

EIR

Executive Intelligence Review

September 26, 1986 • Vol. 13 No. 38

\$10.00

The looming prospect of U.S. economic emergency
Soviets show authorship of anti-LaRouche libels
Disease: Ibero-America nears African conditions

**Who is *really* behind
Middle East terrorism**





Reversing Gramm-Rudman II: How can financial collapse be avoided?

Second and Third Quarters 1986

In its last Quarterly Economic Report, *EIR* predicted a 15-25% further decline in the productive capabilities of the U.S. economy. That is precisely what happened between March and September of this year—before the worst, most monstrous implications of the Gramm-Rudman and related tax reform measures go into effect.

Such events force one to ask: Is the pro-Russian majority in Congress not only committed to selling out U.S. defense interests, but also to collapsing the U.S. internal economy, and international monetary and financial system? Are the industrialized nations prepared to continue policies which will lead to their own suicide?

Did you know that. . .

- **The world financial system is more than ripe for collapse**, probably before November, and the principal fuel for such developments is the narcotics-trade-dependent growth of that banking category known as “off-balance-sheet liabilities”—dwarfing other categories of indebtedness.
- **600,000 troops, including 350,000 active duty troops, will be eliminated** if Gramm-Rudman II is implemented during the course of the fiscal year which begins Oct. 1.
- **A further, minimal 7% decline in capital and durable goods production capabilities** will occur in the months ahead, due simply to reduced defense procurement, if Gramm-Rudman II is implemented.

Since the fall of 1979, Lyndon LaRouche's forecasts have established a record unparalleled in accuracy by any other economic forecasting service in the nation. Data Resources International and Chase Econometrics proved unable, in the fall of 1979, to correctly forecast the consequences of the credit policy then being initiated by the Federal Reserve under Paul Volcker. LaRouche did, in the *EIR Quarterly Economic Report*. Those agencies, and their co-thinkers, have been repeatedly exposed as incompetent bunglers, while the LaRouche record is one of consistent accuracy.

Full year subscription: \$1,000

Double issue (second and third quarters 1986): \$500

Order from:

EIR News Service P.O. Box 17390, Washington, D.C. 20041-0390

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor-in-chief: *Criton Zoakos*

Editor: *Nora Hamerman*

Managing Editors: *Vin Berg* and *Susan Welsh*

Contributing Editors: *Uwe Parnpart-Henke,*

Nancy Spannaus, Webster Tarpley,

Christopher White, Warren Hamerman,

William Wertz, Gerald Rose, Mel Klenetsky,

Antony Papert, Allen Salisbury

Science and Technology: *Carol White*

Special Services: *Richard Freeman*

Advertising Director: *Joseph Cohen*

Director of Press Services: *Christina Huth*

INTELLIGENCE DIRECTORS:

Africa: *Douglas DeGroot, Mary Lalevée*

Agriculture: *Marcia Merry*

Asia: *Linda de Hoyos*

Counterintelligence: *Jeffrey Steinberg,*

Paul Goldstein

Economics: *David Goldman*

European Economics: *William Engdahl,*

Laurent Murawiec

Europe: *Vivian Freyre Zoakos*

Ibero-America: *Robyn Quijano, Dennis Small*

Law: *Edward Spannaus*

Medicine: *John Grauerholz, M.D.*

Middle East: *Thierry Lalevée*

Soviet Union and Eastern Europe:

Rachel Douglas, Konstantin George

Special Projects: *Mark Burdman*

United States: *Kathleen Klenetsky*

INTERNATIONAL BUREAUS:

Bangkok: *Pakdee and Sophie Tanapura*

Bogotá: *Javier Almarino*

Bonn: *George Gregory, Rainer Apel*

Chicago: *Paul Greenberg*

Copenhagen: *Poul Rasmussen*

Houston: *Harley Schlanger*

Lima: *Sara Madueño*

Los Angeles: *Theodore Andromidas*

Mexico City: *Josefina Menéndez*

Milan: *Marco Fanini*

New Delhi: *Susan Maitra*

Paris: *Christine Bierre*

Rio de Janeiro: *Silvia Palacios*

Rome: *Leonardo Servadio, Stefania Sacchi*

Stockholm: *William Jones*

United Nations: *Douglas DeGroot*

Washington, D.C.: *Nicholas F. Benton,*

Susan Kokinda

Wiesbaden: *Philip Golub, Göran Haglund*

EIR/Executive Intelligence Review (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July and first week of January by New Solidarity International Press Service 1612 K St. N.W., Suite 300, Washington, D.C. 20006 (202) 955-5930 Distributed by Caucus Distributors, Inc.

European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, D-6200 Wiesbaden, Federal Republic of Germany
Tel: (06121) 8840. Executive Directors: Anno Hellenbroich, Michael Liebig

In Denmark: EIR, Haderslevgade 26, 1671 Copenhagen (01) 31-09-08

In Mexico: EIR, Francisco Días Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 705-1295.

Japan subscription sales: O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 208-7821.

Copyright © 1986 New Solidarity International Press Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Second-class postage paid at Washington D.C., and at an additional mailing offices. 3 months—\$125, 6 months—\$225, 1 year—\$396. Single issue—\$10 Academic library rate: \$245 per year

Postmaster: Send all address changes to *EIR*, P.O. Box 17390, Washington, D.C. 20041-0390. (202) 955-5930

EIR

From the Editor

The U.S. State Department will soon make an abrupt about-face on the issue of Syria—or stand exposed before our allies and every informed citizen as complicit in the hideous wave of terrorism sweeping France in particular. This week's cover story, produced at the suggestion of contributing editor Lyndon LaRouche, documents that the "Parti Populaire Syrien," which is pointedly overlooked in the State Department's assessments of the terrorist threat, is actually Moscow's major channel for deploying barbarism on a world scale.

The *Feature* package explodes George Shultz's rapprochement with Syria, through the kind of in-depth intelligence which has won LaRouche and *EIR* the passionate hatred of the military dictatorship in Moscow. Hence, the bombing of *EIR*'s Paris office by Moscow-run terrorists last April, which is shown on the cover; and now, Moscow's outpouring of the anti-LaRouche libels already well-known from the U.S. Liberal Establishment, in a five-page article in *New Times* (page 45).

How the United States will respond to the current terror threat depends on how the "LaRouche question" is resolved in Washington. Right now, the White House is being deluged with telegrams from concerned individuals in Western Europe and Ibero-America *not* to yield to pressures to make LaRouche a "bargaining chip" in the arms-control process with the Soviets.

The French government of Jacques Chirac has declared an all-out war on the terrorists (see page 42). This includes, as we go to press, the exposure by major French media of the Syrian regime, its intelligence apparatus, and the Syrian National Socialist Party as prime targets for French retaliation.

This conforms to what *EIR* and associated publications, alone, have been saying for years. And that is what is making LaRouche the Soviets' public enemy No. 1 these days.

Nora Hamerman

EIR Contents

Interviews

7 Rafink Skaf

The senior officer at the U.N. Food and Agriculture Organization discusses why he doesn't want spraying to kill locusts in Africa.

Departments

14 Andean Report

Foreign investment, or narco-dollars?

36 Strategic Map

Soviet irregular warfare, its staging grounds, and its finances.

53 From New Delhi

Nuclear power: The challenge grows.

54 Report from Paris

Fight for Cattenom wins German allies.

56 Report from Rio

Shultz tries to recuperate alliance.

57 Dateline Mexico

Who stands behind Bartlett?

72 Editorial

'Frighteningly sane.'

Economics

4 The U.S. goes to war . . . against its own allies

Volcker and friends are trying to save America's bankrupt banks.

6 U.S., U.N. watch as locusts sweep Africa

Four U.S.-financed DC-7 planes equipped for spraying have sat idle for a week in Senegal, because the U.N. Food and Agriculture Organization, with the backing of the U.S. State Department, has blocked their use elsewhere.

9 Europe nervous over Wall Street crash

10 Coverup of AIDS, other epidemics: Ibero-America near African conditions

12 Strategic minerals: pivot for the economic reconstruction of Bolivia

By Lyndon H. LaRouche, Jr.

13 Currency Rates

15 Foreign Exchange

Banking trouble and the dollar.

16 Domestic Credit

Real estate: a 25% crash or worse.

17 Agriculture

There goes your milk.

18 Business Briefs

Science & Technology

20 The most complex mission America has conducted

In a Sept. 5 SDI experiment, a Delta rocket-launch orbited two vehicles to test a new sensing and tracking capability—and even the project managers were astounded at their success. A partial transcript of Lt. Gen. James Abrahamson's press conference report.

25 What future for the U.S. space program?

Marsha Freeman reports on the clash of views at the Eascon conference, sponsored by the U.S. Institute for Electrical and Electronics Engineers.

26 Fusion reactor technology for the 21st century

Part II of Dr. V. K. Rohatgi's review of scientific progress toward the limitless energy source of the future.

Operation Juárez

60 Continental integration: the Peronist experiment

The concluding part of Chapter 1, "History of the Battle for Integration," in *EIR's* serialization of the book, *Ibero-American Integration: 100 Million New Jobs by the Year 2000*.

Feature



The Paris office of *EIR*, bombed in April 1986 by a group calling itself Black War, a subsidiary of the Direct Action terror gang. *EIR* was targeted for its role in exposing Soviet control of international terrorism.

30 Who is really behind the Mideast terror campaign

Dramatic recent U.S. advances in the Strategic Defense Initiative mean that for the Soviet Union, victory through low-intensity warfare has taken on a greater relative weight in war planning. The result: an unprecedented war of terror across every major theater of operations.

34 Moscow's direction of Islamic terror

The intelligence that the U.S. State Department has systematically blocked out: the role of the Syrian Popular Party (PPS) and other Soviet-aligned groupings.

38 Switzerland: sanctuary for the world's terrorists

39 The planning of Islamic terrorism

The shuttle diplomacy—from Moscow to Damascus to Tripoli to Beirut to Zurich—which led up to the current terrorist outbreak.

International

42 France leads the war on Soviet-controlled terrorism

The Chirac government has responded to the current unprecedented explosion of terrorism, by initiating emergency measures appropriate to wartime.

Documentation: From statements by Premier Chirac and other past and present government officials.

45 Moscow formally ranks LaRouche and friends as 'extremely dangerous'

The Sept. 15 issue of the Moscow weekly *New Times* carries a five-page libelous attack against *EIR*'s founding editor and his associates—and what is made perfectly clear is that the Kremlin wants him dead.

48 The 'energy conservation future' of Germany's Social Democrats

50 'Theology of liberation': reviving the Gnostic cults

A conference report from Madrid by Leonardo Servadio.

58 International Intelligence

National

64 The looming prospect of U.S. economic emergency

66 NBC 'jail LaRouche' plot is derailed

NBC's plan to set him up for assassination was thwarted on Sept. 17, as friends and supporters posted a \$256,451 appeal bond with a federal court.

67 Eye on Washington

Weinberger, Reagan oppose 'posse comitatus' repeal.

68 Congressional Closeup

70 National News

The U.S. goes to war. . . against its own allies

by Chris White

Once again, the Russians stand to benefit mightily from the almost incomprehensible levels of folly that dominate United States economic policy. On monetary policy, and on trade policy, the United States is now throwing down the gauntlet to its closest allies worldwide, and is in effect demanding, "To preserve your alliance, and relations with us, you must destroy yourselves."

This is the message which has gone out loud and clear from the negotiating team which was sent down to the ongoing round of General Agreement on Tariffs and Trade (GATT) negotiations in Punta del Este, Uruguay, to the representatives of the 74 nations gathered there for the talks. It is also the message that is being communicated loud and clear to especially West Germany and Japan, which now face a new round of blackmail pressure from U.S. monetary authorities.

Essentially, the United States is telling the world, "Capitulate to our demands, and collapse yourselves, otherwise we will collapse everything on top of you."

At the GATT talks, the U.S. delegation led by Clayton Yuetter and Daniel Amstutz, both representatives of the Swiss and British raw materials and food-trading cartels, put these demands in the form: Submit to our demands to open up your markets to our services, or we will dump U.S. food production at rock bottom prices into your markets.

For the Germans and the Japanese, Treasury Secretary James Baker threatens in parallel, that the United States will itself act to collapse the dollar, until such time as Germany and Japan capitulate to Federal Reserve Board Chairman Paul Volcker's demands to lower their internal interest rates. This

way, in what passes for reasoning among such types, American monetary authorities can continue to pump so-called funds into bankrupt U.S. banks, without running the risk of a pull-out of foreign funding from the shaky U.S. capital markets.

But events of the last weeks have proven that measures which could have been successful 10 years ago, or perhaps even 5 years ago, will now lead only to a massive backfiring, which will force the kind of financial reorganization that Baker, Volcker, and their friends have so far done everything they can to avoid. This reorganization will take the form of Executive Branch Chapter-XI-style reorganization of U.S. banking and financial institutions, along the lines proposed by Lyndon LaRouche. Or, under the kind of crisis conditions the present shapers of U.S. policy seem committed to accelerating, the United States and its alliance, and trade partners, will all go down in the biggest financial blow-out of history.

Where's the clout?

The reasons for this are quite elementary. The United States no longer has the political or economic clout to dictate terms to the rest of the world, in the way it has successfully done in the past. Previous such U.S. behavior, over the demonetization of gold in 1971, over the Rambouillet floating exchange rate and conditionalities policies of 1974-75, over the Volcker credit policy of 1978-81, and the so-called recovery of 1983, were based on the continuing realities of U.S. economic strength relative to the rest of the world.

That reality has evaporated pretty darn fast over the last months. And that's why the United States will not be able to

dictate terms anymore.

Why is the stock market collapsing in the United States? Why have the stock markets of the rest of the world followed the United States into collapse? The record plunges on Wall Street of recent days, have been followed by equally precipitous downslides in London, Paris, Frankfurt, and Tokyo. The answer is because the reality of the economic disaster that has been a-building in the United States has now begun to hit home. In London, Frankfurt, and Tokyo, it is being increasingly mooted that U.S. economic policy for the last years has been based on a fraud and lie. In such cities, there is increasing agreement with the analysis of Lyndon LaRouche, that there never was an economic recovery inside the United States, and that the collapse of the United States has gone beyond the point where pyramided debt obligations, over \$12 trillion, can be supported.

This was the reality that began to be asserted early in September when the stock market lost 140 points in a week. Now Volcker and company are themselves threatening to unleash the feared collapse, in one more desperate effort to keep the world in line with their failed policies.

