide also reported that Schroeder had lobbied for a U.S. troop drawdown from the European theater while attending the NATO Parliamentarians meeting in Luxembourg in May.

Showdown looms over Saudi arms sale

Asserting that withholding arms from Saudi Arabia would "damage our vital strategic, political, and economic interests in the Middle East and undermine our balanced policy in that region," President Reagan May 21 vetoed Congress's ban against the administration's proposed sale of defensive weapons to the Arab country.

The Senate will vote on whether to uphold the veto when it returns from its Memorial Day recess, June 5.

Although the Senate okayed its "resolution of disapproval" by 77 votes—more than the two-thirds of the Senate required to override a presidential veto—administration sources

are reportedly confident that they will be able to win over enough senators to uphold the veto.

In a bid to rally Senate support for the arms deal, Reagan, after consulting with Saudi Prince Bandar, decided to drop one of the most controversial elements from the package—the request for Stinger missiles.

Response to the compromise, made public just before Reagan's veto, was swift: "The White House and the Saudis have caved in," chortled Sen. Alan Cranston (D-Calif.), one of the leading opponents of the sale. "They've dropped the key part of the program; they [the Stingers] were the most objectionable part of the package. I'm glad they're out, but I'm still opposed to the package."

But Cranston just may find himself laughing out of the other side of his mouth. The administration appears to be prepared to fight dirty on this one—as indicated by Sen. Orrin Hatch's statements on national television May 25.

During an appearance on CBS-TV's "Face the Nation," the Utah Republican accused the opposition senators of having a "knee-jerk reaction" to a sale that Israeli Prime Minister "Shimon Peres and the AIPAC [American-Israeli Political Action Committee], the Israeli people, are not really fighting."

What it really amounts to, he said, is that the sale's foes "are supporting the hawks in Israel, people like [Trade and Industry Minister] Ariel Sharon, who moved into Beirut against his own cabinet's advice, and they are supporting the radical Arabs."

Further, said Hatch, citing his membership on the Senate Intelligence Committee as authority for his statements, Saudi Arabia "does an

awful lot for us in intelligence around the world, and they have spent hundreds of millions, if not billions of dollars, helping America. . . . I can't talk much about this, because it's top secret, but they have helped us all over the world. A lot of people in Congress don't know that."

'Nuremberg-style' court for terrorism proposed

Sen. Arlen Specter (R-Pa.) has mounted an intensive campaign on behalf of a measure he introduced approximately a year ago to campaign on behalf of a measure he introduced approximately a year ago to stiffen anti-terrorism laws, and create a court modeled on the post-World War II Nuremberg Tribunals in which to try terrorists.

Specter testified on behalf of the measure during Senate Foreign Relations Committee hearings May 7.

The bill, SR-190, would "define terrorism as an international crime and establish a Nuremberg-type court for the trial of international terrorists," he told the committee.

The Pennsylvania senator named Libya's Qaddafi as a prime candidate for trial in such a court. Consideration should be given to "treating Qaddafi as an international criminal, of using the force necessary to take him into custody, to try him, to convict him, and to punish him," Specter told the committee.

"And I suggest that that principled approach in accordance with international law principles precedented at Nuremberg in accordance with principles of criminal law prosecutions, may well be a preferable way, zeroing in on the specific individual who is

responsible for acts of terrorism, as opposed to retaliatory raids which, no matter how carefully planned or executed, must reach some of the innocent, as well as those who are guilty."

Specter also asserted that his legislation would have dealt harshly with NBC for its refusal to divulge the whereabouts of terrorist Abu Abbas, whom the network interviewed May 6: "If we were to proceed with S.R. 190, and have a clear-cut statement of international law defining Abbas's conduct as an international crime," Specter said, "the circumstances and the conduct of NBC would be in much clearer focus on NBC's responsibility to disclose to law-enforcement officials the whereabouts of that terrorist."

House urges quick action on Waldheim case

The House voted up a resolution May 20 calling on Attorney-General Ed Meese to expedite the Justice Department probe into whether Austrian presidential contender Kurt Waldheim should be prohibited from entering the United States because of alleged involvement in Nazi war crimes. A similar resolution was endorsed by the Senate a few weeks earlier.

Neil Sher, head of the Justice Department's Office of Special Investigations, recommended in April that Waldheim be put on a "watch list" of persons not permitted to enter the United States, but Meese has taken no action on the case.

In urging passage of the resolution, lawmakers said Waldheim should be judged as any other person would be.

