

EIR

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GLOBAL SHOWDOWN

The Russian Imperial War Plan for 1988



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EIR

From the Editor

This space this week is reserved for gloating, one of our favorite pasttimes. We are gloating on behalf of certain recent victories by the Schiller Institute, an organization now a bit more than two years old. It was founded in 1984 by Helga Zepp-LaRouche, the wife of EIR's contributing editor and U.S. presidential candidate Lyndon LaRouche, in order to stem the dangerous tide toward the "decoupling" of Western Europe from the United States.

The Schiller Institute has chalked up the following victories which are featured in this issue:

- Japan's historic decision to share in the Strategic Defense Initiative (page 38). Not only has the Schiller Institute rallied international support for the SDI as the only way to defuse the strategic crisis, but the Schiller Institute together with the Fusion Energy Foundation held a conference not quite six months ago in Japan (reported in EIR at the time), which informed and consolidated the pro-SDI grouping in the Japanese elite, and thus played a key role in shaping this decision.

- The call by leading French figures, in and out of government, for a "Nuremberg Tribunal" to try the international terrorists waging irregular warfare on behalf of the Soviet Union against Western Europe (page 39). This echoes the appeal made over one year ago by the Schiller Institute for a new tribunal, to be convened at the site of the Nazi war-crimes trials, to try crimes against humanity being committed today—explicitly including terrorism.

- On the level of cultural warfare, we salute the Schiller Institute's fabulous victory in Turin, Italy, in shutting down a rock bash in that city's stadium supposedly to benefit AIDS victims (see page 42).

Indeed, as Helga Zepp-LaRouche stressed from the outset of the Schiller Institute, the root of the economic and strategic crises is the moral collapse of our Western Judeo-Christian civilization.

The cover story (page 20) brings you a unique report on the Pope's heroic effort on that same battlefield. More than any other, this is the area in which mankind's survival will be determined, and EIR is proud to find itself in the middle of that fight.

Nora Hamerman

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Does Volcker want a financial crisis before November?

by Chris White

Is Paul Volcker organizing for a financial crisis before this year's November elections? That is the question that is increasingly being asked following a conference that was just held by the Aspen Institute at the notorious Cini Foundation on the Venetian island of St. George Major. The question comes up as a result of what Volcker told the worthies assembled there, which included not only European financial bigwigs, but also a delegation of some 20 United States political figures, like former ambassador to Italy Richard Gardner and Sen. Gary Hart.

The theme of the weeklong conference, which ended Sept. 5, was "Europe, America, and the World Economy." Volcker wasted no time sounding the alarm. "The U.S., Germany and Japan must move together," he told participants. "There is no time to lose in the next months to face the actual impasse. There are deep fissures in the world economy, and if we don't succeed to close them in time, our whole future will be in danger."

Some say that this is merely the kind of language Volcker uses to threaten the United States Congress during his regular appearances on Capitol Hill, and that, therefore, such alarmist language can be discounted. This time Volcker wasn't addressing congressmen, whose ignorance on such matters is almost legendary, but rather a group of international level financial and political heavies. When the head of the U.S. banking system starts using that kind of language, under those kinds of circumstances, something pretty big is up. That's why the warning signals began to go off.

When Volcker, as he did in Venice, talks of the "impasse" in world financial policy he is talking specifically about Japanese and German refusal to swallow part of their production capacity now devoted to exports to the United States, while

pumping money into their domestic economies. Volcker has been pressuring Germany and Japan to do this over the summer. Thus far, they have refused. The longer they refuse, the more likely it becomes that the present downward trend in U.S. interest rates will be abruptly ended, thereby occasioning a shakeout crisis within the United States.

But there is much more to it than that. The international dollar-based monetary system is past the point of bankruptcy at which its collapse is merely possible. Under present, namely, Volcker's policies, the present bankrupt monetary system will collapse at some point over the few months ahead. And it will do so, because it is ready to do so now. This is obvious to anyone adding up the figures on the U.S. trade deficit, the U.S. government deficit, overall U.S. indebtedness, and the economic depression that is gathering steam in the United States.

Dollar assets are looking less likely as secure investment instruments every day.

This situation, Volcker declared, is "unsustainable." The Fed chief added that there is a great need for "a collective economic adjustment." He pointed to the upcoming General Agreement on Trade and Tariffs (GATT) meetings, in Portugal and in Uruguay, and the Sept. 27 meeting of the "Big 7" finance ministers in Washington as the next occasions to seek a solution.

The difference between Volcker addressing the Venice gathering in this way, and Volcker addressing Congress was highlighted by Flora Lewis' coverage of the conference. "A mood of crisis, near-panic and gloom about the world economic situation prevailed at the Venice Cini Foundation/Aspen Institute conference which concluded yesterday," Lewis wrote Sept. 6 in the *International Herald Tribune*. She

gets out the message underlying Volcker's speech: "There has been a change in the assessment of world economic prospects, clearly reflected in an Aspen Institute conference here [in Venice]. . . . [The] outlook was so gloomy that some U.S. Democrats wondered out loud why candidates in their party were trying so hard to take responsibility for the Reagan legacy. Remarkably, there was almost complete consensus on what is wrong and what should be done about it—and so little on diagnosis and prescription. . . . Some at the conference had reached the point almost of hoping for crisis, a serious jolt that will oblige leaders to tell the facts of world economic life to the public and to act before the damage is overwhelming. The news is the sense of urgency and the contrast."

Similar views were expressed to a very different audience just before the Cini Foundation conference convened. Specifically, in *Pravda*, on Aug. 26, in an article entitled "Illusions Shattered": ". . . While President Reagan continues to insist that the 'economy remains healthy' and Americans can look forward to a 'bright future,' most experts believe that the stormclouds are gathering. . . . Only a few months ago, observers believed that the fall in the bank interest rate and in the dollar rate against other currencies offered the U.S. economy new potential for growth. But instead, it had a sudden 'fainting fit.' The GNP growth rate fell to 1.1% in the 2nd quarter of 1986, reaching its lowest level since the 1982 slump. This effectively invalidated all previous forecasts."

The Cini Foundation

Venice's Cini Foundation, based on the old site of the Benedictine monastery on the island of St George Major, is the mother organization and center for that oligarchic faction within the West which created Bolshevism and its twin Nazism. The concordance between the evaluation of the Russians, and the Cini conference participants, on the economic situation of the United States, and the almost joint timing of the release of those evaluations, is not simple coincidence.

For the last 25 years, approximately, the follies of U.S. economic policy have been the most effective strategic weapon in the Russian military and political arsenal. Under the governance of the ideas associated with the military doctrine of "mutually assured destruction," the U.S. stripped down the in-depth technological and industrial capabilities on which the capacity to fight war is based. Robert Strange McNamara, the establishment lunatic most closely associated with that policy, was one of the participants at the meeting. The dismantling of U.S. capabilities accelerated during the period after 1979, when, under Volcker's ruinous credit policy, the country was plunged into depression. This policy created the financial vulnerabilities, the biggest debt bubble of all time, which, it seems Volcker is now proposing to exploit, perhaps, before the November elections.

The concordance with the Russians was further exemplified by Gianni Agnelli's proposed solutions to the crisis.

Speaking in the language of the Trilateral Commission, he put forward the traditional conception in which the appeasers' sell-out to the East is couched, that is, the idea of a unified Europe, of what he called "a European nation."

Why before November?

Why would this combination consider the unleashing of a financial crisis, before the November elections? To assist in derailing what the Russians perceive to be the growing influence of Lyndon LaRouche within the United States. Those who play this game thereby demonstrate that they have indeed taken leave of their senses.

On the Russian side, the evaluation of the heightened collapse potentials of the United States coincides with a broader economic offensive conducted internationally. Russia is moving into the vacuum created by the self-destruction of U.S. economic policy. The upcoming GATT talks, referenced by Volcker, have been one focus for this activity, as also are the ongoing meetings of the Soviet-West German economic commission in Baku.

On the first, Moscow surprised GATT's Geneva secretariat last month with a formal request to either join, or enjoy observer status. Mikhail Pankine, head of the international organizations division at the Soviet foreign trade ministry, called a Geneva news conference to reject Western criticism and declare that changes were indeed being made in the Soviet economy. "Major decisions have been taken in the U.S.S.R. aiming at a fundamental restructuring of the external economic management system. This process would lead to even greater Soviet involvement in the international trading system," he said. He added that Soviet firms were getting more freedom to do business independently with partners abroad. "This would be more flexible, not as rigid as the system that used to be." In subsequent comments to the Reuters agency, Pankine added: "We hear these negotiations will lay the groundwork for the global trading system in the 21st Century—how could we not be interested?"

This same line was retailed in the discussions with the German council by the Chairman of the state bank Dementsev, as talks opened in the southern Soviet city of Baku. Tass said Dementsev had reviewed guidelines for the expansion of Soviet business ties in the context of a restructuring of Moscow's foreign economic relations. "What I'm speaking about is the development of new forms of economic cooperation, including scientific and technical cooperation and co-production arrangements," Tass quoted Dementsev as saying. "The Soviet Union is interested in the further development of cooperation with Western partners on a long-term, stable and balanced basis, all of which fully apply to economic relations with West Germany."

No doubt, under their current war mobilization regime, the Russians consider the activities of Volcker and his friends at the Cini Foundation to be a potentially decisive part of this.

Dr. Doom shies away from the edge of the economic abyss

by David Goldman

"The magnitude of the debt problem itself suggests that it would seriously undermine the ability of the economy to revive quickly from the next business recession. Consequently, until there is solid evidence of a significant economic rebound, monetary policy must take the risk and err even further on the side of accommodation. Lower interest will ease the debt burden in the United States and, particularly, in developing countries. Further monetary ease will give marginal borrowers the opportunity to survive. We must stretch out the period in which debts can be written off by creditors and in which debtors, therefore, can recoup earning power. To be sure, this monetary policy approach runs the risk of rekindling inflation, but the alternative—deflation—is also punishing and is the more immediate threat to our economic stability. On the one hand, the monetary throttle can always be pulled back if need be, but on the other hand, once a deflation is under way, even large reserve injections may not immediately halt the decline in economic activity and the contraction in income flows."

—Dr. Henry Kaufman, at a Kansas City Federal Reserve seminar, Aug. 28, 1986

Poor Henry Kaufman, known colloquially as "Dr. Doom." Salomon Brothers' chief economist, doubtless the most influential Wall Street seer, warns of an uncontrollable deflation, 10 months after such a deflation began with the crash of oil prices, followed closely by the collapse of farmland prices, urban real-estate prices, and the price of commodities in general. While oil prices are now 60% below their 1980 level, other commodity prices have not done much better. Using the International Monetary Fund's index of non-fuel commodities, we project prices to have fallen 40% below their 1980 levels by the end of the present year.

In two respects, Dr. Doom's prescription is incompetent. The first is merely a matter of timing. The point was reached before the turn of the year, after which large reserve injections would do nothing for the decline of economic activity. The banking system can no longer lend, and the borrowers can no longer borrow.

In fact, borrowers from the U.S. Treasury on down, now depend upon two principal sources of funds: the largesse of America's creditors, led by Japan, and the availability of the \$200 billion per year conduit for anonymous international money, known as the Eurobond market. The collapse of the dollar to barely over 2.00 deutschemarks during the past few weeks indicates what the *anticipation* of Dr. Doom's program has already done. Why should foreigners invest over \$200 billion a year in the U.S. economy, which is the minimum the United States must take in from abroad to cover its overseas deficit, if the Federal Reserve is paying the nation's bills at the printing press?

Kaufman's report in the cited speech is otherwise accurate regarding the debt crisis. "Most noticeable," he said, "is the rapid growth of debt. At the end of 1985, total credit market debt—mainly households, businesses, and governments, but also including the financial sector—totaled \$8.2 trillion, compared with \$4.6 trillion at the start of the decade and \$1.6 trillion in 1970. . . . Debt rose annually by 7.25% in the 1960s, by 11% in the 1970s, and has increased by almost 12% at an annual rate thus far in the 1980s. . . ."

"A significant deterioration in the quality of credit has accompanied this swift debt growth. In the United States, this has been most noticeable in the business sector. . . . [The number] of AAA-rated industrial and utility corporations has been cut to 25 from 56 a decade ago. . . . Currently, the size of the high-yield high-risk bond market is about \$100 billion, or roughly 21% of outstanding corporate bonds. In 1976, the size of this market was nearly \$19 billion, or 9% of outstanding holdings. At present, only the paper of one large bank holding company is rated AAA. Ten years ago, this numbered 14. . . ."

"This credit quality deterioration is also evident in other sectors. In the state and local government market, overall credit quality eroded for the seventh consecutive year in 1985, the latest year for which we have complete data. In the agricultural sector, the value of farmland, after peaking in 1981, has fallen by 25%, while farm debt has continued to mount. As a result, over the past five years, farmers' net worth has fallen by 30%, and many farms are in disrepair.

Even households do not show the financial strength they enjoyed a decade ago.

"Both the ratios of household debt to disposable personal income and to net worth are at record highs—they were 25% and 15% lower, respectively, 10 years ago. . . . In the past four years, for example, while disposable income has risen by 32%, households have taken on 42% more in mortgage debt and an extraordinary 73% more in installment debt.

"In addition to the ongoing deterioration in these sectors of the economy, there is a relatively new area of weakness—commercial real estate construction. We are just beginning to realize the extent of this problem. Significant real estate loan losses have been reported at a number of large banking and thrift institutions, not only in the Southwest, but nationwide, reflecting the fact that rental income is insufficient to support the debt service of many office projects."

Hidden landmines

Dr. Kaufman does not bother to mention the hidden landmines in the debt picture. For example, there are more than \$500 billion of loan guarantees floating around the U.S. economy, part of a \$3 trillion global total of so-called "off-balance-sheet liabilities" of commercial banks. Much of the debt of weak corporations turns out to be also debt of weak banks, and so forth.

Then there are hundreds of billions of dollars of so-called "unfunded pension liabilities," which the retirees of Wheeling-Pittsburgh Steel and LTV Steel discovered, when those bankrupt corporations stopped paying benefits.

Whether the debt amounts "only" to the \$8.2 trillion the Fed reported for the end of 1985, or exceeds \$10 trillion, which is probably the case, does not matter much. The problem is that debt is huge, and "huge debt will add a very troubling dimension to the next business recession," as Kaufman puts it—in other words, when it can't be serviced, it will all come crashing down. This remarkable insight had already become apparent to steel companies, airlines, energy producers, real-estate developers, farmers, and their bankers, even before Dr. Kaufman decided to tell us about it.

Bankrupt borrowers can no longer depend upon the help of the federal government, which has its own problems, Kaufman adds. "In addition to the immediate monetary policy quandary in dealing with the debt explosion, there is the serious question of appropriate fiscal policy. Since the U.S. government has accelerated the rate of its borrowings more than any other sector, it would seem at first blush that a sharp reduction in the budget deficit would be appropriate. Here, we face a serious judgment problem in policy, because a drastic pullback in the deficit would contribute to fiscal drag just when economic growth is seriously lacking in vigor. . . . The fiscal quandary and its implications for debt growth and economic and financial stability are deeper still. A large reduction in the deficit over a short time span weakens economic activity even further, while small reductions would do

little to solve the 'deficit problem.'

take place with a large deficit at the outset, it will be extremely difficult for our legislators to quickly opt for an even higher deficit. Thus, the legacy of the debt explosion that we have experienced may well be that the next recession will have to be overcome mainly through monetary ease with little help from fiscal policy."

Print a lot of money and bail us out, Kaufman says. "Until there is solid evidence of a significant economic rebound, monetary policy must take the risk and err even further on the side of accommodation. Lower interest rates will ease the debt burden in the United States and, particularly, in developing countries. Further monetary ease will give many marginal borrowers the opportunity to survive."

Second, Kaufman demands, turn the regulatory agencies over to us: "Centralized monitoring and regulation of our financial system should be established. . . . Financial institutions should be required to report their assets and the lower of cost or market value. . . . Official regulatory agencies should be required to rate the creditworthiness of the financial institutions under their jurisdiction. These ratings should be made public after a delay. . . ."

In other words, Kaufman wants both the money for a bailout, and the chance to use this money to buy up whatever bankrupt financial institutions Salomon Brothers and its fellow sharks want to.

That, however, is not enough in a world where the United States is borrowing over \$200 billion a year to pay its import bills with other countries. The United States itself must come under the jurisdiction of a "new official international organization," run by the sharks'

Specifically, "To contain the debt problem, international cooperation and coordination must be strengthened. A new official international organization, consisting of a key central bank and other officials, should be established. This organization should work toward achieving uniform accounting, capital and reporting standards of major financial institutions. It should monitor more closely international capital flows by promulgating better reporting standards. In a world with a rapidly growing web of financial linkages, such improvements are essential not only to rein in debt growth, but also to achieve effective monetary policies."

Of course, "The changes that need to be made to prevent a debt crisis from causing major damage are difficult to engineer, because the many vested interests involved will attempt to limit the necessary legislative initiatives." To date, the resistance among such "vested interests" has been less than heroic. Faced with the general failure of their banks and savings institutions, Texas, Oklahoma, and Louisiana have all opened the doors to interstate takeovers, and the federal regulators have hastened to subsidize the yard sale, on behalf of the sort of major banks which employ Salomon Brothers as their adviser in acquisitions. The problem emerges as those major institutions themselves go into the barrel.

Will Argentina become the IMF's next drug economy?

by Cynthia Rush and Juan José Balatti

Over the past year and a half, Argentina has undergone a dangerous cultural transformation. The country that has always been characterized by optimism, positively influenced by European classical culture, is sinking into the inferno of the drug culture.

Its industrial and agricultural production are victims of the International Monetary Fund's disastrous policies. Recently released statistics show that between 1975 and 1985, 196,000 industrial workers lost their jobs; once active industrial areas on the outskirts of Buenos Aires, where factories have been shutdown, are now referred to as "scrap iron cemeteries."

As an adjunct to this economic decay, Argentina has joined the ranks of the drug-consuming nations. Consumption of marijuana, cocaine, and toxic inhalants is soaring, especially among youth. It is now commonplace for police to search teenaged youth as they enter schools, looking for drugs; youth gangs, sometimes with children as young as 12 and 13, perpetrate much of the street crime occurring in Buenos Aires, robbing to pay for marijuana. And now Buenos Aires shares with other capitals of the world the dubious distinction of having "punk" gangs roving its streets.

At the crossroads

The country is under siege, economically and culturally. Faced with this warfare, President Raúl Alfonsín has the option of joining Peru's Alan García, to forge Ibero-American unity around a perspective of development and cultural optimism. Instead he has chosen to follow García's predecessor, Fernando Belaunde Terry, who permitted banker Manuel Ulloa to use his position as finance minister to turn Peru into a drug economy.

Sometime in October, Alfonsín is expected to submit a bill to Congress which, if approved, will allow individual citizens to declare taxable income, earned domestically or abroad, *without having to reveal the origin of that income*. The revenues generated by this money-laundering legislation, will allegedly be used to make interest payments on the foreign debt, and help reduce the budget deficit.

The appropriately named "whitewash law" (*ley de blanqueo*) will protect those who illegally used foreign exchange obtained from the exchange markets, those who have engaged in capital flight over the past 10 years, and those whose

income includes dollar-denominated foreign debt bonds, if they declare their income and pay taxes on it by December.

It is unlikely that passage of the bill will bring any quantity of funds back into the country, despite the government's stated purpose. What it will do is enhance the power of the money launderers, speculators, and drug-bankers, who have established themselves in Argentina over recent years, as industry collapsed.

Moreover, this legislation is a decision to officially "forget" about the eight-year period (1976-83), during which Henry Kissinger's banker and military friends directed an orgy of illicit, speculative and drug-related financial operations, including contracting a large amount of phony foreign debt.

Alfonsín came into office in 1983 vowing to investigate the illegitimate foreign debt and illicit financial transactions carried out by Kissinger's friends. Now, Treasury Secretary Mario Brodersohn is calling for a more "pragmatic" approach to obtaining new revenues, even if this means using dirty money.

Austral Plan a flop

These recent policy decisions only reflect the fact that the IMF is tightening the screws on Argentina. Alfonsín's much-heralded "Austral Plan," imposed at the behest of the IMF in June, 1985, hasn't done its job. It did reduce workers' wages and living standards, and gutted industrial and productive activity through the imposition of prohibitively high interest rates. But it did not generate all the revenues necessary to pay Argentina's foreign debt.

On Sept. 7, government officials announced in Washington that they had negotiated a 180-day postponement in payment of \$10 billion in debt obligations. Argentina has lost billions in income because of the drop in price of its export commodities.

Nor did the Austral Plan keep inflation under control, its primary objective. In July, the inflation rate suddenly moved up to 6.8% from earlier monthly rates of 4% and 5%; and in August, it jumped to over 9%.

On Aug. 29, Finance Minister Juan V. Sourrouille went on national television to announce a new package of austerity measures, dubbed the "Australito," or little Austral Plan. This includes new wage and price controls, strict control of

the money supply, and maintenance of positive real interest rates. Wage increases will be limited to between 3% and 4% a month, and price increases and increases in public-utility tariffs to 3% in September and 2% in December.

The new measures aren't expected to keep the lid on the explosive economic crisis. What the IMF's free-enterprise cultists are demanding now is the right to squeeze the last ounce of loot out of the population, which they call "opening up the economy." As conditionalities for a new standby agreement, negotiations for which are now under way, the IMF wants Argentina to lift all restrictions on imports, remove other mechanisms which protect domestic industry, and allow greatly increased foreign investment, especially in the extractive industries like oil.

The government has also just presented a project to capitalize a portion of its foreign debt, allowing creditors to convert debt into equity in state-sector companies which are slated to be "privatized." Industry and Commerce Minister Roberto Lavagna, the only Peronist in the cabinet, swears that the debt capitalization project will not hand portions of the economy over to foreign interests, because it includes stipulations for "fresh funds" to be provided for private investors. But underneath, it is nothing more than Henry Kissinger's plan: You can't pay your debt, so give us your country instead.

Drugs legalized

The Argentine Congress is abetting this process of cultural and economic decay.

In late August, the Senate approved a bill which legalizes the "acquisition and possession of drugs for one's own immediate consumption, when the quantity and the means do not jeopardize the health of third parties." The law, which was subsequently approved by the lower house of Congress, removes all penalties from the cultivation of plants used to produce drugs, the purchase of raw materials or elements needed for their preparation, or import of these drugs into the country, as long as the quantities are only for "personal consumption"!

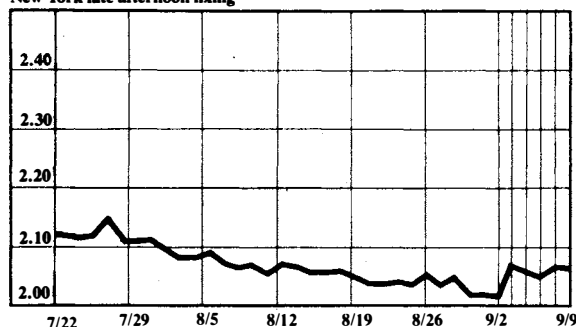
The vote in the Senate was not unanimous, although it had the support of members of the ruling Radical Civic Union and the opposition Peronist party. Radical Senator Lorenzo Cortese stated that "possession is a crime in existing legislation. This must be maintained. . . . Possession, although it may be the last link, is part of the traffic. The possessor, represents the risk of a new transfer [to others]." Dr. Elias Neuman addressed a broader point: "Among the new groups of delinquents, are those who commit crimes from the boardrooms of banks, financial institutions, transnationals. . . and the inductors who sell the human being to drugs, and not drugs to the human being."

Argentina's Supreme Court put the crowning touch on the package when it ruled in early September that laws penalizing drug possession are unconstitutional. Its rationale was that the court could not rule on the "private" actions of men."

Currency Rates

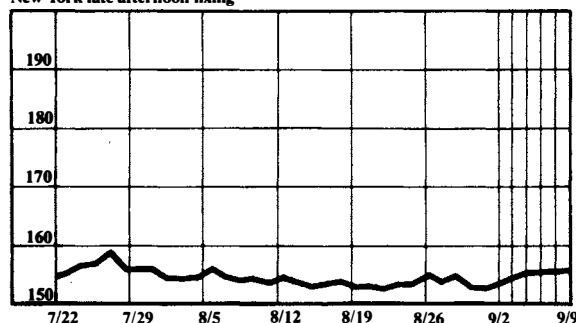
The dollar in deutschemarks

New York late afternoon fixing



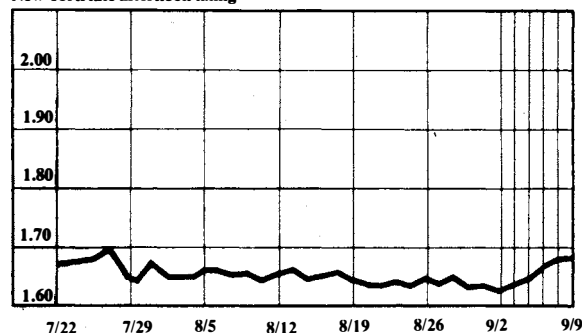
The dollar in yen

New York late afternoon fixing



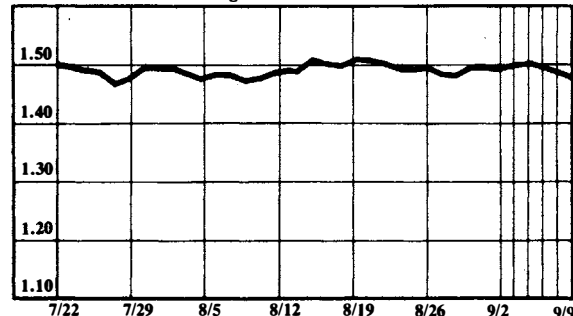
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



British doctor calls for quarantine of AIDS victims; liberal media howl

by Mark Burdman

The British Health Department has put forward a proposal urging very tough measures to deal with AIDS, including quarantine for AIDS victims, creation of "public alarm" over AIDS, and treatment of the AIDS disease in a manner similar to the way smallpox was treated earlier.

Under the headline, "Isolation urged to halt further spread of AIDS," the *Daily Telegraph* of London reports that these plans for "drastic measures" were sent to British Chief Medical Officer Donald Acheson, by Dr. Adrian Rogers, a general practitioner in Exeter, who "believes much tougher action is needed against AIDS until a cure is found," especially as 100 people a week are now becoming infected in Britain alone.

Excerpts from his report to Acheson are quoted:

"Sensible people will consider that AIDS is not unlike leprosy and that until the limits of transmission are known or a cure found, carriers and victims should be carefully isolated.

"To date, there has been no public discussion about isolation or quarantine of AIDS carriers, neither about recrimination of homosexuality or criminalization of drug addiction.

"In view of the extent of the epidemic, they deserve detailed and serious consideration. Such measures may still prove effective."

Dr. Rogers advises employers to begin asking employees about their sexual practices: "Employees in high risk groups for AIDS are likely to prove a liability. Those who employ AIDS carriers or victims will experience disruption of their workforce as the disease spreads."

The *Telegraph* then paraphrases: Dr. Rogers "said he did not want to create a scare over AIDS, but he did want to raise public anxiety because that was the only way of creating a climate of opinion to support action to halt the spread of the disease."

His report to Acheson is quoted: "A few years ago, whenever a case of smallpox arose, the patient was promptly taken into isolation and everybody thought that was right.

"Smallpox has now been eradicated and we need a similar attitude toward AIDS if that is also to be wiped out. . . .

"Now is the time to raise public alarm so that individuals can modify their behavior to minimize risk of infection.

"Massive public concern will unfortunately incur some unnecessary anxiety, but only massive public concern will set back the permissive tide sufficiently to prevent spread."

Press panics over PANIC

Dr. Rogers' recommendations to the British medical establishment are those implicit in California's Proposition 64, which has been the target of hostile editorializing by British press in recent weeks. Proposition 64, sponsored by the Prevent AIDS Now Initiative Committee (PANIC) led by associates of Lyndon LaRouche, would have AIDS declared a "communicable disease," and the condition of infection a "communicable condition," implicitly requiring measures of quarantine and prevention. It will be voted on in November.

On Aug. 30, London's *Observer* ran a lead international news story under the headline, "Wild man of the Right leads drive for AIDS apartheid." The article spews venom at LaRouche. Author William Scobie, writing from Los Angeles, is obliged to admit that Proposition 64 is very likely to win.

"The vote will be the broadest test yet of public policy on the epidemic. Its passage could encourage other states to take similar action." (Indeed, it could encourage Britain!)

After paragraphs quoting unnamed California health officials and Governor George Deukmejian's adviser on AIDS, Bruce Decker, denouncing Proposition 64 as "hateful and absurd" and as "raising the spectre of concentration camps for AIDS patients," Scobie notes: "Despite its condemnation by almost every top political and medical leader in California, the measure seems likely to be passed. LaRouche supporters had no difficulty in gathering 683,576 signatures to put the initiative on the ballot—over 70 per cent more than needed to qualify." Decker and friends, Scobie reports, are trying to

raise \$5 million to defeat Proposition 64.

After denouncing LaRouche and associates for "conspiracy theories," such as that "the International Monetary Fund [causes] the AIDS epidemic," Scobie is obliged to admit that AIDS has killed, or is killing, many prominent Americans. He quotes Robert Peterson of the *Hollywood Reporter*: "I'd say 30 per cent of the obituaries we're printing now are of guys who've died of AIDS, but don't admit it even in death. They cite cancer, pneumonia, or give no cause at all—but they're all single men between 25 and 50. People read between the lines." Among cited victims are former football star Jerry Smith, lawyer Roy Cohn, fashion designer Perry Ellis, etc.

A similarly incoherent attack on LaRouche and PANIC was published as the second-lead item of the London *Economist*'s "American Survey" section, in its Aug. 23 edition, entitled, "AIDS: San Francisco Recoils." The article notes that, "Mr. Lyndon LaRouche, the purveyor of conspiracies, is hawking his theories on AIDS around California, the state that has done most to face up to the truth of this modern scourge. He has succeeded in collecting far more than the number of signatures needed to get his Proposition 64 on the ballot, and is prepared to spend millions of dollars to win votes for it in November."

The *Economist* is most disturbed that this will disrupt some ostensible *modus vivendi* that has been worked out in California, between the homosexual community and public-health officials. The article also conjures up nasty images: "Television advertisements between now and November are expected to batter the Californian public with images of deadly hamburgers, infected mosquitoes, the innocent menaced by the homosexual peril in their midst. . . ."

After all this, however, the *Economist* suddenly shoots itself in the foot: "But the San Francisco health authorities are faced with a new development: the epidemic is slowly making its way into the lives of heterosexuals. . . . The prospect frightens the health authorities. Heterosexuals cannot be cared for or, more important, educated with the ease that homosexuals can be; there is not the same network of friends, for a start." The solution, the *Economist* concludes, quoting a doctor about how he would spend money on dealing with AIDS: "I would spend it on condoms."

On Aug. 20, another British journal, London's *Daily Mail*, had panicked over PANIC, under the headline, "Don't 'jail' AIDS victims, say film stars," bylined Los Angeles. It favorably reported on the Hollywood committee against PANIC formed by Bob Hope, Elizabeth Taylor, Gene Kelly, Shirley MacLaine, Barbra Streisand, and assorted others who all banded together, said the *Mail*, to fight a referendum "proposed by extreme Right-Wing followers of shadowy presidential candidate Lyndon LaRouche," which, if passed, "the stars fear . . . could result in the virtual imprisonment of over 300,000 Californians."

The *Mail* exemplifies that British Establishment faction, which most fears the implications of the PANIC initiative. Its chairman, Lord Rothermere, is tied to the Royal Family. His daughter has married Lord Ogilvy, son of Angus Ogilvy, a member of the Royal Family through marriage to Princess Alexandra.

The 'globalists'

The *Economist*, a mouthpiece of the Rothschilds and other banking families, has been central, for decades, in the entity known as "The Trust," the East-West joint stock company which ran the Bolshevik Revolution and which, more recently, has sponsored the "Age of Aquarius"/"New Age" counterculture movement internationally. The *Economist*'s editorial board, over the past years, has been closely involved with the London and Oxford-based "Anglo-Soviet Roundtable," and with the board of directors of Kissinger Associates.

These journals are linked to British liberal "globalist" (e.g., "world federalist") circles, around families like the Huxleys, Russells, and Toynbees, which created the rock-sex-drug counterculture in the post-World War II period. It is that counterculture which is most directly threatened by the LaRouche-backed Proposition 64 in California.

Also, the *Observer* and *Economist* are among those publications which have backed the policies of austerity and deindustrialization, the so-called "post-industrial age" policies of the past two decades. It is precisely these policies that have created the conditions for the spread of AIDS.

Their fear, quite plainly, is that there will be growing support, within Britain itself, for an initiative comparable to Proposition 64—and if Dr. Rogers' recommendation to the British health authorities is any indication, there will be. Throughout the summer, AIDS statistics in Britain have grown more and more alarming. The epidemic spreading, out of control, in the United Kingdom, and in key areas of the Commonwealth. The London *Times* is one among the British dailies that has covered Pasteur Institute revelations about insects found carrying AIDS.

The fear must extend to the Royal Household. According to revelations published in the United States and West Germany, Prince Charles' butler, Stephen Barry, is now dying of AIDS. Barry served Prince Charles, in numerous vital capacities, for several years. Earlier revelations, in the German press some months ago, are that the Prince's valet had contracted AIDS.

In fact, interest in the LaRouche-backed PANIC initiative, was first broadcast in a British Broadcasting Corporation feature on LaRouche, carried on July 23, the same day as the wedding of Prince Andrew and Sarah Ferguson. Viewer response to the show was particularly positive, on the question of LaRouche's recommendations for dealing with AIDS, and his charges of coverup against the health authorities.

The next round of dollar collapse

Although the dollar gained some ground, the reasons only portend a new decline.

The New York Stock Exchange's crash on Sept. 11 pushed gold back up to the top of its trading range of the past several weeks, namely \$419.60 an ounce at the London morning fixing Sept. 12.

The dollar nonetheless gained ground, allegedly because traders expected higher U.S. interest rates; the same expectations, supposedly, pushed the stock market down.

The truth is a great deal more complicated. The preceding weekend, Japanese Finance Minister Miyazawa met his American colleague, Treasury Secretary James Baker III. Significantly, the meeting's venue changed at the last minute to San Francisco, more convenient to the Japanese creditor, from Washington, more convenient to the American debtor; America borrows \$50 billion per year from the Japanese.