Targeting the healthy

The principal target of the campaign is the healthiest sector of the world economy, namely, Japan. At the GATT talks in Uruguay, it was Japan's sane policies on imported goods that were singled out for special treatment by the representatives of the European Community and the United States. The campaign was so blatant that the Japanese delegation has threatened to leave the talks if the final declarations of the conference bear any resemblance to the drafts that have been proposed.

The campaign within the GATT conference has been backed up by a series of special operations from within the United States. On the eve of the talks, the U.S. Rice Millers' Association filed a petition with U.S. Special Trade Representative Clayton Yuetter demanding that the administration negotiate an end to what are called Japanese subsidies and protectionist measures applied to rice cultivation. The U.S. millers charged that Japanese internal rice prices are 10 times the world level, and that constitutes unfair competition. The global demand for the elimination of all food production subsidies was the centerpiece of the U.S. approach to the GATT talks.

Japan protects its rice production for the same reason that the United States used to protect its food production capabilities, in the old days, before insanity took over. Japan wants to feed its population, without being dependent on arbitrary foreign suppliers. Though the United States, for example, will negotiate long-term, low-price food supply agreements with Russia and China, no such agreement has ever been concluded with Japan.

Congressional passage of the Senate version of sanctions against South Africa, also supported by European foreign

ministers, reinforces this campaign. Largely dependent on imported food, completely dependent on imported primary raw materials for industrial production, the Japanese, along with the West Germans, as the two leading industrial economies of the West, are rapidly being pushed to a breaking point.

Baker's latest threat, to collapse the dollar until both Germany and Japan lower their internal interest rates, may well be that breaking point.

In the case of Japan, we have a country whose food supply is under attack, whose raw-materials acquisition policy is under attack, whose export policy is under attack, by another country, the United States, which is not only an ally, but the beneficiary of over \$60 billion a year of Japanese earnings invested in keeping the United States banking system afloat. That margin of new funds invested in the United States is larger than the OPEC "petro-dollar" surplus at its height. In escalating the current round of "Jap-bashing," the United States is therefore cutting its own throat.

But the case of Japan, extreme as that may be, merely typifies the approach that has been taken worldwide. Who benefits from this? Only the Russians.

Much was made of GATT's refusal to permit the Russians to join the body which sets what are called the ground rules for world trade, or as President Reagan puts it, in his less well-advised moments, ensures that the "playing field is level." But under the current U.S. policy, the Russians do not actually need to join, because the United States is doing its utmost to drive everybody else into Russian arms.

World trade has collapsed because the U.S. and world financial system is bankrupt. Until the bankrupt monetary system is reorganized, there can be no meaningful discussion of how world trade will be organized, reorganized, or anything, because collapsing world trade is simply part of the collateral looted to sustain the imperially bankrupt financial system.

From within the United States, emergency measures have been put forward repeatedly over the last years by world-renowned economist and presidential candidate LaRouche, for such a reorganization: gold backing for the dollar through the issuance of treasury reserve notes, a two-tier interest rate system, favoring investment in agriculture, infrastructure development, and capital goods export, combined with massive infusions into the research and procurement side of the defense budget.

Now, the United States is itself creating the conditions in which those proposals of LaRouche will rapidly come to the fore, as the only viable alternative to the worsening chaos of financial and economic crisis. Baker and Volcker, whatever they might think they are doing, as they act to bring down the dollar, are actually accelerating the moment when the United States is going to have to face up to the only kind of reorganization plan that will work. Or the United States, and its allies and trading partners, will not survive.

U.S., U.N. watch as locusts sweep Africa

by Marjorie Mazel Hecht

Four U.S.-financed DC-7 planes equipped for pesticide spraying have been sitting idle for a week in Senegal, because the U.N. Food and Agriculture Organization (FAO), with the backing of the U.S. State Department, has blocked their use in other African countries to fight the plague of locusts and grasshoppers.

As of Sept. 18, the U.S. Office of Foreign Disaster Assistance, which sent the big planes to spray 900,000 acres in Senegal, had capitulated to the FAO, and the planes were not sent on to spray 500,000 acres in Burkina Faso (Upper Volta), as planned.

As a result, the threat of starvation and death still hangs over the continent of Africa, while the Senegalese grasshopper and four species of locusts—the worst infestation in 60 years—are given free rein in a vast area to breed and multiply.

Although the FAO says the problem is under control, The world could be confronted with a "locust-induced famine, instead of a drought-induced famine," the head of the U.N. Office of Emergency Operations in Africa said in a report to the Economic Community in Geneva on Sept. 18. Charles Lamuniere said that \$5 billion was needed urgently in five African nations alone. "Although their [Africans'] emergency needs derive now from a combination of factors that go beyond the famine, they are nevertheless just as acute and urgent. . . .

How does the U.S. State Department sum up this grim situation? "As best we know, things are under control," a State Department source told this reporter Sept. 16.

Not only is aerial spraying being delayed, but the State Department Agency for International Development, AID, is sitting on a contract with the U.S. weather agency, NOAA, thus preventing NOAA from preparing a new set of locust-watch maps for Africa that chart the topsoil moisture and indicate what areas are most favorable for locust and grasshopper breeding.

Although the FAO and the U.S. State Department claim that everything is just fine, current emergency requests from at least three African countries for aid in fighting the insect plague have been denied:

- Burkina Faso, whose entomologists and other specialists requested big-plane spraying for 500,000 acres infested by grasshoppers, was told by the FAO that only one-fifth that area would get treated.

- Niger, whose agriculture minister made a special appeal for funds to fight grasshoppers and rats Sept. 6, is deemed to be "coping with the situation" without any further assistance, according to the FAO.

this assessment, saying that the situation in Niger was "extraordinarily good."

- Botswana, in southern Africa, requested \$8 million to stop the brown locust swarms from spreading across and out of the country. The money was to be used for aerial spraying of 1 million hectares (2.47 million acres) and setting up 100 ground teams to monitor the situation. The FAO has rejected the Botswana government's approach. "They are too ambitious. They are planning to spray more than the capabilities," said FAO senior officer Mr. Rafink Skaf in an interview Sept. 18.

Overpopulation?

There is no way to understand why the State Department and FAO are standing by while a locust plague rages out of control, except by looking at their population policy: They believe that Africa would be better off with fewer people.

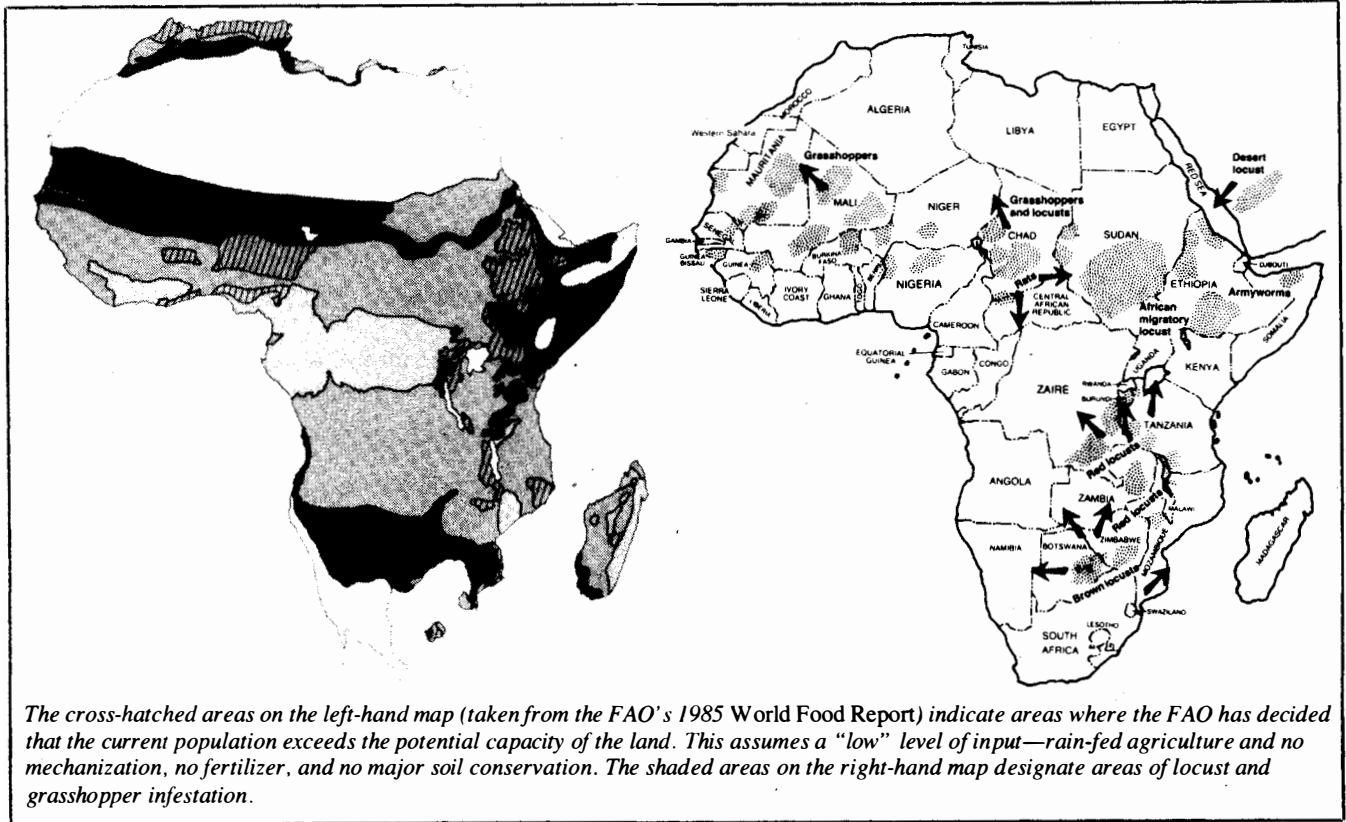
In fact, Africa is underpopulated. Africa's population density is 193.6 per 1,000 hectares of usable land, compared to a world average of 333.9.

The FAO explains the famine in Africa by stating bluntly in its 1985 *World Food Report*, "Africa is still paying the penalty for a high rate of population growth—some 3 percent a year in 1983 and apparently still rising." In 26 African countries, the FAO notes, per capita "staple food consumption was lower in 1984 than it was in 1970."

This is explained in more technical terms using a model for "potential population-supporting capacity" developed for the FAO by none other than the Soviets' International Institute for Applied Systems Analysis. According to this model, and assuming a continuing "low level" of inputs, the FAO has determined that "the actual population level has exceeded the long-term supporting capacity of much of the Maghreb, the Sahel, the northern areas of Ghana, Nigeria, and Togo, and much of Ethiopia and Somalia—in total, 47 percent of the total land area."

In other words, in its 1985 *World Food Report*, the FAO had already written off almost the entire area of Africa that will be wiped out by locusts and grasshoppers unless there is a military-style big-plane effort to stop the plague.

Was the FAO always genocidal in its thinking? When I asked this of FAO former deputy director-general Dr. Ralph W. Phillips, who retired in 1981, he said that the population problem had worried him since the 1950s: "There has to be an end point to population growth, an end point to what you can do to Mother Earth without destroying her."



Interview: Rafkin Skaf

'Controlling locusts just costs too much'

Rafkin Skaf, senior officer, U.N. Food and Agriculture Organization, Emergency Locust Control Center, Rome, was interviewed Sept. 5 by Marjorie Mazel Hecht, managing editor of Fusion magazine. Mr. Skaf, an entomologist, has been with the FAO for 21 years. Here are excerpts of his interview.

Hecht: Will the big planes used in Senegal, sponsored by the U.S. Office of Foreign Disaster Assistance, be used to spray in the rest of the Sahel area?

Skaf: I think there is an approach that this will work in Burkina Faso, but it has not yet been decided.

Hecht: Who has to decide?

Skaf: Mainly, the government of Burkina Faso has to request assistance from the United States.

Hecht: What would make these countries hesitate to ask for

these big planes?

Skaf: When you use a big plane, you must have a large area to cover. And this would consume large quantities of pesticide. The type of infestation of grasshoppers does not always necessarily require large spraying. In most cases it's scattered infestations. You may have high densities in some spots, but not to justify large-scale spraying. It would be really not economical. . . .

Hecht: But my understanding from FAO figures is that the infestation is large-scale in that country and also in Mali and Mauritania.

Skaf: You have one area between Mauritania and northern Mali and eastern Senegal, in that triangle, that is infested in some spots. But when you undertake large-scale control covering hundreds of thousands of hectares, of course, you reduce the numbers of the population, but you cannot avoid further breeding coming from surrounding areas, which again breed and enter the controlled area, so you will need a further effort. . . . Also, you have a lot of parasites which are naturally in all this vast area, and they will be stricken in any large-scale operation.

Hecht: Why are you worried about the parasites?

Skaf: Normally, there is a large natural mortality of the population while it is breeding, so any resulting population after such spraying would be devoid of parasites.

Hecht: I still don't understand why you wouldn't spray the large areas to see if you could really begin to eliminate the grasshoppers or the locusts? Is it a money question?

Skaf: When you spray large areas, you need all this equipment, and you have to use large quantities of pesticide. But if you spray only where you have large concentrations, you save a lot. But, of course, in order to concentrate the control on these limited areas, you need a lot of monitoring and you need a lot of smaller aircraft. This [monitoring] was not the case at the beginning, and this I think is behind the U.S. recommendation to quickly use the large aircraft. Economically, it would have been of course better if you have smaller aircraft to spray only where you have large concentrations.

Hecht:

aircraft are just a fraction of the cost of all the small aircraft. The more grasshoppers you eliminate this year, the less problem you have next year. So I would think that you would want a maximum effort now so that you do not have to do this again on a large scale.

Skaf: It's complicated. We want to take advantage of this year to assess the result of the campaign, because it's never been done on such a large scale.

Hecht: I can't understand that, because in the United States they spray routinely about 13 million acres, just for grasshopper control. There is no plague.

Skaf: You do it regularly, and this is what we want to avoid, not to make it systematically every year. Controlling on a large scale, we are afraid that you would kill a lot of parasites and the economical equilibrium that you have would be destroyed.

Hecht: That is not the case in the United States. . . .

Skaf: Are you sure that they are spraying all of the areas? The grasslands?

Hecht: Yes, they are spraying the grasslands; they are spraying the areas where the grasshoppers multiply. I don't understand why you would not choose to do the same thing.