"At best, Mr. Waldheim is a liar and a Nazi collaborator," charged Rep. Charles Schumer (D-N.Y.). "At worst, he is a murderer. We all know there may be diplomatic considerations that will enter into any decision that is made, particularly after the Austrian election," Schumer said. "There will be pressure . . . to look the other way. This resolution firmly states we cannot look the other way."

Administration cutback on population-control assailed

Rep. James Scheuer (D-N.Y.) assailed the Reagan administration for reducing U.S. financial support for population-control programs in developing countries, claiming that population growth in Africa was the prime cause of starvation.

Scheuer chairs the Global Committee of Parliamentarians on Population and Development—a group which holds the belief that the only good child is a dead child.

"Drought is only a trigger of starvation," Scheuer told reporters May 19. "The underlying cause is too many people trying to produce food on too fragile an ecosystem." Africa's population growth meant it was faced with the impossible task of doubling its infrastructure and food production every 22 years, he said.

Scheuer, a proponent of the Carter administration's *Global 2000 Report*, which called for killing off 2 billion "excess" people by the year 2000, characterized the Reagan administration's withdrawal of \$17 million in aid for abortion-sponsoring organizations, such as the International Planned Parenthood Federation, as "gratuitous meddling."

National News

NSC to investigate intelligence leaks

The White House has instructed the National Security Council to begin a systematic, government-wide investigation into the disclosing of sensitive intelligence information, to determine if additional preventive measures are needed, senior White House officials said on May 23. The officials indicated that the review would focus not only on government leakers, but on news media that publish the leaks.

The investigation was triggered by a number of recent leaks detrimental to the national security, including the release of top-security information about U.S. electronic espionage capabilities by NBC-TV, the *Washington Post*, the *New York Times*, the *Washington Times*, *Time* magazine, and *Newsweek*.

The review will involve the entire administration, including the Departments of State and Defense and the CIA. White House aides said that the review may lead to recommendations for strengthening the 1950 espionage law, which prohibits the publication of classified information relating to codes and intelligence gathered through intercepted communications. "There has been serious concern within the administration on leaks," one official said. "That has manifested itself in growing concern about how to tackle the problem of conducting the confidential work of the government without it appearing in the media immediately."

Schlesinger: Chernobyl accident will hurt SDI

James R. Schlesinger said in a television interview on May 25 that the Chernobyl nuclear accident, coming shortly after the disaster of the Space Shuttle Challenger, will enhance the "skepticism" of Americans about "technological hubris," and hence will hamper the implementation of the U.S. Strategic Defense Initiative.

Schlesinger, the former energy secre-

tary and head of the Atomic Energy Commission, spoke on NBC's "Meet the Press" program. He declared that President Reagan's idea of making nuclear weapons obsolete and putting a "canopy" over the United States is "10,000 times more complex than a Shuttle launch."

The author of the infamous "Schlesinger Doctrine" for limited nuclear warfare, Schlesinger's concept of military strategy is antithetical to that contained in President Reagan's call to replace the doctrine of Mutual and Assured Destruction (MAD) with one of Mutual and Assured Survival (MAS).

Asked what effect Chernobyl would have on nuclear power in the United States, Schlesinger replied: "We've had no new reactors here since 1978, and nuclear power will be moribund for at least another decade." When we have the next energy crisis, we're likely to revive it.

Crime links of Soviet emigrés under scrutiny

Over 150 law-enforcement officials gathered in New York City in May to discuss the growing threat of the "Soviet mafia," which has been rapidly expanding throughout the country in alliance with the Gambino and Colombo mob families, and the organized crime networks linked to officials of the Anti-Defamation League (ADL).

Centered in the Brighton Beach section of Brooklyn, this mafia is based in the Soviet Jewish emigré community, which since 1964 has grown to 150,000, and overlaps the Israeli mafia. Key centers of its activities include: Los Angeles, Miami, Brooklyn, Antwerp, Rome, and West Berlin. According to intelligence sources, this community is thoroughly penetrated by the Soviet KGB.

This investigation of the Soviet emigré mafia could begin to lift the veil of silence imposed by the ADL and affiliated mob lawyers, who maintain that it is "anti-Semitic" to prosecute organized crime committed by Jews (they do not, however, allege that it is anti-Italian to attack the mafia). Such ADL attacks have curtailed law-enforcement efforts up to now. But on April 2, after the President's Commission on Organized Crime

issued a comprehensive report on mob activities, 9 out of the 18 commissioners issued a statement charging that, among other failings, the report "failed to address the roles of American black and Jewish organizations in organized crime."