Following the meeting, Baker said nothing, and Miyazawa said bluntly that he had no intention of reducing Japanese interest rates further—as the Reagan administration has been demanding.

Then, on Thursday, Sept. 11, the West German Bundesbank Council announced, after its regular meeting, that West Germany had no intention of reducing rates, either—sinking the coffin of the monetary diplomacy that began at New York's Plaza Hotel in September 1985.

Under the assumptions prevailing in the foreign-exchange market until very recently, the collapse of American efforts to persuade the West Ger-

mans and Japanese to join the Federal Reserve's money-printing exercise, would have sunk the dollar like a rock.

For weeks, the market has seasawed (mostly sawed), on rumors of central bank discussions on joint efforts to lower interest rates. Now that the last illusions are gone, the dollar has steadied (although not risen significantly). From its five-year low of about DM 2.03, the mark has inched down to about 2.07 as of Sept. 12.

The dollar rate has reached a certain point of singularity; the currency itself is more worthless than ever, most of all with the collapse of the U.S. securities markets, which reduces the speculative compensation our trading partners receive, for exchanging their goods for our unsecured paper.

However, both Germany and Japan work in a dollar-based monetary system. If the dollar falls further, their exports to the United States, which have accounted for the only apparent growth those economies have had, will disappear. Therefore, the underlying value of the mark and yen will deteriorate along with the dollar.

That, of course, is why no equity market in the world is safe when Wall Street goes down. Apart from the mammoth growth of American imports, world trade has collapsed since 1980.

Without the parasitical absorption of the rest of the world's products by the United States, world trade would have fallen by almost a fifth in dollar terms since 1980.

That is, of course, why gold and

platinum have done so well in the past couple of weeks; gold represents not merely real value, but a means of escaping the dilemma of accepting additional paper from either the United States or its trading partners.

It is also why the West German Bundesbank suddenly intervened to push the dollar down by 2 pfennigs on the morning of Sept. 12, to the utter astonishment of traders, who were accustomed to seeing the Bundesbank intervene to keep the dollar up. Traders speculated that the Bundesbank was merely trying to keep markets orderly, given the wild events on Wall Street; but the point is that the rules have not changed.

What can be expected from this singular situation? For the relatively near future, another ratchet-drop of the dollar, for a simple reason: The American banking system is in desperate condition, and the Federal Reserve will have no choice but to open the monetary floodgates.

That is the conclusion offered by Salomon Brothers' Dr. Henry Kaufman, whose pronouncements derive from somewhere close to Paul Volcker's telephone.

That is particularly true, also, given the embarrassment of the U.S. federal government, which will have to market not the \$225 billion of debt-securities projected by the Conference Board, but closer to \$270 to \$300 billion.

In the past, the U.S. Treasury was perfectly willing to soak up the world's available capital with deficit-financing securities. That was before the American banking system itself came to the brink of failure.

Although the Germans and Japanese may fear the consequences of the present parity-structure for their own economies, the Federal Reserve will nonetheless succeed in driving them out of the dollar before long.

FmHA hires collection agency

The federal farm bank is going after 6,000 farm loan accounts, while Congress is paralytic.

On Sept. 3, the Farmers Home Administration announced that it had hired Capital Credit Corp., of Fairfield, New Jersey, to pursue collections on 6,000 farm loan accounts, and 500 rural home loan accounts. By that date, some farmers had already received demand letters, and leaders of national farm organizations have called on Congress to reverse the FmHA action. However, nothing but rhetoric—or worse—is expected from the last session of Congress this year, while farm credit, farm infrastructure, and national and Western food security are collapsing.

The FmHA holds about \$26 billion of the national agriculture debt total of \$200 billion. At least half of the FmHA loan accounts are delinquent, and so are a large percentage of the accounts of the other major categories of lenders—the Farm Credit System (with about \$74 billion of farm debt), and the commercial banks (holding another \$33 billion or so).

In 1985, over 20% of all the farmland that changed ownership, was on the market because of foreclosure.

Many of the accounts that the Capital Credit Corp. will be taking over are those of farmers who have already surrendered their machinery, property, crops, and any other goods pledged as collateral, but the FmHA wants full debt payment, despite the devaluation of collateral over the last few years of depression. The farm families involved, after being completely dispossessed, are merely trying to survive in some way, and cannot pay the FmHA demands.

The collection agency's first at-

tempts were a fiasco. By Aug. 28, many farmers had received a dunning letter, saying that full payment had to be made within 24 hours. The FmHA then said that this was merely a "mix up in the mailing dates" and that such a letter was to go out later, following letters that offered 10 days in which to pay.

Farmers have pointed out that many had, in good faith, already made agreements with the FmHA to work out their debt over five years. Cy Carpenter, president of the Denver-based National Farmers Union, said of the collections action, "FmHA officials who implemented this odious action have reverted to the behavior of the jackal which lives by attacking wounded prey and the hyena that satisfies itself by tearing apart the remains of those who have already been killed."

The same day as the FmHA announcement of the collections policy, officials from the Farm Credit System testified before a Senate Subcommittee on the need for financial aid from Congress to avert disaster. James Mullins, from the Farm Credit Bank of Omaha (one of 12 such regional FCS banks), said that if the Farm Credit System fails, and Congress gets wrapped up in political debate, "I cannot believe that any other institution would or could step in on any kind of timely basis and fill the void that would be left if the system fails. We know of the difficulty that many farmers have finding financing when the commercial bank they are with fails, I shudder to think of the havoc created for many borrowers if ever a Farm Credit Bank

were to fail."

The Farm Credit System last year lost \$2.5 billion and is expected to post at least a \$1.8 billion deficit this year. The rate of failure of commercial banks shows the same process of loss. As of Aug. 31, at least 46 farm banks had failed nationally since January.

In testimony to the Senate Judiciary Committee's Sept. 3 hearing, Deane Adams, a director of the Marshalltown Land Bank (part of the FCS), said that since May 1985, there has been an 87% drop in the number of loans made by his institution, and a 34% drop in outstanding loans, which, he said, shows farmers are in crisis.

Adams said, "I compare the crisis with the space shuttle crisis, but I think the ag crisis makes the space shuttle crisis look like a Sunday school picnic. When I was listening to testimony on the failure of the space capsule, I detected similar statements that I have heard during farm credit meetings. The engineers said the capsule should not go up, it would not work, and the administration said it would and that it had to go."

The Sept. 5 successful Delta rocket launch shows that solutions can be mobilized, but so far that does not apply to Washington's reaction to the agriculture crisis. What is required is federal emergency orders to stay farm foreclosures, reschedule debt, and preserve the components of the farm credit system by channeling low interest production and capital improvements credits through existing lending institutions.

Instead of this—or similar emergency programs—we got a new report on Sept. 5 from the Government Accounting Office, on how bad farming was in 1985. If you want to read it, ask for, "Farm Finance: Financial Condition of American Agriculture as of Dec. 31, 1985."

Business Briefs

Space

Rocket industry begins commercial projects

Martin Marietta Corp. has signed an agreement to launch a communications satellite for Federal Express Corporation in what Reagan administration officials immediately hailed as the birth of the nation's commercial rocket industry, according to the *Philadelphia Inquirer* Sept. 6.

The Bethesda, Maryland aerospace firm, which makes the Titan-class rocket for the Air Force, said on Sept. 5 that it plans to use one of those rockets to launch the Federal Express satellite from Cape Canaveral some time in 1989, using Air Force facilities.

NASA officials also announced on Sept. 9 that NASA will permit a new rocket company to use its Wallops Island, Virginia base to launch small satellites.

The new company, Space Services Inc. of America, based in Houston and headed by former astronaut Donald Slayton, has agreed with NASA on general terms for using the coastal facility for launching Conestoga rockets, according to the *Inquirer* Sept. 9.

The new company has several private contracts and may launch as many as 10 SDI payloads, said company spokesman Walter Pennino. Space Services will reimburse NASA for all launch support operations provided by the government.

International Debt

Non-aligned nations assert economic rights

The economic declaration of the Non-Aligned Summit in Harare, Zimbabwe refers to Peruvian President Alan García's fight with the International Monetary Fund, in its statement on "economic rights."

The report condemns "the use by certain developed countries of coercive measures against certain developing countries," and establishes that Third World countries can

"pay their debt service in a sovereign manner, and only with a percentage of their export income."

The statements condemn blackmail used by developed countries, which condition the sales or supply of vitally needed resources to payment of financial obligations.

The report also reiterates the proposal made by slain Indian Prime Minister Indira Gandhi, for an international conference that would analyze the world financial crisis, including the debt problem, and propose necessary reforms of the international monetary system. The report also affirmed the need for a "political solution" to the debt crisis.

Biological Holocaust

Millions of rats plague Africa

Adding to the infestation of locusts and grasshoppers plaguing Africa, an invasion of millions of rats is now affecting an area from Senegal to southern Chad.

The *London Times* on Sept. 10 quotes experts saying that the rats are expected to do widespread crop damage. This plague was entirely predictable, since the earlier drought massively depleted the higher species of rat predators.

Asked about such a threat in mid-August, the headquarters of the U.N. Food and Agriculture Organization commented, "We do not care about rats; we only care about the locusts." At the time, French experts at the anti-locust research center in southern France rang the alarm bell on the ecological catastrophe that would be caused by several years of drought, followed by heavy rains.

The West African country of Niger has appealed for international aid to support its efforts to save this year's crops from devastation by rats and grasshoppers.

Agriculture Minister Allela Elhadj Habibou said on Sept. 5 that the Sahelian state needs assistance to deal with the menace during the next two harvests. More than 198,000 acres of crops have been sprayed with insecticides by plane or truck in the departments of Niamey and Dosso in west-

ern Niger, he said. A further 119,000 acres are currently being treated in other parts of the country.

Habidou also said that 12 tons of rat poison had been used throughout Niger to prevent crop damage from rodents. Niger also plans to train 5,000 village brigades to reinforce officials dealing with the problem.

Austerity

Medical cuts killing babies in England

Doctors in Great Britain are being told to allow very small premature babies to die because treatment is too expensive, British Dr. Peter Fleming, consultant at the Bristol Royal Hospital for Sick Children, has charged.

According to a front-page item in the *Times* of London on Sept. 5, with the headline, "Babies die because of National Health Service cuts," Fleming claimed that neonatal units are turning away severely ill babies.

He said administrators of these units reproach him when he insists that these babies be attended to: "They say: 'If you let the children die, they wouldn't need intensive care for so long.' The loss of a small baby causes less grief in society than someone else."

The Invisible Hand

Threats issued against García

The Washington correspondent of the *London Daily Telegraph* on Sept. 9 threatened reprisals against Peruvian President Alan García for his break with the International Monetary Fund and limited-payments policy on Peru's foreign debt.

Writes Frank Taylor: "The many private banks now holding Senior García's increasingly worthless IOUs may soon embark on a co-ordinated campaign of seizure against

Peruvian assets abroad." The "news" item was headlined: "Banks' anger grows over Peru debt."

Taylor said that while Alan Garcia is undergoing a "surge of popularity" at home and has "grudging respect from other hard-pressed Latin American nations . . . the view from the world's money capitals is somewhat different."

Using an apt comparison, Taylor continued: "Welshing on millions of dollars in loans goes through no better with the international banking community than it does with the Mafia. . . . Peruvian sources said that certain American banks had already begun to move against the country's assets. Government funds had been seized on three occasions this year, they said, but would not give details."

Technology

New military laser will have medical uses

A military laser developed to guide missiles from tanks may someday be used to vaporize fatty material off the insides of artery walls, Dr. Ellis Jones, professor of cardiology at Emory University in Atlanta, Georgia announced in early September.

"It's a fantastic partnership between military technology and medicine," Jones said in a telephone interview with UPI Sept. 7. "The laser is very advanced, way far ahead of anything devised specifically for medical use."

The laser, called TEA for transverse excitation at atmospheric pressure, generates short but powerful pulses of energy. "The combination of high energy and short duration means it can hit the target without injuring anything around the target. That was the purpose behind developing it for a tank and that's why it is perfect for this type of operation. . . . This is the first laser that has proven it can work without damaging tissue."

In medical usage, the laser would probably be guided through the venous system by delicate fiber optics.

Free Enterprise

Crédit Suisse ties to terrorism revealed

Zurich's Crédit Suisse bank has been identified as one of the financial centers of Syrian-sponsored terrorism, centered on the Armed Revolutionary Lebanese Faction (FARL). More than \$1 million belonging to the terrorists is deposited in the bank in five different numbered accounts, each with five signatures, it has been learned.

According to reliable sources in Rome, Crédit Suisse has also been exposed by Rome investigative judge Domenico Sica as one of the main channels for the transfer of Libyan money to terrorists in Europe. In a report written at the beginning of the summer of 1986, Judge Sica, who had been investigating Libyan-European terrorist connections during 1982-83, discovered that approximately 20 banks had been used by the Libyans, among them two branches of Crédit Suisse.

Nazi Medicine

Court upholds murder of mentally ill patient

A Dutch appeal court decided on Sept. 11 that a doctor was justified in taking the life of a woman suffering from severe mental problems, a ruling which legal experts say considerably broadens the scope of euthanasia in the country.

The court upheld a previous decision that an unnamed doctor acted reasonably when he agreed to a 95-year-old woman's request to kill her in 1982 using a "medically acceptable method." The choice of someone of that age as a test case for euthanasia was undoubtedly deliberate, to offer a "clear case" for those pushing euthanasia.

Mercy killings are not formally permitted in the Netherlands or elsewhere in Europe, and attempts earlier this year to change Dutch law foundered when a senior advisory body said the time was not ripe for new legislation.

Briefly

● A TECHNICAL agreement between the United States and Italy on the Strategic Defense Initiative has been concluded, and Italian firms will get SDI contracts, the Italian daily *La Stampa* reported Sept. 10. A "memorandum of understanding" will be signed in mid-September.

● ARMCO, INC. may be forced into bankruptcy by the loss of income due to a strike which began late on Sept. 5 at its Middletown Ohio plant. Both Armco and Wheeling Pittsburgh Steel are presently operating under Chapter 11 reorganization, which allows for the plants to operate protected against creditors.

● THE ARMAND Frappier Institute and Atomic Energy Canada have begun construction of the Canadian Centre of Irradiation to study the use of gamma-rays to preserve foods. Such a study is necessary even though some countries already use irradiation, said a spokesman, because it will take time to find the required radiation level for bacteria found in Canada.

● WEST GERMANY'S full withdrawal from nuclear power, as demanded by the Social-Democratic Party, would cost Germany \$7.5 billion per year, according to a new study by the Bayernwerke AG in Munich. This estimate compiles the costs of adjusting the energy supply from nuclear to coal technology, for the adjustment of the production cycle in the industry to coal-based technology, and for higher production prices when fossil fuels are used.

● THE UNITED STEEL Workers Union has announced that USX Corp. has assigned contractors to dismantle the Dorothy 6 Blast Furnace at its Duquesne Works near Pittsburgh, and that the union will not attempt to stop the action. "It comes as no surprise, and we don't intend on taking any action that stands in the way of the demolition," said Andrew Palm, USW District 15 director.

Continental integration: a century-old battle

What follows is the first part of Chapter 1, "History of the battle for integration," from the book, Ibero-American Integration: 100 Million New Jobs by the Year 2000. The second and concluding part of the chapter will appear in EIR's next issue.

In August of 1982, in the heat of the debt crisis in Mexico, then President José López Portillo held secret consultations with the Presidents of Argentina and Brazil. He proposed to them a joint declaration of moratorium on payment of their foreign debts, with the intention of thus forcing the creation of a new and more just international economic order.

López Portillo's argument was simple. Since the second trimester of 1982, Mexico had been the victim of a violent campaign of economic and financial warfare, including billions of dollars of capital flight, and a brazen destabilization offensive on the part of the international news media. The international banks sought to dismember Mexico's ambitious industrialization programs, and sought that country's submission to the International Monetary Fund which—as the Mexican head of state well understood—would have meant loss of economic sovereignty and any chance of development for the country.

López Portillo reasoned that Argentina and Brazil faced comparable situations regarding the creditor banks and the IMF. Each of the three major debtor nations—Argentina, Brazil, and Mexico—were bound to lose if they continued in bilateral negotiations with the banks; by this path, they had no future. But together, allied, with a collective debt of nearly \$250 billion dollars, they would be a political and economic power capable of demanding and obtaining a reasonable renegotiation of the foreign debt. The Malvinas War had forged an Ibero-American unity which, however partial and insuf-

ficient for winning the war, nonetheless succeeded in politically transforming the continent.

Another element—effectively unknown to the Mexican President himself—completes the strategic picture of the Third World foreign debt. U.S. President Ronald Reagan is currently considering two diametrically opposed policies. According to the first, that of Henry Kissinger, the debtors will never dare to form a "debtors club," and therefore the United States should support the unrestrained and merciless collection of the foreign debt. The other is that of Lyndon H. LaRouche, who in his work *Operation Juárez* of August 1982, proposed the formation of a debtors club and an Ibero-American common market, and argued that the United States would benefit from supporting the development of Ibero-America over collection of the debt.

In the still undecided mind of Ronald Reagan, a joint Ibero-American action could well alter the balance in favor of LaRouche, and against Kissinger. At the same time, López Portillo recognized that the very survival of Ibero-America demanded a dramatic joint action . . . and that was what he proposed. Argentina and Brazil responded exactly as the bankers would have wanted them to. The Argentine President told López Portillo that he would not support such a strategy, because they had "better negotiating conditions" than the Mexicans. Brazil went even further: they sent word that not only would they not join the Mexican initiative, but would ally with the banks and would actively participate in the political and economic isolation of Mexico. In the face of these two negative responses, the Mexican President was forced to adopt defensive national measures to counteract the economic warfare: the banks were nationalized, and strict exchange controls were imposed.

As a result of this lack of unity, from 1982 to the present

time Ibero-America has suffered a worse defeat than that of the Malvinas. All the nations of Ibero-America—emphatically including that of Argentina and Brazil—have been looted and destroyed by the usury of the banks and the austerity programs imposed by the IMF. In one bilateral negotiation after the other, a fraudulent and illegitimate debt has been imposed; all the development programs that existed have been destroyed; the living standards of the population have been strangled; national businessmen have been driven into bankruptcy; national currencies have been devalued to the lowest possible levels; inflation has soared out of control. And, what is worse, sovereignty has been compromised.

Nonetheless, that battle was not the last. Today Ibero-America faces another challenge—and another chance—similar to that of 1982. Peruvian President Alan García has hoisted anew the flag of continental unity, and has called for breaking with the IMF and creating a common market: “If we accomplish the miracle of Latin American integration,” said García in September of 1985, “we would have an immense continental market to increase the production of our factories; we would have the capacity to unite in defense of the price of our labor and of our raw materials. . . . It is not possible that we would have to use among ourselves the currency of the most powerful country on Earth, being brother countries.”

Have the political leaders of Ibero-America learned the lesson of August 1982?

The 19th century

The integrationist thinking of García and of López Portillo is neither new nor unique. Since the period of the Independence and even earlier, thinkers in the republican tradition have constantly spoken of the “Patria Grande” (Greater Fatherland) that is Ibero-America. This subcontinent—emphatically including Brazil—has a common legacy of language and culture which is based, in its highest forms, on the “Augustinian tradition of Christianity.” For over a century, it has been the British and their colonialist confederates who have insisted on the strategy of fragmenting the Greater Fatherland, to impose their will through “bilateral” negotiations.

The history of nation-building shows us that there are several universal guidelines to follow to achieve a region’s unity and development. Those guidelines were already fully worked out a hundred years ago, but continue to be valid for the current Ibero-American situation. In addition to the already identified cultural situation which is the foundation of all else, these guidelines include:

1. The region’s physical integration through construction of great infrastructural works which, in turn, increase the economy’s overall productivity.
2. Reinvestment of wealth generated by the economic process in order to maximize employment of labor power with the best possible technology and productivity.
3. Establishing a protective tariff system which guaran-

Part 3

Ibero-American integration

By the year 2000 there will be 100 million jobless in Ibero-America, unless the countries of the continent repudiate the policy of “adjustments” and “conditions” of the International Monetary Fund and World Bank.

In this book the reader will encounter a scientific program to meet the crisis. Prepared by an international group of specialists of the Schiller Institute at the request of the institute’s Ibero-American Trade Union Commission, it is a study of the urgent means that will free Ibero-America of its economic dependency. The formation of a “debtors club,” the physical integration of the continent by great infrastructure projects, and the creation of a Common Market are the first steps toward shaping an virtually self-sufficient economic superpower.



Released in September 1986 in Spanish by the New Benjamin Franklin House of New York, the book is being made available exclusively in English through EIR’s serialization.

tees the development of regional industry to supply the maximum of the region’s necessities.

4. The application of state dirigism to create a currency and a credit system subordinate to the sovereign interests of the nations; that is, to facilitate the first three requisites and to punish usury and other forms of economic immorality.

Who would promote the adoption of these four strategies in Ibero-America?

The German Alexander von Humboldt, in his scientific voyage through the Ibero-American countries at the end of the 18th century, proposed connecting the three great watersheds of the subcontinent—the Orinoco, the Amazon and the Plata basins—to facilitate the region’s physical unity (point #1). Humboldt also proposed setting up a network of biological and geographical scientific institutes across Ibero-America in order to accelerate scientific and technological progress in the region (point #2).

The 1790s also saw the creation in Mexico of the Mining

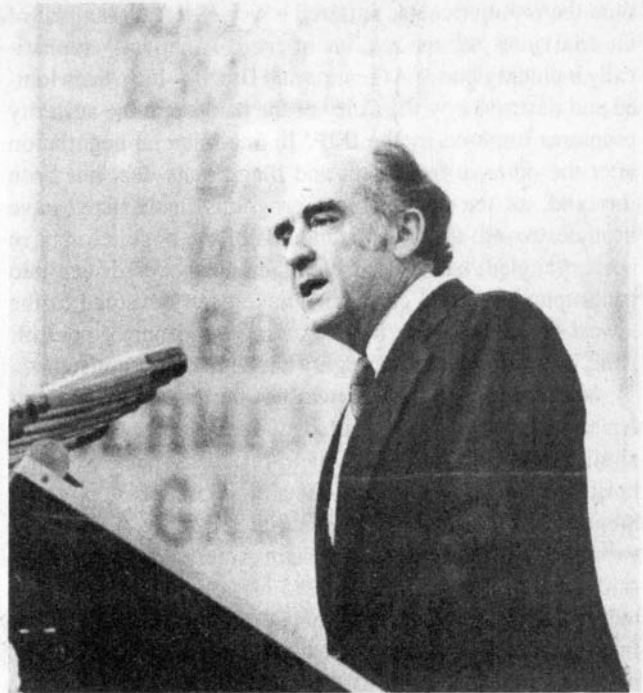
Bank, explicitly based on Alexander Hamilton's concept of credit. Its purpose was to guarantee a flow of cheap credit for mining activities employing the most advanced technologies (point #4). The College of Mines was founded in Mexico for the same objective in 1792, with the Spanish scientist Fausto Elhúyar as its first director. As Luis Vásquez showed in his book, *Mexican Mercantilism vs. English Liberalism*, the College of Mines:

from the beginning functioned as part of a continental plan, since Mexico's College of Mines was to radiate its benefits to all Spanish America. It was designed as the educational center for the educators of the rest of the continent. When it graduated its first class, a Royal Order mandated that the alumni of the College of Mines should conduct their professional practice not only in New Spain [Mexico], but also in the viceroyalties of Peru and Buenos Aires and in the provinces of Guatemala, Quito and Chile.

In the middle of the 19th Century, Mexican President Benito Juárez attracted around him a group of economists who applied and developed the protectionist ideas of the great German economist Friedrich List, the architect of the *Zollverein*, or customs union, in the Germany of the 1830s. In the Americas, economists such as the Mexican Carlos de Olaguíbel and the Chilean José Manuel Balmaceda spread these protectionist ideas during the middle and end of the century. Their use resulted in the economic development achieved in those years by their respective nations (point #3).

One of the most important integrationist initiatives which surged forth in the 1870s and 1880s was the idea of building a continental railroad network which would link the continent from Tierra del Fuego to Mexico and which would connect there with the great railroad system already existing in the United States (point #1). At the February 1890 Pan-American Conference in Washington, D.C., Mexico's representative Matías Romero—who had been Benito Juárez' ambassador to Abraham Lincoln three decades before—achieved the passage of a resolution favoring building an intercontinental or Panamerican railroad using the railroad policy of his old friend Lincoln as the model. A commission was formed to study the project, and a few years later, the Commission on the Panamerican Railroad, chaired by José López Portillo y Rojas (grandfather of the former Mexican President), released its final report and made the following observation:

Experience has everywhere shown that the development of a country's natural resources follows the establishment of rail communications. . . . Communications between the nations of the hemisphere would bring nothing other than the development of the republics of the South, especially their interiors. . . .



Former Mexican President José López Portillo

Statistics from the majority of these countries show that until now only the regions contiguous to the sea have been developed. . . . Such a railroad would help to exploit territory now practically inaccessible and would contribute to the general wealth of the countries it passes through. . . .

It is worth noting that this excellent century-old project has still not been carried out, and in general none of the four principles mentioned above have been adequately applied in Ibero-America. The Greater Fatherland remains balkanized and underdeveloped, unprotected and over-dollared.

The Peronist experiment

The reader interrupts us impatiently: "All this is fine and good, and I agree that with time we must unite the continent. But let us keep our feet on the ground and be practical. To unite to break with the IMF now would be an irresponsible adventure; the creditor banks and their allies would destroy us with economic and trade reprisals. And in regard to a Common Market, we have already tried this several times, and we have always failed. There are the efforts of ECLA; of all the moribund organizations: ALALC, ALADI, CARI-COM, etc. And what they tried was much more modest than what you are proposing."

The interruption merits a response. To the first doubt—if it would cost more to break with the IMF or to continue applying its prescriptions—the entirety of this book is an undeniable response. To form a "debtors club" and an Ibero-

American Common Market has its costs, without doubt, and also its dangers. But we will prove that, even in the worst of cases, a united Ibero-America would survive economic and trade war, if it reorients its production and its trade toward an internal Ibero-American market. But if it continues with the present policy of the International Monetary Fund, starvation and genocide, and the political dismembering of each and every one of our nations, is guaranteed.

To the second doubt, it must be made clear that the oft-cited examples of ECLA of the 1950s and 60s, were *neither* serious nor honest attempts to achieve Ibero-American integration. Rather, they were operations intended to cover up and divert attention from the *genuine* integrationist effort on the continent launched from Argentina a decade earlier by General Juan Domingo Perón. Further, we will prove that the entirety of ECLA's activities, as well as the entirety of the "developmentalist" (*desarrollista*) theory of Raul Prebisch, was no more than an anti-Peronist and anti-integrationist factional operation launched by the Anglo-American oligarchy.

The true history of what Perón did, both in Argentina and on a continental scale, is virtually unknown, thanks in large part to the ECLA publications that have covered it up. In the national sphere, Perón achieved a dramatic leap in the industrialization of the country; he imposed protectionist tariffs and nationalized foreign trade; he established a national bank based on the ideas of Alexander Hamilton; and he imposed advanced technology, such as nuclear.

But Perón knew that this national effort could not win in the long term without continental integration, and therefore he undertook this task of unification from the moment he assumed the presidency, in February of 1946.

By the end of that year, a conference on the already mentioned Panamerican Railroad was held, to take up anew the task of integration launched 50 years earlier by Romero and the others. Two Argentine engineers, Pedro J. Crista and Vicente F. Ottado, presented the conference with a detailed study demonstrating both the feasibility and desirability of the project, a study which—in its most salient points—retains its appropriateness to the present day.

The proposal of the Panamerican Railroad exemplifies the attitude with which the nationalists of Argentina, and of all of Ibero-America, emerged from the Second World War. They had economically and politically supported the defense of democracy in the West, and sought the creation of a post-war world free of colonialism and underdevelopment. They insisted on the industrialization of their countries, and to achieve it they proposed importing capital goods from the United States. At the end of the war, they demanded that the United States fulfill the promises of economic aid that it had made during the war.

For example, in the Conference on Trade, held in Havana, Cuba in December 1947, the majority of the Ibero-American delegations demanded capital transfer from the

United States, and the right to apply protectionism and form regional economic and trade pacts to defend their industrialization. The Argentine representative, Molinari, even suggested a "Perón Plan" of economic aid for Ibero-America, similar to the Marshall Plan for Europe.

The United States responded with the typical free-trade arguments that they had learned from the British; their objective at the conference was to establish the GATT. The Deputy Secretary of State, William Clayton, rejected any U.S. obligation to export capital and promote development (this would occur, argued Clayton, to the extent that Ibero-America attracted private capital); he definitively opposed the idea of any regional pact whatsoever; and insisted on a drastic worldwide reduction of customs tariffs. The 1949 yearbook published by the Council on Foreign Relations of New York, *The U.S. in World Affairs*, reported what happened:

The United States was not prepared for the onslaught it encountered. . . . The strongest voices were the delegations of the industrially underdeveloped countries, particularly the Latin Americas.

General Perón had already foreseen several months previously the possibility that the victors of World War II would not accept a new world order in which the Third World could achieve its industrialization. The intransigence of the superpowers, he explained, meant that the underdeveloped countries, and particularly the Ibero-Americas, should unite and adopt a "third position" in their foreign policy. On July 6, 1947, Perón sent a note to all the Ibero-American governments, in which he called for continental unity and suggested that the first steps in that direction could be taken with the help and mediation of the Vatican. Perón's Argentina, for its part, refused to affiliate with international institutions against development, such as the International Monetary Fund.

Perón's integrationist initiative took precise shape and form in one of his statements made March 24, 1948:

I believe that the time for conferences, speeches and dinners at Foreign Ministries is over, for that path leads nowhere. . . . We have always lived in contempt for those interests which are not contemptible in fact. To found a true community of the Americas I believe we must intertwine our interests. Our policy is to reach bilateral agreements with all the Latin-American countries, offering what we have.

Three years later, in an article published on Dec. 20, 1951, Perón explained that his strategy is to consolidate an alliance among Argentina, Brazil and Chile—the famous "ABC" proposal—and to use this alliance as the basis for constructing a "South American Confederation" for the year 2000. As he frequently stated, "The year 2000 will find us united or subjugated."

To be continued.

The Vatican tries to save the American Church

by Vivian Freyre Zoakos

The Vatican's Aug. 18 condemnation of American Catholic theologian Charles E. Curran, barring him from teaching Catholic theology at any Catholic institution, has brought into the limelight the fact that dramatic developments are occurring inside Roman Catholicism. Few doubted the accuracy of Curran's statement, made in the course of his Aug. 20 Washington press conference, that it was not he personally who was the target of the Vatican, but the entire "mainstream" of the American Catholic Church, through him.

The actual significance of the Curran Affair, however, does not fundamentally lie in the fact that the Vatican has decided to engage in the long-overdue task of cleaning up what Pope Leo XIII once dubbed "the American Heresy"—dramatic though such a development be in its own right.

What lends the current activities of the Church such international strategic significance, for Catholics and non-Catholics alike, is the fact that a global institution of enormous moral weight—the Catholic Church—has taken up the gauntlet, in militant fashion, to do battle against the cultural-philosophical underpinnings of the political crisis now facing Western civilization, and is willing to clean up its own house in the process. Along with *EIR*, Joseph Cardinal Ratzinger, the prefect for the Vatican's Congregation for the Doctrine of the Faith and the Pope's closest ally in this fight, has identified that problem as *Gnosticism*.

In numerous recent writings, Ratzinger and the Pope have described the prevalent, current form of Gnosticism as that of a deified pluralism. Freedom has become confused with the right to hold and defend the opinion of the individual or of groups, without reference to higher, accepted principles of moral law. As Ratzinger put it in his March 22 "Instruction on Christian Freedom and Liberation": "Truth . . . is . . . the root and the rule of freedom. . . . [But] the recognition of a juridical order as a guarantee of relationships within the great family of peoples is growing weaker and weaker."

The Pope, in his most recent encyclical issued May 18, makes the point even more powerfully. He describes the one sin which the Gospels report as alone being unforgivable "in this world or in the world to come." That sin, called "blasphemy



"The Church emerged from the Synod, at least in principle, both re-rooted in its unique Apostolic, Augustinian tradition, and committed to using that tradition to intervene into world affairs at the highest levels." Pictured: One of Raphael's cartoons for the Acts of the Apostles tapestries (1517-18). This scene shows Saints Peter and John confronting Ananias, a Christian who secretly withheld wealth from the Church and was struck dead by the Holy Spirit.

against the Holy Spirit," is the one the Pope identifies as prevalent in the current world. "Blasphemy against the Holy Spirit," he says, "is the sin committed by the person who claims to have a 'right' to persist in evil—in any sin at all . . . as it were, an impenetrability of conscience, a state of mind which could be described as fixed by reason of a free choice. . . . In our own time, this attitude of mind and heart is perhaps reflected in the loss of the sense of sin," the idea that anything goes; that it is one's free, democratic right to engage in any activity whatsoever [emphasis in original].

This, and nothing less, is the real issue in the Curran affair. Curran was targeted precisely because, as he has repeatedly and correctly claimed, he is indeed in the "mainstream" of American Catholic theological thought. The militancy of Curran's moral pluralism makes him a paradigmatic "blasphemer against the Holy Spirit."

Pluralism vs. the Magisterium

Ratzinger's letter to Father Curran, informing Curran that he was henceforward relieved of permission to teach Catholic theology, is a radical document by virtue of the fact that it insists on orthodoxy, no matter what the cost.

For years, the American and other national Catholic churches have willfully misrepresented the Vatican II Council as giving them the license to do and practice whatever they wished: This had reached a point of radical pluralism best expressed, in writing, in the document authored by the British Catholic Church last November, on the occasion of

the Extraordinary Synod then held at the Pope's behest.

The British document, heartily endorsed and practiced by the majority of the American hierarchy, went so far as to claim "a kind of infallibility" for the prevalent opinions or beliefs—be they what they may—of the collectivity of the laity and their prelates. This is an assertion of majority opinion as the measure of truth, a hedonistic radicalism which has led to the evil excesses indicated by the accompanying article (see page 23.)