Skaf: Because here the infestations in the Sahel are not regular. They depend every year on the rain. And the last time we had a large infestation was in 1974-75. And for 10 years we have not had a substantial program except in a small area. So for 10 years there was no real problem, then suddenly we have this problem. So why would we repeat this effort every year? These are countries which cannot afford to do that. It is not possible to make it a yearly exercise, and I don't think that it would be a good exercise.

Hecht: But you are saying two different things. You are saying that it is not possible economically to control the area every year, but this year, when you have an emergency situ-

ation, you are still choosing not to do the large-scale spraying with big planes, because you are afraid of wiping out the parasite population. That does not make sense to me.

Skaf: The point is to avoid using large quantities of pesticides and to concentrate the campaign on the highest infested zones. This will reduce a lot of your operations.

Hecht: What is the reason you don't want to use a lot of pesticide?

Skaf: Who is paying for the pesticide? None is paid for by the countries, except maybe this large-scale operation in Senegal.

Hecht: Senegal paid for the pesticide. So the only reason you are saying that you do not want to use pesticides is that it costs too much.

Skaf: Well, they cost too much per unit area and basically these operations should be sensible. We think that spraying large-scale zones, hundreds of thousands of hectares, when you need just smaller areas, would not be sensible. Now the question of parasites is another consideration. When you kill a lot of parasites the next generation will be relatively free of parasites. I mean that's also a theory. . . .

Hecht: I still cannot believe that the large-scale spraying would not be the best way to approach the problem in a year of emergency. It doesn't explain to me, except for the money reason, why you wouldn't spray more widely. The FAO is saying that we cannot do it because it costs too much and therefore we are doing something smaller.

Skaf: There are two approaches, two or more solutions, in every approach. We have opted for that one . . . that is, of course, to protect the crops. The other approach is the large scale and I think both can be defended. . . .

Hecht: How much more money would the FAO need to do the whole job, the right way?

Skaf: It depends on the problem you have to solve now in various countries. We don't have now a problem requiring immediately a solution of the type you are suggesting.

Hecht: Is the Soviet Union helping in this campaign?

Skaf: The Soviet Union is not helping in this campaign.

Hecht: Have you asked them for help?

Skaf: We didn't, in fact, because they are not a member of the FAO. At the August donors meeting they were not invited.

Hecht: So there has been no request for their help?

Skaf: We don't know if the governments have themselves requested their assistance, but FAO has not ever.

Europe nervous over Wall Street crash

by William Engdahl

"We have revised our estimates of the U.S.A. economy based on my recent trip to the States. We are now pessimistic," one senior spokesman for a large London brokerage told *EIR*. "There is a state of deep recession in most states of the U.S., I can't say what the exact number is. I can say that large areas are very depressed." The only bright spot, consumer spending, "is being propped up by this monstrous cycle of ever greater interest rate incentives to buy new cars. And if this consumer spending begins to stall, you will really see a recession," he added.

This view is typical of most comments being heard in Western European financial capitals these days. The leading European bankers' daily, London's *Financial Times*, editorialized on Sept. 13, "The real question about the New York and Tokyo stock markets is not why they have fallen so sharply in the last couple of days, but why they rose so far before they fell. The contrast between a dazzling market performance and a lacklustre, problem-ridden real economy had become familiar but was still illogical."

The same paper, in a feature analysis by Anatole Kaletsky, emphasized that Wall Street "may be telling the world something. . . . The upward swing of the U.S. and world economic cycle may come to an end. . . . The next recession could be much more serious than currently expected. . . ."

Such frankness in European financial circles has until now been reserved for private comments. The nervousness in Western European financial markets heightened to near hysteria on Sept. 16 when the Tokyo stock index plunged 637 points to 17,463, bringing the one week drop since Sept. 11 to some 1,600 points. "I think what we are seeing," a stock broker with James Capel in London noted, "is the first example of the effects of the globalization of our international financial markets. Last week, talk in the City of London was dominated by discussion of U.S. retail sales figures, U.S. bond prices. The big question now is where can the money go? Bank deposits? Gold?"

The 'Big Bang'

The issue of "globalization" is the controversial process of internationalization of the world's major speculative capital markets which has been under way since Donald Regan,

when he headed Merrill Lynch, triggered a major "financial revolution" in Wall Street markets in the late 1970s. On Oct. 26, London will become fully liberalized in a process referred to as the "Big Bang." As one leading financial insider there noted, "Big Bang will mean that the customer who buys stocks must place exceptional trust in his broker." Stock brokers and banks, under the rules of London's "Big Bang," will be allowed to become fully merged in the same companies. Further, firms like Merrill Lynch have set up major brokerage operations in recent months in London, linked by computer with their New York and Tokyo affiliates. Such operations allow them to play tiny shifts in world markets on a 24-hour global basis.

The implications of the recent simultaneous fall in London and Tokyo—London's Stock Exchange has dropped \$8.4 billion in share values since the start of the New York collapse on Sept. 11—have been felt in top European banking circles. The governor of the Bank of England, Robin Leigh-Pemberton, told a private group of the leading bankers and financiers of the Group of 30, at a Sept. 16 London gathering, that the "globalization of international securities markets has heightened the risk that the failure of one single large securities house could endanger the health of the world financial system as a whole," according to Peter Montagnon of the *Financial Times*. Leigh-Pemberton expressed alarm over the fact that globalization will permit "capital adequacy rules in one country to be avoided by undercapitalizing in another." What New York or London forbids, may be allowed in Tokyo or Milan. The result is a linking of the speculative exposure of the world's most inflated paper debt mountain, the U.S. securities markets, to the rest of the Western industrial economies.

One leading London financial insider expressed just such concern to *EIR* when he noted, "U.K. banks tend to have the same lending exposures as the major U.S. banks—Third World loans, agriculture debt, and an alarming rise in lending to inflated real estate especially in the southeast of the country, where prices are rising at a 30% annual rate." The same source noted the heightened concern on Sept. 16, when European and U.S. financial markets were filled with rumors that the large Bank of America had been forced to seek emergency help from the Federal Reserve Bank. Softening of international oil prices this week in North Sea Brent and other grades, could signal an abrupt end of the six-week respite in oil prices which have kept scores of major and regional U.S. banks from going under. Prices for West Texas Intermediate crude dropped \$2/barrel for November futures delivery, to \$13.80. Brent fell 50¢ to \$13.45.

The situation of growing despair was summed up by a dealer with a major London currency and capital brokerage, who told *EIR*, "If there is no U.S. recovery, the Western world has big problems. The West cannot allow a recession. The U.K. faces elections; the U.S. faces elections. Germany faces elections. They simply cannot allow it."

Coverup of AIDS, other epidemics: Ibero-America near African conditions

by Jorge Bazúa and Valerie Rush

The Pan-American Health Organization, the branch of the Soviet-dominated World Health Organization (WHO) which oversees Ibero-America, is running a criminal coverup of that continent's perilous health conditions, which border on turning Ibero-America into a new Africa. Even worse, the PAHO is actively promoting a shutdown of the very medical and health infrastructure which could help to avert the biological holocaust brewing there.

According to the Tropical Disease director of PAHO, AIDS is a disease of the "degenerate" advanced-sector nations, which therefore poses no threat to the countries of the Third World. According to the parent WHO organization, there is an "overpopulation" of doctors in the developing sector, necessitating a shutdown of medical schools there.

Given the near-daily reports of new AIDS victims being discovered across Ibero-America, and the desperate shortage of medical care for these and other victims of the new epidemics surfacing continent-wide, one needn't look far to find criminals worthy of the noose at a reconvened Nuremberg Tribunal.

An IMF holocaust

The Ibero-American countries find themselves on the verge of a catastrophic wave of epidemics. Tuberculosis, malaria, dengue and yellow fevers, measles, chagas, and a host of infectious illnesses which had been eradicated or under control in the majority of the countries of the region, are today spreading rapidly and beginning to take their toll across the continent, threatening to wipe out a population increasingly weakened and unable to resist their assault.

Ibero-America has been brought to this situation under the austerity conditions imposed by the International Monetary Fund. The epidemics are spreading because of the forced reduction in living standards of Ibero-America. In June 1985, the PAHO issued a report which stated that a result of the economic crisis ravaging the continent was the growing infestation of the *Aedes aegypti* mosquito in nearly every nation.

The report observed that lack of resources has forced the

targeted nations to significantly reduce fumigation campaigns against the insect plague, such that the mosquito has gradually begun to re-infest areas where it had been largely or totally eliminated, and is now spreading to the principal urban centers. PAHO's observation has been confirmed with reports of new outbreaks of yellow and dengue fevers—in both urban and rural zones—which are transmitted by that insect.

The population is not only being denied the nutrition it requires to build up immunological defenses against these diseases, but is also being stripped of basic health infrastructure—too costly to maintain in the IMF's scheme of things. In fact, as recently as April of this year, PAHO director Carlyle Guerra de Macedo blamed the economic "adjustment programs" of the IMF for wrecking the region's health programs. Guerra de Macedo noted that even in countries like Cuba and Costa Rica, with the lowest infant mortality rates on the continent, health budgets have been slashed 10-40% as the result of austerity imposed by creditors. Imagine the state of affairs in Haiti, where nearly 200 out of every 1,000 newborn babies die.

And yet, just five months later, along comes the "indignant" PAHO to recommend that medical schools in developing sector countries be shut down to solve the problem of an "overpopulation" of doctors!

Speaking to 150 delegates from 40 countries at a two-day international conference of medical and health organizations in Acapulco, Mexico, an official of the Soviet-dominated World Health Organization (WHO) warned Sept. 11 of an "overpopulation of physicians" in Ibero-America. He urged the closing of medical schools, restriction of the activities of foreign doctors, and changes in the medical training curriculum to make it, in the familiar language of the World Bank, "more appropriate to the needs of each region."

His argument, echoed by various speakers at the conference, was that the existing number of "medical agents" (doctors, nurses, dentists, technicians, etc.) must be redistributed geographically to meet "the needs of the people." The concentration of "too many" doctors in the urban centers and too

few in rural areas was his primary concern. He insisted that an "excess production" of doctors was exacerbating this imbalance.

The WHO official was apparently not disturbed by the report, issued at the same conference by Mexico's deputy health minister, that over 100,000 Mexican villages lack medical services. "A significant number of Mexicans, at least 10 million, have no access to health services," said the official.

The deterioration of diet and medical care is having its most dramatic effect on the infants of Ibero-America. Nearly every Ibero-American country has been suffering an increase in infant mortality. Current statistics show that 1 out of every 10 Ibero-American babies dies before one year of age, and in the most depressed rural areas, mortality rates have reached 1 in every 4 babies. The principal cause of these deaths is infectious diseases, which are either non-existent or at least not life-threatening in areas where adequate diet, sanitation, and medical care exist.

Epidemic breakout

The constant stripping away of physical and infrastructural defenses by the IMF's austerity programs has led to a situation in which diseases traditionally endemic to the "belts of misery" on the continent are breaking out as full-scale epidemics in urban centers, triggering fear in especially middle-class layers, who have long considered themselves immune to such threats.

Last May, an epidemic of "benign" dengue fever spread through Brazil's Rio de Janeiro, affecting nearly a half-million people and reaching into upper-class residential zones. While the epidemic appears to be under control, at least temporarily, it is expected to resurface with greater force over the next few months, this time in the form of the mortal "hemorrhagic" dengue fever, and yellow fever as well. Brazilian pathologist Eurico de Aguiar has called for a "total reformulation of the Brazilian health system" in Brazil. Otherwise, he warned, "We are going to be living with epidemics. Today it is dengue in Rio. Last year there were 400,000 cases of malaria in the Amazon. In addition, we have a new case of leprosy every 30 minutes."

Rio de Janeiro is no exception, but exemplifies what is occurring across Ibero-America. In the past 12 months, malaria has wreaked destruction in Brazil, Venezuela, Colombia, and Mexico. The deadly hemorrhagic dengue fever has hit Nicaragua, epidemics of yellow fever and killer measles have broken out in Brazil and Peru, and chagas has infected an estimated 10% of Brazilians.

Then, of course, there is AIDS, which has appeared in nearly every country on the continent but to what extent the PAHO, like its parent organization the WHO, would like to keep under wraps. How else can one explain PAHO's claim that AIDS is a disease of "gringo homosexuals," limited to the advanced sector nations, and a matter Ibero-America

should not concern itself with?

And yet, in Mexico alone during the past year, 217 cases have been reported of newborn babies who contracted AIDS in the womb. Estanislao Stanilawski, pathology professor at the National University of Mexico's medical school and the man in charge of AIDS detection in Mexico, told a recent virology conference in Mexico City that 1 of every 100 blood donors in Mexico has been discovered to be a non-symptomatic carrier of the AIDS virus.

In Argentina, according to the magazine *Gente*, at least 70 persons have died of AIDS and 170 cases more have been diagnosed. At least 50% of the homosexuals of that country are infected with the virus. In Venezuela, the chief of transmittable diseases, Dr. Rafael Travieso, reports that of 150 individuals studied, one-third showed the virus antibodies in their blood. Although no estimates of numbers of victims have been released from that country, the Venezuelan press has only recently commented on the case of four children from a very poor region of the country who were diagnosed as AIDS victims.

The case of Haiti

Haiti is the country with the greatest incidence of AIDS in the region, relative to size of population, a function of the extreme poverty of that unfortunate nation. In Brazil, the number of officially registered AIDS cases is growing so fast, that latest estimates show the number of victims is doubling in less than six months. According to a July report issued by the Health Ministry in Brasilia, AIDS has been detected in 20 of the country's 23 states, and registered cases of AIDS victims in Brazil as of June 20 were 739, with another 116 suspected of having contracted the disease. Of that 739, 522 are from the state of São Paulo.

According to the São Paulo secretary of health, Dr. Ricardo Veronesi, nearly 300,000 Brazilians are condemned to die of AIDS over the next five years. Veronesi claimed that nearly 1 million Brazilians are already carrying the AIDS virus today, and that there are two new victims of AIDS in Brazil each day.

Moreover, a growing percentage of the new cases being discovered are occurring among groups outside the so-called high-risk category. This fact, again, reduces the WHO argument that AIDS only affects homosexuals and drug addicts, to the most suspect kind of propaganda. In Haiti, 72% of AIDS cases have been detected among non-risk members of the population, a pattern similar to that discovered in the poverty-stricken and mosquito-infested area of Belle Glade in Florida.