Weinberger hits Dr. K's troop withdrawal plan

At a press conference in Copenhagen on May 21, Secretary of Defense Casper Weinberger rejected Henry Kissinger's recent call for a U.S. military disengagement from Western Europe. "I disagree totally with Henry on this issue, and I am very sorry to see a man who used to be a strong defender of the alliance make such statements," Weinberger said, in a reply to a question from an *EIR* reporter. Weinberger emphasized that the Soviet threat is not diminishing but growing.

Asked about the possibilities of repealing the Gramm-Rudman budget-cutting bill, Weinberger said that the amendment was a potential danger to the defense program of the United States, coming from a Congress "totally fixated on balancing the budget." He said he hoped that the Congress would follow the recommendations of President Reagan to prevent "the mechanisms of Gramm-Rudman from ever being implemented."

Governor Lamm vs. the Statue of Liberty

Colorado Gov. Richard Lamm declared on May 29 that Americans have been "blinded" to the problem of uncontrolled immigration by the symbolism of the Statue of Liberty. "I never did believe in that 'give me your tired, your poor. . . .'" he said, according to UPI.

Governor Lamm, notorious as a spokesman for the "euthanasia lobby" and the drive to cut health costs by killing off the elderly, was testifying at the third Joint Economic Committee hearing, held by Rep. James

Scheuer (D-N.Y.), on the impact of immigration.

"We've been so blinded by the Statue of Liberty," he said. "It's been such an overpowering symbol. . . . We should stop illegal immigration, but we also must maintain responsible limits on legal immigration. . . . More and more immigrants are living in America separated by language, geography, ethnicity, and class. This is a social time bomb."

Petition drive set against 'gay rights'

New York City's Family Rights Coalition on May 29 announced a drive to gather signatures to place a referendum on the ballot in November that would repeal the city's gay rights law. The law, which was passed in March, outlaws discrimination against homosexuals in housing, hiring and public accommodations.

Coalition spokesman Noach Dear said at a press conference at City Hall that the law "deprives New Yorkers of the freedom to make up their own minds about getting involved with sexual deviates as employees, tenants or next-door neighbors." He said the issue could be placed on the ballot if 15,000 more signatures were gathered.

Dear called the law unconstitutional and said, "This is not a civil rights law. This is a public relations gimmick. . . . We think the people should be given a chance to go into the voting booth and make their own decision about whether or not New York City should have that kind of law on its books."

Photographer assaulted at Chicago NBC studio

Tom Szymecko, a photographer for New Solidarity International Press Service, was attacked on May 21 outside the NBC-TV studio in Chicago, by a man who identified himself only as "the owner" of the station. Szymecko was taking pictures of a "Boycott NBC" rally by the National Democratic Policy Committee.

This was the second assault on Szymecko by an NBC employee in less than a week; the first occurred on May 16, when an NBC cameraman punched him, breaking his glasses and injuring his nose, at the Dirksen Federal Building in Chicago. In a related incident, national NBC-TV talk-show host Phil Donahue assaulted a supporter of presidential candidate Lyndon LaRouche at New York City's LaGuardia Airport on May 11.

In the latest attack, a man in a black overcoat emerged from the studio, walked over to Szymecko, and said in a threatening tone, "You can't take pictures here—get out of here! Who are you taking pictures of? Who are you?"

Szymecko replied: "I'm a cameraman. Who are you? You're not with NBC, are you?" The assailant yelled back, "I own NBC!" He lunged forward, grabbed the camera, which was around Szymecko's neck, pulled it, and screamed, "Give me that film, give me that camera!" A five-minute scuffle ensued. Szymecko has a heart condition for which he wears a pacemaker.

Meese disclaims Helms charges against Mexico

Attorney-General Edwin Meese, in a telephone conversation with his Mexican counterpart, Sergio Garcia Ramirez, on May 22, repudiated the charges made against Mexico in May 12-13 hearings conducted by Sen. Jesse Helms (R-N.C.). At the Senate hearings, U.S. officials, including Customs Commissioner William von Raab, charged Mexican government officials with corruption and involvement in drug-trafficking.

Meese's disclaimer was made public by Garcia Ramirez's office on May 23. According to the Mexican release, Meese "deplored the commitments made in hearings of a Senate subcommittee of the United States that does not reflect, in any way, the opinion of President Ronald Reagan or the point of view of the Justice Department."

The U.S. Customs service responded to Meese's remarks by saying it stands by the statements of von Raab. The White House and the State Department refused to comment.

Briefly

● **'GENERAL NORIEGA'S** days are numbered," said Debra de Moss, a top aide to Sen. Jesse Helms (R-N.C.), to a member of the Panamanian Human Rights Commission recently. Gen. Manuel Noriega, commander of Panama's defense forces, has been targeted for ouster by Helms and the World Bank/IMF. De Moss told the anti-government human rights group, "The Pentagon will withdraw its support from General Noriega. You should keep up the struggle."