The implicit threat behind such assertions, naturally, was that if central Church authority attempted to seriously rein in the radicals, there would ensue a likely schism or split of the national churches away from Rome. This implied threat has kept Popes at bay for years.

Ratzinger's letter, however, calls that bluff in the strongest terms.

Unlike earlier famous cases, such as that of the Swiss-based Fr. Hans Küng, Curran was not censored for denying any of the handful of explicitly "infallible" doctrines of the Church. Were that the case, the Curran affair would be much less important, and would hardly have kicked up the international outcry which it has done. Ratzinger instead tells Curran:

"One must remember the teaching of the Second Vatican Council, which clearly does not confine the infallible Magisterium [teaching authority] purely to matters of faith nor to solemn definitions."

There is an "organic unity" and "method" to "authentic

Catholic theology” which “is intimately bound to fidelity to the Church’s Magisterium.”

In other words, the body of fundamental truth and knowledge, including on matters of morality, for which the Church has been a repository for nearly two millennia, has itself the mantle of infallibility, and its flaunting will no longer be tolerated.

The Vatican on worldwide offensive

From Nov. 25 to Dec. 8 of last year, the Pope sponsored an Extraordinary Synod of Catholic Bishops from around the world. As *EIR* reported at that time, the task of that Synod was to “chart a path for an ‘opening to the world’ that would do away with the anarchistic ‘pluralism’ of the previous 20 years. The Church emerged from the Synod, at least in principle, both re-rooted in its unique Apostolic, Augustinian tradition, and committed to using that tradition to intervene into world affairs at the highest levels.” What we are witnessing today, both within the United States and elsewhere, is the carrying out of that intent, already pre-announced in Rome last November-December.

Since that time, the Pope and Cardinal Ratzinger have played the leading role in beginning the mammoth task of cleaning out the heretical encroachments that had taken root within the Church itself. Only in that way could the Church as an institution play a sorely needed role in shaping current world affairs, at a level of cultural and philosophical depth which very few other institutions can approximate.

Among the actions taken thus far, apart from those explicitly aimed at the American Church, the following are included:

- In accordance with the Pope’s stated wishes at the Synod, a commission has been created to draft a new Catechism for the Catholic Church worldwide. The purpose of the Catechism is to provide for the international Church a compendium of unified teaching. As an assurance of that teaching’s high philosophical and theological quality, the Vatican announced on July 9 that Cardinal Ratzinger had been named by the Pope to head the commission drafting the document.

- The Extraordinary Synod had taken up, as an important topic of discussion, the problem of cults, today, as a function of a cultural degeneracy whose evil influence had also become broadly manifest inside Catholicism. On May 4, a Vatican report on sects, cults and new religious movements was released as the joint document of three Vatican secretariats. The document backed up some of the Pope’s statements and warnings respecting the differences between cults which are proliferating today and legitimate religions—which all share a fundamental idea of truth.

- Liberation Theology has come under attack from the Vatican in a series of ways. Cardinal Ratzinger authored a stinging letter of reprobation to the Franciscan Order, which is among the strongest hierarchical supporters of the proto-

Marxist, Arian, Liberation Theology that currently permeates portions of the Ibero-American, as well as North American and European Churches. The letter, released to the public this Aug. 14, was addressed to the Franciscan Superior General, the California priest Fr. John Vaughn. Ratzinger told Vaughn that “a timely intervention is demanded to remedy, modify and overcome a radical mentality of dissent which is being expressed also by . . . persons with responsibility in the Order of the Minor Friars [Franciscans], with an attitude of challenging and criticizing the ecclesiastical Magisterium.”

The idea of freedom

The letter to Vaughn followed by two months the release of Ratzinger’s second “Instruction on Christian Freedom and Liberation.” The document pulls the rug out from Liberation Theology by showing the contradictions and evils into which so-called liberation movements have been plunged. Grounding freedom as an idea whose roots lie with Christianity, Ratzinger shows up the “serious ambiguities concerning the very meaning of freedom ‘which] have from the very beginning plagued [liberation] movements from within.”

Ratzinger accordingly situates freedom first in the freedom to do good, to be one with God, which is the cornerstone of any true republic and hence of any sincere liberation.

The Pope’s cited encyclical, *On the Holy Spirit in the Life of the Church and the World*, pounds away at this same theme, the cornerstone of all the best coming out of the Vatican today. The encyclical, issued last May, has been in turn complemented by a series of papal pronouncements which have raised the ire of Gnostic “Catholic” pluralists throughout the globe.

Among these pronouncements were the three papal speeches, on Aug. 13, 15, and 16, on the reality of the Devil warning repeatedly that he—Evil—is a real being whose influence in the world today is growing “as man and mankind move away from God.” The speeches have stirred up angry rebuttals from lay and clerical radical liberal circles, who reject the stark papal reminder that evil does indeed exist; that there is a right and wrong, and all opinions are not equally valid.

Most recently, the Pope has returned to a theme which he raised at the Extraordinary Synod: the importance of the theological current represented by the great Augustine of Hippo, who more than any other human individual is rightly identified as the father of Western civilization at its best. On Aug. 28, the Pope issued a pastoral letter on the subject of St. Augustine, in which he urged theologians to study him to gain the proper grounding for their work. Significantly, the pastoral follows Augustine in exalting reason as co-equal with faith. “He [Augustine] listened to faith, but exalted reason no less, giving to each its own primacy, both of time and importance. . . . A faith which does not reason is no faith.”

Pope, Ratzinger take on American heretics

by Kathleen Klenetsky

On Aug. 18, American Catholic liberals were shaken to their roots by the announcement that Joseph Cardinal Ratzinger, Prefect for the Congregation of the Doctrine of the Faith, had revoked Fr. Charles Curran's license to teach Church theology at Catholic University.

In a letter explaining his decision, Ratzinger wrote that it was not just Curran's particular views, such as his contention, contrary to Church teaching, that abortion does not always constitute a sin, which prompted the action against him. More important in rendering Curran "not suitable nor eligible to teach Catholic theology," Ratzinger stressed, was his insistence that public dissent from the *Magisterium* (the Church's teaching authority) is permissible.

The decision against Curran was not wholly unexpected. Curran had been under the gun for years from more traditional Catholics in the United States, for claiming that homosexuality, pre-marital sex, contraception, abortion—and even bestiality—could be allowed under certain circumstances, as well as for his central role in fomenting much of the dissent that has plagued the American Church since the Second Vatican Council.

Curran had long been a symbol of the "dissenters" within the U.S. Church. He achieved national notoriety in 1968 when he galvanized a group of prominent theologians into publicly attacking Pope Paul VI's encyclical condemning birth control, *Humanae Vitae*, and then supported the drafting of a statement by the U.S. bishops delineating the right to dissent.

The formal action against Curran sent his co-thinkers—Catholic and non-Catholic alike—into a frenzy. The Rev. Xavier Harris, president of the Franciscan School of Theology at Berkeley, charged that the disciplining of Curran represented a "giant step backward."

The move is creating a "scary" climate, he says. "It's the Inquisition all over again."

Father Richard McBrien, chairman of the theology department at the University of Notre Dame, argued that the move would have a "chilling effect" on Church theologians.

Curran himself has vowed to fight the ruling, and is running around claiming that 40 U.S. bishops support him against Rome.

Beneath the bravado, the liberals are "running scared," as one of Curran's colleagues told *EIR*. That reaction is understandable. As recent developments demonstrate, the crackdown on Curran is only the opening broadside in what could be the most momentous intervention by the Holy See in the history of the American Catholic Church.

Shortly after the Curran decision was made public, a top Vatican official told the Associated Press that the move represented "only the beginning." He predicted a "housecleaning" and "corrective steps" against similar trends throughout the American Church. In other words, Ratzinger and Pope John Paul II are deadly serious about cleaning up the American Catholic Church.

Far from a return to the dark days of the Inquisition, as Curran's defenders would have one believe, the decision to discipline Curran is part of a strategy, developed by the Pope and Ratzinger, to create the conditions in which the American Catholic Church can not only be saved from the pagan and Gnostic heresies which have taken root over the last two decades, but can actually be transformed into a powerful force for combating the degraded view of the human being which has permeated American society, as well as the Church here, since the mid-1960s.

There are 50 million American Catholics; enlisting them in the fight against evil, as the Pope wishes to do, will have a profoundly positive impact on the return to traditional Judeo-Christian values which is now beginning to take hold in American society overall. The Pope plans to visit the United States in Fall 1987, and there is every reason to believe he intends to wage an unremitting battle for the soul of the American Church.

The Pope clearly recognizes that to reform the U.S. Church requires taking on the leading lights of the "American heresy" faction which Curran represents. This faction, which has been a continuous, and increasingly powerful voice within the U.S. Church since the last century, has historically maintained that the democratic nature of American society means that the Church in America should become correspondingly more pluralistic.

After Vatican II, this heretical grouping asserted itself with a vengeance. Drawing strength from the rise of the counterculture and other aspects of the consciously Satanic "Age of Aquarius" then being foisted on the United States as a whole, they were soon able to establish themselves as the predominant voice of American Catholicism. Because of the financial power of the U.S. Church, the American heretics were able to virtually blackmail the Vatican by threatening a schism, were Rome to dare to assert its moral and ecclesiastical authority.

Things disintegrated rapidly. As Msgr. George Kelly put it in his 1981 book, *The Battle for the American Church*, the

“guerrilla warfare” which broke out in the Church was “no mere battle over ownership and control of Church machinery,” but “involved the credibility and viability of the Christian message itself.”

Liberal academics and theologians ran amok. Fr. Gregory Baum, a prominent theologian with close ties to Hans Küng, sought the “protestantization” of the hierarchy’s role. Brother Gabriel Moran, one-time provincial of the Long Island-New England Province of the Christian Brothers, proclaimed, “I stand for destruction [of religious orders]. I am against both the existence of the religious order and the parish.” He suggested that future religious communities may resemble hippie communes where men and women live together and raise children.

Rosemary Reuther, a leading Catholic lay theologian who teaches at the Protestant Garrett-Evangelical Seminary in Illinois, charged that the “hierarchical-monarchical Church” was not Christ’s invention at all, but Roman imperialism transplanted to the gospel setting; the believing community must not act, she said, as if God had put himself under the control of any institution. In a 1980 symposium, *Consensus in Theology? A Dialog with Hans Küng and Edward Schillebeeckx*, Reuther wrote: “A new consensus could only come about if this traditional power [the hierarchy] could be deposed and the Church restructured on conciliar, democratic lines accountable to the people. . . . This is really what Küng is calling for: that the academy replace the hierarchy as the teaching magisterium. . . . This cannot be accomplished by the academy itself,” Reuther noted. “It entails the equivalent of the French Revolution in the Church, the deposing of a monarchical for a democratic constitution.”

Led by Curran, Notre Dame’s Father Theodore Hesburgh, and others, Church leaders and “scholars” vehemently protested the Vatican’s opposition to contraception, subsequently extending their dissent to a whole range of human relations issues, from homosexuality to euthanasia. Pleas as punch by this internal revolt, representatives of the Malthusian lobby, notably including “population researcher” Stephen Mumford, urged the dissenters to threaten to split from Rome, if the Vatican continued pursuing “pro-natalist” policies.

By the mid-1980s, the situation had degenerated so badly that witchcraft was being openly countenanced by some prominent clergymen and “Catholic” newspapers. For example, the above-cited Rosemary Reuther published a book this summer, *Women-Church: The Theology and Practice of Feminist Liturgical Communities*, which includes new liturgies for lesbians and homosexuals. In the one for Halloween, which sounds exactly like ancient pagan ceremonies to the Earth Goddess, women sit around a table with small brazier, corn, apples, and flowering branches, singing: “Sister-woman-sister, can you feel any pain? Have the walls grown up so high that you’ve forgotten how to fly?”

Church institutions themselves are also actively encour-

aging homosexuality and euthanasia. For instance, a group affiliated with the Archdiocese of Baltimore called AGLO (Archdiocesan Gay and Lesbian Outreach) recently published a report on the “positive” aspects of homosexuality, recommending that parishes sponsor get-togethers for homosexual youth.

Conditions in Catholic colleges and seminaries are just as bad. A theologian named Mary Daly, a member of the faculty of the Jesuit-run Boston College, identifies herself as a “Nag-Gnostic” (a pun on agnostic in which the “nag” refers both to witchcraft and to Nag Hammadi, where the heretical Gnostic gospels were found—or invented—in the 1940s), and preaches lesbianism and Satanism. Meantime, estimates on homosexuality among seminarians run as high as 80%.

Remaking the American Church

There is little doubt that John Paul II has long considered reform of the American Church a priority. His appointment several years ago, of two outspoken conservatives, Bernard Law and John O’Connor, to head the archdioceses of Boston and New York, respectively, and his subsequent decision to name them cardinals, were early signs of his commitment to restructuring the American hierarchy. The disciplining of Curran indicates that the Pope and Ratzinger have decided to call the heretics’ bluff once and for all.

That reading is reinforced by other actions the Vatican has taken vis-à-vis the American Church in recent months, including moving against some of its most important liberal hierarchs. In early June, Archbishop Gerety of Newark, who had caused a scandal in his archdiocese when he promoted a licentious sex-education program in the schools, resigned. Although Gerety claimed he was retiring because of illness, sources close to the Vatican say that he was forced out because of his ultraliberal views.

Then, in early September, just a few weeks after the Curran affair broke, the news came out that Seattle Archbishop Raymond Hunthausen had been stripped of most of his major responsibilities. Hunthausen, one of the most liberal members of the Church hierarchy, called a press conference Sept. 4 to disclose that the Vatican had stripped him of his major responsibilities, and assigned them to the conservative Auxiliary Bishop, Donald Wuerl.

Hunthausen said he had been told by the Vatican to relinquish to Wuerl complete and final power over the staff and operations of the archdiocesan tribunal, liturgy, clergy formation, seminarians, and the continuing education of priests. Wuerl, who was assigned by the Vatican to the number-two post in the Seattle diocese last December, after a Vatican investigation of Hunthausen which began in 1983, will also assume full responsibility for moral issues, such as birth control and homosexuality.

A well-known figure inside and outside the Church, Hunthausen had become, like Curran, a symbol of dissent against the “authoritarianism” and “regressiveness” of the present

Pope. Hunthausen had taken strong issue with Church teachings on such issues as homosexuality and abortion, and had also opposed U.S. nuclear weapons and refused to pay income tax to protest defense spending.

Obviously, the Vatican is now prepared to move against the highest levels of the American hierarchy, if that is required to bring the Church back in accordance with natural law.

Mobilizing the laity

One of the major battlegrounds on which the Pope is waging his campaign is the laity. The Vatican recently announced that the next worldwide bishops' synod will be held in October 1987, right after the Pope winds up his visit to the United States. Its topic: "The Vocation and Mission of the Laity in the Church and the World."

The case of a controversial sex-education series widely used in American Catholic schools indicates that the Vatican is going over the heads of the corrupted elements of the hierarchy, directly to the laity.

Several months ago, a number of Catholic parents wrote to the Vatican, as well as to their local bishops, complaining that the "New Creation" series was too explicit and lacked proper moral guidance. Archbishop Rembert Weakland of Milwaukee, an avowed foe of Ratzinger, defended the series. But Eduard Cardinal Gagnon, president of the Vatican's Pontifical Council on the Family, took the unusual step of writing privately to the parents, condemning the series in the Pope's name.

In subsequent remarks published in the Sept. 4 issue of *The Wanderer* newspaper, Gagnon stressed that the Vatican will support lay Catholics against their bishops, if need be. "We do not have the jurisdiction of a Congregation," said Gagnon, "but we write to the Bishops when lay people write to them and are not listened to."

Gagnon pointedly added: "It's a funny country [the United States] where everybody has the right to protest, but not those who are trying to protect the correct teaching of the Faith." He went on to call it a sign of the vitality of the Church in America that lay people were expressing such concern over what is taught their children. "There is supposed to be a preferential option for the poor in the Church," he said, "but there are also the poor in spirit who are being deprived of the truth. The best-placed people to put pressure on the authorities are the parents, who are the first educators of their children. They have our support."

Taking on the 'Catholic' politicians

In early September, New York Gov. Mario Cuomo, a liberal Democrat who is constantly parading his Italian Catholicism, came under tough public criticism from the leadership of the New York Roman Catholic archdiocese, for opposing efforts to uphold official Church teachings.

Bishop Joseph T. O'Keefe, the archdiocese's Vicar-Gen-

eral, told the press Sept. 5 that Cuomo was "so smart he would confuse young people," and that, "under no circumstances would I invite him to speak to young people at a graduation."

O'Keefe's harsh words were prompted by Cuomo's reaction to a directive the Vicar-General had sent out a few days earlier to all parish priests in the archdiocese, instructing them to bar those who disagree with Church teachings from speaking in parishes. In a Sept. 4 interview with the *New York Times*, Cuomo charged that O'Keefe's policy could lead to "restraint of intellectual activity."

The Vicar-General returned fire. Informed by the *Times* of Cuomo's comments, a reportedly angry O'Keefe warned that the Governor "is way out on a limb now. . . . Nobody, not myself, or the Cardinal, or the Pope himself will take a position against the authentic teaching of the Catholic Church on abortion."

He also scored a speech Cuomo gave in 1984 at Notre Dame, in which Cuomo had sophistically argued that a Catholic could in good conscience publicly support laws permitting abortion, while personally disagreeing with them. That's "the encyclical by Mario," O'Keefe sarcastically commented.

O'Keefe also took aim at Cuomo's political aspirations, strongly suggesting that Cuomo opposed the directive for political reasons. "He might be trying to distance himself from the official teaching of the Church because his Catholicism will be an issue, as it has been in the past," the Bishop said.

O'Keefe's blast at Cuomo (which is said to have the full backing of O'Keefe's superior, Cardinal O'Connor) suggests the Vatican is preparing to take on some prominent American Catholic laymen, particularly those in political and policy-making arenas, who represent the lay equivalent of Curran's heretical views. Besides Cuomo, others in this camp would include Sen. Ted Kennedy (D-Mass.) and Sen. Pat Moynihan (D-N.Y.), as well as self-styled conservative Bill Buckley, who, although he ballyhoos his supposed "traditional Catholicism," supports drug legalization and sodomy.

An open fight between Catholic politicians like Cuomo and the Church could end their political careers. Although it is probably true that a large majority of American Catholics practice contraception, and may agree with Curran on abortion and other issues, the fact is that the Currans and Cuomos of this world, like the rest of the Liberal Establishment, are increasingly out of step with the "average American"—Catholic as well as non-Catholic—who, faced with the wildfire spread of AIDS and drug abuse, the collapse of the family, and the growing military threat posed by Russia, is slowly coming to the realization that the hedonism of the past two decades has brought nothing but personal misery and social disaster.

Thus, in a clash with the Currans, Cuomos, Hunthausens, et al., Pope John Paul II is very likely to emerge the winner.

There is no 'right' to pursue evil

From the Encyclical On the Holy Spirit in the Life of the Church and the World, by Pope John Paul II, issued on May 18, 1986:

. . . The supreme and complete self-revelation of God, accomplished in Christ and witnessed to by the preaching of the Apostles, continues to be manifested in the Church through the mission of the invisible *Counselor*, the Spirit of truth. . . .

We can say that in its rich variety of teaching, the Second Vatican Council contains precisely all that "the Spirit says to the Churches" with regard to the present phase of history of salvation. . . . In a certain sense, the Council has made the Spirit newly "present" in our difficult age. In the light of this conviction one grasps more clearly the great importance of all the initiatives aimed at implementing the Second Vatican Council, its teaching and its pastoral and ecumenical thrust. . . . This work being done by the Church for the testing and bringing together of the salvific fruits of the Spirit bestowed in the Council is something indispensable. For this purpose one must learn how to "distinguish" them carefully from everything that may instead come originally from the "prince of this world." This discernment in implementing the Council's work is especially necessary in view of the fact that the Council *opened itself widely to the contemporary world*, as is clearly seen from the important Conciliar Constitutions *Gaudium et Spes* and *Lumen Gentium*. . . .

By convincing the "world" concerning the sin of Golgotha, concerning the death of the innocent Lamb, as happens on the day of Pentecost, the Holy Spirit also convinces of every sin, committed in any place and at any moment in human history: *for He demonstrates its relationship with the Cross of Christ*. The "convincing" is the demonstration of the evil of sin, of every sin, in relation to the Cross of Christ. Sin, shown in this relationship, *is recognized in the entire dimension of evil* proper to it. . . .

According to the witness concerning the beginning, sin in its original reality takes place in man's will—and conscience—first of all as "disobedience," that is, as opposition of the will of man to the will of God. This original disobedience presupposes a *rejection*, or at least a *turning away from the truth contained in the Word of God*, who creates the world. . . . The rejection expresses itself in practice as "disobedience," in an act committed as an effect of the temptation

which comes from the "father of lies." Therefore, at the root of human sin is the lie which is a radical *rejection of the truth* contained in the Word of the Father, through whom is expressed the loving omnipotence of the Creator. . . .

Man in his own humanity receives as a gift a special "*image and likeness*" to God. This means not only rationality and freedom as constitutive properties of human nature, but also, from the very beginning, the capacity of having a *personal relationship* with God. . . .

The "image of God," consisting in rationality and freedom, expresses the greatness and dignity of the human subject, who is a person. But this *personal subject* is also always a *creature*: in his existence and essence he depends on the Creator. According to the *Book of Genesis*, "the tree of knowledge of good and evil" was to express and constantly remind man of the "limit" impassable for a created being. . . .

"Disobedience" means precisely going beyond the limit, which remains impassable to the will and the freedom of man as a created being. For God the Creator is the one definitive source of the moral order in the world created by Him. Man cannot decide by himself what is good and what is evil—cannot "know good and evil, like God." In the created world *God* indeed remains the first and sovereign source *for deciding about good and evil*, through the intimate truth of being, which is the reflection of *the Word*, the eternal Son, consubstantial with the Father. . . . "Disobedience," as the original dimension of sin, means the *rejection of this source*, through man's claim to become an independent and exclusive source for deciding about good and evil. . . .

[God] has revealed to man that, as the "image and likeness" of his Creator, he is *called to participate in truth and love*. . . . Man's disobedience, nevertheless, always means a *turning away from God*, and in a certain sense *the closing up* of human freedom in His regard. It also means a certain opening of this freedom—of the human mind and will—to the one who is the "father of lies." . . .

In spite of all the witness of creation and of the salvific economy inherent in it, the spirit of darkness is capable of showing *God as an enemy* of his own creature, and in the first place as an enemy of man, *as a source of danger and threat to man*. . . .

Man will be inclined to see in God primarily a limitation of himself, and not the source of his own freedom and the fullness of good. We see this confirmed in the modern age, when the atheistic ideologies seek *to root out religion* on the grounds that religion causes the radical "*alienation*" of man. . . .

"In the depths of his conscience, man detects a law which he does not impose upon himself, but which holds him to obedience." The conscience therefore is not an independent and exclusive capacity to decide what is good and what is evil. Rather there is profoundly imprinted upon it a *principle of obedience*. . . .

If the conscience is upright, it serves "*to resolve accord-*

ing to truth the moral problems which arise both in the life of individuals and from social relationships"; then "persons and groups turn aside from blind choice and try to be guided by the objective standards of moral conduct."

A result of an upright conscience is, first of all, to call good and evil by their proper name. . . .

By calling by their proper name the sins that most dishonor man, and by showing that they are a moral evil that weighs negatively on any balance-sheet of human progress, the Council also describes all this as a stage in "a dramatic struggle between good and evil, between light and darkness," which characterizes "all of human life, whether individual or collective." . . .

In convening the world concerning sin *the Spirit of truth comes into contact with the voice of human consciences.*

By following this path we come to a demonstration of the roots of sin, which are to be found in man's inmost being, as described by the . . . Pastoral Constitution: "The truth is that the imbalances under which the modern world labors are linked with that more basic imbalance rooted in the heart of man. . . .

The *Holy Spirit "convince[s] concerning sin"* in relation to the mystery of man's origins, showing the fact that man is a *created being*, and therefore in complete ontological and ethical dependence upon the Creator. . . .

Against the background of what has been said so far, certain other words of Jesus, shocking and disturbing ones, become easier to understand. We might call them *the words of "unforgiveness."* They are reported for us by the Synoptics in connection with a particular sin which is called "blasphemy against the Holy Spirit." This is how they are reported . . . : *Matthew*: "Whoever says a word against the Son of Man will be forgiven; but whoever speaks against the Holy Spirit will not be forgiven, either in this age or in the age to come." . . .

Blasphemy against the Holy Spirit . . . is the sin committed by the person who claims to have a "*right*" to persist in evil—in any sin at all—and who thus rejects Redemption. One closes oneself up in sin. . . . This is a state of spiritual ruin . . . as it were an impenetrability of conscience, a state of mind which could be described as fixed by reason of a free choice. This is what Sacred Scripture usually calls "hardness of heart." In our own time this attitude of mind and heart is perhaps reflected in *the loss of the sense of sin.* . . . Pope Pius XII had already declared that "the sin of the century is the loss of the sense of sin," and this loss goes hand in hand with the "loss of the sense of God." . . . It is . . . vain to hope that there will take root a sense of sin against man and against human values, if there is no sense of offense against God, namely the true sense of sin." . . .

Unfortunately, the resistance to the Holy Spirit which Saint Paul emphasizes . . . finds in every period of history and especially in the modern era its *external dimension*, which takes concrete form as the content of culture and civilization, as a *philosophical system, an ideology, a program* for action

and for the shaping of human behavior. It reaches its clearest expression in *materialism* . . . which is still recognized as the essential core of Marxism. . . .

It must be added that on the horizon of contemporary civilization—especially in the form that is most developed in the technical and scientific sense—*the signs and symptoms of death* have become particularly present and frequent. One has only to think of the arms race and of . . . death-dealing poverty and famine. It is a question of problems that are not only economic but also and above all ethical. . . . And how can one fail to mention the attacks against human life by terrorism organized even on an international scale? . . .

Blasphemy against the Holy Spirit is the sin committed by the person who claims to have a "right" to persist in evil—in any sin at all—and who thus rejects Redemption. One closes oneself up in sin. This is a state of spiritual ruin, as it were, an impenetrability of conscience. In our own time, this attitude of mind is perhaps reflected in the loss of the sense of sin.

From The Ratzinger Report, a compendium of interviews conducted with Cardinal Ratzinger by Vittorio Messori, 1985:

After the phase of indiscriminate "openness" [by the Church to the world] it is time that the Christian reacquire the consciousness of belonging to a minority and of often being in opposition to what is obvious, plausible and natural for that mentality which the New Testament calls—and certainly not in a positive sense—the "spirit of the world." It is time to find again the courage of nonconformism, the capacity to oppose many of the trends of the surrounding culture, renouncing a certain euphoric post-conciliar solidarity. . . .

If by "restoration" is meant a turning back [to the pre-Vatican II Church], no restoration of such kind is possible. . . . There is no "restoration" whatsoever in this sense. But if by restoration we understand the search for a new balance after all the exaggerations of an indiscriminate opening to the world, after the overly positive interpretations of *an agnostic and atheistic world*, well then a restoration understood in this sense . . . is altogether desirable and, for that matter, is already in operation in the Church. [Emphasis added]

Countering the Syrian war threat to Israel

Proposed U.S. strategic doctrine for the contingency of a Syrian war against Israel

by Lyndon H. LaRouche, Jr.

This is the fourth and concluding section of Lyndon LaRouche's paper released on Aug. 21, calling for an urgent change in U.S. Middle East policy. The first three sections appeared in EIR Vol. 13, No. 36, Sept. 12, 1986, pp.32-45.

4. The Pollard Affair

The chain of events set into motion by the arrest of Israeli spy Jonathan Pollard, has been wrongly portrayed by some in Israel, and elsewhere, as threatening the level of cooperation between the two nations. The contrary assessment is the correct one.

Perhaps it appears curious, at first glance: if the United States does not flinch from a relentless continuation of the investigation, the chain of events which began with the Pollard arrest, should prove to have improved relations between the two states. A vigorous, broad-ranging inquiry provides the opportunity, to replace an existing, but defective basis of cooperation, with a sound one.

Pollard was a member of a ring whose included activities were actions in behalf of the Soviet strategic interest, including the transmission of secrets of the United States to Soviet receivers. In this respect, that ring is of a type called a "false flag" spy-ring, Soviet intelligence operations conducted under the Israeli flag. This latter fact, was the driving motive behind the actions of relevant U.S. circles.

The existence of this "false flag" spy-ring is but a significant, integral aspect of a larger problem. Our point is well

made, and more briefly so, if we limit our attention here, to the intersection of Soviet penetration of Israeli circles with Soviet penetration of the Anglo-American intelligence and policy-making establishments. A convenient, and conspicuous, expression of the connection between the two, is the image of Dr. Armand Hammer's close connections in both Israel and the Royal Household of Britain.

The key term of historical reference, for defining the setting of the Pollard Affair, is "Anglo-Soviet Trust." A correct view of the creation and continuing aftermath of the "Trust," is essential to removing from U.S.-Israel relations that cancer, which Pollard's connections symptomize. Confidence can but be strengthened, by guiding both nations' patriots to unite efforts successfully against the common adversary, which that "false-flag" spy-ring was aiding.

For purposes of economy in reporting, "Trust" should be defined historically, as follows.

Prior to 1917, Venice's Count Volpi di Misurata was among the key coordinators of a curious gentleman from Odessa, Alexander Helphand ("Parvus"), reputed to have been the wealthiest and most important spy of the twentieth century. Parvus, backed by Volpi di Misurata's accomplices in Odessa, Salonika, Aleppo, Venice, and elsewhere, was a key orchestrating figure in both the 1905 and 1917 Russian revolutions.

After the Bolshevik victory, Parvus's organization became an integral part of Soviet intelligence. This involved the famous Fuerstenberg-Hanecki, Feliks Dzerzhinsky, former Parvus asset L. D. Trotsky, Odessa-born Churchill rep-

representative to the Trust, Sidney Reilly, the American-born Soviet agent, Commander Sergius Riis, and others. In effect, the wealthy financier circles which had backed the Bolshevik revolutionaries before October 1917, set up a partnership with the new Bolshevik government. Early, Western figures such as W. Averell Harriman joined this partnership with Soviet intelligence services.

Those points identify the Trust.

One essential key to understanding the Soviet Cheka, and the present-day KGB, is that the Cheka included both Parvus's two sons, and also a number of those former officials of the Okhrana who had been controllers of key Bolsheviks during the years before the October 1917 revolution.

The faction of the Okhrana which ran the Bolsheviks as a secret-police operation, was the same faction which also ran the Odessa-based section of the Zionist organization from the early 1880s onward. These crucial facts force the counter-intelligence specialist to look in several directions.

As this bears directly on the Pollard Affair, we must recognize that the Cheka, and today's KGB, are outgrowths of the Okhrana, especially that section of the Okhrana which had connections to the circles of Volpi di Misurata, rooted in Venice-Moscow-Mount Athos connections dating from approximately A.D. 1440-1453. The more immediate connection between this faction of the Okhrana and Volpi, was via the Venice-Salonika-Aleppo-Odessa channels, the center of those channels in which we find Parvus, Sidney Reilly, and the American Trust partners Sergius Riis and grain-trader Washburn.

The only intelligence specialists who would object to examining such ancient connections, are those amateurish analysts who have no understanding of present events as current history. Culture, and family traditions, transmitted over many generations, are the key to understanding all really important political-intelligence topics.

Within this historical framework, we find the common links of today's KGB and sections of the Irgun. After all, from the early 1880s to the present, is but three to four generations for today's senior officials. As this bears on the Pollard Affair, there have been many active re-enforcements of the connections, such as the "Rote Kapelle" operations, over the intervening period.

In addition to the direct part of the continuity, during the past hundred years, various sections of Jewish movements and leftist organizations, have had complex interactions, and common interactions with financial circles which were either participants in the Parvus-Trust continuity, or of similar profiles. This enlarges, and complicates the scope of the counter-intelligence specialist's work.

The most relevant of such interconnections is the impact of both the Communist International and the pre-existing networks out of which the Comintern was assembled. The travels and connections of M. N. Roy, are paradigmatic. The

Soviet contamination of Jay Lovestone and his circles, bears directly on the immediate setting of the Pollard Affair.

Jay Lovestone came into politics through the League of Industrial Democracy (LID). Like Chicago University, the LID was originally the Midwest-based U.S. branch of the British Fabian Society. During the early 1920s "underground period" of the U.S. Communist International, Lovestone emerged as a militant of a Communist underground cell at New York City College. By the end of the 1920s, he became the General Secretary of the Communist Party U.S.A., appointed by Soviet dictator N. Bukharin, who vetoed majority support for William Z. Foster.

With the fall of his Soviet sponsor, Bukharin, Stalin dumped Lovestone from the leadership of the CPUSA. Lovestone became the U.S. representative of what was called the "Comintern Right Opposition" (KPO), of old Parvus agent Bukharin, the German Brandler-Thalheimer group, et al. The KPO maintained itself as an asset of the Soviet secret-intelligence services until about 1938, operating under such fronts as the International Rescue Committee and American Rescue Committee. Lovestone established his base of operations in the links among the LID, Meyer Lansky's organization, and the International Ladies' Garment Workers' Union (ILGWU), from which he still operates to the present day. The industrial engineering section of David Dubinsky's ILGWU, under Gomberg, became the principal nesting-place for KPO operatives inside the U.S.A.