The recent discoveries of the Pasteur Institute in Paris regarding the carrying of the AIDS virus by "flying syringes" like mosquitos and other insects, define this deadly disease as a virtual time-bomb that could explode in epidemic form at any moment within the poverty-ravaged tropical belt of Ibero-America. If it hasn't already.

Strategic minerals: pivot for the economic reconstruction of Bolivia

by Lyndon H. LaRouche, Jr.

Since Operation Blast Furnace, the Bolivian government's campaign against the cocaine mafia which enlisted the collaboration of the U.S. military in July of this year, there has been widespread discussion of Bolivia's economic future without cocaine. This memorandum on the subject was prepared by EIR contributing editor LaRouche in early September.

Presently, the Soviet empire and southern Africa have a virtual monopoly on production of crucial parts of the spectrum of essential strategic minerals. The only significant alternative, is development of the potential along the western mountain-chain of the Americas. Bolivia has an outstanding potential.

Whatever occurs in southern Africa during the coming period, the major potential alternative sources of produced minerals must be developed. This fact becomes the key strategic factor in the shaping of policies for the prospective economic reconstruction of Bolivia. For the Americas generally, plus Japan and Western Europe, Bolivia's development of these potentials is properly seen as a high priority. This need, in turn, represents the potential market Bolivia requires for such an undertaking. A consensus must be established within the Americas on this matter.

Assume that such a consensus is established, at least among Bolivia and some of its major potential markets. In this case, a clear strategy for rapid improvement of Bolivia's economy comes into view.

From the standpoint of the OECD nations, especially the United States, a very significant supply of strategic minerals from Bolivia and adjoining nations should be flowing within two to three years. Therefore, it is in U.S. interest, in particular, to make substantial commitments to purchases from these sources. These commitments must be large enough to justify the investments needed to accomplish this development at the source. The fact that alternative sources of supply may be in existence, would not be a justifiable excuse for not making adequately large pre-commitments to Bolivia et al.

This would define a three-legged general strategy for Bolivia's economic development: 1) development of food-supplies adequate for the development program; 2) development of basic economic infrastructure adequate for both the agricultural and industrial development; 3) concentrated urban-industrial development in the relevant areas of extraction and processing of strategic minerals.

The "skeleton" of needed infrastructural development, is a grid-system of energy and transport defined by the economic geography of combined agricultural- and mineral-production factors. The energy and transport grid, is obviously defined both by such an internal economic geography, and Bolivia's access to ports and other relevant foreign destinations, in Argentina, Brazil, Chile, and Peru. This implies significant economic-cooperation agreements and project-actions, in concert with some or all of these neighboring nations.

Much of the infrastructural development required, is obviously best assigned to a military engineering force. The implications of the undertakings, are in the largest degree, those best accomplished in the Americas, during past centuries, by such choice of means. This implies the augmentation of military engineering capabilities, for purposes consistent with the successful practice of the U.S. Corps of Engineers. The mode of combined action by military-engineering and civilian-engineering agencies is well known, and need not therefore be discussed further here.

What must be stressed in this connection, is the fact that employment and on-site educational development and other training of unskilled and semi-skilled labor, in engineering projects, is a path of least resistance for developing an industrial labor-force.

A comprehensive plan of national economic development is needed. Such a plan could be developed quickly, if sufficient combined resources of public and private agencies, nationally and internationally, is applied to this purpose.

The political and economic feasibility of such an undertaking, can not be considered apart from the fact that the

world is gripped by the onset of a new general financial crisis, like that of 1931-32, but potentially far more profound. We must view this crisis, not with dismay and pessimism, but with the appreciation that the collapse of existing monetary institutions and policies, forces the matters out of the hands of monetary and financial institutions, into the hands of governments.

Governments will be faced with the urgency, not only of monetary reforms designed to foster a shift into expanded rates of physical-economic growth; governments must assume a leading role in organizing large-scale projects, domestically and internationally, to the effect of setting a general economic recovery into motion.

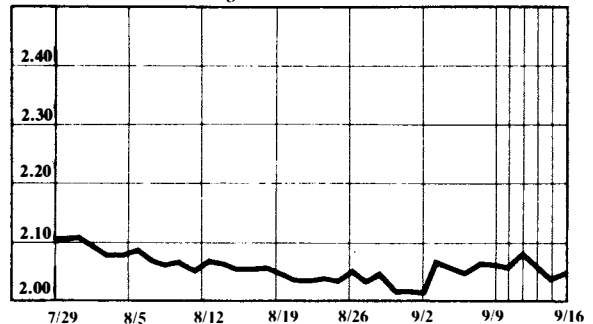
The prospects for the nations of Hispanic America will vary with the way in which governments react to the deepening of the present international financial crisis. The response by the government of the United States is obviously crucial. Happily, President Reagan has shown a capability for command decisions, which we may hope will be shown again in face of the presently deepening financial crisis. The more other governments demonstrate to the President, their intent to succeed in programs to foster economic growth, the more he and heads of other OECD nations' governments will tend to favor the kinds of policies Bolivia, for example, requires. In those matters which bear directly on the strategic capabilities of the United States and other OECD nations, a favorable response is the most likely.

Finally, the present policies of a nation's government are less important than the nation's vital interests. In severe crisis, policies are often changed drastically, to conform to the requirements of painfully perceived vital interests. It is in the vital interest of the OECD nations, and Bolivia's immediate neighbors, that such an undertaking succeed, and soon.

Currency Rates

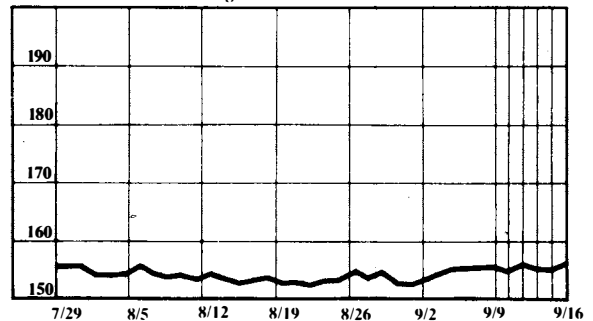
The dollar in deutschemarks

New York late afternoon fixing



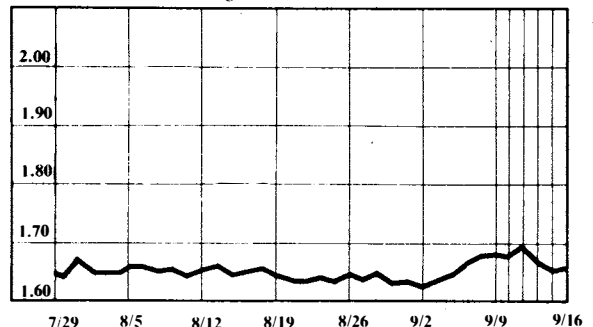
The dollar in yen

New York late afternoon fixing



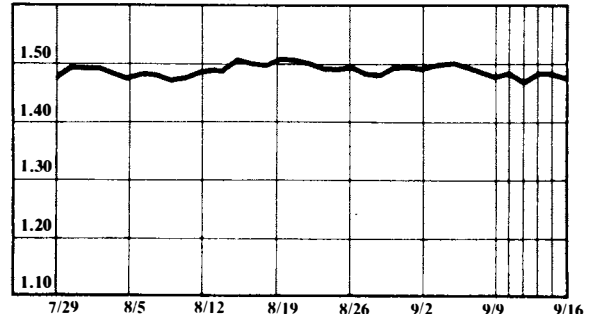
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



Man and machine...
the new partnership.

Industrial automation comes alive at

AM86

Produced by The Consortium for Automated Manufacturing

TEXTILE HALL CONVENTION CENTER GREENVILLE, SOUTH CAROLINA NOVEMBER 3-6, 1986

The 21st century begins November 3, 1986, when the Sun Belt explodes with the second biennial comprehensive automated manufacturing exhibition and conference

Planned to bring the latest innovative hi-tech manufacturing and processing into the heart of the rapidly expanding industrial South, AM86 offers 56 technical sessions, two full-day management seminars, and more than 250 exhibits

The conference will have speakers of international stature, including keynote speakers Lester Thurow and Joseph Engelberger. Both events will cover all areas of automated manufacturing and technologies. This will include robotics, materials handling, CAD/CAM, artificial intelligence, process control/instrumentation, optics and many other related fields.

Call today for complimentary exhibition registration

(803) 239-2967
P.O. Box 5616
Greenville, SC 29606-5616

SR-1

Foreign investment, or narco-dollars?

The new foreign investment legislation threatens to turn Venezuela into a first-class drug money laundry.

In a recent interview, Venezuela's representative to the Cartagena Accord, Pedro Luis Echeverría, warned, "One must take great care with these 'openings to foreign investment,' because we all know that, in the guise of investments, ill-gained money from the international drug trade can come in."

Echeverría added, with emphasis: "If there is some change in foreign investment [regulations], control over the origin of the capital and the identity of the investors must be maintained, so as to prevent our economies from being turned into a kind of 'laundry' where drug money is washed."

The foreign investment "openings," by Venezuela and other countries oppressed by foreign usury on the continent, are being adopted to the detriment of the famous Decision 24 of the Cartagena Accord, which established the Andean Pact (Peru, Venezuela, Bolivia, Ecuador, and Colombia). Decision 24 has regulated foreign investment policy and protected nascent industry in the region for more than a decade.

As with other countries on the continent, Venezuela changed its legislation through a new decree, effective the first week of September, through which all regulation of foreign capital in priority sectors of the economy was effectively eliminated, the ceiling on remission of profits abroad lifted, and the policy of exchanging debt for national equity put in place.

The creditor banks and multina-

tional corporations that have been pressuring for precisely such an "opening," responded immediately. Citibank president John Reed met for several hours with President Jaime Lusinchi on Sept. 9, declaring afterwards that his bank—one of Venezuela's major creditors—was prepared to invest in the country. Reed specifically mentioned petrochemicals and aluminum production as areas of his bank's interest.

The same day, spokesmen for the state oil company, PDVSA, announced that 12 foreign companies had expressed their desire to form associations with PDVSA in international refinancing deals, as well as in the areas of Venezuelan petrochemicals and coal.

At the same time, the ruling *Acción Democrática* (AD) party went before the national congress to argue the urgency of forgiving more than \$800 million in taxes due from foreign oil companies operating in the country since before the oil nationalization. The argument offered by the AD is that, without such a "deal," the companies would simply refuse to invest in petrochemicals. What AD didn't have to state outright is that the oil companies just happen to control the technology required for developing the petrochemicals industry.

But the changes in foreign investment legislation will not only facilitate the looting of Venezuelan industrial capacity, but also an escalation in already scandalous levels of capital flight and laundering of drug money.

The procedure is actually very simple: ghost companies are created in the various "fiscal paradises" that abound in the Caribbean and elsewhere, and these in turn "invest" in Venezuela with either flight capital stolen from the country, or with narco-dollars, receiving all the advantages of foreign capital, including exemption from taxation and ease of remitting profits outside the country.

According to the Sept. 5 edition of the daily *El Mundo*, during the same week that the foreign investment regimen was "modified," Venezuelan agents in Panama were discovered registering—through intermediaries—an average of 100 new ghost companies every day. The cost was \$1,000 to \$1,500 per packet of documents required to legalize the non-existent company.

The *Miami Herald* of Aug. 31, citing a high-level Venezuelan official, reported that of every 10 companies in southern Florida (investigated for their links to Venezuelan flight capital), five were proven to be ghost companies created primarily with flight capital.

According to figures released by Morgan Guaranty Trust, more than \$12.6 billion fled Venezuela for U.S. banks in 1985 alone. If you take into account the fact that Venezuela's oil income that year was only \$7.5 billion, the difference can only be explained by the fact that Venezuela's underground economy is based on nothing less than the massive laundering of money from the South American drug trade.

Thus, Venezuela's economy, with its new, more "flexible" approach to foreign investment, as its own representative at the Andean Pact states, now runs the very real danger of becoming the "laundry" par excellence for the Ibero-American continent's drug trade.

Banking trouble and the dollar

Rumors about the collapse of Bank of America start the new ratchet-decline of the U.S. currency.

Last week in this space, *EIR* warned that the singular situation of the foreign-exchange markets would lead to a renewed descent of the U.S. dollar, following weeks in which the dollar hovered just above the two-deutsche-mark line. The dollar rose in the week of Sept. 8, as the bond and then the stock market crashed, to about DM 2.08. The foreign-exchange market, as usual, misread the importance of the week's developments, and simply followed the upward curve of U.S. interest rates into the U.S. currency.

However, by Sept. 17, the dollar fell to about DM 2.04, apparently because of rumors that the nation's third-largest bank, Bank of America, was about to enter bankruptcy proceedings. The rumor was not true; on the contrary, the fact that Bank of America was able to peddle a \$620 million real-estate holding to a Japanese investment group demonstrated that it could still raise cash. But the fact that a Japanese buyer came along with the cash reflects the vulnerability both of Bank of America and the U.S. dollar in general.

The federal deficit could easily pile up over \$300 billion, over one-third of total tax revenues—a figure that swamps the imagination, larger even than America's illegal narcotics traffic.

What do the administration and Congress propose to do about this? Tax a few billion from cigarette sales, gouge an extra \$11 billion from tax reform, and raise \$6 billion with an 8% tax on gasoline.

The creditors of the United States,

to whom we now owe close to \$200 billion net, will not be impressed by this exercise. They are already financing most of our present \$230 billion deficit, and Wall Street threatens to have a fit every time the Japanese investment houses are not first in line at auctions of Treasury securities.

"In 1985, proceeds from Japan's ever-widening account went into U.S. Treasury bonds, but recent U.S. Treasury data seem to suggest a striking turnaround," says a recent report from Salomon Brothers. Net purchases of U.S. bonds by Japanese investors amounted to a relatively paltry \$8.9 billion annual rate in the first six months of this year—a dramatic slowdown from the record \$24.3 billion pace of 1985. Data obtained from Japanese sources tell a different story. Instead of plunging in the first half of the year, net purchases of U.S. bonds, according to the Japanese figures, soared to an estimated \$63 billion annual rate. Large discrepancies between U.S. and Japanese reporting of these purchases are common, but this one is by far the largest. American statistics probably do not report securities purchased by Japanese institutions outside of Japan, as a Japanese purchase.