● **TIME** magazine's poll of Democratic presidential possibilities, published June 2, listed Lyndon H. LaRouche for the first time, giving him 39% name recognition, against 84% for Gary Hart, 74% for Lee Iacocca, 94% for Jesse Jackson, and 42% for Mario Cuomo.

● **FBI AGENT** Robert Friedrich, surrounded by 60 fellow agents in a show of support on May 29, pleaded not guilty to charges that he lied to the government about the role of Teamsters President Jackie Presser in a payroll-padding scheme.

● **J. PETER GRACE** is "trying for world power," according to a lawsuit filed in a Milwaukee court by Miller Brewing Co. heir Harry G. John. John charges that Grace is trying to oust him as director of the De Rance Foundation, a Milwaukee-based charity. John's lawyer, Thomas Jeffers, cited Grace's membership in Yale University's "subversive" Scroll and Key society, "that well-known Soviet support organization," and his takeover of the Ford and Carnegie Foundations.

● **DON REGAN** delayed the expected announcement of approval of a \$2.8 billion Space Shuttle orbiter to replace the Challenger, objecting that NASA had not provided adequate justification for it. At a morning staff meeting, Regan contended that the agency had not made "adequate response" to questions he raised at a National Security Council meeting two weeks before.

Toward a century of science

If we get through the present crisis, mankind is about to enter the most glorious century of our history—a century in which the previous boundaries of human dwelling, on Earth, and the temporal boundaries of the human lifespan, which have not gone much beyond the Biblical threescore and ten, will be surpassed many times over.

Space: President Ronald Reagan's National Commission on Space has set forth a bold vision showing that man can begin colonizing Mars by the year 2015. This challenge will go far beyond the Apollo program of the 1960s in its economic, scientific, and educational impact. The report, released on May 23 in Washington, commits the United States to continue the accomplishments of Apollo, by making first the Earth's Moon, and then Mars, a permanent home for mankind.

Commission chairman Dr. Thomas O. Paine, who headed NASA at the time of the Apollo Moon landing in 1969, said that the Commission's study confirms that "a reasonable rate of investment" can establish a step-by-step effort to "open the inner Solar System for scientific inquiry, exploration, and enterprise." This will lead to permanent human outposts on the Moon in less than two decades, and on Mars by the year 2015.

Dr. Paine added that revolutionary spinoffs of the new technologies in super-computers, robotics, and closed-cycle life-support systems to be used in the colonization effort, will also help to transform our Earth.

As is well-known, today's medical frontiers received a major stimulus from the space program of the 1960s. That brings us to our second point:

Medicine: As *EIR*'s medical editor, Dr. John Grauerholz, reports on page 17, an ongoing revolution in medicine promises to open up the prospects of conquering deadly diseases and, also, overcoming the problems of aging.

In Japan, an all-laser hospital has opened, where by November 1985, forty major surgical operations were performed using the laser system. Laser surgery can reduce operative and post-operative bleeding from ma-

ior procedures and reduce post-operative pain and the time spent in the hospital.

Also reported at the recent Washington conference of the American Society for Laser Medicine and Surgery, was a leap forward in photodynamic diagnosis and therapy, which can be used to identify tumors, relieve arthritis, and potentially treat arteriosclerosis, among other applications.

Fusion energy: We are on the threshold of achieving commercial fusion, the cleanest, safest source of virtually unlimited energy, which will be essential to the space program and indispensable to developing the Third World. In the latest evaluation of laser fusion by the National Academy of Sciences, carried out at the demand of Congress, there are no physical obstacles to achieving commercial fusion power. The only obstacles now are the lack of funding, and classification.

Nothing of what we have listed here is speculative. Nothing is included of the nonlinear, unpredictable breakthroughs which will certainly result from the space program. What is certain, is that these programs will pay for themselves many times over and very quickly. But, they must be funded.

More broadly, we need many more astronauts, scientists, and engineers. That means we need more people in the world—well-nourished and well-educated people, equipped for long, creative lives.

EIR's latest Special Report, *The Libertarian Conspiracy to Destroy America's Schools*, addresses the method by which we can rescue our youth from the cultural pessimism that has produced the "Green" phenomenon: a return to the Humboldt system of classical education, pioneered in Germany nearly 200 years ago. Humboldt's formulation of the purpose of the school is still valid today:

"The true purpose of the human individual—not what is dictated by passing fancy, but rather by eternally unchanging Reason—is to achieve the highest and most well-balanced development of all his powers into a whole person."

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