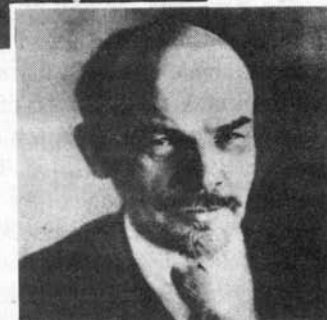
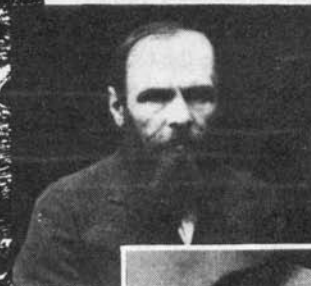
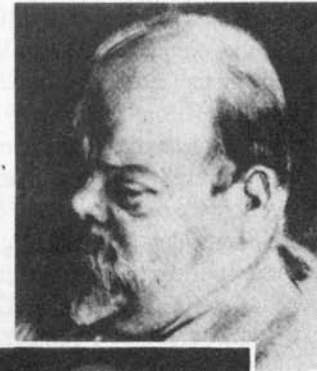
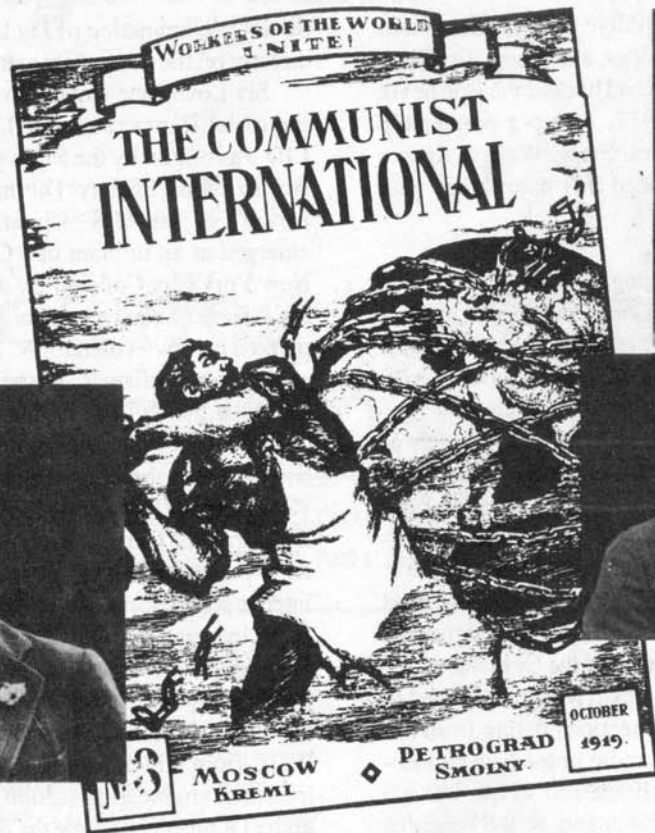
After 1938, Lovestone professed himself a convert to "anti-Stalinism." Under this cover, he penetrated the U.S. intelligence services up to nearly the highest level during the postwar period. Then, beginning 1955, the pre-war "Anglo-Soviet Trust" was revived, by new agreements with N. S. Khrushchov, mediated chiefly through Bertrand Russell. By which time Lovestone's networks were deeply embedded in the AFL-CIO apparatus and the U.S. intelligence establishment.

Large chunks of Lovestone's apparatus are functioning as covert agents in behalf of Soviet drug-trafficking and related interests, chiefly in concert with the Meyer Lansky drug-running apparatus, from inside and outside the U.S. intelligence establishment today. The evidence is massive, and conclusive: "Right-wing social-democrats" associated with LID, are one of the major national-security problems inside the United States today.

These kinds of connections are, and have always been the underside of the connections surrounding the Pollard Affair.

The higher-level connections

Soviet history to date makes no analytical sense historically, until we find the motives on a higher level. That higher level is encountered among the wealthy rentier-financier interests of the West, which backed the radical movements



Some of the top figures of The Trust: clockwise from upper right, Alexander Helphand ("Parvus"), Fyodor Dostoevsky, V. I. Lenin, Bertrand Lord Russell, and Armand Hammer.

prior to 1917, and were represented as Trust partners of the Bolsheviks during the 1920s and 1930s.

The recent public attacks upon Britain's Prime Minister Thatcher, by orders of Queen Elizabeth II, included the representation by Royal Household spokesman Haseltine, that the Queen's philosophical outlook in politics is "left-leaning." This forces attention to several well-known facts which British custom had previously avoided emphasizing in newspaper accounts.

Prince Charles is a defective personality, in the extreme, presiding over a circle within the Royal Household which is best known to the public for the numbers of the circle dying of AIDS. He is under the strong direct influence of Soviet intelligence's Dr. Armand Hammer; and, his defects are widely attributed to the influence of his notorious great-uncle, Lord Louis "Dickie" (Battenberg)-Mountbatten. This intersects those Soviet connections of former Prime Minister Harold Wilson, and Wilson's personal "mafia," a connection which grew so embarrassing, that Wilson, according to reliable informants, was encouraged to resign discreetly, as alternative to public exposure of this treasonous connection. The Soviet KGB connections of Wilson's "mafia," are a shamelessly open fact to the present day.

It is convenient, in counter-intelligence work, to identify two approximately distinct connections to Moscow, among aristocratic and rentier-financier families of Western Europe. The first group of connections, is predominantly Anglo-American, including the Royal Family's circles, and the circles of the late W. Averell Harriman and McGeorge Bundy in the U.S.A. The second is predominantly central European, based in the families whose ancestry is traced from the aristocracy and nobility of Venice's, nominally Hapsburg, Holy Roman Empire. The two overlap, both in northern continental Europe, and by way of Switzerland interfaces.

One of the key facts which help the analyst to begin to understand this higher level of the Trust connection, is the fact that many of these Soviet partners were also backers of either Mussolini, or Hitler, or both.

The case of the late W. Averell Harriman, is exemplary. Harriman secured his membership in the Trust, through the personal sponsorship of Leon Trotsky, and later renewed and expanded this through a close personal relationship with Joseph Stalin. By no later than 1927, the *New York Times'* front page was quoting Harriman's praises of Benito Mussolini. The same Harriman was a key U.S. backer of Adolf Hitler, prior to Hitler's "legal coup d'etat." Harriman's family then

supported Hitler publicly, with special praise for the Nazis' "racial hygiene" policies.

Winston Churchill established a personal relationship with fascist dictator Mussolini during the 1920s, and continued to praise Mussolini into 1938. It was Churchill's spy, Sidney Reilly, who worked closely with Trotsky in setting up the Trust. It was Churchill who pushed President Roosevelt into the 1943 Yalta agreements, establishing the greatly enlarged post-war Soviet empire.

The most important institution pushing for the West's submission to the Soviet empire today, is Venice's San Giorgio Maggiore, the center around which the central European aristocracy and noble rentier-financier interests orbit.

The miseducated intelligence analyst throws up his hands, pushing such facts aside, because he and his (perhaps) Harvard-educated peers refuse to accept such embarrassing evidence. "Aristocrats? Surely, these are arch-conservatives! You suggest that some of the most socially reactionary rentier-financier circles of central Europe are pro-communist! I prefer to pretend I have never seen these facts. It sounds like some crazy conspiracy-theory to me."

Conspiracy, dear fellow? Who is speaking of "conspiracy theories"? These are nothing but simple, conclusively documented facts.

The poor fellow retorts with a hysterical denunciation of "conspiracy-theorists" in general, turns demonstratively on his heel, and returns to his customary bungling. He is one of those fellows whose delusions of being part of a privileged class, persuade him, that he need not face unpleasant realities.

Both Bolshevism and Nazism, like fascism in general, and theosophy as well, have the common characteristic of being creations of those circles on whose behalf such notables as Nietzsche and theosophist Aleister Crowley proclaimed the twentieth century "The Dawning of the Age of Aquarius," at the turn of the present century.

To get to the bottom of this sort of enterprise, one must peek at Alex Münthe's Isle of Capri, and observe Maxim Gorki creating Bolshevism in the Grotto there. One must see Hermann Goering speaking with Münthe, there, pleading that Münthe sell the site of Tiberius's residence to Hitler, explaining to Münthe that Hitler was the reincarnation of the Roman emperor who ordered his nephew-in-law, Pontius Pilate, to execute Jesus Christ.

To understand these aristocratic and rentier-financier families, in partnership with Parvus, Trotsky, and Bukharin, and often also members of the Thule Society which created Hitler, it is indispensable to recognize that those families were the same combination of interest behind the creation of the Holy Alliance, at the 1815 Congress of Vienna. For Nazism or Bolshevism as such, these families as a whole care not a fig. Nazism and Bolshevism are, like theosophy, something which these families deployed and used; they were not

really supporters, but rather users of these movements.

To understand the Holy Alliance more deeply, we must note that these families were the same collection behind Orange and Marlborough (Churchill) during the "cabinet-diplomacy" wars of the period of Louis XIV and Queen Anne. These were the families behind the Hapsburg rampages of 1527-1653. They were, in spirit, and also significantly in flesh, the same families centered around the Black Guelph and Lombards of the late fifteenth and sixteenth centuries, who plunged Europe into the fourteenth-century "New Dark Age."

The continuity of the guiding hand consistently behind each of these developments over the past six centuries, is more precise: San Giorgio Maggiore and Mount Athos, the tradition and black political arts of the Syrian Magi in modern, pseudo-Christian disguise.

"New Age"? Short-hand for Nietzsche's and Crowley's "Age of Aquarius," the age of Dionysos and Lucifer. Otherwise, "New Dark Age," as in mid-fourteenth-century Europe. Otherwise, a European version of al Ghazali's book-burning "The Destruction." The setting is altered, but the policy is the revival of a very ancient one, one which has surfaced, either as partial success, or frustrated attempt, once or more during each century of medieval and modern history.

It is said, that such aristocrats and rentier-financier nobilities are "conservatives." To an American, this word might signify something which comes in a jar. In politics, to an American, it ought to signify one who adheres to the institutions of our federal Constitution of 1787-1789, and to traditional, family-centered, moral values; this distinguishes such "conservatives" from those liberals or radicals who are distinguished by efforts to subvert such values. That political usage of "conservative," has nothing to do with such aristocrats and rentier-financier families (although the impression of something fruity, which comes in a jar, is sometimes conveyed).

In Central-European usages, "conservative" is used as the Nazi Dr. Armin Mohler defines it in his fascist apology, *The Conservative Revolution*, in Germany. In this usage, it means either simply "feudalist," or something more barbaric, as the Nazis intended it. The modern usage of the term there, it signifies, most broadly, one, like Henry A. Kissinger, for whom the policies and social order of the Holy Alliance, are utopia. These families are "conservative." That, indeed, is the essence of those who used Nazism and Bolshevism as battering-rams of destruction against republican institutions.

Western counter-intelligence must be based inclusively, on a comprehension of four factors of the Soviets' foreign influence and operations:

- 1) What may be fairly, and conveniently dubbed "The Parvus Syndrome," as Parvus's pre-October 1917 operations define the matrix on which the Trust re-

relationship between Bolsheviks and relevant Western aristocratic/financier families.

2) The Communist International, its present-day disguises, as predominantly agencies of the Trust, rather than of the Bolshevik regime more narrowly.

3) The Nazi-Bolshevik interaction, pertaining to the Nazi networks' role within Soviet foreign intelligence today.

4) The very special sort of historical-philosophical world-outlook characteristic of the wealthy families associated with the Trust, Nazi, and other "New Age" movements.

The first of these we have already defined, summarily, have touched upon the second, in the Lovestone case, and have touched upon the fourth. We turn attention now to the relevant features of the third, and then supply the needed added observations on the second and fourth points.

Close examination of the axiomatic assumptions underlying both Bolshevism and Nazism, provides proof that the usual representation of the differences between them, as opposite extremes, is predominantly myth. As Dr. Armin Mohler documents, Nazism was not a German cultural phenomenon, but the importation of the Russian mysticism of Fyodor Dostoevsky, into the German language. (So, why shouldn't we have expected the Nazis to have anti-Semitic pogroms? All such Russians do; racism is inherent in the axe-wielding culture of "Holy Mother Russia.")

Along the routes of the Byzantine satraps, the Varangians, Gnosticism in various forms, including Arianism, was spread into the Germanic tribes to the north. These heathen barbarians served as Byzantium's principal agency of low-intensity warfare against Augustinian civilization in France, England, and Ireland. Charlemagne's counterattack against this heathen pestilence, included a campaign to civilize the Saxons. The recalcitrants among the Saxons fled northward, establishing a base in Jutland, preyed upon the adjoining region of what is called Scandinavia, and became known to westerly Europe as "Vikings," "Northmen," and "Normans." The Thule Society, and its creation, the Nazis, were obsessed with returning Germany to the ancient faith of these heathen Saxons, the Vikings.

They struck upon, or were instructed in, the fact, that the truest approximation of that heathen culture was the *Raskolniki* culture apotheosized by Dostoevsky. Many of the ideological trappings of Nazism, were adopted directly from Dostoevsky's writings, through the circles of Moeller van den Brueck; this included the adoption of Dostoevsky's mystical slogan, "Third Roman Empire," which translates directly into German as "'Third' Reich."

Also typical, is the role of Alfred Rosenberg. Rosenberg was a protégé of a group of Russian aristocratic families from Livonia, including the family of the uncle of Sweden's

late-deceased Olof Palme, August von Knieriem, the founder, and I. G. Farben director of the Auschwitz slave-labor center. These were families which obtained their titles through service to the Czars, whose specialty was the Czarist agency to which the Okhrana was accountable. Rosenberg completed his academic education in Moscow, under the Bolsheviks, and appeared in Bavaria in the service of the Thule Society of Houston Stewart Chamberlain and Karl Haushofer, the creators of Nazism and sponsors of Hitler. The attempted "russification" of German culture, with Wagner's Viking and Celtic-Gnostic pornographies added in, was the department assigned to Rosenberg.

From the beginnings of Nazism, the Nazis and Bolsheviks swapped saliva. In northern Germany, the principal foundations of Nazism were the "national bolshevist" currents associated with the Thurn und Taxis-linked Strasser brothers, which supplied Jesuit-trained Joseph Goebbels as Nazi propaganda minister. The first foreign support to German fascism in the north came from the Comintern office of former Parvus agent Karl Radek.

The Soviet intelligence service, the Cheka, directly backed Hitler's coup-aspirations during the early 1920s. Later, in Berlin prior to Hitler's "legal coup d'état," the Communist and Nazi parties swapped large portions of their memberships, back and forth.

There were differences between Communists and Nazis. Marxian Communism was a splinter taken out of the international social-democracy. As the social-democracy's power-base was organized labor, this sociological feature of the "left social-democrats" was carried over into the traditions and tactics of the early Communists. The mass-base of the Nazis' recruiting, was the "rootless ones," demobilized, largely unemployed veterans, returning, rootless, and without the impulse to put down roots, from the bestiality of a protracted World War I. As the Communists also recruited from these rootless ones, the Communists and Nazis tended to exchange these portions of their memberships, back and forth. Otherwise, there was more of the indicated sort of sociological conflict between the more root-oriented Communist trade-unionists and those rootless ones who hated trade-unions as part of the hated "old society."

That distinction between communists and fascists still exists, to some degree, today, especially in Western nations, although in a diminishing degree since the middle 1960s.

Both the Nazis and the Bolsheviks, from the beginning, envisaged a fusion of Germany and Russia, to constitute a united force for world-conquest. Bolshevik imperialism, has made the assimilation of Germany its key strategic objective, down to the present day. The Nazis saw the assimilation of Russia as the indispensable key to world-conquest. Both agreed, on unifying the forces of Russia and Germany for world-conquest. They disagreed, whether the capital of this empire would be Berlin or Moscow. Thus, on the one side,

the tendency for collaboration against the hated West, from the beginnings of fascism in Germany, and the beginnings of the Soviet state. Thus, on the other side, the inevitability of the Nazi invasion of Russia.

Now, the Bolsheviks have won that war, and Germany placed more and more in the status of the Soviets' favorite satrapy. Since Andropov consolidated his position as head of the KGB, the KGB addresses the East Germany "Stasi," as "Mitarbeiter," a status not afforded otherwise even to the Bulgarians. The old Nazi networks, centered around old fellows such as Lausanne's François Genoud, have accepted the result—for the immediate future, at least; they are now also "Mitarbeiter" of the Soviet KGB.

If the old Nazis have now accepted Bolshevik supremacy, the Bolsheviks have reciprocated ideologically. Over the past two decades, the Soviets have become increasingly, openly fascists. During the second half of the 1960s, the wage-struggle was pushed aside in Communist doctrine, in favor of neo-Malthusianism and particularist forms of insurgencies. The fascist doctrines of insurgency endorsed by Bolshevik assets Rudolf Hess, Rudolf Steiner, and the von Reventlows, at the 1920 Baku Comintern conference, are today the leading dogma of Soviet low-intensity warfare operations. Bolshevism has converged upon its axiomatic, "New Age," foundations.

Silly intelligence analysts, and others, ask: "Are you saying that Nazism has moved from right to left, or that Bolshevism has moved from left to right?" Silly, silly, fellows, with their mythologies of the right and left as opposite extremes. "Extremism"! What a silly word, fit only for the vocabulary of very silly liberals. "Right" and "left"! What silly words. The rival sibling children of Satan, were a better term, more in agreement with Nietzsche's doctrine of Dionysos (and, the Emperor Tiberius) as the "anti-Christ," or Crowley's and Rudolf Steiner's preference for the Mithraic Lucifer as the "anti-Christ." "New Age," dear silly people, "New Age."

Nazism and Bolshevism differ not as diseases, but as the common virus infects differing social stratifications. Once the victim becomes more the disease than his former self, the differences tend to vanish. The pure strain of the disease, is brewed at such locations as Mount Athos and San Giorgio Maggiore.

Now, as to the Communist International: The irony of Stalin, is that his purges set back the Trust's world conquest by at least two generations. Every evidence points to Stalin as even more committed to Bolshevik world-conquest than Trotsky. The difference was, that nationalist Stalin, unlike "cosmopolitan" Trotsky, refused to sacrifice "Holy Mother Russia" for Parvus's dream of "permanent revolution." Similarly, Stalin refused to tolerate any longer Bukharin's policy, of looting Russia for the sake of the greater profits of the foreign partners in the Trust. To that degree, Stalin ruined

the entrenched power-base of the Trust inside Russia, by methods copied from Czar Ivan Grozny. These purges temporarily wrecked the Communist International, and set the Trust's effort at world-conquest back at least two generations.

The Communist International was, from the outset, a political apparatus controlled by the Bolshevik's foreign-banker partners, rather than the Russian Bolsheviks. Thus, after subtracting the Trotsky-linked "Left Opposition," and the Bukharin-linked "Right Opposition," there was very little of the Comintern apparatus remaining. In the main, these two foreign-banker controlled "Oppositions," were the bulk of the Comintern's apparatus.

The shifting relations between Moscow and the Oppositions, are key to Western nations' Soviet counter-intelligence competence today.

As much as was left firmly in Moscow's hands during the 1938-1953 interval, was centered in a few old Comintern figures, around the Finnish cult-mystic Otto Kuusinen, and Hungarian Eugen Varga. During the post-war Stalin period, these two led an effort to have the Comintern's foreign-intelligence apparatus rebuilt. Stalin rebuffed the proposal at that time.

After Stalin's death, Khrushchov accepted the offer from the Western Trust partners, mediated chiefly through Bertrand Russell. Four gestures from Khrushchov were crucial. The 1955 London conference of Russell's World Parliamentarians for World Government featured four Soviet representatives bearing a clear signal to the Western Trust partners. Khrushchov's famous 20th Congress "de-Stalinization" address, was a major second, with Khrushchov's abortive signal of possible, posthumous rehabilitation of London's favorite, Bukharin, an added grace-note of the period. The opening of the Pugwash and other back-channels, was a substantive step. Finally, Moscow acted upon Kuusinen's and Varga's proposal: The Comintern intelligence apparatus was reborn under the title of IMEMO.

By 1958, the Anglo-American section of the Trust partnership, typified by Harriman, the Rockefellers, and McGeorge Bundy, had struck a firm bargain with Khrushchov, a bargain called the doctrine of "nuclear deterrence." Old Comintern assets were reactivated, by mutual agreement. 1938-1953 "anti-Stalinist" pedigrees provided some of the reactivated networks excellent covers for continued penetration of the Western intelligence establishment.

The significance of the Pollard Affair, is the effect of collaboration between Soviet penetrations of Israeli and U.S. intelligence establishments. The "Parvus Syndrome," and the reactivation of Trust partnership, are the keys to this. The method of counter-intelligence required, is to pull at the most accessible loose threads, thus outflanking the combined, interacting networks, weakening them, and making possible a step-by-step eradication of the main parts of the

combination as a whole.

The fact that Israeli-denominated "false flag" spy-rings are a main point of initial concentration, is rather inevitable. After all, it is a network of foreign spies, including well-known cases who are, therefore, caught at discretion without too much effort. One or two clear cases, showing that an Israeli spy-ring has done services for Moscow, is adequate basis for making initial selections. Otherwise, the method is, to shake the tree, and inspect the fallen apples for Soviet worms. Some wormy detainees will sing a song, giving some names, dates, and places. This leads to new detentions of potential song-birds, and a broader round-up. There is really no better way to proceed.

In the process, some non-Israelis crop up in the recitations and documentation, leading to some important U.S. figures.

Take, for example, the case of Soviet asset Jon Speller, of Robert Speller & Sons. Speller, a professed product of Trust organized Sergius Riis, and a man with professed Bulgarian credentials, is a very good choice of loose thread. He is of more than middle importance to any dedicated professional spy-catcher who dreams of telling his grandchildren, "How I brought Jon Speller in": a worth-while catch. He is readily catchable on the basis of his shameless advocacy of the Khalistan narco-terrorism gang, and his role in turning the office of Senator Jesse Helms into a national-security scandal. Among Speller's accomplices, is the self-styled Anti-Defamation League (ADL), better known to insiders today as "Admirers of Dope-Dealer Lansky." They are partners with Speller in enterprises including sponsorship of the Khalistan narco-terrorists.

Pull the string. Pull yet another string. Tug by tug, the dirty fabric is unwound. If the investigation follows a road-map, of the sort indicated by our outline here, serious police-work of a counter-intelligence sort, brings us toward our goal. Key words are "Parvus," "Trust," "Comintern," and "New Age." Goal is defined by knowing that one has not touched the inside, until some big-name oligarchical families are in the dock, at least no less respectable than the House of Windsor.

Does anyone delude himself, that we ought to condone such matters, simply because it does not fit the image which Israel's official and self-appointed public-relations spokesmen find pleasing? Is anyone so deluded as to imagine, that Moscow's agents are a patriotic asset of Israel? Does Israel desire to warm poisonous snakes in its bed? Does anyone imagine that transforming intelligence into a mere "game" of play and playback, is any better than the practice of "cabinet warfare" in military affairs? Which is Israel's greater self-interest, hiding scandals from the goy, or cleaning out traitors, even if it means an embarrassing public scandal or two? Before the invention of the automatic clothes-dryer, the penalty of sleeping on clean sheets, and wearing clean underwear, was to display intimate items to one's neighbors,

on the clothesline.

The faster, the more wide-sweeping, the higher the places touched, the better, the cleaner, the safer. Is it better to feed a family, by shooting mice, or bigger game? The purpose of catching little fish, is to use them as bait to trap big fish. The business is painful surgery, for the United States as well as Israel, and for a few other nations besides. The surgery is necessary; we shall not be healthy unless we get it over with as quickly as possible.

One must never think of the oligarchical families as spiritually human. Think of them as they think of themselves, and then you will understand them and their methods. The oligarchy thinks of each family, or its *fondo*, as like a god or demi-god of mythical Olympos. "Why do such gods exist?" a normal person asks. Well he should ask; their social affairs among themselves, are essentially as immoral as the modern "jet set" typifies. What possible good can their existence provide to the world? Yet, useless as they are, Olympos insists absolutely on the principle, that it must not only exist, but must reign over this planet forever. To that purpose, and only that purpose, the gods of Olympos briefly interrupt their killing and sodomizing one another, to crush with one bloody fist anyone who challenges the eternal supremacy of the families' Olympos. They would rather destroy the world, than allow a world to exist, in which Olympos does not reign. The secrets of the oligarchical families, are written in the tragedies of Aeschylus, works which must be mastered as precondition for professional status as historian, political leader, or counterintelligence professional.

The republican current is Aeschylus' "Prometheus Unbound." Especially the republican Judeo-Christian heritage of Western European civilization. So it seems to Olympos. Ultimately, it must be decided, whether the republican or the oligarchical current rules this planet. No perpetual, "manichean" coexistence between the two, is possible. So, the gods of Olympos would destroy every institution infected with the virus of republicanism, especially Judeo-Christian republicanism. For them, civilization must be purged, from end to end, by the scourge of an age of al Ghazali-like destruction, the "Age of Aquarius," the "Age of Dionysos and Lucifer."

For the few to destroy the many, the few must induce the many to destroy themselves. The Syrian Magi, and the Chaldeans before them, understood such black political arts. The chosen instruments include various forms of Gnosticism, Malthusianism, theosophy, Bolshevism, and Nazism. That hydra-headed oligarchy, we must strike in the head.

If we see the proper objective of pursuing such matters as the Pollard Affair along the trail to the end, we should gloat over the certainty that such developments benefit both our nations, and the entire Middle East as well. To work together to any such good ends, will never weaken cooperation, but, rather, greatly strengthen it.

"The two arrested Israeli spies, Jonathan Pollard, and his wife, are merely third-level figures in a ring working under the sponsorship of Israeli bully-boy Ariel Sharon. The ring reaches high into the ranks of the Executive Branch of the U.S. government.

This is not merely an Israeli spy-ring; it is a spy-ring operating under the Israeli flag, but controlled by a network of Soviet agents. . . ."

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Moscow's brutal answer to Reagan's SDI offer

by Criton Zoakos

Even though Mikhail Gorbachov, has not yet formally replied to President Reagan's letter of July 25, in which the United States offered to share with Russia its Strategic Defense Initiative technology, Moscow's moves around the globe, and certain official pronouncements accompanying these moves, have been shaped in an unmistakable pattern of determination to crush both the SDI and the political forces associated with it.

1) In the Far East, a Russian-Chinese rapprochement, with enormous economic, military, and political ramifications, is proceeding with breathtaking speed, undoing, in a matter of weeks, the artificial fraud of "Sino-Soviet split" which had taken the painstaking posturing of decades to construct.

2) In the Indian subcontinent, allied Sino-Soviet forces are rapidly proceeding, by means of ethnic insurgencies, professional terrorist campaigns, and political destabilizations, to implement the *sine qua non* of any Sino-Soviet condominium for Asia, namely the disintegration of the Republic of India (which accords with Chinese geopolitical requirements) and the splitting of Pakistan (which accords with Soviet requirements for a "warm water port" on the Baluchistan coast).

3) In the Persian Gulf and Middle East area, there is a dramatic step-up of Libyan, Syrian, and Iranian inspired fundamentalist insurgency projects and terror campaigns, all coordinated directly from Moscow, and all explicitly aimed at the earliest possible collapse of the last remnants of U.S. influence there.

4) In Western Europe, the Soviet-directed protracted terror campaign, which, since last May, had reached the status of full-blown, classically defined irregular warfare, has now spread throughout the continent with such ferocity that the French government of Jacques Chirac announced that France is in a state of war, which obliges her government to adopt

appropriate-war measures. As in the Middle East, the flareup of Soviet-directed irregular warfare in Europe is aimed at targets which represent the institutional strong points of U.S.-European alliance and cooperation—to effect U.S.-European decoupling at the earliest possible time.

5) A similar intensification of terrorist campaigns in Ibero-America by Soviet assets has accompanied Moscow's new global posture in the post-July 25 period.

As for Moscow's response to President Reagan's letter on SDI cooperation, *per se*, a sequence of official Soviet pronouncements, taken together over a period of two weeks, compose a very specific response:

● Gorbachov's Sept. 8 interview to *Rude Pravo*. Most commentators observed, wrongly, that the Soviet leader spent so much time in that interview demanding the U.S.A. join his moratorium on nuclear tests, because he wanted to regain the propaganda initiative by changing the subject from SDI cooperation to the presumably popular theme of the "test ban."

In fact, Gorbachov said: "The main purpose of the nuclear weapons tests being conducted by the United States is the creation of fundamentally new types of weapons. What does this mean? Here is what it means: New nuclear warheads, with greater yield and increasing accuracy are being developed. *Space-based nuclear weapons—x-ray lasers with so-called nuclear pumping—are being created in the course of these tests. Work is being done to prepare a completely new type of weapon capable of striking targets both on Earth and in space.* Under these circumstances it is hypocritical to say that a test ban would produce nothing to solve the problem of nuclear disarmament."

● Before Gorbachov's *Rude Pravo* interview, the Soviet military leadership made very specific announcements respecting SDI collaboration between the two countries. The Soviet Armed Forces' Chief of Staff, Marshal Sergej Akh-

romeyev, in an Aug. 25 press conference held specifically on the SDI, stated: ". . . If the U.S. continues to work to implement its Star Wars plans, the Soviet Union will have to take appropriate measures. . . . We will find an answer, and this will not be the one the United States expects it to be. As a military man, I can say that the United States does not possess a monopoly of scientific-technological progress in military matters. The development of science and technology in the military-technology field has reached a level where the eternal struggle between the sword and the shield, between defensive and offensive weapons, is today being solved not in one but in several directions. For every action, a reliable means of counteraction can be found. Strategic offensive weapons, too, can be perfected to such an extent as to make the program for the antimissile defense of U. S. territory a fabulously expensive and extremely difficult matter to accomplish. Other answers are also possible. In this situation the Soviet Union is forced to carry out fundamental research in many directions. Among those are those which envisage, with sufficient confidence, effective measures for counteracting the anti-missile defense. Moreover, these measures can be promptly implemented. If the United States does indeed deploy its in-depth system, the U.S.S.R. will select those methods of action that, to the utmost extent, meet the interests of its defense capabilities and in its turn will confront the United States with the need to seek an answer to this. Our measures will not be those to which Washington would like to incline us."

● On Sept. 6, another Soviet military spokesman, Col. Vasily Morozov, elaborated on Marshal Akhromeyev's theme: "In our view, the SDI is aimed at achieving a triple goal. The construction of a space defense system, the so-called impenetrable shield; the deployment of first strike offensive weapons in space; and, last but not least, the exhaustion of the Soviet Union's economic resources. The Americans would like us to try to create our own SDI because, in their view, this would put such a huge burden on the Soviet economy that it would collapse under the strain. . . . No matter how much the Americans would like us to create our own space shield, we will not do so. There will be no Soviet SDI. We will take countermeasures in two areas:

"1) We will neutralize every object of the U.S. space shield—the spacecraft carrying out the aerial survey and ensuring the links with the ground stations, as well as the weapons-carrying craft—by deploying so-called space mines in their orbits, space mines capable of halting and destroying them.

"2) We regard it as the most efficient and possibly cheapest solution to increase the arsenal of our existing strategic nuclear weapons and to perfect their technology.

"In the course of our countermeasures, therefore, the stress will be on the further development of our strategic arms. Our missiles will be capable of penetrating the U.S. 'shield' and, by counterattacking them, of destroying the missiles of the other side. What is more, the implementation

of our plan will cost considerably less: According to our scientists, it will cost only 2% of the SDI cost."

The message behind the rhetoric

These Soviet formulations, taken together, constitute the most specific, explicit response to President Reagan's July 25 letter to Gorbachov. The Reagan letter, essentially, presented to the Soviets an offer to a) transfer U.S. SDI technology to the Soviet Union and b) coordinate a joint deployment of the system so that neither side gained any temporary advantage over the other. This exact proposal had been recommended by Lyndon LaRouche in April 1984, more than two years before Reagan's actual letter. This fact prompted the Soviet leadership to conclude that LaRouche was the inspirer, if not the author, of the July 25 letter. From this conclusion followed the next Soviet suspicion, namely that the offer to build a Soviet SDI, was, secretly, a sly LaRouchean trick against the Soviet economy. It is this dark suspicion which is reflected in Colonel Morozov's formulation, that "the Americans would like us to try to create our own SDI because, in their view, this would put such a huge burden on the Soviet economy that it would collapse under the strain."

Both Morozov and his boss, Akhromeyev, are categorical that the Soviet Union shall neither accept Reagan's offer, nor try to develop a comparable SDI system of its own. We are not in a position to assess how much of this assertion is fact, and how much deceptive.

What emerges as certainty, however, from the Soviet statements is the explicit threat to destroy all U.S. space assets beginning with surveillance satellites, as soon as they believe that an effective SDI is about to be deployed. No other interpretation can be admitted to the Soviet military statements, but that they intend to launch nuclear war the instant they believe that the SDI program has moved into the ambiguous area between development and deployment.

In this light, Gorbachov's assertion to *Rude Pravo* that the current round of U.S. nuclear tests involves both x-ray laser development and more advanced nuclear charges, does not appear to be idle: Any responsible American planner committed to development of SDI, must seriously counter the Soviet threat to launch war before SDI comes into play. The present Soviet posture requires the United States to consider how Moscow is to be deterred prior to the SDI's deployment. The only such deterrence is a credible threat of retaliation capable of inflicting "unacceptable losses" to the Russian command.

A reading on the world map, of the totality of Soviet deployments—military, paramilitary, diplomatic, economic—and those of irregular warfare, confirms that the West is currently dealing with advanced, pre-general war activity. The Soviet command, clearly, committed itself to this course, because, for its own reasons, it concluded that Reagan's offer, was, in reality, an economic and cultural warfare trap, laid, not by Reagan, but by LaRouche.

Japan will help bring about SDI

by David Barnes

The Cabinet of Japanese Prime Minister Yasuhiro Nakasone announced Sept. 9 its long-awaited decision for Japan's strategic agreement for government-to-government participation in the U.S. Strategic Defense Initiative (SDI). The Sept. 9 formal decision, announced by Chief Cabinet Secretary Masaharu Gotoda, capped a three-year process of Japanese study and consideration of the SDI, led by Prime Minister Nakasone, who has often repeated his personal belief that SDI participation is crucial for Japan's defense and technological survival.

The decision has no conditions from the Japanese side, and adheres to a "vague agreement" worked out by President Reagan and Prime Minister Nakasone at the Bonn Summit of May 1985. A key point of that agreement was the continued offer from the Reagan administration to the Soviet Union for the joint and parallel development of the beam weapons defense systems—the content of Reagan's July 25 letter to Soviet leader Gorbachov.

The decision for Japan's full participation in the U.S. defense program was virtually assured on July 28 when Nakasone led the ruling Liberal Democratic Party to a landslide victory. Like that victory itself, Japan's participation in the SDI will not only strengthen the U.S.-Japan alliance, but also give added strength to that faction in the West committed to resistance against Soviet global war plans.

The likely possibility of Japan's joining the SDI had been a focus of irate Soviet propaganda since mid-1984, and Moscow lost no time in demonstrating its wrath at the Japanese cabinet's formal decision. By Sept. 9, TASS had released a statement attacking the decision. The next day, *Pravda* complained that Japanese technology will "form the nervous system" of a network of U.S. military satellites.