Not only the Japanese, but other industrial nations who subsidize the U.S. economy, including West Germany, take the money they earn selling \$220 billion a year more to the United States than the U.S.A. sells to them, and invest it in dollar securities of some kind. In other words, the trade deficit finances the budget deficit. How long that insane arrangement can con-

tinue is not for us to specify at the moment; however, the fact is that Japanese funds came into the United States this year at more than double last year's rate.

That is why the Federal Reserve has been able to lower interest rates, which, in turn, has prevented the real-estate market, the savings banks, and other big chunks of the U.S. financial system from crumbling like so much rotted stucco.

America's response to the horrified protest of our trading partners and creditors, has been to demand that these partners simply print more money, and turn it over to the U.S. Treasury and U.S. banks. It is not only the Treasury deficit that the Japanese are supposed to finance; after Fed chairman Paul Volcker and Treasury Secretary James Baker III went to Mexico to jerry-rig that nation's \$100 billion external debt, they demanded that the Japanese banks lend Mexico the biggest share of new money needed to pay this year's interest.

Understandably, the Japanese have no interest in destroying their own banking system, let alone their currency, on behalf of Washington's fiscal fantasy life. At this point, it is irrelevant whether the Japanese and West Germans cave in to Washington's demands that they join a general deflation. If not Bank of America, then other major institutions will continue to fail at an uncontrollable pace, and Washington's demands for funds to bail them out will escalate faster than any global deflation plan might accommodate.

The decline in U.S. interest rates since April 1985 merely postponed the day on which the Federal Reserve would have to monetize the bad debts of the nation's banking system, and push the dollar well below its present weak level.

Real estate: a 25% crash or worse

Thanks to "tax reform," some \$250 billion in assets of already troubled financial institutions are at stake.

The president of one of the country's largest private real-estate firms estimates that the price of prime commercial property—including the Manhattan market—will fall by at least 25% in the next year, and perhaps considerably further. Studies of the impact of tax reform, which wipes out real-estate tax shelters, suggest a fall of around 40%.

Apart from tax reform, the 25% vacancy rate for office buildings in prime commercial markets, by far the worst in history, has already collapsed commercial construction, and left observers waiting for the big crash in building prices.

That implies that there is bad news, and worse news, for the U.S. banking system. Rumors of Bank of America's impending bankruptcy or sale are not as exaggerated as they appear to be; the nation's third-largest bank will be lucky to keep its foreign deposits during the next few weeks, and a merger or bailout is unavoidable.

Otherwise, more than 100 U.S. banks have failed this year, including three of Oklahoma's top four banks, all billion-dollar institutions.

But the worst has not yet hit, namely, the \$250 billion overhang of bad real-estate debt, by our own estimate. A September 1986 study by Salomon Brothers, written by Brookings Institution economist Anthony Downs, indicates why. Downs cites "the remarkable drop in mortgage . . . rates during the past year. Home mortgage rates fell about 2% from April 1985 to

June 1986, a decline of 16.7%. . . . Effective rents could have declined 16.7% without producing any change in market values. But lower interest rates also have a cost-reduction effect. So, effective rents could have fallen by even more than this—say, 20-25%—without producing any declines in market values."

That implies that the present turnaround of interest rates will produce market-value declines of 20-25%. However, a more important source of support for asking prices in the prime commercial markets, Downs says, is outright fakery. Many "office-building owners fully realize their properties are worth less today than when they were first built, but do not want to recognize that fact explicitly on their books. This group includes some large financial institutions who believe they can 'ride out' the period of high vacancy, as noted above.

"Also, some financial institutions in deep trouble are deliberately postponing the recognition of as many losses as possible so as to prevent having to become explicitly bankrupt. This group includes many savings-and-loans that would be considered bankrupt according to generally accepted accounting principles. They are being kept in operation by the regulatory authorities through use of more liberal 'regulatory accounting principles.'"

This tactic is being employed by the regulatory authorities because the Federal Savings and Loan Insurance Corporation does not have enough re-

sources to take over all such institutions in the near future.

"Other financial institutions not yet actually bankrupt are still reluctant to confront current losses in the value of their office properties. Like most businesses, they do not like to take losses when they can avoid doing so."

EIR's Quarterly Economic Report for the first quarter of 1986 used the Federal Savings and Loan Insurance Corporation's own reports on bad loans, to estimate that roughly 20% of all real-estate loans were in arrears by the end of 1985. The situation by now is much worse, but that is nothing compared to what will happen next.

Salomon Brothers' report concludes that real-estate values "will in many cases be subject to strong downward pressures in the next 2-3 years. . . . Surpluses of office space in many markets will become worse in 1986 than in 1985. This will occur because more new space will come onto the market in 1986 than will be absorbed.

"Moreover, the decline of interest rates of the past two years—the major factor counteracting drops in effective rents—is not likely to continue during the next two years. . . .

"Also, many owners of existing office buildings who have been unwilling to recognize explicitly any declines in values will have to do so during the next 2-3 years. One group will be forced to sell because it no longer has the resources to cope with huge negative cash flows from operating half-empty buildings, or full buildings rented with enormous concessions."

On Sept. 17, Bank of America took the occasion of a \$620 million sale of its stake in the Arco Plaza building to deny rumors of its impending failure. Not long from now, banks will announce their demise at cut-rate sales of their commercial properties.

There goes your milk

The government program to slaughter milk cows is causing severe shortages in some regions.

As schools opened this fall, record amounts of raw milk were being shipped across multi-state lines, in an attempt to guarantee children's milk supplies without rationing. At the same time, some farmers in New England and Wisconsin were dumping milk to publicize their below-cost-of-production milk prices. In Washington, D.C., health officials had to shut down a black market in cheap dairy products made from unlicensed, raw milk imports.

From these few facts, plus September government figures showing that national milk output is falling and dairy farmers are in worsening financial crisis, you might deduce that the federal milk policy is screwed up.

However, the U.S. Department of Agriculture is still "uncertain."

For example, in testimony to Congress earlier this month, Darwin Carter, a USDA official at the Agriculture Stabilization and Conservation Service, said, "With regard to whether we are in fact reducing cow numbers, the answer is yes, but the magnitude is yet uncertain."

In fact, even the USDA figures available, however unreliable they may be, do show the trends in the dairy sector. We are now in the fifth month of an 18-month program called the "dairy herd termination program." This plan was mandated by the 1985 farm law, ironically called the "Food Security Act of 1985." The law calls for a significant reduction in milk cow numbers and milk output over an 18-month period, supposedly to cause

higher milk prices for farmers—due to the "laws" of supply and demand. The program is also intended to save the government money. Dairy farmers who agree to liquidate their herds and stay out of dairy farming for five years, are to get government compensation, but the government expects to pay out far less than in its milk stabilization program, under which it buys unsold milk products and stores them.

According to Carter and other government officials, it is still too early to tell if the "experiment" will succeed. Carter told Congress he expects that government stabilization purchases of unsold dairy products will fall from 12.5 billion pounds this year, to 5.7 billion pounds next year. The decline is already taking place.

What this reduction means is regional milk shortages in many parts of the country, and the shutting down of milk export potential. The international dairy cartel—Nestlé's, Unilever and the British Empire's New Zealand Dairy Board—have used every influence in recent years to drastically reduce independent U.S. dairy-output capacity, permanently. They are now getting their way.

Meantime, the reason dairy output will continue to remain unsold, is that U.S. households cannot afford to buy all the dairy products they would like (fluid milk, ice cream, butter, and high quality cheese).

The dairy herd reduction program began in April. National milk output remained stable and rose slightly through May. It declined in June, and

as of July and August, started falling below levels of a year ago. (Milk output normally declines somewhat over the hot summer months.)

Nationally, milk production in August fell 2% below the levels of August a year ago, but regionally the decline was much greater. In the southeastern states, for example, output reduction has been so great, along with the general process of farm bankruptcy, that severe milk shortages have resulted.

In Iowa, there was a 9% drop in milk output from August 1985 to August 1986, when the monthly state milk output was 321 million pounds. In North Carolina, hard hit by the drought, there was an 8% drop over that period. Minnesota experienced a 7% decline in milk output, down to 817 million pounds in August.

In Wisconsin, the top dairy state, milk output fell "only 3%"—according to the USDA. But this represents 67 million pounds of milk, reducing the August state output to 2.16 billion pounds.

Nationally, the numbers of milk cows has fallen from 9.27 million to less than 9 million. By the end of the 18-month program, the USDA plans to have slaughtered or exported 1.5 million milk cows.

The only reason that milk production has not dropped more already, is that in some regions, the rate of milk output per cow has continued to rise. The impact of sending at least 300,000 milk cows to slaughter was partially offset by increased output from the remaining animals. In a Sept. 1 survey of 21 states, the USDA reports that monthly milk production per cow averaged 1,138 pounds, 5 pounds more than the rate of a year ago. In the top dairy producing states of California, Pennsylvania, and New York, average monthly output per cow either rose or remained stable over the year.

Business Briefs

U.S. Economy

New federal office to promote technology

Reviving technology in the United States should be a way to counter the pervasive decline in living standards, according to a group of Democratic Party senators led by Jeff Bingaman (N.M.). In mid-September, the senators proposed steps to create a mini-Office of Technology Assessment within the Patent Office and also create a new function within the Commerce Department to monitor foreign science and technology.

Plans would include expansion of the National Science Foundation, an economic competitiveness program to grant 500 science and engineering scholarships each year, a fund to rebuild college R&D infrastructure, and a National Council on Industrial Competitiveness to study economic trends and market opportunities.

This Council would also monitor foreign trade agreements, suggest import restrictions, and run a national "awareness" campaign to promote U.S. productivity. The total estimated cost for the project is \$500 million per year.

U.S. Recovery

Large Texas bank declared insolvent

The Western Savings Association was declared insolvent on Sept. 13 by federal regulators. The Texas savings institution, with \$2 billion in assets, is the largest such unit to fail in the United States in 1986.

Colonial Savings & Loan of Ft. Worth will operate Western for the next 90 days while a buyer is sought. The *New York Times* speculates, "Western is likely to draw the attention of many New York banks that have expressed a desire to acquire Texas banks or savings units."

The director of the bank until the Federal Home Loan Bank Board's takeover said that the regulators' action was "uncalled for, illegal and should never have been done."

South Africa

European Community, Japan adopt sanctions

The European Community decided for an import ban on steel, iron, and gold from South Africa on Sept. 16, after two days of discussion among the European foreign ministers in Brussels. Upon the initiative of German Chancellor Helmut Kohl and Britain's Premier Margaret Thatcher, the ban was not extended to coal products from the Republic of South Africa.

Since coal is the most significant import for Europe from South Africa, the sanctions are not considered very severe. The EC decision did allow for further action by member-nations, however.

Despite the relative weakness of the action, it is expected to set off a new round of sanctions and counter-sanctions from South Africa.

Japan will soon impose additional economic sanctions against South Africa, using the package adopted by the European Community as a "valuable reference," a foreign ministry official said on Sept. 17. But Naoto Amaki, director of the ministry's Second African Division, declined to reveal the exact nature or timing of the additional measures Japan will impose. He indicated the announcement could come by Sept. 23.

"We have only a few days left this week but we don't have to wait until the end of this month [to act]," he said.

Japan is South Africa's second-largest trading partner. It already has banned direct investment there and the export of computers to the army and police. It has also discouraged the import of South African gold coins and restricted sporting and cultural ties.

Health

U.S. ranked 17th in infant mortality

The United States is now ranked 17th in a worldwide survey of infant mortality rates.

The Population Reference Bureau, Inc.

examined the number of babies who died within the first year of birth in 30 countries, and found Finland had the lowest infant mortality rate in the year 1982. Six of every 1,000 babies in Finland died within the first year of birth, compared to 11.5 of every 1,000 infants in the United States.

Japan had the second-lowest infant mortality rate of 6.6, followed by Sweden with 6.8 deaths per 1,000 live births. Costa Rica had the highest infant mortality rate of the nations studied, with 19.3.

The survey showed that twice as many black women as white women have low birth-weight babies in the United States. Further, the study found a mortality rate for black babies, 19.6, to be almost double that of white babies, 10.1.

Mining

Mineral grab by British in Brazil

Brazil's rare mineral deposits are being grabbed by British and Soviet interests. Anglo-American Mining, a part of the Oppenheimer mining group, began moving into Brazil 10 years ago, in preparation for the destabilization of South Africa. Anglo-American now controls 60% of mined gold, 55% of nickel, and 55% of tungsten in Brazil.

The United States is totally dependent on manganese imports, having no domestic deposits. Brazil is the second producer of manganese, and its new deposits are controlled by the state mining company CVRD, which in June signed a letter of intent to hand over half its production to the Soviets. The Soviets already have 40% of world manganese reserves. Another agreement calls for Soviet cooperation in mining titanium and molybdenum.

In an attempt to guarantee Brazilian control over its strategic mineral deposits, a bill was passed by the lower house of Brazil's Congress in September. Foreign companies now directly control 42% of Brazil's mining sector and indirectly almost everything not in the government's hands.

Military Technology

France/U.K. to develop early warning system

French Defense Minister André Giraud said on Sept. 15 that France was cooperating with Britain to evaluate new advance warning systems to update its aircraft surveillance fleet.

Giraud was in Britain for two days of talks with British Defense Secretary George Younger. He told a news conference that the two countries had begun joint feasibility studies in August on several advanced warning systems, including U.S.-made AWACS and the beleaguered British Nimrod project.

"We have decided that we will carry out the evaluation together. . . . Once we have chosen the best system and if our decision is the same, we have decided it would be in our interest to continue the cooperation in such areas as maintenance that might result in considerable savings," he said. Giraud said a decision to purchase could be made by late September or early October.

Nuclear Power

Soviets plan to develop first hybrid reactor

Despite the obvious problems of the Soviet nuclear industry revealed in the Chernobyl disaster, the Soviet Union has plans for developing the first test hybrid nuclear reactor by early in the next century, according to Japan's KYODO news agency on Sept. 18.

A senior Soviet scientist told a group of Japanese science reporters that his institute plans to develop the reactor after attaining maximum temperatures in a model of the nuclear fusion reactor Tokamak-15. He said the hybrid, which will produce power by both nuclear fission and fusion, would have a higher output than a fusion reactor alone.

Meanwhile, in Stockholm, Sweden, U.S. Energy Secretary John Herrington stated on Sept. 18 that the United States is

concerned about possible dangers posed by two Soviet-designed nuclear reactors being built in Cuba.