The formal protest came on Sept. 11 in Moscow, when the Japanese ambassador to the Soviet Union was summoned to the Soviet Foreign Ministry. There Soviet Deputy Foreign Minister Mikhail Kapitsa, who had been to Tokyo the week before, presented the ambassador with a letter stating, "The Japanese government's allusions to the defensive nature of research under the SDI cannot be recognized as convincing."

U.S.-Japanese agreement

As revealed by Chief Cabinet Secretary Gotoda, negotiations toward a "Memorandum of Understanding" will work out details of Japan's role in the research and development

phase of the SDI, allowing Japan, for the first time, an active relationship with the United States in the realm of strategic planning.

Though strict secrecy will be maintained, the talks will include arrangements for patents and other guarantees by which Japan's civilian economy can benefit from technological spin-offs generated by SDI research. Japanese companies, said one source, look forward to the "peaceful" spin-offs of SDI technology. "We were bypassed in the process that led to the hydrogen bomb," said one Japanese observer, "but now we hope that Japan can take a major role in developing the new technologies associated with the SDI."

Fields in which Japan is expected to be involved include command and control, communications management, and logistics. A focus will be weapons-aiming and target identification. Japan's contribution in these areas will shorten research time for deployment by a full two years.

By participating in the SDI, Japan will be assured protection against a Soviet nuclear strike. With Japan covered by the SDI's anti-missile defense, U.S. nuclear deterrence capability will be enhanced, and Moscow's nuclear blackmail against countries of the northern Asia-Pacific Basin region undercut. Russian plans for aggressive military expansion there will be hampered.

The negotiations for the U.S.-Japan Memorandum of Understanding will be carried out between the Pentagon and the prime minister's office—not the Japanese Foreign Ministry nor the U.S. State Department—thus eliminating the danger of outright sabotage.

Exemplary of efforts to derail Japan's commitment to the SDI, were the antics of Richard Perle, the U.S. assistant secretary of defense in charge of the Pentagon's Technology Transfer Branch. Perle, who popped up in Tokyo immediately after Defense Secretary Weinberger's trip to Japan last April, spent much time telling Japanese policy-makers that the SDI would not last beyond Reagan's second term, and hence should not be a Japanese priority. Perle's lies had the "chilling" effect he hoped for. But for a crucial intervention by the Fusion Energy Foundation (FEF) and the Schiller Institute, Perle's game and similar attempts to drive Japan away from the SDI, might have succeeded.

On April 23—shortly after Perle's trip, and during the final phase of a series of ministerial meetings held by Nakasone's cabinet to consider SDI participation—180 members of Japan's government and industrial elite attended a conference sponsored in Tokyo by the FEF and the Schiller Institute on "The Strategic Defense Initiative: Its Strategic, Economic, and Scientific Dimensions." Japanese participants emerged with a unanimous mandate for full Japanese participation in the SDI. The conference, Japanese sources in both military and diplomatic circles affirmed, had a "major positive impact" in determining the outlook of Japanese leaders toward the SDI. Nakasone's landslide victory then "locked in" the decision that was announced Sept. 9.

France is 'at war'; outcry for new Nuremberg court to try terrorists

by Thierry Lalevée

Through a series of international terrorist actions in Karachi, Istanbul, the Philippines, Cologne, and Paris, the Soviet leadership has launched its fall offensive. According to intelligence sources, the terror wave which killed more than 50 people between Sept. 5 and Sept. 9, is connected to the arrest of American journalist Nicholas Daniloff in Moscow. Both operations reportedly aim at testing how high a price Washington is ready to pay to maintain the pretense around an upcoming summit between Ronald Reagan and Mikhail Gorbachov. However, the violence and intensity of actions are implying more than mere psychological and political tests, but a global military assault against the United States and its allies.

In the short term, many of the aims of the terrorists and of their Soviet sponsors have backfired. This has been underlined by the resolve displayed in those countries targeted, such as the United States, France, Italy, and many others. Specifically unexpected by the Soviets, is wide recognition and support for the original spring 1985 appeal by the Schiller Institute of Helga Zepp-LaRouche for new Nuremberg tribunals against terrorists.

As Mrs. Zepp-LaRouche reiterated in a statement released on Sept. 8, in its original appeal the Schiller Institute had called for the definition of terrorism as "crimes against humanity," to establish a "Nuremberg tribunal before which the terrorists and their funders can be indicted and put on trial for crimes against humanity. . . . Such a tribunal will also settle the question of who the new Nazis are today.

"Moscow has declared an irregular war against the West. . . . Either we hold ourselves to the 'regular' rules of conducting warfare agreed upon by international law, and are crushed in this unequal battle, or we turn the same 'irregular' methods against our opponents, and in the course of battle do irreparable damage to our constitutional principles," continues the Sept. 8 release.

The solution, concludes the appeal of the Schiller Institute, is for the democratic and republican nations of the West to convoke new Nuremberg tribunals. "Only such action can furnish the Western governments with an opportunity to effectively put a stop to terrorism, without those governments

giving up the principles of the constitutional state. Moreover, such a tribunal will also settle the question of who the new Nazis are today, and of who stands on the side of justice."

Chirac: 'France is at war'

As of Sept. 7, these proposals received worldwide attention, when former French intelligence director Alexandre de Marenches proposed the holding of "tribunals against the new barbarians . . . in Nuremberg," the site of the original war-crimes trials against the Nazis in the wake of World War II. On Sept. 10, French Interior Minister Charles Pasqua told the media that he approved of such a proposal, as newspapers began receiving dozens of readers' letters supporting such new tribunals.

Key to such a mobilization has been the decision of some European political leaders to acknowledge, as *EIR* has been writing, that the present terror wave is nothing but "low intensity warfare" waged by the Soviet Union against the Western interests, in the words Xavier Raufer of the daily *Quotidien de Paris*, or of Lord Chalfont in the Sept. 9 issue of the *Daily Express*. French Prime Minister Jacques Chirac gave an official imprimatur to this assessment on the very evening of the Sept. 8 bombing near his offices at the Hotel de Ville in Paris. He warned that France "is at war," that France is "faced with a subversive war," and that all means will be mobilized, including the "deployment of the Action service of the intelligence services."

Moscow's strategy

Far from being an expression of "blind" terrorism, the terror wave hit precise targets within Moscow's global strategy: Pakistan, Turkey, West Germany, and France. Each of these terror actions corresponds to ongoing Soviet plans. The bombing on Sept. 7 of the headquarters of West Germany's "Office for the Protection of the Constitution" in Cologne by a Baader-Meinhof gang commando group, underlined West Germany's vulnerability. The following night, the bombing in Paris sent a personal message to Prime Minister Chirac. A similar message was delivered to President François Mitterrand as one of the PUMA helicopters belonging to the presi-

dential fleet crashed, killing three officers. Investigation is unveiling sabotage.

The hijackers of the Pan Am flight in Karachi, on Sept. 5, not only aimed at undermining American-Pakistan ties, but at speeding up the political unraveling of that country which fits Moscow's game-plan in Afghanistan, as part of its ongoing reconciliation with China. A direct result has been the skyrocketing of tension between India and Pakistan, as Prime Minister Rajiv Gandhi speaking from Harare in Zimbabwe, accused the Pakistani authorities of having "bungled" the end of the operation and having provoked a bloodbath against Indians. Communal riots between Hindus and Muslims followed immediately.

One day later, the massacre in Istanbul's oldest synagogue sent two loaded messages. First, that, for the first time since the military coup of 1980, NATO's crucial member Turkey, could again be hit by the kind of terror action which underlines its weakness. Second, that a new Middle East war between Israel and Syria has become almost inevitable.

Moscow's terror network

Investigations have shown that in each case, the very same international terror networks were at work. Reflecting on the role played by Libya's Muammar Qaddafi in international terrorism, the Italian daily *Il Giornale* quoted an official report of the Italian intelligence services, warning of the "grand old man" behind Qaddafi. Written by Prefect Vincenzo Parisi (see box), the report underlined that behind the alliance of Arab terrorists groups, were the Libyan-based "East bloc controllers." In conclusion, Italian intelligence warned that Qaddafi was only the "vehicle" for terror actions on behalf of the Soviet Union. The same conclusion has been reached by the United States and Israel as it accused the Abu Nidal group of responsibility for both Karachi and Istanbul, in the words of Caspar Weinberger on Sept. 10. An international mercenary, Abu Nidal has maintained headquarters in both Tripoli and Damascus since 1983. Emerging details of the planning of the operations unveiled the role played by Syrian intelligence and its representative in Beirut, Brig.-Gen. Ghazi Kenaan, together with Lebanon's Hezbollahi now led by Ibrahim al Amin and the coalition of Palestinian radicals in Beirut and Damascus around George Habash, Abu Musa, and Abu Nidal, who provide the troops.

According to American, French, and Italian intelligence sources, the present terror wave was planned in a series of international terrorist gatherings which took place, since last May, in Switzerland, specifically in Zurich. Included in such gatherings have been most of the Sunnite and Shi'ite terrorist organizations based in Teheran, Damascus, and Tripoli, together with representatives of the so-called "Euro-Terrorists." According to Italian intelligence sources, which have requested an official explanation from the Swiss government,

these groups established a "holy alliance" for a new wave of terrorism. Such terror operations would include a Libyan proposal to bomb a French nuclear power plant. According to the Sept. 8 issue of *Bild Zeitung*, that also includes kamikaze attacks by planes against the U.S. Sixth Fleet as well as American embassies and cultural centers in the Middle East and in Europe.

A key liaison between these groups has been identified as one Frederic Oriach, a founding member of Direct Action, released from a French jail last April. Headquartered now in Damascus, Oriach has been seen traveling back and forth between Syria, Switzerland, Spain, and France. Reportedly, Oriach has become the depositor for the Swiss bank accounts in Zurich belonging to the Armed Revolutionary Lebanese Factions (FARL) of Ibrahim Abdallah, who is in jail in France. The Sept. 8 bombing was claimed by a so-called "Solidarity Committee with Arab Political Prisoners," which is demanding Abdallah's immediate release.

Loss of nerve must be prevented

Since the present terror wave is expected to continue, and many European authorities recognize that it is on a much broader scale than before, the greatest danger is that there will be a loss of nerve. There is speculation that new measures are being considered that could effectively transform the anti-terrorist fight. On Sept. 8, the mass-circulation West German tabloid *Bild Zeitung* wrote that Israel would "take its revenge." Quoting from Israeli security specialists, it warned that rather than merely bombarding Lebanon, new measures might include a joint Israeli-American strike against Libya and Damascus. More to the point, it wrote that Israel would deploy a twofold operation, sending special commandos to hit the leadership of the terrorist groups in the Middle East, as well as to target terror cells in Europe. A similar program is being approved in many European countries.

On Sept. 9, French Justice Minister Albin Chalandon said on French radio that he approved of "the Israeli example, reprisals have to be launched." Following the Sept. 9 summit between Prime Minister Chirac and West German Chancellor Kohl (see *Report from Bonn*, page 48), an emergency summit of European interior ministers is to take place to coordinate "information, prevention, and action" in the words of their communiqué.

On Sept. 10, Italian Prime Minister Bettino Craxi held a special cabinet meeting on terrorism and the particular issue of "narco-terrorism." A day later, Italy's interior minister, Oscar Scalfaro, left for Israel and Turkey while Defense Minister Giovanni Spadolini went to Morocco where, on Aug. 22, a group of "Abu Nidal" terrorists had been arrested. On Sept. 11, Rome announced that all diplomatic bags would have to go through the metal detector from now on. The same day, the Spanish foreign minister was in Israel discussing closer cooperation against terrorism.

Anti-science speech called 'unwelcome'

by Mark Burdman

While Britain's Prince Charles, Duke of Cornwall, was being fawned over by the leading lights of Harvard University and the Eastern Establishment press for his proto-fascist speech at Harvard's 350th anniversary commemorations Sept. 4, a patriotic group within the British Establishment itself, ironically enough, was expressing its displeasure with the Harvard comments of the claimant to the British throne.

A Sept. 6 London *Times* editorial stated bluntly, "The Prince's message must be called unwelcome."

The editorial began: "The Prince of Wales cut a dash when he substituted for the President of the United States at Cambridge, Massachusetts. . . . When he spoke at Harvard Yard, the Prince did more than represent an academic tradition. Deliberately addressing a lively theme within the faculties of arts and social studies, he expressed his fear of a world, and an education, dominated by technology. Better provision should be made for teaching students about 'the dark side'—for teaching humanity. That phrase, in the old Scottish tradition, used to mean the classics; the Prince favoured psychology."

The *Times* also commented: "When engineering professors have to fight each other for access to scarce computer time, and secondary school pupils are being deprived of an adequate education for want of teachers of mathematics and physics; when the growth of the information technology industry is stunted by a shortage of qualified manpower: the nation can hardly be said to have sold its soul to technology. . . . The discrepancy between Britain's broad economic record and that of trade competitors, and the inferences that can be drawn about industrial needs and research and development trends, do nothing to calm the anxiety of those who say the balance of interest within higher education is not yet right."

The *Times* attack bolstered the point made earlier that week by Sir George Porter, head of the British Association for the Advancement of Science, in the keynote speech for the BAAS's annual conference in Bristol, on Sept. 1. He said Britain was threatened by a "lost generation" of youngsters badly equipped to deal with today's technologically oriented world, because of poor science teaching in Britain. If no remedy were found, there would be damage done for gener-

ations, worse, in Sir George's view, than the damage done to Chinese youth during Chairman Mao's "Cultural Revolution"!

He warned: "We can change a government in a few years, but to change the teaching in schools is a process which takes decades. And it is a vicious circle: poor science teaching in schools leads to fewer scientists, and a smaller proportion still who are prepared to go back into the schools." This was undermining democracy and leading to more unemployment in Britain; politicians, religious leaders, and media controllers were "uneducated" scientifically, at a time when science was an "all-pervasive influence" on Britain.

Prince of the 'New Age'

Prince Charles's speech signifies that his controllers are seeking to open a flank, *in the United States*, against their factional opponents in Britain. The same was done by the Huxleys and Russells, in sponsoring the "counterculture" in the United States after World War II.

Imagine a descendant of King George III, speaking in place of the President, in commemoration of a university founded by Puritan colonists, and praising the United States thus: "In many ways, I feel that in the United States, you have awoken to this dilemma [questioning science and technology] sooner than anyone else."

On Sept. 5, London's *Daily Express* said that his attacks on technology, space travel, and science, made him "the Guru Prince." "Charles' speech dwelling on the spiritual side of life is a further indication of the influence of his personal guru, mystic Sir Laurens van der Post. Van der Post, a friend of controversial psychoanalyst Carl Jung, has encouraged the Prince to write down and analyze all his dreams."

Van der Post, once a political-military aide to Lord Mountbatten, is the author of: *Creative Patterns in Primitive Man* (1956); *Journey into Russia* (1964); *A Portrait of all the Russians* (1967); *The Story of Carl Gustav Jung* (1971); and *Jung and the Story of Our Time* (1976).

Carl Jung, while purporting to practice psychology, actually sponsored revivals of Satanism, Gnosticism, mysticism, cabbalism, and other cults of the "New Age." What Harvard should do, the Prince said, is to renounce its Puritan roots, and, instead, focus on "the natural science of psychology." He said: "How do we teach people to recognize that there is a dark side of man's psyche and that his destructive power is immense. . . . The potential destruction of the great rain forests, the exploration of space, greater power than we have ever had or our nature can handle—all confront us for what could be the final settlement.

"Surely it is important that in the headlong rush of mankind to conquer space, to compete with Nature, to harness the fragile environment, we do not let our children slip away into a world dominated entirely by sophisticated technology. . . ."

Satan's little helpers bomb in Turin

by Muriel Mirak

Place: The Stadium, Turin, Italy. Time: Sept. 9, noon to midnight. It was to be the concert of the year, if not the century. The organizers had promised, "If the 70,000 seats are not sufficient, we'll let them sit in the field." Pre-sales of tickets at \$30 apiece, were said to be booming. Starring in the megaconcert were rock stars Eugenio Bennato, Wayne Tooker, Animal Nightlife, Status Quo, Sting, and Rod Stewart, the latter making his long-awaited debut in Italy. Mick Jagger and even Prince Charles of England, a close friend of Stewart's, were expected to arrive in a pre-announced "surprise." The proceeds of the concert, whose success was projected to make the Rolling Stones' mass concerts pale in comparison, were to go to the National Association for the Fight against AIDS (ANLAIDS).

When the hour of the concert arrived, 1,500 youth, who had traveled from as far away as Palermo, Sicily, or France, stood anxiously outside the gates, tickets in hand, and waited. First, they were told the concert would be delayed until 3:00, then 4:00, then 5:00. At 5:00, the voice on the microphone (speaking from within a guarded booth) announced the entire show had been canceled, but that tickets would be reimbursed the following Monday. As the dejected youth started to make their way back to the train station, the concert organizers hopped in nearby cars and sped away, destination unknown.

What had happened? Far more than an umpteenth example of petty fraud perpetrated by sleazy show-biz types, the megafiasco in Turin tells the story of cultural warfare, fought out at the highest level. The forces defeated in the Turin stadium were the satanic rock-culture creatures of Liz Taylor's Hollywood. And the political repercussions are sure to be felt, all the way down into Hell.

Liz Taylor and Company

First, the facts and personalities of the case: Rod Stewart,

who had performed in an "AIDS benefit" concert in Los Angeles, organized by movie actress Elizabeth Taylor, agreed three months ago to kick off an Italian tournee with the marathon event in Turin. Other concerts planned included a mass rock orgy in nearby Milan, in the context of the Italian Communist Party's Unità festival. Stewart agreed to bring his gigantic stage and electronic equipment, in 5 trucks, with 60 technicians, and perform for the modest sum of 250 million lire. Antonio Romano, organizer of the concert, and member of ANLAIDS, had won the support of ANLAIDS president De Lorenzo, who is also Italian environment minister. Through this political connection, Romano obtained the sponsorship of the prime minister's office, of the Piedmont regional government, and the City Council of Turin. With the sponsorship, at least a billion liras were promised to finance the concert.

A crucial component of the extravaganza, was Liz Taylor, whose personal endorsement and promised satellite hook-up from London, was to assure record attendance. Then, there was the entity known as "Sting," a rock performer of music with satanic ritual content. Sting's manager, the son of ex-CIA operative Miles Copeland, appeared on Italian national television together with his satanic protégé, to discuss the ritual content of the lyrics which he himself had composed.

Enter the Schiller Institute. Beginning two weeks before the concert, the Schiller Institute launched a European-wide campaign to stop the concert on multiple grounds: that it was a fraud, whose projected income, by the organizers' own calculations, could never match the required expenditures, much less provide "funds for AIDS research"; that public financing of such spectacles constituted an illicit divergence of public monies into activities which could not stem the spread of the AIDS pandemic; that mass rock concerts, by gathering crowds of drug-abusers and homosexuals, would constitute a danger to public health; and that the entire Liz Taylor-led road-show was a political operation, aimed at defusing the efforts of the Schiller Institute and those of the PANIC initiative in California, to implement public health measures and massive research to stop AIDS.

Leaflets detailing the charges, and the backgrounds of the seedy group of Satan-worshippers, flooded the city of Turin. The Catholic Church, which had begun a campaign against witchcraft and sorcery in Turin, one of Europe's five centers of occult practice, joined the mobilization; thousands of leaflets were reproduced and distributed throughout the city's parishes. Catholic radio and television networks in the area featured interviews with Schiller Institute speakers, and with Ted Andromidas, of the California PANIC initiative, on tour in Europe. Phone calls poured into the government offices, both in Rome and Turin, to demand that political sponsorship be withdrawn.

Once this campaign had reshaped the climate of public

opinion, the political elite responded, and preferred disappointing a few degenerate rock stars, to facing the electorate's wrath on a fundamentally moral issue. The promised monies suddenly were not there. The petty impresario Romano had to find some other resources. As the disgruntled Italian manager for Rod Stewart told the story, "We had agreed on 250 million for Rod's performance and the equipment. As a down-payment, I got two checks, one for 50 and another for 70 million, but in the bank, they told me the checks were no good." Rod's regular manager, Andy Phillips, was more explicit: "As far as I'm concerned . . . Romano should already be in jail. . . ." Romano himself could only offer the following explanation: "We were boycotted by a defamatory campaign," but preferred not to mention names.

The hapless Romano may very well end up behind bars. One day before the scheduled concert, two separate legal charges were presented to the Turin Tribunal against the organizers. One was lodged by Beppe Ferrero, a journalist representing the group commissioned to handle the press work for the concert, who charged that Romano had not covered payments for press conferences. The other was presented by Angelo Pezzana, member of the Piedmont regional council and leader of the homosexual organization FUORI, who commented, "It's about time to stop exploiting homosexuals and AIDS this way." Pezzana is suing Romano, for having failed to come across with the "one billion lire for AIDS" he had promised.

Schiller Institute's key role

The political ramifications of this sordid tale go far beyond the local, albeit interesting clash. As the Turin daily *La Stampa* was quick to point out, the polemical attack against the concert came from the Schiller Institute. *La Stampa* linked the Schiller Institute to U.S. presidential candidate Lyndon LaRouche, and reported the Institute's charges that "the concert is a fraud 'inspired by Liz Taylor and the Hollywood mafia,' which, 'using the degenerate rock-drug culture,' wants to palm off lies about the illness" AIDS. The defeat of the concert in Italy parallels the victory of the PANIC initiative in California, which succeeded in collecting the required 700,000 signatures to put an AIDS referendum on the November ballot. Just as PANIC's success initiated the shift in the public mood regarding AIDS, and the rock-drug counter-culture of Hollywood, so the Italian success has signaled a turn in the popular mood in that country.

Over the last years, Italy has become a playground for the degenerates of Liz Taylor's ilk. Not only rock but the hard-drug culture has so proliferated in the country, that it now "boasts" the highest percentage of drug addicts in Europe. The homosexual population, supported by political parties like the Radical Party, the mass-based Communist Party, and a wing of the socialists, represents a strong minority, and has been growing steadily. Although available

statistics are fragmentary, the AIDS pandemic appears to be raging; collapsing living standards provoked by IMF austerity, have intersected the burgeoning "risk groups" of the population, to explode in an AIDS crisis. Riots and hunger strikes have broken out in Italy's prisons, as preliminary AIDS testing revealed at least 30% of all inmates seropositive. Prisoners are demanding quarantining, general screening, improved sanitary conditions, and medical treatment. As Rome microbiologist Dr. Franco Graziosi characterized the situation, "The AIDS bomb is ready to explode."

Turin, center of satanism

A leading center of the economic, sanitary, and cultural breakdown is Turin, the city which was to host Liz Taylor's rock extravaganza. Turin, not coincidentally, is also the center of witchcraft cults in Italy. Therefore, the battle between the satanic rock-drug counterculture mafia and the Schiller Institute's campaign, in that city constituted a microcosm of the larger, international conflict between the culture of evil, and that of human striving for the Good.

One crucial test of the Italian population's capacity to beat back the evil rock-drug counterculture was made three years ago, in the historic center of the Italian Renaissance, Florence. There, a broad mobilization led by the Anti-Drug Coalition, also associated with LaRouche, succeeded in organizing political opposition to a megaconcert planned by the Rolling Stones. The concert, slated to draw up to 100,000 young people, was canceled, on the grounds that drug abuse would have been enhanced.

The success in Florence, like that more recently in Turin, was largely due to the readiness, on the part of Italy's Catholics, to draw the line regarding public morality: Despite decades-long efforts to undermine the moral authority and power of the Church, through terrorism, legalized abortion, divorce legislation, and degenerate, existentialist cultural manifestations, the moral fiber of the Italian population is still basically Augustinian. Since the papacy of John Paul II has begun to address the fundamental questions of morality in terms of economic policy, and in terms of epistemology, the population's ability to resist moral degeneration has been enhanced. Pope John Paul II and Cardinal Ratzinger have defined the moral issues at stake in today's world with utmost precision, particularly in their treatment of the devil (Satan), both conceptually, in the Pope's speeches, and practically, in their campaign to eradicate satanic cult practices.

Therefore, the battle that petty fly-by-night shysters like Antonio Romano and Miles Copeland's friends lost in Turin, cost them more than their gate-receipts. It is costing them their credibility as proponents of a cultural matrix. The more rapidly their cultural matrix can be undone, the more efficiently we can regenerate a human culture, capable of filling stadiums with youth, eager to improve their minds and their morality through the beauty of great classical music.

Mexican interior minister is godfather of Nazi-Communist alliance

by Mark Sonnenblick

Mexico's interior minister Manuel Bartlett is the godfather of the newly formalized alliance between the country's Nazi and Communist opposition parties, a disgruntled leader of the National Action Party (PAN) revealed. Ricardo Villa Escalera spilled the beans on Bartlett on Sept. 5 because he was angry that the PAN's national executive committee had just vetoed his expected candidacy on the PAN ticket for the governorship of the state of Puebla. Villa blamed Bartlett and PAN secretary general Bernardo Batiz, who, he observed, has been Bartlett's friend since college days. "I don't know if Batiz is under pressure or if there is some kind of complicity with the official [Bartlett]," Villa told the press.

The Sept. 6-7 Mexican "Forum for the Defense of Effective Suffrage" brought to the light of day the closet alliance between the "conservative" National Action Party (PAN), the Moscow-directed Communist party, and two other left-wing parties.

This marriage amounted to a public confession of the thesis of the book, *The PAN, Moscow's Terrorists in Mexico*. When the Mexican Labor Party (PLM) published that book a year ago, in English and Spanish, it brought howls from Mexico's "conservative" enemies in Washington. They said it was absurd to think the PAN, which calls for "free enterprise," could serve Moscow's aims of creating conflicts between the two North American republics.

PAN leaders were "honored guests" at the 1984 Republican Party Convention in Dallas, and recently met secretly with Sen. Jesse Helms (R-N.C.) to conspire on how to destabilize Mexico's moderate government. That is the shared objective of Mexico's PAN (which hoped the Nazis would whip the "Yankees" in World War II) and the communists, who changed their name to the PSUM (Unified Socialist Party of Mexico) to facilitate such alliances.

Smashing Mexico's institutions

Bartlett is facilitating Moscow's wrecking operations against Mexican republican institutions in order to win for himself the presidential nomination of the ruling Institutional Revolutionary Party (PRI). His objective is to smash the backbone of the Mexican system, the mass labor and farmer

organizations which are the organic core of the PRI and the guardians of the heritage of the Mexican Revolution.

The Mexican system has provided an exceptional degree of political stability over the past two generations and has facilitated the country's development. Its dismemberment is openly sought by Mexico's creditors, since the nationalist PRI machine is a formidable obstacle to their efforts to obtain control over Mexico's oil and other resources in exchange for a \$100-billion pile of worthless paper, known as Mexico's foreign debt. Creditor organs such as the *New York Times* have repeatedly intoned that Mexico requires "political liberalization in order to be able to carry out economic liberalization."

Bartlett laid his credentials for executing such a liberalization before a room filled with the top debt policy strategists of Wall Street's core institutions at Columbia University on May 28. William Rhodes of Citibank, the head of the creditors' cartel for Mexico, was among those present. Bartlett offered them insights into his plans for the "democratization" of Mexico's political system. Shortly thereafter the *Wall Street Journal* gave Bartlett its presidential endorsement as the man who could provide the political framework required for the creditors to pick up whatever is worth salvaging from its wrecked economy. It opined, "The tough interior minister is the man who can stop the threat of a growing opposition and preserve the country's political system."

Nazi-Communist 'safety valve'

Bartlett justifies his opening up of Mexico's republican political system to totalitarian parties of the right and left as necessary to provide "safety valves" to release tensions caused by the regime's suicidal economic policy. Were President Miguel de la Madrid to continue fulfilling the austerity commitments he recently made with the International Monetary Fund, the PRI would lose its historic control over the labor movement to leftist extremists, Fidel Velázquez, the head of the PRI's labor forces recently warned.

The undermining of the PRI's labor and peasant sectors, is, however, precisely what Bartlett is fishing for. Increasing chaos on the U.S. border is also of evident interest to Moscow

. . . and to its Kissingerian partners, who want the United States to rivet its national security concerns on the Central American mess.

A leader of Mexico's communist party, the PSUM, used the "safety-valve" image to explain his party's alliance with the PAN, Mexico's most vociferously anti-communist political party. PSUM deputy Jorge Alcocer Villanueva said his party defended the PAN's vote, "because if Mexico faces a severe economic crisis which could become a social crisis, it should leave open escape valves for the people, letting it freely elect its governors."

Mexico's veteran communist party chairman Arnoldo Martinez Verdugo described the Sept. 6-7 forum at which the mating of his PSUM and the PAN came out of the closet as "a unique meeting, such as never seen before." He said it reached a political agreement "in which personal and group differences were put aside to work for a well-defined objective. . . . There are no winners or losers here." Both he and PAN leaders agreed the goal was "democracy." PAN's secretary-general Bernardo Batiz told the press that the PAN and the three leftist parties in the alliance had differences of opinion, but, "We agree on the struggle for democracy."

The forum's declaration uses the rhetoric of "democracy" and "effective suffrage." The 400 delegates included 65 congressmen elected under Mexico's voting system, which gives seats to any party which gets over 5% of the vote, thus giving more than their share to parties opposing the majority PRI. The forum committed itself to escalating nationwide agitation, while threatening, "There is still time to avoid the explosions produced by the political closing."

The PAN has engaged in sporadic violence since it lost the July elections in the state of Chihuahua. PAN officials who have been trying to promote chaos in Mexico, have been hiding out "North of the Border" in El Paso, Texas, lobbying for backing similar to that which the United States is providing to Nicaragua's Contras.

While much of the PAN's rhetoric is tailored to please U.S. conservatives, the real potential for mobilizing anti-government insurrections of the poor comes from the communist left, according to Washington's specialists in such affairs. This makes the PAN-PSUM alliance especially interesting. The Sept. 6-7 forum considered the Nazi-Communist alliance running a joint candidacy against the ruling PRI party in the 1988 presidential elections.

Did Bartlett help kill Camarena?

In his lust to gather under his wing every force which could be thrown against Mexico's institutions, Bartlett has made other strange alliances, including one with the invisible world government of Dope, Inc. As interior minister, he controls the Federal Security Division (DFS). Authentic DFS credentials were found on two of Mexico's most notorious drug traffickers, Rafael Caro Quintero and "Don Neto" when they were arrested for the brutal assassination of U.S. Drug

Enforcement Administration agent Enrique Camarena in February 1985. Their DFS credentials bore the personal signature of DFS chief Pedro Zorrilla. When this was discovered, Zorrilla simply resigned and slipped out of Mexico. Bartlett didn't lift a finger.

According to senior Mexican intelligence experts, "During the Zorrilla administration, the mafia corrupted many DFS agents. It is hard to tell whether Zorrilla and Bartlett were accomplices in this or merely neglected to do anything about it."

Nor was any action taken from the U.S. side by those most vociferous against Mexico. The corrupt side of the Justice Department's FBI has notoriously had a strong, even a controlling, influence on the DFS. These same U.S. net-

Overthrowing Mexico's moderate government is the shared objective of the PAN, which hoped the Nazis would whip the "Yankees" in World War II, and the Communists, who changed their name to the "Unified Socialist Party of Mexico."

works provide protection for cross-border criminal activities by the PAN and its communist partners, as documented a year ago in the book, *The PAN, Moscow's Terrorists in Mexico*.

Bartlett battles Mexican nationalists

Mexico's nationalists have waged a running battle with Bartlett. Bartlett and his chief elections fixer, Fernando Elias Calles, rigged the July 7 Chihuahua elections so that PRI voters would stay home and the PAN win. He was surprised by the results. Members of the U.S. National Democratic Policy Committee (NDPC) visited Mexico with evidence that the PAN was a confederate of Senator Helms and the State Department in trying to overthrow the Mexican system.

The NDPC assertions, spread all over Mexico by the media and the Mexican Labor Party, aroused patriotic forces inside the ruling PRI party. They went to Chihuahua, remoralized the PRI base to fight for "national sovereignty," and brought busloads of peasants to the polls.

After the elections, the PAN screamed "fraud" and began a campaign of violence and civil disobedience which disrupted the public order in the state. The Mexico City PRI held a 10,000 person rally in Mexico City demanding that the PAN lose its official registration for "treason to the Fatherland." PAN leaders dared them to try, assuring that was protected from any such move by the interior minister, Manuel Bartlett.

A modern Rasputin

Planning and Budget Secretary Carlos Salinas de Gortari acts like a prime minister on government decisions.

As the time approaches for the naming of the next presidential candidate, which normally would be the middle of next year, those cabinet members dreaming of their presidential careers are displaying their cards without compunction.

Planning and Budget Minister Carlos Salinas de Gortari, although considered by Mexican public opinion too immature for the presidency, is one of the most influential men in the current administration, the co-author of the great economic disaster into which the country is sinking, and mouthpiece of the "New Democracy."

No longer disguising his presidential interests, Carlos Salinas de Gortari made clear during a Sept. 9 interview that he and his team—trained at the Wharton School and the Colegio de Mexico—had written much of the fourth state of the union message, the *Informe*, which President Miguel de la Madrid delivered Sept. 1. Under the pretext of explaining the *Informe*, Salinas engaged in self-promotion.

He said Mexico is not heading toward state capitalism and that the sale of state industries would encourage investment without losing the state's rectorship of the economy. He boasted that Mexico's agreement with the International Monetary Fund and its joining the General Agreement on Tariffs and Trade (GATT) were great successes.

The "political" component which Salinas and Interior Minister Manuel Bartlett insinuated into the *Informe* proclaimed the emergence of a new society and a new democracy.

The President read in his *Informe*: "Today my government has had to change itself to lead the profound changes the new society is undergoing and to deal efficiently with the difficult and unexpected situations which pressure us." De la Madrid named his electoral reforms as one of his regime's great achievements and announced a new proposal for changing the Federal Law of Organizations and Elections to adapt it to the "New Society."

In Salinas's words, all his regime's economic and political acts "strengthen the democratic aspect of the presidential institution." That is, political participation of new officially registered parties and the Nazi-Communist alliance called the PAN provide "escape valves" for popular rage over IMF austerity.

Salinas de Gortari is alien to preserving national sovereignty and scientifically developing Mexico. He comes from a family of communists. His uncle, Eli de Gortari, a famous professor of Marxist thought at the National University, has always acted as a paid agent of Moscow and was jailed as a professional agitator for his role in the 1967-68 student uprisings.

Carlos himself earned notoriety as a youth for certain abnormal proclivities. Later, Salinas was co-opted by the technocratic Wharton School and the famous Lawrence Klein, formerly of the British Communist Party, who taught him the principles of the post-industrial society so beloved of the Trilateral Commission.

His education as a monetarist and man of "the system" came from his father's side. His father is now a sen-

ator. Carlos's aunt is married to Antonio Ortiz Mena, the president of the Inter-American Development Bank whose flaming monetarism destined him to live in Washington instead of the presidential palace.

Similar influences have been exercised by his intimate friend, Ecology minister Manuel Camacho Solis, the promoter of the Tepostlán Group, a branch of the Malthusian Club of Rome. The cultist Camacho augers "the new society soon to appear, because the old one is extinguishing itself" and rails against traditional values. Camacho has wielded the ecology ministry in total war against whatever industry remains in Mexico.

Salinas de Gortari's power has won him the title of Rasputin of the government palace. He has also won the hatred of the sectors of government, business, and labor which he openly seeks to liquidate. That is an obstacle to his presidential ambitions.

It is no accident that David Rockefeller's Society of the Americas assembled its top Latin America operatives in New York Sept. 10 to hear Salinas pontificate and to dictate their terms for the next government. David Rockefeller, Citibank VP William Rhodes, and Jimmy Carter's Latin American chief Thomas Enders demanded that the next President of Mexico not change any of the economic prescriptions which have been finishing off the national economy at the expense of payments on the foreign debt.

Nothing is decided yet in Mexico. What is being commented on various political circles is that the government of Miguel de la Madrid will go down in history as a transition which laid the foundation for "Fascism with a Democratic Face." If that is what the future holds, someone like Salinas de Gortari will preside over it.

Dismantling the Venezuelan economy

Venezuela's leaders are obsessed with electoral politics, while the economy is being dismantled piece by piece.

Those who are profiting the most from Venezuela's newly launched campaign for the 1988 presidential election are the international creditor banks and their domestic partners. While the *politicos* have eyes only for the elections, the traitors and useful fools of the international financial oligarchy are dismantling Venezuela's economy bit by bit, to deliver it to the cash-hungry foreign banking community.

The national Congress, called into extraordinary sessions on Aug. 18 under pressure from the creditor banks, is in the process of approving a set of economic measures, each "recommended," according to reports in the Venezuelan press, by the International Monetary Fund, Chase Manhattan, foreign oil companies—or perhaps the U.S. State Department's representative in Caracas.

The first measure was the repeal of the Fund of Exchange Compensation law (Fococam) approved two months earlier. The bankers had been enraged at Venezuela's sovereign determination of long-term deadlines and low interest rates on government bonds created to pay the private debt. The order went out from the money-center banks to overturn the law, and so it was.

The second decision, made the first week of September, was passage of a law permitting the sale of state holdings to domestic or foreign private capital. This phase of "privatization" is limited, for the time being, to "non-essential" state companies, but is an unmistakable step toward large-scale

creditor takeover of state-held stock through so-called "debt capitalization," i.e., Henry Kissinger's debt-for-equity scheme.

In addition, it was announced that the state sector oil company *Petróleos de Venezuela* (PDVSA) would be opened up as a "mixed company"—allowing foreign capital into such critical areas as petrochemicals and coal.

A third measure—which continues to be discussed in the Congress—is that of "forgiving" the foreign oil companies which operate inside Venezuela more than \$800 million in special taxes, a case currently being heard before the Venezuelan Supreme Court. Especially outrageous is the fact that this arrangement is being sought at precisely the moment that national oil income has fallen to its lowest level in 10 years, and the fiscal deficit is dangerously increasing.

Another measure taken by the Executive the first week of September is a new foreign investment regulation, which is nothing less than a renunciation of Decision 24 of the Cartagena (Andean Pact) Accord. Among other things, the new regulation eliminates the obligation of foreign capital to combine with domestic capital; it increases the amount of profits that can be remitted abroad; it exempts from legal restrictions all foreign investment in the state sector or directed toward priority sectors.

Worst of all, it allows the conversion of debts into equity, through which Venezuelan industry will be rapidly swallowed up by international usury.

And what are the so-called priority sectors now open to foreign investment?

First, tourism, the sector traditionally employed for laundering of drug and other dirty money. Second, strategic sectors such as food, construction, and computers and electronics. This will translate into the bankruptcy of many national high-tech companies.

The most serious aspect of the situation is that not a single political, business, or labor representative has expressed the slightest opposition to these measures, with the exception of newspaper editor Miguel Angel Capriles, who told the Energy Commission of the Congress Sept. 1 that it is a total falsehood that foreign investment is the panacea for economic reactivation. He warned that these measures, rather than bringing money into the country for investment, would facilitate further bleeding of the economy.

The amount of the Venezuelan fiscal deficit estimated for 1987 is between 30 and 45 billion bolívares (\$6-9 billion). According to official figures released by the Mines and Energy Ministry on Sept. 5, if the price of Venezuelan oil is kept at \$14.50 per barrel, the country will receive a total of \$7.8 billion in oil income, \$5.2 billion less than originally anticipated. Oil prices internationally were fluctuating between \$8 and \$11 per barrel the first week of September.

Those same official figures put debt payment and import costs at \$6.2 billion—for the first six months of 1986 alone! At the same time, central bank reserves have fallen from \$8 billion at the end of 1985 to \$6.7 billion as of Aug. 14, 1986. Clearly, unless debt payments are drastically cut back and these measures reversed, the Venezuelan economy is headed for disaster.

Terror offensive forces Bonn to act

France and West Germany begin to coordinate anti-terror policy.

Coincidence had it that the West German Chancellor, Helmut Kohl, met with the French Premier Jacques Chirac in Paris the day after a terrorist bomb had killed 1 civilian and injured 19 others in the post office at the Paris Town Hall. When Kohl arrived in Paris on Sept. 9, he came under the shock of the terrorist bomb attack on the Federal Bureau of State Security in Cologne early that same morning.

The bomb, 50 kilograms of heavy industrial explosive, caused material damage of more than 1 million Deutschmarks. A civilian was injured by metal splinters, when he was passing in a van at the time the bomb detonated. It was great luck that the bomb did not kill or injure any of the officials working on the overnight shift in the State Security building.

Both attacks—in Paris and in Cologne—were without precedent. They ended the naive assumption of politicians in both countries that the terrorists would respect human lives, and only hit “material targets.” The attacks put an end to the argument that terrorism was “still under control.” They also ended the ridiculous illusion, especially in West Germany, that the terrorists would refrain from direct attacks on the state’s official institutions. The Cologne bombing made fools of those many “experts” in Germany, who still recommended that because terrorism was allegedly a “sociological phenomenon,” it had to be treated by sociological, rather than police methods.

The minister of the interior, Fried-

rich Zimmermann, inspecting the site of the Cologne bombing a few hours later, was quite to the point: “This is a declaration of war by the terrorists against the state!” Zimmermann recalled to public memory the fact that this bomb attack was the third, within a few weeks, against a central institution of the government: Previously, two bombs had hit the training and reconnaissance center of the German Border Police near Bonn, and another one destroyed a section at the Federal Bureau of Administration—also in Cologne.

Zimmermann, who belongs to the more conservative wing of the Christian Democrats in Germany, had been among those calling for tougher anti-terror laws before. The supremacy of the liberal wing within the Christian Democrats, reinforced by the minor government coalition partner, the liberal Free Democrats, made such anti-terror laws impossible. The sequence of three heavy bomb attacks against government institutions, the bloody end of the Karachi hostage affair, and daily reports of extremist sabotage against the West German railway system and electricity grid made the liberal dam break.

Within hours after the Cologne bombing, sources inside the Bonn government leaked to the media that “tougher anti-terror laws” were on the agenda. The measures debated are a return to the anti-riot laws, abandoned in 1970 by Chancellor Willy Brandt’s Socialist-Liberal government, a banning of masked mass demonstrations,

and the prosecution of articles, interviews, and reports in the media endorsing terrorism or expressing sympathy with it as a “crime against the state and the public order.”

A return to a tough response of the state to the terrorist scene at large, which includes the violence-prone protest movement against the country’s nuclear industry, will do much to “dry out” the waters the hard-core terrorists need to swim around in, surface for their attacks, and dive back into immediately after.

But terrorism is also an international problem. While the police of the two neighboring countries, France and West Germany, have operated within their respective borders, the most dangerous and unscrupulous terrorist groups, France’s “Direct Action” and the West German “Red Army Faction” (RAF), have operated across the borders for some time. For the RAF, a retreat into France would save them from the German police, and vice versa for Direct Action terrorists.

This will now change. Chancellor Kohl and Premier Chirac resolved at their Sept. 9 meeting in Paris, that the fight against terrorism has to be intensified. Still cautious toward the Free Democratic coalition partner in Bonn, Kohl hesitated to support in public Chirac’s line that terrorism is “an open declaration of war.”

Kohl agreed, however, on a number of concrete measures which will change things in West Germany, too: 1) implementation of close cooperation and coordination in fighting terrorism in France and West Germany; 2) regular strategy sessions of the anti-terror units of both countries, to preempt terrorist attacks; and 3) a joint French-German initiative on the government level to invoke an emergency summit of all ministers of the interior and security in the European Community.

Sri Lanka versus narcoterrorism

Once a tourism-related problem, drugs have become a serious national security threat.

In late August, the West German Federal Prosecutor's office announced an investigation into evidence that the Tamil Liberation Front, a support-arm for the separatist-terrorist groups fighting in Sri Lanka for an independent "Tamil Eelam," has been blackmailing exiled Tamils in Germany to sell drugs and hand over the money for weapons. The evidence had surfaced as German police pursued the case of a group of 155 Tamil exiles who traveled from East Berlin through West Germany and on to Canada.

Since 1982, when Sri Lankan nationals first showed up in drug-related cases abroad, their numbers among arrested drug traffickers in Western Europe have increased dramatically. By 1984—one year after bloody ethnic riots in Sri Lanka brought to light the Tamil insurgency—about 75% of all Asians arrested for drug trafficking were Sri Lankan. Of more than 300 Sri Lankans arrested each year in 1984 and 1985, 80-90% were Tamils. The majority of those arrested enjoy political refugee status in Western Europe.

According to the March 1986 report of Sri Lanka's National Dangerous Drugs Control Board, the Sri Lankan Tamils are well organized in the European countries where they handle the entire conveyance and distribution of the heroin they bring in from south Asia. "While some travel to India or Pakistan legally or illegally and then proceed with heroin to the West European countries," the report states, "most of these traffickers first enter the European countries as political refu-

gees [with no job and generally low educational qualifications] and travel from there to India and Pakistan to pick up the heroin for the organizations established in the European countries. These organizations consist of Sri Lankan Tamils and other international criminal and terrorist organizations which handle details of travel, stay, documentation, and financing, and also help such persons to establish their claim for political refuge."

The Sri Lankan couriers have made close contact with drug dealers and criminal syndicates in Paris, Rome, and Amsterdam, and, according to international agencies cited in the Sri Lankan Control Board report, they have become involved with Indians, Pakistanis, Iranians, and Nigerians, all of whom have proved to be significant heroin traffickers.

But perhaps even more worrisome, Sri Lanka's problem is by no means simply one of "transiting" or trafficking. Except for one clandestine heroin lab discovered in 1981, there is no evidence that heroin is being refined in Sri Lanka. But, as the March Control Board report documents, heroin consumption has soared. According to the government, India and Pakistan are the source of almost all the heroin brought into Sri Lanka.

Since 1980, when heroin was first detected in the country, about 6,000 persons have been arrested annually in Sri Lanka for drug-related offenses. In the 1984-85 period, heroin-related cases increased tenfold—from about 15% of total drug offenses in 1984 to

51% in 1985.

Given the international norm of 80 users per 100 arrests, about 2,400 of the 3,000 arrested in 1985 can be assumed to be heroin users. And, taking 1:10 as the ratio for identified to actual users, Sri Lanka estimates its heroin-addict population at 24,000 as of 1985. By the government's calculations, Dope, Inc. is sucking more than \$600 million a year out of this tiny island nation of some 15 million, not to mention the destruction of whole families in a social tragedy no longer confined to Colombo City and a few tourist centers.

In 1984 Sri Lanka overhauled its drug laws, establishing the death penalty for possession of more than 2 grams of heroin or 3 grams of opium or marijuana.

Some success was registered in special eradication campaigns in 1980-83 against marijuana, which is currently grown on an estimated 200 acres mainly in south-southwestern and several jungle regions of the country. But since 1983 the separatist-terrorist crisis has diverted resources from enforcement. In 1981, Sri Lanka had an estimated 18,000 chronic cannabis users, but according to latest reports, the local supply now exceeds demand and marijuana is being exported to Europe.

Hashish is smuggled into Sri Lanka from Pakistan or India, and opium from India by sea via the Palk Strait. In 1980 it was estimated there were 5,800 opium users in the country, at an average age of 55. The decline in opium abuse in 1980-85 coincided most with the rapid increase in heroin consumption and a reported reduction in opium supplies. The latter may be due to the presence of government security forces in the traditional landing areas in the north, the center of the separatist battleground.

International Intelligence

Italian doctor asks AIDS quarantine measures

Rome microbiologist Dr. Franco Graziosi demanded that AIDS carriers and victims in Italian prisons be quarantined, in an interview published in the Sept. 9 *L'Unità*, daily of the Italian Communist Party. The article was headlined "AIDS alarm in jails; of 4,700 seropositive, 1,400 risk death."

"The AIDS bomb is ready to explode," said Graziosi, dean of microbiology in the science department of La Sapienza University.

Graziosi is quoted: "I would send every infected one home. Do you know that in the U.S. Army, all recruits undergo tests to find out the presence of the AIDS virus? And seropositive ones are not accepted?" The reporter asked if this would really be practical? If not, Graziosi answered, "then, we will need special jails just for this, or, in any case, isolation. What do you want? That is the only precautionary measure available, and the most efficient that we know of up until now."

The duty of the doctor is to defend both the AIDS-infected and the noninfected, he said. AIDS is transmissible not only by drug users' needles and homosexual activity, but through "the exchange of saliva or any other bodily liquid. . . . I am speaking as a scientist. I have the problem, in my heart, of protecting thousands and thousands of citizens. With the figures you bring up [of AIDS spread in Italian jails], nobody can any longer think that it is a matter of drug addicts or homosexuals. Those nearly 5,000 people are in contact with people in the jail, and with relatives."

Malaysia bans rock concerts

The government of Malaysia has banned rock concerts in public, and may ban radio and television broadcast of rock music. Deputy Interior Minister Megat Junid Megat Ayob, explained the action to the press by saying

that rock-and-roll is "a bad influence on Malaysian youth and prevents a positive development of Malaysia's culture."

During recent rock music events, riots and vandalism took place.

The ban is limited to public events, but the government also may ban rock music shows on television and radio.

Malaysia has also instituted the death penalty for drug trafficking, and provoked howls of protest from Western liberals when two Australians convicted of drug trafficking were put to death this past summer.

Hammer goes from Tel Aviv to Moscow

Soviet Premier Nikolai Ryzhkov received billionaire Armand Hammer at the Kremlin on Sept. 2. Hammer, the Occidental Petroleum executive, is a leading representative of Soviet collaborationists in the West, collectively known as "The Trust," whose financial interests originally promoted the Bolshevik Revolution and now promote the Russians' global imperial ambitions.

In public, Ryzhkov praised Hammer's "personal efforts" to promote "mutual understanding" between Moscow and the United States. Hammer publicly spoke of "promising new forms of economic ties" which Occidental Petroleum was exploring. According to TASS, the "two sides agreed that trade and economic ties between the U.S. and U.S.S.R. were far below the objective possibilities of the two countries."

At Tel Aviv University in Israel a few days earlier, Hammer had outlined his plan for negotiating the "emigration" of Soviet Jews to Israel—and his trip to Moscow may well have been a "report-back" on the Israelis' response. According to Israel's *Se-mana* of Sept. 3, Hammer "launched a call in favor of silent diplomacy, using the example of the Nixon era . . . when 50,000 Soviet Jews left the country."

Hammer made clear that these Jews will not be allowed to "emigrate" in the normal sense. They would be shipped, as in sealed box cars, to Israel. "Hammer . . . main-

tained that efforts must be made to prevent those Jews leaving the Soviet Union from traveling to countries other than Israel. . . . The 'red millionaire' revealed that the Hungarian authorities had recently mentioned to him the possibility that Budapest be the transit point for Jews leaving the U.S.S.R. for Israel. He also said that the Rumanians had made the same offer."

Channon death bares jet-set druggies

Olivia Channon, British cabinet minister Paul Channon's daughter, who died from a heroin and alcohol overdose at Oxford on June 10, spent summer holidays on the Caribbean island of Mustique with Princess Margaret, the *Daily Mail* reported on Sept. 5.

One of Olivia Channon's closest friends was Lady Helen Windsor, daughter of the Duke and Duchess of Kent, Queen Elizabeth's first cousin, the paper reported.

Olivia grew up in a world where drugs were abundant, the *Daily Mail* reported, and was unquestionably on drugs long before she went to Oxford. Channon's closest friend, Rosie Johnston, testified that Channon, 22 when she died, had begun taking cocaine when she was 17 or 18. It was an "open secret" among Channon's "jet-set group" that she took drugs. One friend of Channon's described her emotional state prior to her death as "typical of the depression suffered by addicts."

Others involved in the case include Count Gottfried von Bismarck, 23, great grandson of Prince Otto. He was released on £15,000 bail pending a Sept. 25 hearing, on charges of possessing cocaine and amphetamines. Sebastian Guinness, 22, Channon's third cousin and heir to the Guinness (brewery) fortune, was released on £10,000 bail on charges of supplying heroin and possessing heroin and cocaine. Guinness's grandmother was Diana Mitford, sister to Jessica and Nancy Mitford. Diana's second husband was Oswald Mosley, head of the British fascist party in the 1930s.

The *Daily Express*, which confirmed Channon's visits to Mustique with Princess Margaret and Mick Jagger, says that Channon kept her public social life and her drug-sprees in London carefully separate. Dutch Baron Freddie Oomkens, another close friend, told the newspaper that "heroin is the most expensive thing you can buy. That's part of the fun. It gives you this wonderful wasted look that's very fashionable. You could see that look in Oli's eyes."

Peres, attacked by Sharon, threatens to fire him

Israeli Trade Minister Ariel Sharon blames Israeli government peace initiatives for provoking the Sept. 6 terrorist atrocity at the Istanbul Synagogue. In an interview following the incident, Sharon said that the attack on the synagogue was "a pogrom," and "the terrible answer of the Palestinians and their supporters . . . to Israeli concessions."

Sharon attacked the efforts of Prime Minister Shimon Peres to involve Jordan's King Hussein in peace negotiations, his trip to Morocco by Peres, and his ongoing talks with Egypt on the two countries' border dispute in the Sinai.

In response, Prime Minister Peres shut down a cabinet meeting just after it began Sept. 7, and announced that it would not resume until Sharon apologized. Interior Minister Rabbi Yitzhak Peretz said, "If he doesn't take back his words, I believe the prime minister will fire him."

Peres's adjournment of the cabinet is unprecedented in his two years as prime minister. In a government crisis last November, Peres demanded Sharon resign for criticizing government peace moves. Sharon submitted a written apology.

Swedish police probed in Palme killing

The Swedish counter-espionage intelligence agency, SAEPO, has started "parallel investigations," independent of the Swedish

police, into the Feb. 28 murder of Prime Minister Olof Palme, the daily West German newspaper *Die Welt* reported on Sept. 8.

It appears that the police themselves are the target of the investigation. According to *Die Welt*, SAEPO is especially interested in the activities of certain police officials on the day of the killing.

According to Swedish papers, SAEPO is conducting a "parallel" and "totally independent" investigation of the murder, in particular, of a man whose description "corresponds to that of a policeman."

In the past, *EIR* has charged strong KGB penetration of Swedish police (and security) forces. Editor-in-Chief Criton Zoakos was recently quoted in Swedish papers naming the KGB as behind Palme's killing.

Drug traffickers up pressure in Colombia

A Colombian judge has freed Evadili de Escobar, wife of famous Colombian drug trafficker Severo Escobar, although she had been convicted on drug charges in Colombia and was wanted on such charges in the United States.

Mrs. Escobar was suddenly released from jail on Sept. 6 by a judge in the city of Coachi, Cundinamarca. At the time, extradition proceedings had been filed by the United States.

This is not the first such incident in which Colombian judges, who have been universally threatened with death unless they cooperate with the drug mafia, have released convicted traffickers.

The boldness of the mafia was reflected in the newspaper *El Tiempo*, which editorialized the following day for cancellation of the extradition treaty with the United States. *El Tiempo's* star journalist Roberto Posada García Peña (a.k.a. Tartanan) demanded that Colombia's new President, Virgilio Barco, put an end to the treaty, ostensibly to save judges lives. "Every day you can see it: judges threatened, magistrates murdered . . . our justice system terrorized," he wrote.

Briefly

● **A SOVIET RADIO** commentator on the "International Observers Roundtable" show Aug. 10 took the British Royal Family's side in the ongoing "Palacegate" battle between the House of Windsor and Prime Minister Margaret Thatcher. He stated: "It is also known—if the British press is to be believed—that Prince Charles has met the poor under London's bridges, something else that the British press considers to be a violation of tradition and protocol. We see that the Conservative cabinet's policy is so reactionary that it is even beginning to give rise to displeasure in the Royal Family."

● **YITZHAK SHAMIR**, Israeli foreign minister who is scheduled to become Prime Minister in October, had nothing but praise for the Russians in a speech at Tel Aviv University in late August. He shared the podium with Armand Hammer. According to *Semana*, Shamir, "possibly influenced by the 'red Hammer' . . . pronounced the most conciliatory speech on the Soviet Union. Shamir praised the role of the U.S.S.R. in the second World War in the defeat of Nazism. . . ."

● **COUNT GEORGE IGNATIEV**, member of the Queen's Privy Council in Canada and a scion of the old Russian Okhrana family, is the latest promoter of the Soviet moratorium on nuclear testing, according to *Pravda* Sept. 3. The Count, president of the organization "Science for Peace," sponsored a letter supporting the Soviet moratorium, printed in the *Toronto Globe & Mail*.

● **TERRORISTS** of Peru's savage Sendero Luminoso (Shining Path) gang have assassinated a judge who refused to resign his post. Police found the body of Ademir Zevallos in the Andean town of Ondores, with a note from the killers: "All authorities who do not resign immediately will die in this way."

Will budget-cutters prevent fusion?

The only constraints on achieving fusion by the end of the century are budgetary and political, not technical. Princeton's latest results prove it. Carol White reports.

The only obstacle to achieving a demonstration commercial fusion plant by the year 2000, appears to be one of political will. The recent results with the Princeton Tokamak Fusion Test Reactor (TFTR) merely emphasize that it is budgetary not technical constraints which are slowing down the fusion program.

Princeton's breakthrough

The Princeton Plasma Physics Laboratory captured headlines by its announcement that it had achieved a plasma temperature of 200 million degrees Celsius, the highest temperature ever recorded in a laboratory. But this is only typical of the exciting results from the fusion program in general—both the magnetic and the inertial confinement programs.

In the first wave of enthusiasm following upon the announcement of the Princeton results, Department of Energy spokesmen appeared so carried away that they temporarily forgot the restraints of the Gramm-Rudman amendment and its attendant mentality. Since then, Fusion Office Director John Clarke has scaled down his optimism to the size of his budget. The United States is now seeking international cooperation—either from the Europeans and Japanese, or the Soviets, for the development of an Engineering Test Reactor (ETR).

The Magnetic Fusion Energy Engineering Act of 1980, introduced by then Democratic Congressman Mike McCormack from Washington State, was voted up by an overwhelming majority in both the House and Senate, and was signed into law on Oct. 7, 1980 by President Jimmy Carter. It specified that the United States would build an ETR by the year 1990 and a commercial prototype fusion reactor by the year 2000.

It is a sad irony that this Act became the law of the land under the anti-nuclear Carter administration only to be consigned to oblivion—along with the fusion budget itself—by the pro-nuclear Reagan administration. Now, six years later, that law has died by default, and the fusion budget has been slashed by one-third in real dollars.

The McCormack Act

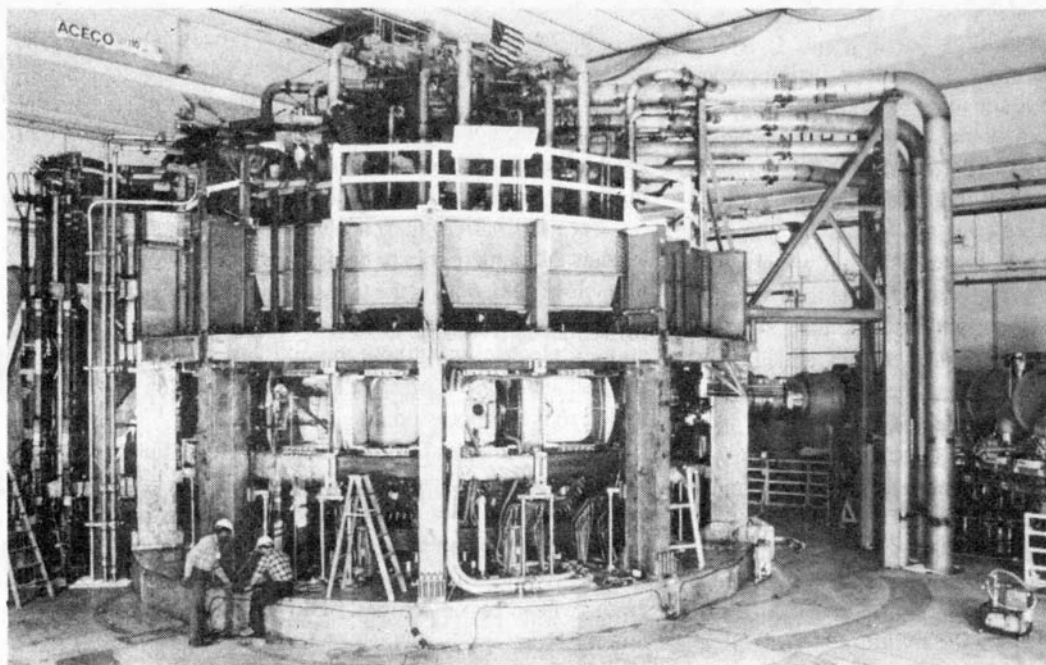
The McCormack Act must be revived. Even with minimal support, fusion has demonstrated its promise to provide virtually unlimited energy. And only as we have fusion energy will we achieve the goal of colonizing space. If we are to establish a base on Mars within 40 years, we will need to deploy energy at flux densities at least one order of magnitude greater than those which are presently available. Fusion power is the only way.

The McCormack Act mandated the maintenance of the United States as the world leader in magnetic fusion. Such a commitment of national pride in no way cuts across the obvious benefits of international cooperation. In the fusion program, as in the space program, it is precisely by having an active and aggressive program that we will stimulate other nations, including the Soviets, into cooperation and accelerated parallel development.

The McCormack Act contains the following provisions, all of which are as apt today as six years ago.

“Section (a)

“1. The United States must formulate an energy policy designed to meet an impending worldwide shortage of many exhaustible, conventional energy resources in the next few decades;



The Tokamak Fusion Test Reactor (TFTR) at Princeton, in January 1983. This year, it achieved a record 200-million-degree (Celsius) temperature.

"2. The energy policy of the United States must be designed to ensure that energy technologies using essentially inexhaustible resources are commercially available at a time prior to serious depletion of conventional resources;

"3. Fusion energy is one of the few known energy sources which are essentially inexhaustible, and thus constitutes a long-term energy option;

"4. Major progress in all aspects of magnetic fusion energy technology during the past decade instills confidence that power production from fusion systems is achievable;

"5. The United States must aggressively pursue research and development programs in magnetic fusion designed to foster advanced concepts and advanced technology and to develop efficient, reliable components and subsystems;

"6. To ensure the timely commercialization of magnetic fusion energy systems, the United States must demonstrate at an early date the engineering feasibility of magnetic fusion energy systems;

"7. Progress in magnetic fusion energy systems is currently limited by the funds made available rather than technical barriers;

"8. It is a proper role for the Federal Government to accelerate research, development, and demonstration programs in magnetic fusion energy technologies; and

"9. Acceleration of the current magnetic fusion program will require a doubling within seven years of the present funding level without consideration of inflation and a 25 per centum increase in funding each of fiscal years 1982 and 1983.

"Section (b)

"It is therefore declared to be the policy of the United

States and the purpose of this Act to accelerate the national effort in research, development, and demonstration activities related to magnetic fusion energy systems. Further, it is declared to be the policy of the United States and the purpose of this Act that the objectives of such program shall be—

"1. To promote an orderly transition from the current research and development program through commercial development;

"2. To establish a national goal of demonstrating the engineering feasibility of magnetic fusion by the early 1990s;

"3. To achieve at the earliest practicable time, but not later than the year 1990, operation of a magnetic fusion engineering device based on the best available confinement concept;

"4. To establish as a national goal the operation of a magnetic fusion demonstration plant at the turn of the twenty-first century;

"5. To foster cooperation in magnetic fusion research and development among government, universities, industry, and the national laboratories;

"6. To promote the broad participation of domestic industry in the national magnetic fusion program;

"7. To continue international cooperation in magnetic fusion research for the benefit of all nations;

"8. To promote greater public understanding of magnetic fusion; and

"9. To maintain the United States as the world leader in magnetic fusion."

The Act also called for a doubling of magnetic fusion funding over a seven-year period (in constant dollars). Instead, the fusion budget has decreased since the Act became law. The fusion program needs a far more drastic infusion of funds now than six years ago, if it is to proceed at the pace

indicated by its technical potentialities.

The current policy direction of the magnetic fusion program stems from capitulation to the idea that the only way to keep the fusion program from being destroyed by budget cuts, is to replace an aggressive U.S. program with international cooperation. But the kind of increases in productivity which are already being realized from the Strategy Defense Initiative, will accelerate in a non-linear fashion if we develop the technologies needed to successfully realize the Moon-Mars program. This will provide more than adequate funds to pursue vigorous national programs in each area, and allow international cooperation to proceed as it becomes appropriate.

There is no necessary trade-off between a vigorous national development of fusion power and the space program, and international cooperation. It would be a tragic blunder to base the next steps in development on the politics of summity, waiting to build a next-generation ETR, for example, for a cooperative agreement with the Soviets.

This is in no way equivalent to the building of an ETR. The CID will be run with extremely high magnetic fields and will not actually replicate the conditions which must be met to tame fusion power for industrial purposes. For this, the critical next step is the ETR.

A better plan

An alternative approach to building the CID or TFCX would be to build an engineering test device which would incorporate both concepts in sequenced phases, beginning with a first, two-year phase in which short-pulse physics ignition experiments would be conducted. This would be followed by long-pulse experiments. The third phase would be the engineering work, materials testing, and a full ETR machine operating with superconducting magnets. Such a device could produce results over a 10-year period and could start operation in 5 to 8 years. This would push the program 10 to 20 years ahead of the present track, allowing a commercial demonstration plant by 2000-2005.

The cost of such a three-stage machine would be only \$1.5-2 billion. The idea would be to update previous design work over a six-month period, during which the construction site would also be chosen. At the end of six months, hardware orders could be placed.

It is precisely such an aggressive approach which will guarantee international cooperation. Indeed, the Soviets and Europeans will be knocking at our doors, as opposed to the present situation in which we are standing hat in hand at their doors, trying to save the U.S. program from being slaughtered by the budget cutters.

Alternative concepts

The Tokamak is a major contender for the first model of a commercial fusion power reactor, but it is a brute-force approach to the control of plasmas.

The new fusion age will deploy power as a combined energy and refining resource, which will also be able to "mold" the refined material as it is produced. For such a total transformation of industrial processes to take place, we will need a variety of machines enabling us to control and deploy high-energy plasmas with precision.

Yet, alternative approaches to achieving fusion power such as the tandem mirror device are on the budgetary chopping block. Not only is the tandem mirror an attractive potential power source—because it would allow the direct generation of electricity, without the inefficient step of converting it to steam—but it offers a possible approach for fusion-fueled rocket propulsion.

A recent decision of DOE and the Magnetic Fusion Advisory Committee, in order to keep the tandem program alive at all, is to cut \$3-4 million from the alternative concepts section of the fusion budget. This does not include the \$350 million required for the Lawrence Livermore mirror program, whose two machines faced shutdown due to lack of funding.

The failure to complete the Fusion Materials Irradiation Test facility at Hanford, Washington, represents a similar error which must be rectified. Fusion must prove that it does not accumulate long-lived radioactive waste. Particularly when tritium is used as a fuel, there is radioactivation, which contaminates and corrodes the materials in contact with the plasma. New alloys and other materials, that are not now conventional building materials, have to be developed, along with technologies for manufacturing, handling, and construction of fusion reactors. A first step is to take small samples of new materials first, which can be subjected to fusion-comparable radiation environments for at least five years. This can be partially accomplished with the ETR.

With the Princeton program feeding a justified optimism that mankind is on the verge of controlling the energy of the Sun in his laboratory, now is the time to reaffirm the McCormack Act. Now is the time to drive the budget cutters out of the halls of Congress and set this nation back on the road to scientific preeminence.

It has been U.S. practice to leap-frog, planning two generations ahead, so that as a new device comes on line, the next is already in the planning phase. Such an approach implies a flexibility of design which allows for unanticipated advances. The Europeans and Japanese have traditionally taken a more cautious approach. Results from the European JET tokamak and the Japanese JT-60 are not expected before the mid-1990s, so that there is little likelihood of their moving ahead with a next-generation reactor before 1992.

The Soviets have offered cooperation; however, the device which they propose, INTOR (international tokamak reactor) would be about five times as expensive as the one considered here—\$5 billion. There is talk now of joint development of such a large-scale program as a follow through from the Reagan-Gorbachov summit. Such a plan might in-

volve as many as 15,000 skilled scientists, engineers, and technical workers. Should the Soviets agree to President Reagan's proposal for joint development of SDI technologies, similar cooperative efforts in space and fusion would no doubt follow.