"The Cuban reactors are important to us, and we're obviously concerned about safety since they're right next door."

He told reporters that he was going to Finland later that day to study a Soviet-built nuclear plant that has been modified to meet Western safety standards. Safety standards within the Soviet Union itself are considerably lower than the standards used either in Europe or the United States.

Strategic Defense Initiative

U.S./Italian agreement on SDI contracts

Italy has signed an agreement to bid for U.S. anti-missile research contracts, as part of President Ronald Reagan's Strategic Defense Initiative, the Defense Department announced on Sept. 19. Italian firms would now be in a strong position to compete for such contracts, according to the DoD.

"We expect that Italian participation in SDI research will contribute significantly to the SDI, helping to increase the program's effectiveness, reduce its overall cost, and accelerate its schedule," Deputy Assistant Defense Secretary Frank Gaffney, a specialist on the SDI, said. He said that on Sept. 16, the Pentagon had signed a contract with the Italian firm Ansaldo SPA for research on "cryogenic inductors," tiny refrigeration devices to regulate the temperature of space-based sensor equipment. Under a cost-sharing agreement, the United States will pay \$298,000 and the company \$167,000.

Italy is the fourth U.S. ally to formally join President Reagan's SDI program, following Britain, West Germany, and Japan. Italian firms had not been barred from bidding for SDI contracts before the present agreement, but the agreement will provide a framework to coordinate bids, make it easier for Italians to compete, and provide certain unspecified safeguards for the Italian firms.

● **THE U.N. HIGH** Commissioner for Refugees (UNHCR) has trimmed rations for about 100,000 Indo-chinese refugees in Thai camps as an economic measure, officials said. A UNHCR spokesman said that the refugees' daily diet was cut on Sept. 1 by about 1%, and could be increased only if donor countries increase support.

● **THE BOLIVIAN** government announced in mid-September that it has authorized 170 U.S. troops to remain there until mid-November, because the nation's police need more communication and transport equipment before continuing to fight the drug traffickers alone.

● **TESTS OF NEW** herbicides in Colombia, including a defoliant that resembles Agent Orange, but is less toxic than aspirin, have boosted hopes for a breakthrough in the fight against cocaine.

● **U.S. BANKS**, already troubled by souring energy, real-estate, and agricultural loan losses, may have another problem on their hands: consumer credit. Controller of the Currency Robert Clarke said he is worried about consumers overextending themselves by using multiple bank credit cards. "You have sort of a stacking of consumer credit. . . . I think that's an area that needs to be looked at."

● **UNITED AUTO** Workers President Owen Bieber on Sept. 12 called for a ban on imports from South Korea, which this year began selling cars in the United States. Speaking at a Detroit College of Law symposium, Bieber said imports should be banned from South Korea and all other nations that kept their own workers' wages low and endanger U.S. jobs. "We should block imports outright from countries that don't observe or respect internationally recognized labor standards."

The most complex mission America has conducted

A Delta rocket orbited two vehicles to test a new sensing and tracking capability for the SDI.

The following is an edited and abridged transcript of the Sept. 11 Pentagon briefing on the Strategic Defense Initiative experiment, by Lt.-Gen. James Abrahamson, head of SDIO, and Lt.-Col. Mike Rendine, project officer.

Abrahamson: We're a few days late in bringing, a little bit more detail on the mission that we flew last Friday [Sept. 5], which, of course, we are just very, very delighted with, because I think it had a great deal of significance, not only for SDI, but for the nation. It's a real tribute that we were able to conduct the overall program, and in particular the successful launch, by NASA and their team of contractors, and do this whole thing in about 14 months, in spite of a failure on the [Delta] 178, and to be able to correct for that and be able to have a very successful launch for the nation; because in my judgment, what that does is it really brings us back to what is the standard for this nation's launch capability. The success that we have had has been a standard, and the anomaly has been the failures that we have had. Unfortunately, it's been presented like it was all good luck in the beginning. I think that that's incorrect, just flat incorrect.

Now what I would like to do is to talk very briefly, and invite you to ask questions about what it is that we did. But in order to do that, I think you have to understand right from the beginning that this is an experiment. This is not a demonstration of some kind of a finished capability for a space-based kinetic kill vehicle. This is part of a very important sequence of experiments in our research program, very valid; hurried because we needed the data at a particular point in time. It will lead just inexorably to the kinds of capability that we're all trying to move to in this research program as quickly as possible.

Now in order to understand this experiment, we have to give you a little bit of background. . . . Then, I'd like to introduce my project officer, who worked through NASA, the Air Force, a whole series of agents in order to make this thing happen in this incredibly short period of time. He'll give you the details of the mission, and what it is that we did.

Now, the data is only slowly coming back, and the data is very, very sensitive. So we'll give you a very brief glimpse of some of the less sensitive parts of the data, but that will be reduced over a long period of time, and will become design-basic information for subsequent systems. . . .

This is part of the multilayer defense concept. We are talking about multiple sets of layers, in order to be able to stop ballistic missiles. Well, what we have demonstrated in the past have been things that have taken off in a terminal phase, and have either demonstrated the ability to intercept a warhead in space, or last June, we intercepted within the atmosphere, for the first time, a warhead down into just the last few seconds. In that case, it was a warhead that was acting like a short-range, or a theater type of ballistic missile threat system. However, we have always said, right from the very beginning, that we are very vitally interested in, particularly the boost phase, the ability to destroy an SS-18, a sub-launched ballistic missile, an SS-20—all of those range of systems—and to destroy them as early in the boost phase as possible. With all of those systems, they have two or more phases of rockets that get them out, and they, in fact, fire out well beyond the atmosphere. So that, for example, the SS-18 is a fairly slow missile. The second phase is firing out in space itself.

Of course, the advantage of destroying them in that second phase, or at that point in time, is that if it's an SS-18,

you destroy 10 warheads, or more. You also prevent them from putting out a whole bunch of decoys and things, that will make it much more difficult later on in the system.

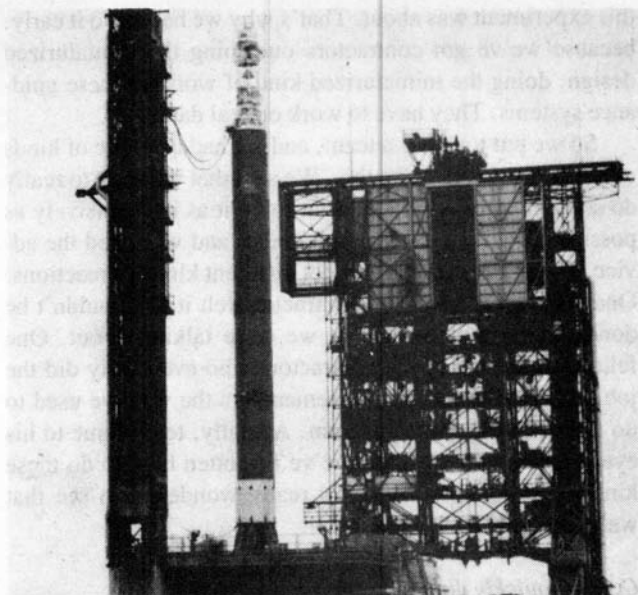
So, then the question is, how do you destroy boost-phase systems? Well, many people always focus on the lasers and the work that we're doing on lasers, and potentially, at some point in the future, that will be one concept. But another concept will be these small kinds of fairly conventional, fairly simple rockets. I'd like to say that eventually they might be very small, what we call a space-based kinetic kill vehicle, a rocket that can go very fast that would be put in a kind of a garage in space. . . .

One of these garages is a fairly inexpensive kind of place where you would store several of these rockets; it might be hundreds, it might be five or ten. . . . It's a fairly conventional kind of technology, but it would provide one of the early options for destroying a missile in the boost phase, and that's very important. . . .

Q: How big is the one that's actually used?

Abrahamson: It's huge. I'm just trying to give you the background of what we're doing. One of the great areas of emphasis in the research program is how do you make those things small so that they can work and work effectively? But how do you make them small and inexpensive? Because we're going to have to have lots of them, perhaps thousands of them, in order to deal with a very, very robust threat in the boost phase. But it's not enough to just have research programs to make things small. We already have that. You've also got to make sure that you have a guidance system that will work very effectively, not against just a warhead that's sitting out there in space that is a certain temperature, and of course, you can look with infrared or heat-seeking eyes against that warhead, and see against the coldness of space, but now we've got to look at a much more complex target—it's a rocket. That rocket has got gases flaming out of the back end. That is a very tough scientific problem. We've known that right from the very beginning.

Our first means of trying to get at how tough a scientific problem this is, we've built really effective simulations. We took the best aerodynamicists and rocket engineers, and people who know how to deal with supersonic plumes and data like that. We built these kinds of computer simulations of a rocket plume in space. Now remember, it's not going to act like what you see when you see a rocket take off from the Cape. When a rocket takes off from the Cape, you've got air pressure acting, and therefore it's one of these typical shapes and there's some fire and smoke at the bottom of it. But it's a very well predictable kind of shape. That is not what happens in space. What happens in space is that it spreads out because there is no air to hold the plume in. It spreads out into something that is absolutely huge. In simulation, every square is 30 meters, 90 feet essentially across. By temperature, the reddest ones are the hottest ones in one frequency band. Then you get down to the ones that are less hot. What



Department of Defense

The Delta 180/SDI Launch Vehicle, whose successful tests on Sept. 5 have put the Strategic Defense Initiative on a new plane.

you see is a very confused kind of picture for an automatic guidance system, the eyes for one of these things.

Now, if you're a long, long ways away from that, in shooting that rocket, that's good that it's big. That helps you accurately get in the area. But when you're within two or three hundred feet traveling at 5 kilometers per second, now you're in a situation where what you see is a huge, confused mass of burning gas, of different kinds of temperature. In fact, to show you how confused it is, and one of the surprises that we got out of our early computer simulations, is that there's a little, tiny black dot that symbolizes the upper stage of an SS-18. One of the surprises we had is that, even though that SS-18 is thrusting and moving, the actual plume goes in front of it. So that means, now, we have really got a confused picture, that these eyes have to operate against.

So it wasn't enough just to be able to do theoretical calculations. We had to get real data on these things, real data, up close, so we understood it.

So, the next best way to do that was to get information on actual rockets. So we took some airplanes that were infrared observatories, and we took shots against various U.S. missiles as we fired out of Vandenberg Air Force Base.

Where there was still some atmospheric pressure, it looks like a normal kind of plume. You can imagine that off the front of it is the real rocket. Then, as you begin to get out where the air pressure gets lower and lower and lower, it begins to spread out all kinds of ways. Finally, it gets out into space, and it becomes just a blot.

And again, our problem is, how can that sensor see that, and know it very accurately, when it's in very, very close. There is no way on the surface of the Earth to really know that. We had to get out into space. We had to be able to measure, up close, and in several frequencies. That's what

this experiment was about. That's why we had to do it early, because we've got contractors out doing the miniaturized design, doing the miniaturized kind of work on these guidance systems. They have to work on real data.

So we put together a team, and we had a couple of kinds of reactions. I really like this. We said that we want to really do something rapidly. We want to do it as inexpensively as possible. We defined the experiment, and we asked the advice of a lot of industry. We got different kinds of reactions. One group of responsible contractors felt it just couldn't be done, in the time scale that we were talking about. One fellow, from one of the contractors who eventually did the job, is an old timer, and he remembers the way we used to do things in the space program. Actually, tears came to his eyes and he said, "I think we've forgotten how to do these kinds of programs." And it's really wonderful to see that we're going to try it again.

Q: How quickly did you want it?

Abrahamson: I gave people a target of a year. Obviously, we didn't quite make that because of the Delta 178 failure. But we came very close. We did it in 14 months. . . .

Okay, with that background as to why we did this test, I want you to also understand that right from the very beginning we had to ensure that this experiment was done clearly within the [ABM] treaty. That wasn't a problem, because we really didn't run into major treaty constraints, because we're not trying to pull a stunt here and blow up something in space and all that sort of thing. What we're really after is a valid technical experiment to get this kind of information. We got it. With that, I'd like to introduce Lt.-Col. Mike Rendine, the guy who led and inspired this team to do that, who will explain how we did it. Mike?

The most complex mission ever

Rendine: Thank you, sir. What I'm going to do here in a short period of time is to, as much as possible, explain a very complex and, in my view, elegant mission, and show you some actual real data that we did recover and we can release to you. There is a story here that I'm not going to tell you, and it's the best story, and that's the story of the thousands of men and women who just did miracles in a year, to put this program together.

As General Abrahamson mentioned, our major objective was to get plume data; what do plumes look like in space. So our very first task was to build a set of eyes to look with. . . . At the top of the Delta, we put a hollow ring, and on that ring we mounted the very best eyes we could find in a year's time. One of those eyes was, at least to our knowledge, the world's first space-based laser radar. It's a radar system, but it uses a laser. It's not a weapon. It won't burn a piece of paper at a foot distance. What it does is it gives you very accurate distances with very, very low power requirements. So we used that brand new laser radar to steer some of these other sensors, these other eyes, because they have very narrow

fields of view, down to one degree. To put that into perspective, a one degree field of view means that if you put your head down on the grass at one end of a football field, you could only see a five and a half foot radius circle down at the other goal line. So it's very important that we had very accurate pointing, and we held our tolerances very close. So the laser steered some of the other sensors.

One of the other sensors was actually a cluster of ten sensors; four pointing frontwards and four pointing back toward the second stage's own plume. It's quite a ways, if we look back at our own plume. Four pointed forward, and then we had two cameras that also looked forward in two different spectrums.

We also had—and I'm very pleased with the results of this—we carried a maverick infrared TV sensor that comes off an anti-tank weapon—not what you'd expect in space, very inexpensive device. It's the Free World's only infrared TV tracker. So we put a cluster of four, very good sets of eyes and batteries and transmitters, on the second stage.

Then we needed something to look at and we needed something with a nice plume. So we built an entire new third stage in less than a year. It's a liquid stage, it's a miniaturized version of another Delta stage. That gave us a nice liquid motor to look at. Of course, our second stage is liquid for the Delta.

In order to make sure that this vehicle stayed inside the field of view of these sensors, we needed a nice, accurate guidance system so they came directly together. So we looked around, and for a guidance system, we selected a Phoenix air-to-air missile. It's a Navy air-to-air missile carried on the F-14. It's a radar missile. That gave us a fifth sensor. We could look with this radar on the Delta second stage plume and see how that plume influenced the radar signature that came out of that body. In order to help the Phoenix, we also put a corner reflector inside the hollow ring I mentioned that the third stage motor is on. That helped the Phoenix find the second stage at the very long distances.