The TFTR

In August 1978, the Princeton Large Torus (PLT) made worldwide headlines by reaching a then-record temperature of upwards of 60 million degrees Celsius. At that time, the director of the DOE's division of magnetic confinement said: "The question of whether fusion is feasible from a scientific point of view has now been answered. It's the first time we've produced the actual condition of a fusion reactor in a scale-model device." The TFTR is twice the size of the PLT.

The idea of building the TFTR took shape in 1973, long before the PLT had broken any records. The initial fusion advances by the Soviets in the late 1960s had been confirmed on several U.S. experimental devices, and there were significant advances in heating and controlling fusion plasmas. At the time, Dr. Robert Hirsch, then director of the U.S. fusion program, proposed building the TFTR. It was to be the first tokamak capable of using tritium as a fuel.

It is this kind of philosophy—the conviction that the technology was possible and necessary and therefore that the next stages had to be started even before the current stage had proved successful—that made possible the recent achievements on the TFTR. It also meant that the TFTR from the beginning was designed to be modified to take advantage of new discoveries as they were developed on other working tokamaks. Two years ago, various designs were proposed for a next generation Tokamak Fusion Core Experiment (TFCX), an ETR-type device which would cost \$1.5 billion, as compared to \$300 million for a smaller Compact Ignition Device (CID) which would test the plasma's ability to continue burning. The TFCX would have tested ignition, but would also have had reactor features such as a test configuration of a blanket module used to extract energy from the tokamak. In one design, it would have had a five-minute burn time, as compared to the projected two-second scale-up on the smaller device.

While it is confidently expected that scientific break even will be achieved next year (when more energy is released by fusion than is expended in operating the machine), the next significant goal is to test the capability of the machine to continue burning. The current idea is to build only the CID.

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SR-1

A look at fusion reactor technology

Part I of a comprehensive overview by India's Dr. V. K. Rohatgi

Dr. Rohatgi is head of the Plasma Physics Division at the Bhabha Atomic Research Center in Bombay, India. He also directs India's MHD (magnetohydrodynamics) program. This review of fusion technology was written in 1985. While it does not incorporate the latest Princeton results, we feel that this comprehensive overview of the program would be of interest to our readers.

It is well known that controlled thermonuclear fusion promises an unlimited source of energy. Although the development of a thermonuclear fusion reactor has been of interest for more than three decades now, it is only recently that visible and convincing progress has been achieved in this field. This is mainly due to the rapid technological advances the world over. It is now certain that in the next century commercial fusion energy will become a reality.

Now that the physical principles of fusion energy are adequately understood, there are a number of schemes under way to produce fusion reactors on a laboratory scale. Fusion reactor design has become much more comprehensive and realistic during the last five years. The new breakthroughs at Los Alamos National Laboratory pointing toward compact and high density magnetic fusion have been summarized by Stevens (1984), and Coppi (1984) discusses the advanced fusion-burning core experiment proposed at the Massachusetts Institute of Technology (MIT). This article examines recent developments and efforts devoted to the design of fusion reactors. From this study, one can see that it is now possible to identify the engineering and technological requirements for the development of a thermonuclear power reactor. Several leading laboratories in the world have already initiated development programs along these lines. It is important to note that the technology required for fusion is also of interest to many other scientific and industrial applications.

Fusion energy development is the most difficult and im-

portant technological challenge of today. Concerted and committed efforts are required now to achieve this objective in the early part of the 21st century. This estimate assumes certain accelerated growth of technological evolution with successive step-by-step improvement in the course of time. However, if a real breakthrough occurs, this time scale may get compressed accordingly.

Principles of fusion energy

Although there are a number of reactions that can yield fusion energy, the most widely studied reaction for this purpose is deuterium (D) and tritium (T), where $D + T = n + {}^4\text{He} + 17.6 \text{ MeV}$ (where n is a neutron, He is helium, and MeV is million electron volts). In this reaction, the neutron carries 14 MeV and the balance goes with the helium particle. Other reactions of interest are listed in Table

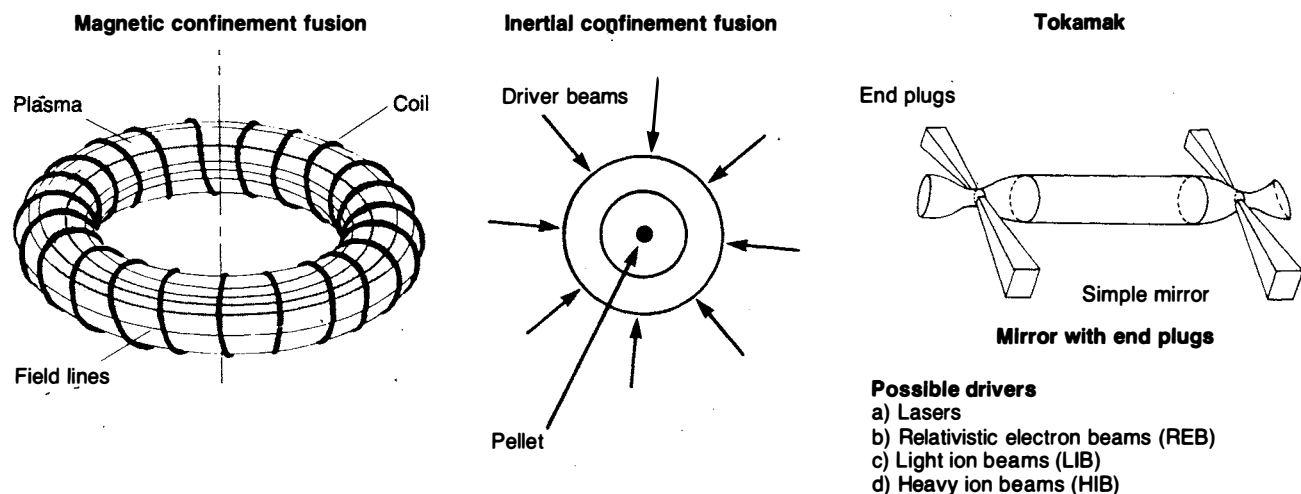
TABLE 1

Possible fuels for fusion energy

1. $D + T \rightarrow n + {}^4\text{He} + 17.6 \text{ MeV}$
2. $D + D \rightarrow P + T + 3.25 \text{ MeV}$
3. $D + D \rightarrow n + {}^3\text{He} + 4.0 \text{ MeV}$
4. $D + {}^3\text{He} \rightarrow P + {}^4\text{He} + 18.3 \text{ MeV}$
5. $P + {}^{10}\text{B} \rightarrow 3{}^4\text{He} + 8.7 \text{ MeV}$
6. $P + {}^6\text{Li} \rightarrow {}^3\text{He} + {}^4\text{He} + 4.0 \text{ MeV}$
Breeder type fuels
7. $n + {}^6\text{Li} \rightarrow T + {}^4\text{He}$
8. $n + {}^7\text{Li} \rightarrow n + T + {}^4\text{He}$
9. $n + {}^7\text{Li} + {}^6\text{Li} \rightarrow 2T + 2{}^4\text{He}$
Multiplier type fuel
10. $n + {}^{9}\text{Be} + {}^6\text{Li} \rightarrow 2T + 4{}^4\text{He}$

FIGURE 1

Basic schematics of magnetic and inertial confinement systems



1. These reactions are considered less attractive at the present time because of their low yield and cross-sections for producing energy. However, with the advancement of technology and experience thus gained, these reactions can be used as fuels for specific gains in the future.

To be considered successful, a controlled thermonuclear reactor must perform three major tasks:

1) Heat fusion fuel above the ignition temperature of 10 keV and above, for DT fuel (keV is thousand electron volts).

2) Hold heated fuel long enough to release more fusion energy than the heat input. For a DT reaction, this requires $n \times \tau$ of the order of 3×10^{14} sec/cm³, where n is the plasma density and τ is the confinement time. This is called the Lawson criterion. While scientific breakeven (that is, the fusion energy generated is equal to the energy invested in the plasma) can be demonstrated at somewhat lower values of $n\tau$, the ignition of the fusion reaction requires that this condition be fully satisfied.

3) Convert fusion energy released into electricity, or other direct applications. Requirements (1) and (2) must be satisfied simultaneously in a reactor before condition (3) is attempted.

There are basically two types of schemes being investigated to achieve a controlled thermonuclear fusion reaction: *magnetic* confinement and *inertial* confinement.

Tokamak, theta pinch, and magnetic mirrors are typical examples of magnetic confinement. **Figure 1** is a schematic of a tokamak and a mirror device with endplugs. In an inertial confinement system, the fuel pellet is irradiated by intense laser or particle beams. The reaction has to take place during a time shorter than the time taken by the pellet to disintegrate

on its own due to ablation, evaporation, and decomposition. A schematic of this system is also shown in Figure 1.

Present status

Here is a list of some of the best results obtained so far that augur well for the development of fusion power reactors.

Magnetic confinement approach

Plasma temperature of 7.5 keV was reported in the PLT tokamak device at the Princeton Plasma Physics Laboratory in 1978.

Lawson criterion of $n\tau = 8 \times 10^{13}$ sec/cm³ was achieved in the Alcator C tokamak at MIT in 1983.

The highest ion temperature of 2 to 3 keV was recorded in the TMX-U mirror device.

Lawrence Livermore National Laboratory improved the plasma confinement time from 10 milliseconds (ms) to more than 100 ms in the TMX-U tandem mirror device using end-plugs in 1983. Significant improvement in plasma confinement was also demonstrated in the TARA tandem mirror device at MIT in 1984.

Inertial confinement approach

The world's largest carbon dioxide laser, Antares, with 30 kilojoules (kJ) per nanosecond (ns) went on-line at Los Alamos National Laboratory in 1984. Also on-line in 1985 was the Nova glass laser at LLNL with 100 kJ/1 ns, the largest glass laser in the world.

The highest yield of thermonuclear neutron flux of 3×10^{10} was reported with Lawrence Livermore's Shiva laser in a DT pellet.

TABLE 2

Large tokamak projects

Device	Location	Start of experiments	Major radius R (meters)	Minor radius a (meters)	Toroidal magnetic field B_t (tesla)	Current/T (megamps)	Auxiliary heating (megawatts)	Working gas	Special features
TFTR	Princeton, U.S.	December 1982	2.50	0.85	5.2	3.0	30 ¹	H, D, D-T	Adiabatic compression
JET	Culham, U.K.	July 1983	2.96	1.25	3.5	5.0	40	H, D, D-T	D-shape ion cyclotron heating
JT-60	Tokai-mura, Japan	March 1985	3.00	0.95	4.5	2.7	30	H, D	Divertor lower hybrid heating
T-15	Moscow, U.S.S.R.	1986	2.40	0.70	5.0	2.3	15	H	Superconducting coils, electron cyclotron heating

¹Not including compression

A better understanding of beam target interaction, approaching energy breakeven conditions, has been gained (IAEA Conference on Plasma Physics and Controlled Nuclear Fusion Research, 1982).

Undoubtedly, the physics of fusion plasma remains to be further clarified. As a major step toward the demonstration of a successful fusion reactor, it is now necessary to establish, in a laboratory device, the scientific breakeven condition. That is to say, the device must be capable of producing fusion energy equal to the energy invested in the plasma. Breakeven conditions with ion temperatures approaching tens of keVs have been predicted in future mirror experiments such as the alternative configuration of TARA (known as MARS) and in

the upgraded version of TMX-U (the MFTF-B). Likewise, according to Furth (1985b), the Tokamak Fusion Test Reactor (TFTR) is expected to achieve scientific breakeven conditions in 1986. Four large tokamaks worldwide have been designed with this specific objective (Table 2). The devices in the United Kingdom and the United States are already operating, and the device in Japan has just become operational (1985). The commissioning date of the Soviet tokamak, the T-15, is scheduled for 1986. In JET (UK) as well as TFTR (U.S.), operating parameters are being successively improved. The energy breakeven experiments will be attempted in these devices around 1986. The advances in tokamak development in the United States are summarized in

FIGURE 2
U.S. and European status
in tokamak program

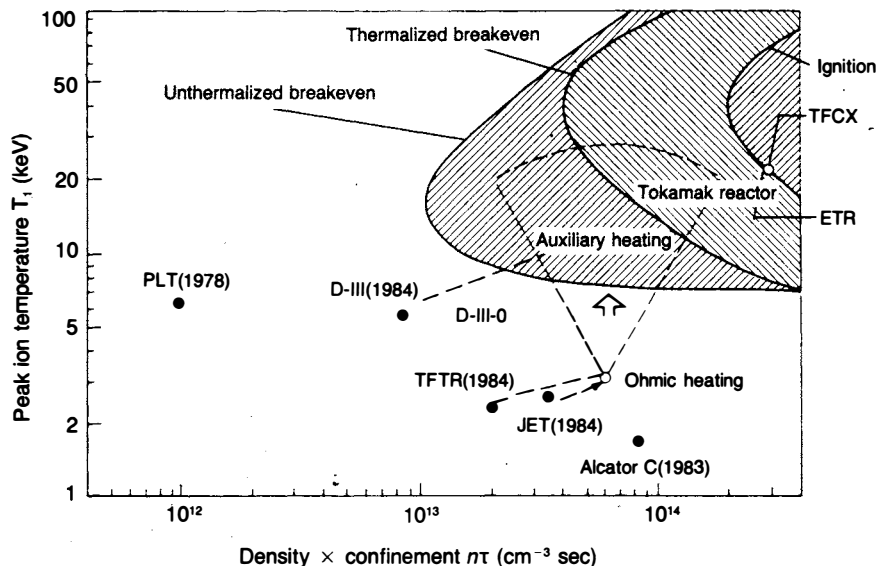


TABLE 3

Magnetic confined fusion reactor systems

	FED	FER	INTOR	CRFPR	TASKA	KARIN*
Configuration	Tokamak	Tokamak	Tokamak	Compact reversed field pinch	Tandem mirror	Moving ring reactor
Plasma temperature T (keV)	10	10	10	20	30	10
$n\tau$ ($10^{20} \text{ m}^{-3} \text{ sec}$)	2	2	2	0.6	0.5	—
First wall loading (MW m^{-2})	1.0	1.0	1.3	20	1.5	2.4
Thermal power (MW)	450	440	620	3,500	86	2,000

*New design concept of reactor combining the advantages of linear and torous configurations

Figure 2, which shows the achievement of Lawson confinement criteria versus the plasma ion temperature. As mentioned above, plasma temperature as high as 7.5 keV was obtained in the PLT device at Princeton in 1978. The highest Lawson criterion on $n\tau = 8 \times 10^{13} \text{ sec/cm}^3$ was achieved independently in 1983 in the Alcator C device at MIT. These results are very close to the desired values of temperatures and $n\tau$. The combination of these conditions will be attempted in the four large tokamaks (Table 2). Figure 2 also indicates the next steps after TFTR; namely, the Engineering Test Reactor (ETR) and the Tokamak Fusion Core demonstration Experiment (TFCX) which will be self-ignited. Experience on ETR and TFCX will permit the development of

a fusion power reactor. **Figure 3** compares the U.S. and Japanese tokamak development program on the calendar year basis. It is interesting to note that the Japanese program is extended beyond JT-60 (equivalent to TFTR) up to a Demonstration Fusion Reactor (DFR). The intermediate stages of this program include the development of a Fusion Experimental Reactor (FER) and a prototype fusion reactor as well.

Table 3 lists some of the examples of reactor designs for magnetic confinement schemes. Other than the tokamak, there are reactor designs based on compact reversed field pinch, tandem mirror, and moving ring reactor concepts. These designs are representative of devices intended to establish the engineering details as well as power generation. Though not included here, there are similar ongoing programs in Western Europe aiming at developing comparable devices (Next European Tokamak or NET). In general, these are based on the smaller operating systems, and conventional designs are adopted in most cases except in the moving ring reactor.

The moving ring reactor, KARIN-1, has a unique approach that combines the advantages of both linear and toroidal configurations. The 2,000 megawatts-thermal (MWth) DT fusion reactor KARIN-1 has moving plasma rings that are produced by relativistic electron beam (REB) injection, heated by radial compression and conveyed in a linear cylindrical burning section by an annular liquid lithium flow outside a silicon carbide (SiC) first wall. The liquid lithium not only stabilizes the tilting motion of the rings, but also works as a tritium breeder and a coolant. The energies of ash accumulated rings are efficiently recovered in a subsequent section. The linear arrangement provides for easy maintenance of the system. The schematic layout of the reactor is shown in **Figure 4**, while the energy flow diagram for the same system is shown in **Figure 5**. As seen from this flow chart, REBs with an efficiency of 80% are used for the formation

FIGURE 3
Comparison of U.S. and Japanese tokamak devices

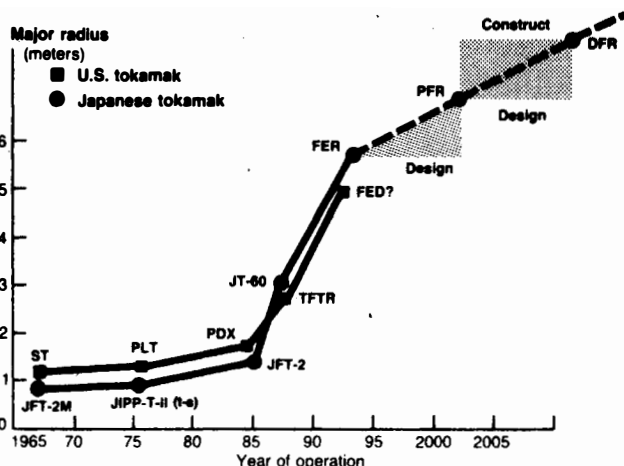
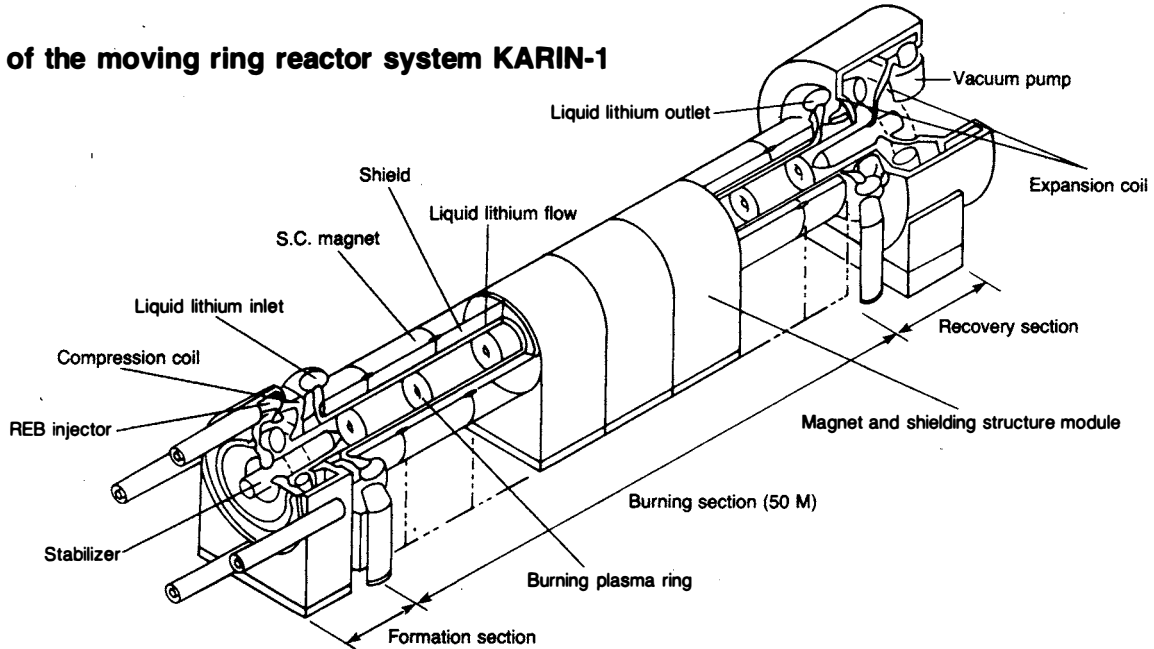


FIGURE 4
Layout of the moving ring reactor system KARIN-1



of fusion plasma rings. The thermonuclear energy produced in the burning section is further multiplied in the blanket by a factor of 1.2. The system also envisages recovery of energy with efficiency of 70% in the downstream section of the reactor. In the first stage of this scheme, an overall efficiency of 30% has been estimated.

The schematic of an inertial confinement fusion reactor is illustrated in Figure 6, which identifies four major components: the driver pellet factory, reactor vessel including blanket systems, and the energy converter unit (Hoffman 1980). In the inertial confinement fusion scheme, maximum

attention thus far has been given to the development of efficient drivers. Although initially lasers had been considered for this application, relativistic electron beams (REB) and high energy light and heavy ion beams have become more popular in recent years. Examples of a high-power laser for inertial confinement fusion work are summarized in Table 4. This table, which is only a partial list, includes examples of lasers being developed with different media such as glass, carbon dioxide, and iodine. There are many more facilities in operation as well as in development stages. Driving systems based on single and multiple beams are being devel-

FIGURE 5
Energy flow in the moving ring reactor system KARIN-1

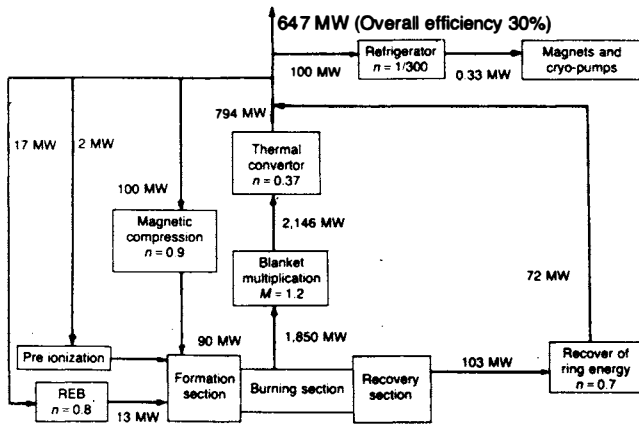
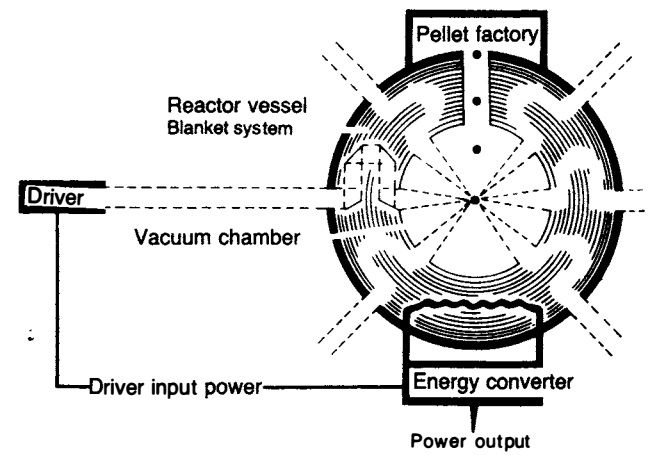


FIGURE 6
Inertial confinement fusion reactor



oped. Experiments are already in progress where high neutron yields have been produced with lasers impinging on fuel targets.

A selected list of particle beams being developed for driving fusion reactions is given in Table 5. This table includes examples of both electron as well as light ion beams. The work on heavy ion beams is relatively new and no operating facility has been reported to date. A heavy ion beam induction linear accelerator project has been started recently (1984) at Berkeley and is scheduled to begin target experiments in 1989. Another design is the HIBALL reactor concept in West Germany using a radio frequency linear accelerator with ring storage as the driver to give 10 billion elec-

tron volts (GeV), 5 MJ, 20 ns pulses of lead or bismuth ions with repetition frequency of 20 and target gain of 80. In the class of REB and light ion beams, two facilities, namely, PBFA II at Sandia National Laboratories in the United States and Angara V in the Soviet Union, are likely to be commissioned in 1986. In the case of PBFA II, physics studies of its high voltage (~30 MeV) lithium diode are planned to begin in 1985 in preparation for studies of the target-implosion hydrodynamics around 1988 at power levels of hundreds of terawatts/cm²/radian². The status of REB Angara V is discussed by Aranchuk et al. (1982). These experiments are intended to demonstrate the scientific breakeven conditions for inertial confinement fusion.

TABLE 4
Examples of inertial confined fusion drivers

Lasers

Identification/ Location	Media	No. of Beams	Output power (TW)	Output energy (kJ)	Pulse length (nS)	Remarks
Shiva, LLNL, U.S.A	Glass	20	30	10	0.1-1.0	10 ¹⁰ neutrons
Nova I, LLNL, U.S.	Glass	10	100	100	0.1-3.0	Operational
Delfin, Lebedev Institute, U.S.S.R.	Glass	12	33	10	0.2-3.0	
Gekko XII, Japan	Glass	12	40	20	0.1-1.0	
Shanghai, China	Glass	6	10 ⁻⁴	0.4	2.0	10 ⁴ neutrons
Barc, India	Glass	4	1	1	1	Being developed
Antares I, LANL, U.S.A.	CO ₂	24	40	40	1	10 ¹⁰ neutrons
Asterix III, West Germany	Iodine	1	1.1	0.4	0.35	

TABLE 5
Examples of inertial confined fusion drivers

Particle beams

Identification/ Location	Media	No. of Beams	Output power (TW)	Output energy (kJ)	Pulse length (nS)	Remarks
PBFA II, U.S.A.	Light ions	36	100	3,500	69	Commissioning date 1986
Angara V, U.S.S.R.	Electron	48	100	5,000	40-50	Commissioning date 1986
Ural, U.S.S.R.	Electron	1	0.01	1	100	
Reiden IV, Japan	Light ions	1	1	100	50	
Barc, India	Electron	1	0.1	5	50	Being developed
Sidnix, France	Electron	1	1	50	80	
Kalif, West Germany	Electron	1	1	55	45	

Soviet order to murder LaRouche advanced by judge

A Soviet-ordered assassination of Democratic presidential candidate Lyndon LaRouche was advanced on Sept. 12 by Federal District Court Judge Claude Hilton of the Eastern District of Virginia. In a lawless ruling, Hilton upheld the earlier decision by federal magistrate Curtis Sewell, ordering Lyndon LaRouche to respond to a series of National Broadcasting Company (NBC) interrogatories that would involve accessing corporate records of a dozen different entities that LaRouche has no access to.

By this ruling, Judge Hilton placed NBC in the position to move, perhaps as early as Friday, Sept. 19, to have LaRouche held in contempt of court. There is no doubt that under such a contempt ruling, LaRouche would be placed in jail—where he would be killed. Judge Hilton ignored all arguments presented by LaRouche's attorney, Odin Anderson, and made his ruling even before NBC attorney Peter Stackhouse addressed the court.

The fact is, the Soviets don't view Ronald Reagan as any threat to their plans for global imperial domination unless LaRouche is directly or indirectly guiding Ronald Reagan's policies. They have accordingly made their representations on the matter to their associates at NBC and the U.S. State Department, who have enlisted the aid of corrupt judges to set LaRouche up for murder.

Origins of the case

The entire case stems from a March 1984 NBC-broadcast slander of LaRouche, then also a candidate for the Democratic Party's presidential nomination, which prompted LaRouche to file a lawsuit against the television network's news department. At the time of the slander's broadcast, NBC had just signed a contract for broadcast of a series of its nightly news programs from Moscow. As indicated by NBC's quoting of favorable statements on LaRouche by sometime

National Security Adviser Norman Bailey, the clear intent of the NBC slander broadcast, which was concocted in cooperation with the Anti-Defamation League, was to sever whatever relations the Soviets believed to exist between LaRouche and the White House.

In the original trial, a corrupted jury was steered by a corrupt Judge James Cacheris into finding against LaRouche. NBC-TV had filed a counterclaim in that case. Although solid evidence was presented, that LaRouche has had no taxable income for more than a decade, Judge Cacheris ruled that LaRouche should pay \$200,000 in punitive damages to NBC-TV.

NBC's attorneys, ostensibly to collect the money they know LaRouche doesn't have, went to Judge Sewell in Alexandria at the end of August, with their proposed set-up of LaRouche for contempt. It was Sewell's decision, in violation of all law in such matters, that Federal District Court Judge Claude Hilton upheld on Sept. 12.

LaRouche attorney Anderson presented correspondence between himself and attorneys for the various entities whose records LaRouche is supposedly capable of producing, showing that LaRouche has no formal connections to those entities, and, therefore, cannot provide NBC with those documents. Anderson suggested that if NBC were truly interested in gaining such documents, its attorneys had a "lawyerly way" to go about it—by subpoenaing corporate officials for deposition. Anderson charged that NBC was not interested in legitimately gathering such data, but, rather, was out to create a "contempt trap" for LaRouche. Judge Hilton ignored all of these arguments, and ordered LaRouche to immediately comply with the interrogatories.

In a Sept. 1 press release, LaRouche identified precisely this assassination scenario, which—with the Hilton ruling—has moved into the endgame phase. NBC, under minute-to-

minute advisement by the Anti-Defamation League (ADL), is acting directly and wittingly on behalf of Moscow. The Soviet leadership appreciates the fact that LaRouche represents the only serious obstacle to their world domination. They will not hesitate to assassinate LaRouche at the first opportunity—before the November elections. The security stripping opportunity represented by the contempt trap in Alexandria court is the best shot that Moscow and its Western confederates have of eliminating LaRouche once and for all.

Why?

The NBC decision by Judge Sewell occurred approximately one week after the Russians issued a blatant death warrant for Lyndon LaRouche. As *EIR* reported in its Aug. 29 issue (page 41), The mass-circulation Russian magazine *Sovietskaya Kultura* attacked LaRouche and gave support to the mafia-linked First Fidelity of New Jersey, which stole hundreds of thousands of funds from LaRouche's 1984 campaign committee. The Russian magazine, moreover, reserved its most venomous tone for use against LaRouche's presidential ambitions.

Why, some would ask. Although the Soviets do view LaRouche as a serious presidential contender, in the context of crises certain to unfold between now and the 1988 presidential election, that is not the only reason for their concern. Their more immediate concern stems from the President's July 25 letter to Mikhail Gorbachov, which according to various intelligence sources, in the Russians' view, was "written by LaRouche." Without LaRouche, in the Soviets' view, Reagan would be incapable of acting effectively to defend U.S. national interests.

Reagan caved in on Daniloff

The clearest evidence of that is President Reagan's capitulation to Moscow's strategy of "irregular warfare," in his handling of the case of the American journalist Nicholas Daniloff, who was taken hostage by the Soviet KGB and charged with being a "spy." Before the eyes of the world, Ronald Reagan succumbed to a Moscow-created profile put forward by Secretary of State George Shultz, Chief of Staff Donald Regan, and Mrs. Nancy Reagan.

Not wanting to appear the "provocateur" or the "warmerger," Reagan agreed to exchange Soviet master-spy Zakharov for the framed-up *U.S. News and World Report* correspondent Daniloff. As of this writing Zakharov has been sent to his Russian Embassy and Daniloff is at the U.S. Embassy in Russia.

Reagan's capitulation sets the stage for a whole new series of Soviet worldwide atrocities. The issue of international law and the necessity to target the KGB, was set aside in the interest of this capitulation to KGB thuggery, at exactly the point when public figures in West Europe, including spokesmen for the French government, are identifying the Soviets as the command center for worldwide terrorism.

Further evidence of Reagan's capitulation is the Senate Judiciary Committee's "60-second" confirmation of William Weld to head the Criminal Division of the Justice Department—a Weld linked to Chinese intelligence and Soviet narco-terrorism and drug-money laundering in a dozen ways (article, p. 66). Weld, who has managed a Boston Grand Jury witchhunt against LaRouche and his associates for the past two years, has recently been revealed by investigation to have longstanding links to LaRouche's enemies in the pro-drug, terrorist underworld. Some years ago, Weld invested \$18,750 in the Boston *Real Paper*, the communist-infiltrated pro-terrorist newspaper of New England.

Elements of the plot

To understand the solidly provable elements of the assassination plot, one must take all of the legal side of ongoing financial warfare against LaRouche's friends as of the same piece as Judge Cacheris's and Magistrate Sewell's part in the *LaRouche v. NBC* actions. There is no separation between what Cacheris and Sewell have done, what corrupt U.S. Attorney William Weld has done in Boston, what a thoroughly corrupt Federal Election Commission has done, what has been done by an organized-crime-linked bank, First Fidelity, in New Jersey, and what is being done by organized-crime-linked Governor Mario Cuomo, Democratic National Committee chairman Paul Kirk, Adlai Stevenson III, and New York State Attorney-General Robert Abrams. Each of these elements is coordinated closely with the others, and the connections to organized-crime circles, international drug-trafficking, international terrorism, and Soviet intelligence, are massive.

For example, the attorney for organized-crime-linked Robert Ferguson, of First Fidelity, is an OSS China veteran and China-law specialist, Albert Besser. Through this channel, Besser is linked to the Soviet intelligence's Canada-based Institute for Pacific Relations network, and to Jerome Cohen of Paul, Weiss, Rifkind, Jerome Cohen, Henry Kissinger's key channel in the China policy-operations, is the patron of the wife of Boston's William Weld, Susan Roosevelt Weld. Weld himself, is a partner in a joint project of the Beijing Peoples Liberation Army and IPR-linked elements within the government of Canada. Weld is also an intimate crony of long-standing, of the General Counsel for the FEC. Besser, Weld, and the FEC have worked in intimate cooperation in each of the current operations targeting LaRouche and his friends, and have also worked closely with the defendants in *LaRouche v. NBC-TV* et al.

The entire network is under the direct control of Soviet intelligence, through, chiefly the U.S.A.-Canada Institute's interface with the old Soviet IPR networks still active in Canada. In the instance of some particular individuals, the direct Soviet-intelligence connections are not proven, at least not yet proven. However, the network as a whole is under the direct and provable control of Soviet intelligence.

U.S. space launch capability revives

by Charles B. Stevens

At 11:08 a.m. on Sept. 5 the United States ended almost a year-long series of space rocket failures with the launch of a Delta from Cape Canaveral in Florida. The payload lofted into near-earth orbit, consisted of two top-secret satellites carrying elements for space-based detection and tracking of offensive nuclear missiles. A 26 Aries missile was launched from White Sands, New Mexico at 12:40 p.m. to provide a target.

In Washington, Lt. Col. Terry Monrad, a representative for President Reagan's Strategic Defense Initiative (SDI) missile defense program, reported that the apparently successful test was designated as a Significant Technical Milestone Experiment. The double-satellite configuration carried out tests for both detecting objects in space—such as warheads—and long-range detection of missiles in their vulnerable boost phase. Laser specialists have previously revealed that some "pop-up" directed-energy weapon systems only require "field" testing of target acquisition and tracking elements before they can be deployed.

The SDI Delta launch consisted of two satellites which were placed into orbits 255 miles above the Earth. According to a June SDI report to Congress: "The vehicles will be maneuvered relative to each other to obtain sensor, guidance and navigation data. The experiment is a multifaceted exo-atmospheric experiment involving research into the area of vehicle dynamics, guidance and sensor sciences." In other words the test involved infrared tracking of one satellite by the other.

The *New York Times* quoted an administration official as reporting that the infrared sensors were also utilized to observe the "signature" of the Aries rocket, distinguishing between the infrared radiation from its cool rocket body and that from its hot engine flame.

If these reports are correct, the SDI has indeed demonstrated a major advance in infrared sensor technology. More specifically, the Sept. 5 test demonstrated sensors capable of operating over an extremely wide range of infrared wavelengths and environments—from cold satellites backgrounded by deep space, to hot rocket plumes. But the full scope and implications of the test are top secret.

Nevertheless, leading defense specialists report that the self-destruction of the two satellites, as planned, did not completely make sense. The Delta rocket alone costs \$42 million and ordinary communications satellites cost hundreds of millions of dollars. Why didn't the program design provide for a longer period of utilization for further SDI tests and intelligence missions of opportunity? The apparently most rational explanation is that the United States did not wish for the Russians to have an opportunity to observe the tests. This has led some specialists to speculate that the test could have included elements for the sensor system of a pop-up boost phase interception system based on directed-energy weapons.

Some specialists speculate that the Sept. 5 test could have involved demonstration of the type of infrared detection technology needed for boost-phase interception. In particular, the test fits the configuration needed for stereo infrared detection in a dynamic pop-up mode. Stereo detection must involve the use of at least two satellites. A single satellite infrared detector is capable of seeing a missile, but cannot determine its actual location or range. Two satellites can.

Infrared detectors

Since World War II, infrared (IR) detectors and imaging have emerged as the most generally applied means of finding and tracking military targets. This ranges from the battlefield tactical missile to space. The reason is quite straightforward. Unlike radar, which must produce its own detection beam, passive IR—the most widely utilized type—systems detect infrared beams produced by the target itself.

Physically, IR is the electromagnetic, or, "radiant" heat given off by all matter, when that matter is at a temperature of 11,000° Celsius or less. That is, in the range of body temperatures of most objects on earth. The portion of the electromagnetic spectrum covered is from about a wavelength of one micrometer to one millimeter and therefore at much shorter wavelengths than radar. (A specific body temperature can be related to a "peak" wavelength.)

Because of these characteristics, IR provides in many cases a more compact and effective means of detecting targets than that of radar. With IR one can see at night and through the clouds and fog. One can even sometimes detect objects underground—especially hot ones.

The first IR satellites deployed by the United States were the MIDAS series launched in the early 1960s into near-earth polar orbits to provide early warning of Soviet missile,

launches. As early as 1962, MIDAS 4 successfully detected and reported on the launch of a Titan missile within 90 seconds of liftoff.

By 1968 IR early-warning satellites were lofted into geosynchronous orbits 25,000 miles above the Earth. The early warning IR detection systems were primarily designed to just detect missile launches. But they performed far better. The IR detectors were able to also provide some tracking data—that is, follow the missile over time. This greatly improved the U.S. overall capability to predict the probable target of the Russian ICBM. The capability also greatly enhanced U.S. observation of Soviet missile tests. And in fact, it was reported in 1975 that the Russians had used a high-power, ground-based laser to blind one of these four satellites.

IR in fact has been at the forefront of the so-called computer chip revolution. This is because the incident IR “light” is generally detected in the form of photoelectrons. That is, the IR is received onto a semiconductor which acts as a photodiode—the process of converting light into an electrical current. The IR-induced electric currents generate the image. The photodiode can either be directly connected or part of a larger integrated computer circuit. The photodiode is considered the fundamental unit of an IR detector; sometimes also called a pixel. The number of pixels—of the same quality—generally determines the resolving power of the detector.

Recent progress by the SDI can be judged by the fact that the most recently deployed TRW Block 647 EW satellites have IR detectors with 2,000 pixels. SDI Chief Scientist Dr. Gerold Yonas told a press briefing last spring that IR arrays with over 1 million pixels had been achieved, more than a 20-fold increase.

The fact that the detecting surface of an IR system can be part of an integrated circuit vastly improves its potential capabilities. Input signals can be scanned in virtually real time. This means that unwanted signals can be screened out, while the system simultaneously focuses on real targets. Vast improvements have been made recently in IR sensor discrimination and reaction time.

Boost-phase IR

In general, ballistic missiles in their boost phase make quite bright objects for infrared detection. But the precise tracking of hundreds—possibly thousands—of missile boosters over long ranges is a difficult task. This is especially true if the existing array of deployed satellites have been disabled by directed energy weapons. Pop-up detectors are therefore required for virtually any form of boost-phase interception. And unlike the geostationary early-warning satellites, the pop-up system must operate when the satellite is undergoing accelerations during launch and after.

A key technology for IR boost-phase sensors is that of stereo detection. This involves detecting a target missile by

two separate satellites. When this is done, the missile velocity and location can be determined. The reason for this is as follows:

Ordinary radar is able to detect a target, and determine its velocity and location with a single beam. This is because the radar sends out a beamed pulse of microwaves which travel to the target and are reflected back onto the radar antenna. Since this back and forth takes place at the speed of light, measuring the time between transmission and reception gives the target range. A moving target will change the wavelength of the microwave beam—the Doppler shift—which means that measuring the wavelength change permits a determination of the target velocity.

In the case of passive IR, the detection signal only travels from the target to the satellite sensor—one way. Therefore, neither the travel time nor the Doppler shift can be easily measured. A single IR detector would therefore only measure the rate of angular displacement with respect to the surveillance satellite—that is, a line through the satellite and the missile. The solution to this is to utilize a second detection satellite. In this case, a separate line is determined, and by combining the data, a triangulation can be made which both gives the location and velocity of the missile. This would be then passed on to the interception system, such as a pop-up x-ray laser.

For boost-phase intercept, such missile detection and tracking must be carried out hundreds of times within a few minutes or less.

Pop-up missile defenses are based on the concept of only deploying defense elements into space after an offensive missile launch is detected. In terms of intercepting ICBMs in their boost phase, when they are most vulnerable, pop-up calls for very fast response. Because of its huge firepower and low weight, the nuclear x-ray laser has been put forward as a candidate and is currently being developed by Lawrence Livermore and Los Alamos National Laboratories. Potentially, one x-ray laser module, lofted into space on a small missile, could generate upwards of 100,000 simultaneous pulses, each capable of destroying a missile. Because of this huge firepower, the x-ray laser is particularly effective against massive surprise first strikes. (The x-ray laser can also be utilized quite effectively against nuclear warheads which survive the boost phase.)

X-ray laser experts have previously reported that a full-scale test of the pop-up x-ray laser is not required before its deployment. All weapon-related elements can be fully demonstrated in underground tests. The only element that should be field tested is that of ICBM surveillance and tracking. But it should be noted that even existing surveillance infrared satellites could provide a marginal intercept capability. This is because these infrared detection systems deployed in space have historically always performed well beyond their original specifications.

William Weld's Chinese connection

by Jeffrey Steinberg

At 10 a.m. the morning of Sept. 11, the U.S. Senate Judiciary Committee convened, and Committee chairman Strom Thurmond (R-S.C.) immediately rattled off a list of over 30 nominees for positions ranging from judgeships to top slots in the Justice Department, saying, "No objection? Approved." That was it. In less than one minute, the Senate Judiciary Committee had confirmed the nomination of Massachusetts U.S. Attorney William Weld to head the Criminal Division of the U.S. Justice Department. In less than one minute, a Boston Brahmin linked to Swiss banking, Soviet intelligence, Chinese intelligence, terrorist networks, and drug trafficking, had been approved as America's chief prosecutor of criminals! And all this was known to the Senate Judiciary Committee.

Most of the senators on the committee were present. As *EIR* goes to press, a report from the office of Senate Majority Leader Bob Dole stated that Weld's confirmation by the full Senate could come as early as Sept. 12.

At the same time, an investigation by the Justice Department's Office of Professional Responsibility (OPR) is now open, reviewing why William Weld lied under oath on Aug. 13, about his and his family's \$2.2 million financial interest in White Weld & Co. until 1975.

EIR exposed White Weld & Co. for its partnership with *Crédit Suisse*, Switzerland's most notorious center for laundering of funds for drugs and terrorism, and that Weld deliberately aborted the investigation of the Bank of Boston's drug-money laundering to protect *Crédit Suisse*. But, despite the Justice Department investigation, Sen. Strom Thurmond refused to delay the vote, a vote which was, to be mild, a breach of national security.

The China connection

According to reports from usually reliable sources, William Weld has a secret investment in Filmline International, a Montreal-based film company involved with the government of the Peoples Republic of China in a project to film the life of Canadian Communist Norman Bethune. The movie is being produced on the pretext that Bethune, who died in

China, is a "folk hero" to the Chinese Communists.

The financial interests of Weld's father, David, were centered in China and the drug-finance capital of Hong Kong until the late 1930s, when they were moved to Europe. The Weld family businesses in the 19th century were part of the Chinese opium trade.

In 1985, William Weld and his wife, Susan Roosevelt, took a month-long trip to China.

Susan Roosevelt is the daughter of former OSS operative Quentin Roosevelt, who died in 1949 in China. Susan Roosevelt's great-grandfather was Teddy Roosevelt, and her uncle was Kermit Roosevelt of CIA/Iran fame.

Dirty money?

Filmline International at 209 St. Paul West in Montreal, is currently the largest film company in Canada, producing for the Canadian Broadcasting Corp., as well as commercial films. Almost certainly, film-making is only a cover.

Several months ago, Filmline's executive, Pieter Kroonenburg, a Dutch national, paid an undisclosed sum to the environmental-terrorist Greenpeace organization to purchase the rights to produce a movie on the sinking of the Greenpeace ship *Rainbow Warrior*, allegedly by French intelligence agents, in New Zealand. Greenpeace ships are used to monitor nuclear tests by France and NATO members. In other words, as Western intelligence experts say, Greenpeace is a cover used by Soviet secret services to obtain spy data.

Weld maintains covert financial connections to Filmline, partially through a complex network of banks that involve the Bank of Smithtown (New York), in which Weld owns stock, the First Los Angeles Bank, and the Bank of Montreal. The Bank of Smithtown handled finances for the late David Weld.

In the Norman Bethune project, Filmline is partners with "August First," the official film company of China's People's Liberation Army. Scriptwriter for the film is one Ted Allan of Hollywood, a former member of the Canadian Communist Party and a "comrade" of Bethune's in Spain.

Filmline's Montreal-based attorney, John Buchanon, and other associates are deeply involved, currently, in forming an airline for the Republic of Maldives Islands, an independent state off the southernmost tip of India. GIA, Ltd. (Gerale International Aviation), of the Bahamas and Montreal, the firm involved, claims contracts with the islands' tourist hotels.

Asian intelligence sources say there is no profitable tourist trade in the Maldives, a Muslim nation, with close relations to Libya and Iran, that models itself on Islamic fundamentalism.

It maintains close contact and direct flights to the Seychelles Islands, another tiny state to its west, which is in the orbit of Libya, Iran, and the U.S.S.R. According to sources, the Maldives are frequently used for narcotics smuggling from Sri Lanka (Ceylon) and are most probably also involved in terrorist safehousing.

White House spars with press on drugs

In a heated parlay with the White House press corps here Sept. 9, White House spokesman Larry Speakes put the burden of responsibility for the success or failure of President Reagan's anti-drug initiative on the shoulders of the national media.

Needless to say, the press corps reacted violently. ABC's loudmouth, Sam Donaldson, epitomized the reaction to the idea of playing a positive role in the war on drugs by shouting, "Our responsibility is not to be on your team."

Speakes challenged the press to cover the President's anti-drug offensive fairly, rather than fixating on what he called the "scare tactics" of "waving the red flag" over mandatory drug testing.

The explosive exchange began when Speakes reported that Reagan would announce an executive order pertaining to testing of federal employees in "sensitive" job positions. "I want to caution those of you in this room who really have the power in your own hands not to make this an issue of drug testing."

Immediately the sparks began to fly. Speakes said, "I don't mind teeing off on you publicly about it either, because you will be doing a disservice to a nationwide effort that the President is trying to start if you try to boil it down to mandatory testing and wave that red flag in front of the American people, and particularly among public and private unions to whom we are going and discussing this, because that

is where a major part of our program is going to be, in the workplace, and it will rest on the cooperation of unions.

"I'm talking about the emphasis you tend to put on it and the scare tactics you've tried to put on it in here," Speakes added.

"I'm telling you that in this room right here, more than in your own offices or anywhere else, is going to rest a lot on the success or failure of our being able to motivate the American public. All I ask you to do is to be fair and not to sensationalize and not to overplay this business, because you did it a couple of months ago when this came up and I would ask you to please treat this in perspective and not try to boil down what is a comprehensive, well thought-out, bi-partisan cooperative legislative and executive branch program. . . ."

CBS's Bill Plante protested, "You seem to be suggesting that if we don't write or talk about mandatory drug testing that people who are going to be tested won't be quite as upset about it."

Speakes shot back, "Plante, you well know, if you look back on what I've said in the last five minutes, I did not tell you not to write on it, I said, 'emphasis.'"

Plante retorted, "I said you're suggesting that if we don't get them stirred up, they won't be as upset."

Speakes answered, "That's true. That is exactly true." He cited the provocative stories in the *New York Times* and *Washington Post* that came out when Reagan first announced his anti-drug drive, reporting the costs of testing 1.1 million federal workers, when no decisions on testing had actually been made.

Then UPI's Helen Thomas complained. Speakes reiterated, "This is a problem the White House treats with a great deal of gravity, and we are approaching this matter so that you

should not overemphasize certain parts of the program. . . . I'm trying to tell you that there is an enormous responsibility within this room to see that we are able to accomplish what we want to accomplish in drugs."

Then came the howls from the press:

- "No, our responsibility is to tell what the program is. . . ."

- "People can think for themselves."

- "They can't think for themselves?"

- "These people [referring to Speakes] think the American public is stupid."

- "I don't think they think the American people are very smart. And their presence here [the fact that Reagan was elected] suggests they may be right." This crack came from Sam Donaldson.

After more sparring, Speakes said, "I'm trying to stress to you that there is responsibility with the privilege. With the First Amendment comes responsibility."

The confrontation ended when this reporter asked Speakes, "Wouldn't it be fair to say that really what you are asking for today is the same kind of cooperation from the national news media that the President is asking of the motion picture industry, that Mrs. Reagan is asking of the professional sports industries? All you've really done here today is to ask for the same kind of cooperation from the national news media. It seems to me that maybe that's the most important thing you said."

Speakes responded, "I couldn't have said it better myself. Well put," and moved on to another subject while the press started redirecting its insults toward me. Thus, the issue was clear. In its first drug test, the White House press corps flunked—especially Sam Donaldson.

Sour grapes from KGB Democrats

NASA and Pentagon officials responsible for the Sept. 5 launching of a Delta vehicle carrying two Strategic Defense Initiative test satellites, called it "picture perfect" and a "classic textbook success." But from the better-than-dead crowd on Capitol Hill, this stunningly successful demonstration of American scientific progress brought nothing but nastiness.

The most vociferous belly-aching came from Rep. George Brown (D-Calif.) and Rep. Larry Coughlin (R-Pa.). That should hardly come as a shock, given that the two men (we use the term very loosely) have frequently joined forces to back legislation to halt the U.S. anti-satellite program and to slash SDI funding. They both belong to the Space Policy Working Group, an informal Capitol Hill caucus with a direct line to the Soviet embassy in Washington.

Brown and Coughlin railed violently against the Delta launch, charging that it had violated the "spirit"—whatever the heck that is—of the 1972 ABM Treaty. The two conceded that while the Air Force may have been technically correct in maintaining that the test did not violate the Treaty, it should not have been conducted.

Brown insisted that it "should not be the Pentagon's policy, or practice, to come as close as it possibly can to violating international treaties and the law of the land."

Charging that the Pentagon had evaded the law by conducting the test, Brown asserted: "I urge my colleagues to realize the mischief that the Pentagon is up to when it conducts such actions. It is acting in defiance of those who have negotiated arms-control agreements in the past, and it is

jeopardizing the opportunities for those who seek arms-control agreements in the future. Friday's test was a definite setback for those of us who seek arms-control agreements in the future. It was a clear indication that we must be even more diligent if we are to create a legal regime that can harness the dangerous technologies that humanity has created over the past four decades."

Pass sanctions package against South Africa

Congress gave final approval Sept. 12 to a package of economic sanctions against South Africa.

The way was cleared for passage of a sanctions bill the day before, when the House Democratic leadership agreed to accept the Senate's package of measures, rather than insisting on its own, radical measures.

"In light of the shortness of time remaining in this session, we decided to accept it [the Senate bill] and send this important policy initiative to the President," House Africa subcommittee chairman Howard Wolpe (D-Mich.) declared Sept. 11.

The bill, which now goes to President Reagan, would bar any new U.S. investment and trade with South Africa; ban imports from South Africa of coal, textiles, uranium, iron, steel, ammunition, and agricultural products; and ban U.S. exports of computers and petroleum products to Pretoria.

Although the Senate bill, crafted by Foreign Relations Committee chairman Richard Lugar (R-Ind.) is more moderate than the House version—which calls for a total cut-off of U.S. economic relations with South

Africa—it is tough enough to bring about some exceedingly unpleasant consequences. As Wolpe put it, the measure "is not as strong as the House version, but it has real bite."

Not least of these effects is the prospect that Pretoria may retaliate by declaring a debt moratorium—an action which could collapse the teetering international monetary system overnight.

Moreover, as numerous black South African leaders, including M. G. Buthelezi, chief minister of KwaZulu, have warned, sanctions will mean further economic misery for South African blacks.

President Reagan, who has spoken out forcefully against sanctions in the past, is expected to veto the bill. But House and Senate leaders claim to have more than the two-thirds vote required for an override.

Liberals object to death penalty for drug dealers

While sentiment on Capitol Hill in favor of tough action against illegal drugs has increased by leaps and bounds ever since President Reagan declared a nationwide war on drugs, some liberals are complaining that some of the measures contemplated just go too far.

In a House floor debate on anti-drug legislation Sept. 10, Rep. Don Edwards (D-Calif.), a former FBI agent who currently chairs the Constitutional and Civil Rights subcommittee, complained bitterly about several amendments, including one that would allow the death penalty for drug dealers, and another that would permit the military to be mobilized in fighting the drug traffic.

"There are many people who are very upset," said Edwards, claiming that there had been "a commitment" from Democratic leaders "that these useless, provocative and politically explosive amendments . . . would not be permitted" to come to a vote on the floor.

House members who oppose the amendments as a matter of "conscience" will go to the November election being tagged as "soft on drugs," Edwards warned. He said the drug issue was "today's moment of hysteria," just as the fear of communism was in the 1950s.

Edwards' attempt to underplay the threat which the spread of drugs poses to U.S. national security by comparing it to an implicitly needless alarm about communists, is quite ironic. Could it be that Edwards isn't aware that Moscow has been using drugs as a central part of its low-intensity operations against the West since at least 1967? Or is he actually trying to help Moscow along by trying to stall the war on drugs?

Hatch visits Savimbi's camp in Angola

Sen. Orrin Hatch (R-Utah), who helped persuade the Reagan administration to send Stinger anti-aircraft missiles to Jonas Savimbi, became the first senator to visit Savimbi's secret headquarters in Jamba.

Accompanied by Michael Pillsbury, who was fired from the Defense Department last spring after being accused by senior White House officials of leaking to the media President Reagan's classified decision to supply Savimbi's forces with Stingers, Hatch

journeyed to Savimbi's encampment during the August recess.

Hatch gave a press conference in Washington Sept. 9 to show videotapes of burned-out Soviet aircraft that Savimbi's forces shot down during battles with the Luanda government this year. He stopped just short of confirming reports that the rebels are using the Stingers, asserting: "There's no question that they have effective weapons and are using them to shoot down Soviet-built helicopters."

But Hatch also charged that the Reagan administration hasn't yet delivered the heavy weaponry it had promised to Savimbi, including anti-tank and anti-armor weapons.

Biden attacks national security. . . again

Loudmouth Sen. Joe Biden (D-Del.), who made a fool of himself this summer by throwing a nationally televised temper tantrum over U.S. policy towards South Africa, in the context of an appearance by Secretary of State George Shultz before the Senate Foreign Relations Committee, has apparently brainwashed himself into believing he can get elected President by regularly attacking U.S. national security interests.

Walter Mondale tried that tack in 1984.

In the latest proof that he is marching to a very different drummer than the vast majority of the American electorate, Biden delivered a raving attack on President Reagan's strategic policies at the National Press Club Sept. 11.

Biden opened his diatribe by charging that the Reagan administra-

tion is not only guilty of an "ominous failure . . . to do anything to abate that [nuclear arms] race," but has spent the last six years in a "deliberate effort to dismantle the entire arms control framework."

Biden was particularly splenetic about the Strategic Defense Initiative. "Star Wars," he charged, "represents a fundamental assault on the concepts, alliances, and arms-control agreements that have buttressed American security for several decades. And the President's continued adherence to it constitutes one of the most reckless and irresponsible acts in the history of modern state-craft."

After mouthing off in this vein for about half an hour, Biden finally got around to his prescriptions for arms control. They include reaffirmation of the ABM Treaty, adherence to SALT II limits, and pursuit of a nuclear test ban. In other words, Mikhail Gorbachev's program.

Weicker probes charges of CDC's AIDS cover-up

Sen. Lowell Weicker (R-Conn.) dispatched an aide to the Centers for Disease Control in Atlanta Sept. 4 to investigate media reports of an interne-cine conflict at CDC over AIDS, and charges that the CDC leadership was deliberately suppressing AIDS research.

Weicker, chairman of the Senate Appropriations subcommittee on health, sent aide Maureen Burns down to Atlanta to conduct an on-the-spot inquiry. So far, Burns has refused to comment to the press on the results of her investigation, saying only that Weicker will discuss the issue when he's ready.

Business Briefs

Drug abuse among air traffic controllers?

The Federal Aviation Administration (FAA) has warned for two years that drug abuse could be high among the 12,000 air traffic controllers hired to replace strikers fired in 1981, syndicated columnist Jack Anderson reported on Sept. 10.

The Transportation Department's inspector general reported at the time: "Many of the newly hired individuals have prior records of involvement with civilian or military police involving drugs." Investigators found that 80 of 2,108 controllers checked had been implicated with drugs before joining the FAA. Those studied were in the New England, Great Lakes, and Northwest Mountain regions.

In an internal memo, the FAA warned that the Transportation Department's report could "severely damage public confidence in the air transportation system." Yet FAA administrator Donald Engen recently insisted in a television interview, "We do not have a lot of drug abusers in the FAA."

U.S. releases results of military AIDS tests

The U.S. military announced the results of its first AIDS tests for recruits on Sept. 6. Of a total 466,629 applicants from Oct. 15 to June 30, 689 tested positive to the AIDS antibodies—49 men and 40 women. In the 17-20 age group, incidence was 0.5 per thousand; among women the rate was 0.6 per thousand.

The highest incidence positive response was among those from U.S. territories over the age of 26. A full 16.2 per 1,000 positive tests came from this group. The next-highest group included those over 26 from the Middle Atlantic states, with 11 of 1,000 positives.

Dr. Myron Essex of the Harvard University School of Public Health told a symposium Sept. 6 that three to five million Americans will have contracted AIDS with-

in the next five years. "We obviously have a very major new epidemic on our hands that we don't know how to control," he said. He disclosed that in some places, as many as 2 in every 100 young people who try to join the U.S. military, are infected with the virus.

Satanists issue death threat to LaRouche

California leaders of the Prevent AIDS Now Initiative Committee (PANIC) announced that they had received a written death threat against themselves and against Democratic presidential contender Lyndon H. LaRouche, Jr. at their Los Angeles offices on Sept. 6.

The PANIC group has placed a referendum, known as Proposition 64, which would apply traditional public health measures to stop the spread of AIDS, on the state ballot in the November election. The plan has drawn bitter attack from San Francisco liberals and the state's sexual deviant and satanist community.

The typewritten letter was addressed to PANIC Vice-President Brian Lantz by one Kelly Hernandez, a self-described satanist and supporter of Richard Ramirez, the "Night Stalker" imprisoned for a series of murders and rapes that terrorized Los Angeles earlier this year. "If this initiative passes," Hernandez wrote, "then I strongly support you and your associates families [sic] death as I already support Richard Ramirez's case to find him innocent. . . . If it passes then you are going to die—HORRAY!!!! . . . I would also like to say that your Mr. LaRouche is stupid. I hope that he bloody well die! . . . LaRouch [sic] is a m——f——r. So you s——heads better clean up or else you're dead."

One day after this letter was received, the automobile belonging to PANIC President Khushro Ghandhi was sabotaged. Three pins were inserted into the tire wall, which could have led to a blow-out at high speed and a serious accident.

Two weeks before, in San Lorenzo, PANIC organizer Ron Taylor was savagely bitten by one Ernest "Mad Dog" Waltz, who is suspected to be a homosexual.

PANIC officials are battling public officials who have refused to investigate the threats or press charges against fanatical assailants. California Attorney-General John Van De Kamp has refused to open an investigation into the pattern of threats. The District-Attorney for San Lorenzo has refused to detain "Mad Dog" Waltz or have him tested for AIDS—which would possibly be the basis for an attempted homicide charge against him.

Abrahamson: SDI tests must proceed in space

Lieutenant-Gen. James Abrahamson, director of the Strategic Defense Initiative Office, told the Cobb County, Georgia Chamber of Commerce on Sept. 6 that research on the ground into some phases of the SDI has nearly reached its limits.

Some sensitive electronic aiming devices which might be used to destroy nuclear missiles and warheads have reached a plateau in development, he said. "In fact, we are reaching the limits of what you can test on the ground. We have to be able to go to space." Abrahamson said the SDI is making "extraordinary progress. . . . Just last week, for the first time, we took our very large laser that we have out at White Sands and fired it through a beam director."

But he added, "In this area, we are dramatically behind the Soviet Union," which has "between 6 and 10 ground-based lasers that they have been experimenting with . . . since the early '70s."

Terrorism called a form of warfare

Deputy Undersecretary of the Navy Seth Cropsey, writing in the *Washington Times* on Sept. 10, said that "Reagan policy understands that state-sponsored, low-intensity violence is a form of warfare; one calculated to fall below the threshold of provocation at which the United States will act.

"Deterrence must and can be applied to

such aggression, no less than to conventional or nuclear conflict. . . . Americans should be aware of . . . the administration's commitment to giving special operations forces the strategic consideration and budgetary resources they properly deserve."

Stressing the special operations (SEAL) capabilities of the Navy, Cropsey wrote: "Low-intensity conflict' in 1986 is different from the counter-insurgency mission advocated a quarter century ago. Today . . . special operations run the gamut from supporting larger conventional operations to conducting counterterrorism."

AP circulates lies on Fusion Foundation

The Fusion Energy Foundation, the internationally known scientific research foundation of which Lyndon H. LaRouche, Jr. is a founding board member, on Sept. 11 issued a statement denouncing the Associated Press for its deliberately false published claim that the FEF's tax-exempt status had been revoked by the Internal Revenue Service.

A story written by drug-lobby journalist William Welsh, had been distributed to radio and print media, featuring that claim; some versions of the wire even alleged that FEF had never had tax-exempt status, but had falsely claimed that status to "raise millions for Lyndon LaRouche."

Contacted for comment, the Public Affairs office of the IRS stated that the IRS has issued no revocation of the FEF's tax-exempt status.

FEF Director Paul Gallagher sent the following telegram to AP's Washington office on Sept. 11, to the attention of Bureau Chief Charles Lewis:

"With regard to the Associated Press story by William Welsh circulated to radio and print media today:

"1) Mr. Lewis, as bureau chief, acknowledged receipt of my statement Sept. 10, informing you that Mr. Welsh's claims concerning the tax status of FEF were false, prior to your issuing of the wire built around that false claim;

"2) FEF's tax-exempt status, which dates from 1978, has not been revoked, according to IRS, up through this date;

"3) According to the IRS Public Affairs Division, if Mr. Welsh were to claim to have IRS correspondence or information concerning a revocation of FEF's tax status, he would be claiming to have that information illegally, through specific violation of federal disclosure laws concerning tax-exempts;

"4) Mr. Welsh's claim, and your story built on that claim, are a libel, written with intent of financial damage, and with available foreknowledge of its probable falsehood."

Of liver, the IMF, and Archbishop Weakland

The Aug. 21 conviction for disorderly conduct of LaRouche Democrat Janice Hart, Democratic nominee for secretary of state in Illinois, caused amazement in the British press. Hart was fined \$500 for presenting a slab of raw liver to Archbishop Rembert Weakland of Milwaukee, as a protest against his support for the International Monetary Fund, which extracts the last "pound of flesh" from Third World countries, through its usurious austerity conditionalities.

Wrote the London *Times*: "We confess that we are as baffled by this story as we have ever been in our lives. . . . In the first place, why should it be termed 'disorderly conduct' (and of a nature grave enough to warrant arrest and fine) to give an archbishop a piece of liver? Possibly, he was known not to like liver, even lightly grilled with sage and accompanied by a watercress salad (which is how we like it). . . ."

"Now there is no reason why an archbishop should not admire the work of the IMF, though it is unlikely that he would have time to involve himself closely in its activities. But why should that bring down on him the wrath of a lady, to the extent that she would pause on her way to her rendezvous with history to pop into a butcher's? . . . We end as baffled as we began. . . ."

Briefly

● **THE U.S. CUSTOMS** has set up an anti-drug-smuggling telephone hotline—1-800-BE-ALERT. Callers receive \$250 to \$2,500 if their tip leads to arrests, convictions, and seizures. In Florida, Georgia, and the Carolinas, the number has resulted in recruitment of 40 new informants who provide information on smuggling on a regular basis.

● **THE NEW JERSEY** Health Council on Sept. 9 passed a regulation, by a 5-1 vote, requiring the reporting of all AIDS cases in the state. The law, which takes effect in October, requires doctors and officials of prisons, hospitals, and nursing homes to give the state Health Department the name, sex, birth date, and home town of anyone diagnosed as having AIDS or AIDS-Related Complex.

● **ELLIOT RICHARDSON**, the former attorney-general, has been retained as a consultant by the pro-Soviet regime in Angola. Richardson says he was recruited to bring "objectivity" to the dispute between Angola and the Reagan administration.

● **JAMES C. MILLER III**, director of the Office of Management and Budget, announced on Sept. 11 that Congress was about \$10 billion short of its budget targets, which would set off the automatic budget-cutting device ordered by the Gramm-Rudman amendment. To avoid this, the administration will count \$11 billion worth of new income that it claims would be generated next year if the federal tax overhaul were approved.

● **THE WHITE HOUSE** Domestic Policy Council recommended on Sept. 10 that President Reagan approve mandatory drug tests for the 1.1 million government employees in sensitive positions—roughly half the federal work force. The panel, headed by Attorney-General Ed Meese, did not agree on whether all government job applicants should be tested, or only those seeking sensitive positions.

Editorial

What economist LaRouche would do

As *EIR* goes to press, the U.S. stock market has taken the largest plunge in its history, and the world's stock markets, in turn, have been plunging from London to Tokyo. "Experts" may say they are "puzzled," and "can't foresee" what will happen next. Administration spokesmen may still cook up some "good economic news," but the fact is, the U.S. and world banking systems are on the verge of the worst financial crash of this century, far worse than the 1930s—and this, not necessarily, but probably, before the November elections.

You already know that—if you have been reading *EIR* and *EIR*'s Quarterly Economic Reports. The people who don't know that are the ones who haven't been.

You also know what needs to be done about it.

Economist LaRouche, *EIR*'s founder and contributing editor, and a 1988 presidential candidate, in this magazine and other locations, has repeatedly outlined precisely what must be done, and what alone can be done, to avert financial disaster or cure the financial and economic depression once it has happened.

First of all, the power of the international financial consortia who run the U.S. Federal Reserve and the International Monetary Fund will tend to be greatly lessened by the effects of financial crash. That lessening must be turned to elimination of this oligarchical power, and institutionalized in the form of new financial arrangements designed to get America and the world producing tangible physical goods again, and designed to finance economic development in an energy-intensive, capital-intensive mode.

LaRouche would create a new National Bank—in effect. However, as President, he, or any other President, such as President Reagan, must act in response to concrete situations, not abstract possibilities. Again, we are at the brink of a new international banking collapse, like that of 1931, but much worse. The President has certain powers under a national economic emergency, under both the Constitution and according to statutes associated with the Federal Emergency acts. He

would act under those powers, to transform the Federal Reserve System into a de facto National Bank, such as the National Bank of the United States under Alexander Hamilton, or the Second Bank, under Nicholas Biddle. He would use those mechanisms to steer new credit through the banking system, to stimulate general economic recovery and expanded employment, through rapid growth of investment in agriculture, manufacturing, basic economic infrastructure, and export-financing.

LaRouche would get rid of the International Monetary Fund.

Under a national economic emergency, which will hit us sometime during the months ahead, LaRouche would put the United States back on a gold-reserve basis, like that which existed prior to March 1968, fixing the price of gold reserves at a fair-market price. On this basis, he would enter into a series of bilateral and multilateral monetary agreements with other governments, also suffering the effects of a general financial collapse. This network of new monetary agreements would by-pass the IMF and would be a new international monetary institution, effectively replacing the virtually defunct IMF and World Bank.

LaRouche would stop drug-money laundering, which has been the margin of liquidity keeping the American banking system, among others, afloat for the better part of the last few years. He would stop it in three ways. First, destroy the drug-traffic by force, disrupting the flow of funds into financial institutions. Second, seize the amounts which drug-traffickers have been known to have laundered into financial institutions, with criminal penalties against those financial officials who should have known they were receiving funds originating in the drug-traffic. Third, restore what is called "audit transparency" for foreign financial institutions' dealings inside the United States; it was the elimination of such audit-transparency, beginning 1978 under President Carter, which opened the floodgates for drug-money laundering in the U.S.A.

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