Once we put together this part of the experiment, we got spin-offs, once we had the basics. It's been reported these two vehicles did a ballet in orbit. Before we lit the motors on the third stage, we maneuvered it at various distances without a motor on it, and we viewed what this looked like without a plume. That gives us data on what vehicles look like after the motors have shut off. So we did that in sunlight, we did that in space background, Earth background, because that all changes what a sensor sees.

We had a total of six aircraft involved in this mission, probably the most complicated mission that—at least, from the communications and coordinations aspect—the U.S. has ever attempted. Besides the six airplanes, we used 38 radars and 31 satellite links, just to pass information around our network. I did mention, and we wrote, probably in excess of a million lines of new computer codes. Those were all tested for the first time during the real experiment, and they all worked perfectly.

The Delta took us to a 120-mile orbit, which is as low as we could go and get the data, which helped us transmit information down, and also kept the orbits very clean, because all of the residuals came down very quickly.

As we crossed over the Indian Ocean, we separated both vehicles. We had two ARIA aircraft, from Roy-Patterson Air Force Base, over the Indian Ocean, because we did not have a ground station there. We sent a lot of information down to those two. ARIA is Advanced Range Instrumentation Aircraft. They acted like mobile receivers.

So as we came around to the Indian Ocean, we separated the aircraft. The Delta second stage then turns away from the third stage, and fires its motor. That data is sent down. Our separation after this burn is 120 miles, but these two vehicles then normally criss-cross back and forth.

As we came over Hawaii, we sent more information down, and corrected the pointing, very minutely, of the Delta second stage, about 1/10th of a degree. Over White Sands we launched the ARIAs, within 1/10th of a second of when we needed it to come up.

It was a very clear day at White Sands. After the burn-out, the whole Delta second-stage vehicle turned and looked back toward the third stage.

Then, again, we continued over the Pacific and over the Indian Ocean again, where we downlinked a second time to the second ARIA aircraft. At that point the vehicles separated again, just by their natural orbits, and after the maximum 120-mile distance, we lit both motors on both vehicles and allowed our set of eyes from the second stage to watch the third stage maneuver in as close as we could get. As a matter of fact, we were successful in our new guidance equations, and the third stage did hit the second stage directly. . . .

Ending what we call the endgame, the two vehicles were traveling towards each other at roughly 6,500 miles an hour. They were both accelerating at five times the force of gravity, or five Gs. So it's a very interesting guidance problem that we were faced with.

Q: They were both trying to hit each other?

Rendine: Only the third stage was steering. The second stage was told to fly in what amounts to a straight line, which is difficult to do in space. The third stage was guided by the Phoenix sensor.

From all the optical data and radar data, our scientists are debating whether the center-to-center error here was 6 inches or 12 inches. . . .

Q: Using the maverick sensor, did it prove that you could look over a wide area and pick these up or did you have it pointed intentionally toward a specific area?

Rendine: We pointed the Delta second stage strictly on projection of where everything would be. We did have the maverick sensor caged—it was not allowed to move. So an interesting part of the experiment was where did the plume come up in the picture?

Q: It was strictly a tracking test and doesn't have any relationship to whatever kill mechanism you would eventually use, is that right?

Rendine: We arranged what we called the endgame so that we could get the sensor data. This particular experiment, if there was anything relative to purpose, it was the guidance equations and not the hardware, not at all the hardware.

Q: General Abrahamson was talking about the space-based rockets. That's another technology?

Rendine: Yes, that's a different subject matter. This is available hardware. . . . It's a research vehicle. It was meant to get sensor data so we knew what kind of eyes to put on.

Q: What information did it provide to help you in determining the plume characteristics needed?

Rendine: We sent down 12 channels of data—three of them were width and length. We used up 85% of the entire instrumentation bandwidth to do that. It's an unprecedented amount of data. We've got that data both on liquid plumes, solid plumes, and post-boost with the motors off, before we ever lit the motors. The specific knowledge we got, of course, is going to go into the research program and that's sensitive.

We've already learned some pretty interesting things about the shape [of the plume] and things like that. But a lot of the data is going to come out now as we do very detailed examinations and compare the temperature of the plumes at different positions, and compare that to the different materials and the kind of reflectives that are on the side of the stage vehicles. You know, it was more important that we are simulating an upper stage of a missile, because that's what these things are looking at, than we are trying to simulate one of these little spacecraft that's going to be a kill vehicle.

'An easier job than we thought'

Q: Has that been proved? Can you say in terms of boost phases that this proves it's possible?

Rendine: This was a textbook mission. I feel it was a story-book mission. Most of the folks who worked on it feel the same way. The sensors worked beyond the point we even dared hope they would.

What I will say about that is that since these sensors worked so much better, I, at least personally, believe from the data I've seen that our job's going to be a lot easier than we thought. I think you're looking for a quotable handle there, and that's what I think we learned. The specifics, of course, are very sensitive information.

Q: Did it prove boost phase intercept feasible?

Rendine: Well, I think that we knew that it was feasible, but we had some unknowns in terms of what the target looks like. Now we know that so much better that, in the next stage of the research, when we actually begin to design experimental versions of these things to be tested at some point in the future, we will have the specific kinds of data in a series of

portions of the spectrum, several different parts of the spectrum. So we can pick the best part of the spectrum. We can ensure that we can pick a part of the spectrum that they can't counter-measure easily and work against us. We can develop, then, a very, very reliable system that won't come zipping in and do a good job and get close, and then miss, but will actually hit. Remember, we're not trying to put warheads on these. That means that that endgame, that last few seconds of guidance, is absolutely critical. That's why it was so important to get this kind of information, so you can design that.

A long time ago, I worked on the Maverick missile. That was one of the first of the optical kinds of guidance missiles. The first problem we had is, it was great, it came in a long, long way, and really did great. Then, at the last second, it would always decide, I think I'll make one more little correction. It'd go—whoosh—right over the top. You can't have something like that happen. In order to do that, you have to have the target signature.

Q: How closely did the second phase resemble a Soviet warhead?

Rendine: . . . There are different Soviet upper stages. Some are liquid fuel, some are solid fuel. The important thing is that it is an upper stage. Not for a ballistic missile, but it is one that at least has basic size, shape, characteristics, and basic engine characteristics, close enough, that it gives us the kind of fundamental design data that we need.

Q: People have often talked about lasers being used as the technology of choice for that boost-phase kill. This experiment seems to suggest that kinetic kill vehicles also have great application, or may be nearer term. Are you shifting your thinking?

Abrahamson: I think that, you all haven't been listening very well, is the real issue. We've been saying right from the very beginning, that we are always going to be exploring two or three different kinds of ways of conducting every function. The weapons function is one of those functions, the destruction function. We have talked about these kinds of kinetic kill vehicles for a long time. They are not that complex, if you have the basic design information. We're making progress in the lasers, too, obviously, and I'm very proud of that as well. It does not represent a shift in thinking. It represents progress on a broad front.

Q: General, how long will it be before a technology like this is ready to be deployed?

Abrahamson: Well, I would say that the biggest unknown is how much money we have in order to do the program. That seems to be a very big unknown.

Q: If you were given a five-year plan, would you be able to deploy this system within the five years?

Abrahamson: Well, there's always some unknown factor in

how fast you can go. I've defined a new law, by the way, now. I think it has all the validity of Newton's Third Law. It goes something like this, that technically, if you can get a few talented people, and at least some resources to do the job, you can do the technical job in about half the time that anyone projects. Unfortunately, if there's a political dimension, it takes about twice as long.

Q: You haven't really answered my question.

Abrahamson: I know I haven't. That's in this research program, and I'm not telling you that. I have said very consistently that if we get sufficient money so that we can conduct this whole broad range of scientific research, we could, by the early 1990s, be in a position to make a very broad kind of national decision to go ahead. Then we could quite quickly go through a development and begin a deployment phase. Obviously we're making progress daily. It's exciting.

Q: Explain to me the significance of tracking the rocket out of White Sands.

Abrahamson: We've used satellites from very, very high altitudes just to see those plumes. We've never tried to understand what it looks like up close. That's really the simple message of this whole mission, is to see with different eyes, in heat-seeking eyes and in other parts of the spectrum, what these things look like just as close as you can get.

Q: Did the challenge of setting up a relatively brief experiment like this tell you something about the logistics involved in deploying a real system?

Abrahamson: Right. I think what it did is that, it can't be considered a simulation of a real command and control set for an SDI system. But it did give us, I think, a very worthwhile initial experience in what a command and control set will be. I've always said: I think that is the long pole in the tent, not that of the development of the weapons. I think Mike said it in a qualified way, because the guys did it. They just stood up to it and did it.

It was the most complex command and control mission that the United States has ever conducted. We tied together all of the ranges, the Eastern test range, the Western test range, the Army Range out at Kwajalein. We've the NASA assets, the Air Force assets. All of those—we put a whole bunch of communication links, 31 separate satellite telecommunication links together, kept them together, and some of those were commercial, and some of those were military. We utilized ground communication links where that was necessary in order to handle the high volume of data. I think that's one of the major achievements. It gave us a good set of experience in the command and control problem.

Q: What is the message you say this sends to critics of Star Wars, of SDI?

Abrahamson: That we're doing everything that we said we'd do, on schedule, or faster. That's what it is.

What future for the U.S. space program?

by Marsha Freeman

The annual Eascon conference, sponsored by the U.S. Institute for Electrical and Electronics Engineers (IEEE), was the scene for an angry clash among experts concerning the future of the U.S. space program—a controversy reflecting the overall disarray of the program as a result of Washington's budget-cutting mania.

This was the first in a series of conferences on the space program scheduled for this fall. A meeting to discuss detailed Space Station design had to be canceled two weeks before, due to the chaotic state of the program.

"NASA is grossly underfunded," stated Space Station head Dr. Andrew Stofan, at the Sept. 8 conference in Washington, D.C. Stofan, who recently came to lead the program and was formerly the director of the NASA Lewis Research Center in Cleveland, said that if the space agency is to rebuild the Space Shuttle fleet, and build the Space Station, "we can't have a fixed pie."

Former NASA scientist and current head of the National Oceanographic and Atmospheric Administration, Dr. Anthony Calio, went further, and called for a "Marshall Plan" for space. A "bold stroke" is needed for the space program, like the "rebuilding of Europe after the war." This effort must include the "best minds" available, he said.

But the civilian space program is facing a near-terminal budget crisis, and even the military program is in trouble, as Donald Latham, Assistant Secretary of Defense for Command, Control, Communications, and Intelligence, pointed out. "The realities of the defense budget are a disaster, especially in the House," he said.

One speaker at the conference, who has personified the cynical cost-benefit analysis approach to science, was former White House science adviser George Keyworth. He stated that there is still "no economic argument for the Space Station," and that the National Commission on Space's recommendations for a Moon-Mars mission "missed a magnificent opportunity" by not presenting President Reagan with recommendations "that could be implemented."

The dilemma facing NASA

NASA is now facing a situation where there has been a presidential-level decision to build an orbiter to replace the Challenger, but no commitment to provide the financial re-

sources necessary to do that. The administration has requested a \$272 million add-on to the Fiscal Year 1987 budget, which begins on Oct. 1, but such a small amount of money will delay the start-up of construction for six more months.

The White House has only vaguely stated that the rest of the \$2.9 billion will come from "savings" inside NASA, and possible "savings" from "other government agencies." Escalating costs to pay for the Challenger investigation and the recommended modifications of the Space Shuttle fleet by the Rogers Commission, have left NASA with no "savings," and the possibility of severe cut-backs.

Getting back to business

NASA Space Shuttle head Rear-Adm. Richard Truly briefed the assembled engineers on the progress being made in getting the space program back in business. He began his talk stating there was "a lot of pride" in the successful Delta launch from Cape Canaveral on Sept. 5. He stated that the Strategic Defense Initiative (SDI) experiment had only a one-minute "launch window," and that the Delta had redesigned and requalified electrical components.

Truly reviewed the latest NASA planning regarding the payload manifest, or scheduling, for the Shuttle. The Defense Department has determined that only 4 of the 66 payloads they had been planning to launch on the Shuttle in the next few years had to be man-tended. The other 62 payloads can be off-loaded to expendable launch rockets, and the DoD has doubled its procurement plans for the expendables, to accomplish this.

The great majority of the NASA payloads, including space science missions such as the Hubble Space Telescope, life science, and other experiments, and Spacelab are Shuttle-unique. Only 22 of the 132 NASA payloads can be put on expendable rockets. The scientific community is facing multi-year backlogs in missions, and some space applications payloads also face a schedule slip of about three years.

Ian Pryke, the Washington representative of the European Space Agency (ESA) described the ambitious plans of the Europeans for improvements in the Ariane rocket, and new space science missions over the next few years. At their ministerial level policy meeting last January, the ESA member states decided to increase their space science budget 5% per year to 1990. This increase will support the Hipparcos program, to produce a star catalogue of 100,000 stars, an infrared space observatory, spacecraft for the solar/terrestrial program, and other initiatives.

European governments as well as Japan have a high degree of participation in the Space Shuttle program, and have made substantial commitments to the Space Station effort, as well. But now, a reevaluation of this dependence on the United States is under way. It is clear, however, that at the current size of these efforts—about \$1 billion per year in Japan, and only \$760 million for ESA—participation in the order-of-magnitude larger U.S. program remains crucial for these nations.

Fusion reactor technology for the 21st century

Part II of Dr. V. K. Rohatgi's review of scientific progress toward the limitless energy source of the future.

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. Part I discussed the present status of the international fusion effort, starting with the magnetic confinement approach, best known in the form of the tokamak. Here we continue with Dr. Rohatgi's discussion of the second principal approach, inertial confinement fusion, and begin to consider the technology requirements for building a fusion reactor. Readers wishing to consult Dr. Rohatgi's extensive bibliography may obtain a copy from EIR.

From the operating experience with drivers available today, it is possible to attempt a design of an inertial fusion reactor. Here are the major considerations for the design of inertial fusion (Monsler et al. 1981):

- Fusion energy gain (product of driver energy E and pellet gain Y) governs the overall plant efficiency.
- The power of a plant is related to the product of energy of a driver pellet gain, and the repetition rate of the reaction.
- Driver energy, in turn, is the product of the energy input and the efficiency of the driver. Consequently, the efficiency of a driver is an important figure in the design of a power reactor.
- Thermal and dynamical stresses, temperature limits, and the recovery time of the reactor cavity influence the choice of fusion energy gain per pulse and the repetition rate.
- Reliability and long-time fatigue are the additional constraints in the selection of these parameters.

Because of low driver efficiencies and pellet gain, present-day designs prefer a fusion-fission hybrid structure, instead of a pure fusion reactor. The tentative inertial confinement fusion-fission reactor designs are listed in Table 6.

These examples use laser, relativistic electrons, and heavy ion beams as the drivers for the thermonuclear reaction. Other important parameters such as the pellet gain, tritium breeding ratio, beam energies, repetition rate, and so on, are shown in the table. It is interesting to note that these parameters cover a wide range of operating conditions. A typical energy flow diagram in the case of laser-induced fusion reactor (the revised HyLife design) is shown in Figure 7. The design assumes a laser of 3% efficiency, which is incident on a pellet gain of 900. Further energy multiplication by a factor of 1.18 takes place at the blanket. The overall efficiency (taking into account recirculating power) is estimated to be 33%.

The overall objective of the inertial fusion program of the U.S. Department of Energy is summarized in Table 7. This table outlines the development of facilities, applications, and technical issues to achieve the objectives and tentative acceptable gains from the pellet for different applications. The proposed interrelationships between inertial confinement fusion technology development activities and major demonstration facilities are shown in Figure 8. This figure indicates the steps necessary between the early single-pulse target facility and the prototype fusion power plants of the future. The major tasks are divided into the following stages:

SPTF (Single Pulse Target Facility): The objective will be to demonstrate acceptably high fusion gain.

SIA (Systems Integration Activity): The objectives will include integration of testing pellet, injection, tracking, targeting systems, and repetitive operation.

PFA (Pellet Fabrication Activity): This will include the process development and testing of large quantities of pellets with acceptable tolerance and cost.

ETF (Engineering Test Facility): This facility will be used to test reactor cavity concepts, blanket concepts, reactor

TABLE 6

Typical inertial confined fusion—fission reactor designs

| Parameters | Sandia Lab | Westinghouse | Lawrence Livermore Nation Lab (Hylife) | University of Wisconsin (Solace) |
|------------------------------|--------------------------------------|----------------|--|----------------------------------|
| Nature of driver | Relativistic electron/light ion beam | Heavy ion beam | Laser | Laser |
| D-T pellet gain | 18 | 175 | 400 | 150 |
| Tritium breeding ratio | > 1.4 | > 1.2 | 1.7 | 1.3 |
| Beam energy (MJ) | 4 | 2 | 4.5 | 1 |
| Pulse rate (Hz) | 10 | 10 | 1.5 | 20 |
| Electrical power output (MW) | 1,075 | 1,346 | 1,004 | 965 |
| Net system efficiency (%) | 31 | 31.3 | 32 | 29 |

driver interphase, and pulse inertial confinement fusion radiation effects.

MTF (Materials Test Facility): This will be dedicated to study the long-term materials behavior under various operating conditions, such as high-rate pulse radiation, effects of chemical, mechanical, and thermal environments, and high cycle fatigue.

EPR (Experimental Power Reactor): This is required to demonstrate the overall engineering feasibility of inertial confinement fusion, confirm prototype plant technology,

produce significant thermal power (100 to 300 MW), and generate data for extrapolation to the next stage.

PFPP (Prototype Fusion Power Plant): This is expected to be the final facility in the inertial confinement fusion development program. The plant should be capable of operation as a commercial unity, yielding necessary data on cost, reliability, and other industrial acceptance aspects.

In terms of priorities, the first four items are considered as early facilities and activities, and the last three are the second phase of the total development program. It is envis-

FIGURE 7

The average power flow for the Hylife power plant

Inertial confinement fusion reactor concepts

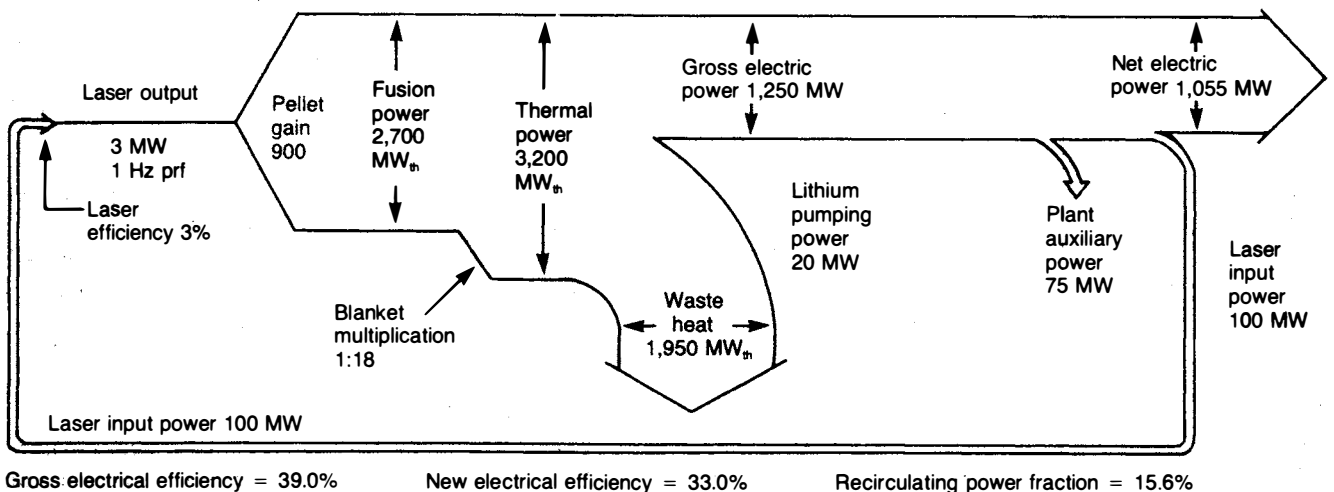


TABLE 7

Potential inertial confinement fusion applications

U.S. Department of Energy inertial fusion program

| Facility | Application | Technical issues | Gain |
|----------------------------|--|---|---------------|
| Single pulse test facility | Weapons physics | Ignition and propagating burn | 10^{-2} -10 |
| | Validity of driver-target requirements for higher gain | Low-cost driver technology | |
| Fuel production facility | Material production | Low to moderate gain scaling | 10-50 |
| | Validation of <ul style="list-style-type: none"> • Driver-target requirements for commercial power production • Automated target fabrication • Reactor concepts | Repetitively pulsed driver technology Reactor engineering Target fabrication and automation | |
| Commercial prototype | Demonstrate inertial fusion as a competitive power production source | Plant engineering Multiple reactors | 100-300 |

aged that the entire program will spread over several decades and may need modifications on the basis of experience gained during the earlier stages.

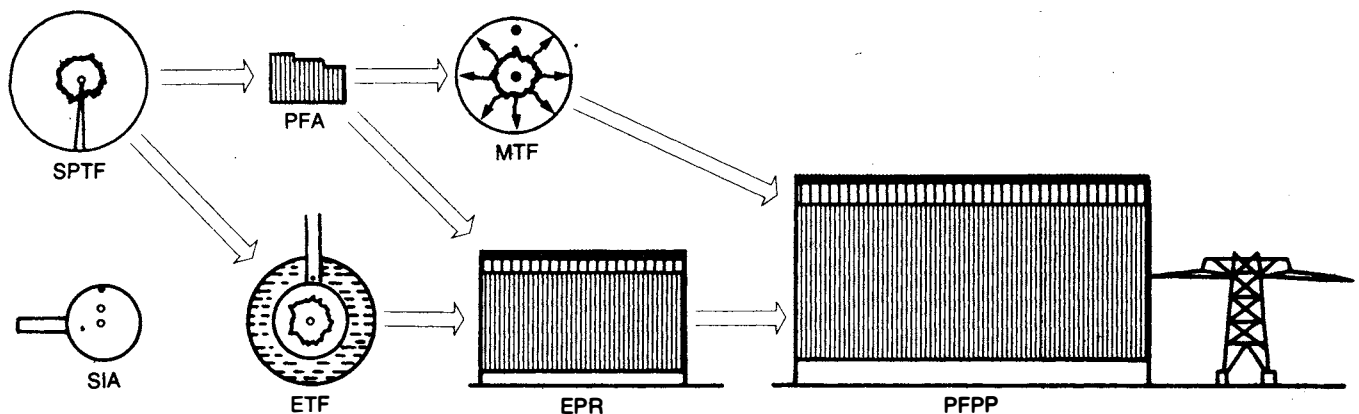
Technology requirements

Having taken a look at the present activities, concerning the developments of fusion power reactors, it is now possible to list the technological requirements for building a fusion

reactor. Here are the major issues identified for this purpose:

Understanding of plasma physics: Although there has been significant progress in understanding the basic physics, several new questions have opened up. The first-order physics necessary for the conceptual design of fusion reactors has been well established. Now it is necessary to gain better understanding of the details of the physical phenomena active in a reactor. These issues include the topics of basic plasma

FIGURE 8

Inertial confinement fusion technology development activities and major test/demonstration facilities

SPTF: Single pulse target facility

SIA: Systems integration activity (objectives: to perform integrated testing of pellets, injection, tracking, targeting system, and repetitive operation)

PFA: Pellet fabrication activity

ETF: Engineering test facility (objectives: to test reactor cavity concepts, blanket concepts, reactor driver interface, and pulse inertial confinement fusion radiation effects)

MTF: Materials test facility

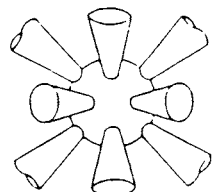
EPR: Experimental power reactor

PFPP: Prototype fusion power plant

FIGURE 9

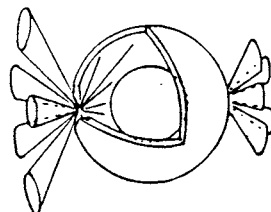
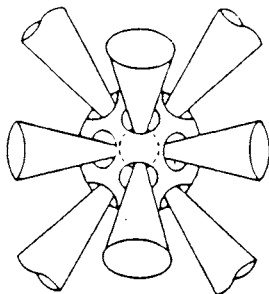
Laser fusion target configurations

(a) Direct-drive target



12 holes

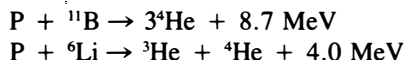
(b) Cannonball targets



2 holes

physics as well as topics of an engineering nature. For instance, there is scope for research in the areas of generation of fusion-grade plasma, thermal transport in tokamak (Furth 1985a) and its optimum shape for stability. Plasma heating mechanisms and the scaling laws for plasma flow are other topics of interest for investigation. The physics involved in the beam-target interaction is fairly complex. The target design dealing with fusion physics and transport of energy are important areas for investigations. Better understanding of the physics of these phenomena can lead to simplifications in the reactor designs. Many laboratories in the world are engaged in the studies of these and other related subjects. These investigations are vital, since this knowledge will help in better definition of the requirements for fusion reactor. See for instance, the analysis of the plasma of a tokamak fusion engineering device carried out by Peng et al. (1982).

Fuels: The first choice of fuel for fusion energy is the deuterium-tritium (DT) mixture, because of its higher energy yield at relatively low ignition temperatures. In this case, preparation and handling of tritium and large fluxes of fast neutrons pose technological difficulties. Also, with the presence of large inventories of radioactive materials, the maintenance of equipment and safety demand special considerations. It is in this context that one should study other reactions such as the following:



These reactions take place between protons and boron and between protons and lithium, which occur in nature. Also, the reaction products in these cases are free from radioactivity. Of course these reactions take place at much higher temperatures and yield relatively less energy when compared to the DT fuels. Reaction in DD systems has also been studied for fusion applications.

Notable programs for preparation, remote handling, and inventory management of tritium exist in Japan, as well as

other places. The research programs at the universities in Japan emphasized measurement of tritium penetration rates through various materials, study of tritium containment material, and tritium waste treatment and storage.

Design, fabrication, and injection of fuels in reactors is also an important issue. In the magnetic confinement fusion reactor (MCFR) experiment, the characteristics of the plasma are affected by the mode of injection of fuels. For example, the Lawson criterion in MIT's Alcator was significantly improved when fueled with solid pellets instead of gas puffs (Greenwald et al. 1984; Schwarzschild 1984). Similarly, the design, fabrication, and testing of fuel pellets, injection system and synchronization of target with driver beam-firing have been identified as major tasks by the U.S. Department of Energy (SIA in Figure 8).

The design and fabrication of directly and indirectly heated fuel targets for inertial confinement fusion reactors is one of the major issues for investigation. Configurations of conceptual targets are shown in Figure 9. In the direct-drive target, the laser beams are symmetrically incident on the front surface of the target. Two different geometries of cannonball (indirect drive) are also shown in the same figure, with 12 and 2 holes. The incident beam energy entering through these holes is first converted in the form of x-rays, which compress and heat the fuel pellet (Stevens 1985). Physics of indirect-drive targets is discussed by Winterberg (1980), Yabe (1984), Yabe and Mochizuki (1983), and Yamanaka (1984). Another interesting development in recent years has been the realization that by using polarized spin fuels, the reaction rates (Takahashi and Lazareth 1983) in DT and DD can be increased by 1.5 and 2.5 times respectively. Similarly, reaction rates can be enhanced by using catalyzed DT fuel (Jones 1984). Consequently, higher-energy yields are possible at lower temperatures. In-depth study of this possibility especially with reference to power reactor design will be very valuable (Kulsrud 1984; Kulsrud et al. 1982).

Who is really behind the Mideast terror campaign

by Jeffrey Steinberg

The recent campaign of international terrorism—begun with the Pan American 73 bloodbath in Karachi, Pakistan, on Sept. 6 and continued unabated through the ensuing week's anti-personnel bombing spree in Paris—signifies that the Soviet Union has completed its retooling of the international terrorist forces under its control and has launched a dramatic new phase in its low-intensity war against the West.

U.S. and Western European intelligence sources canvassed in the preparation of this *EIR* report concur that the Soviet military command, centered around Marshal Nikolai Ogarkov, has defined a series of near-term strategic military objectives and have integrated the restructured terrorist command into these now ongoing military maneuvers.

The Soviet shift into the unconventional warfare phase of strategic engagement with the West, unveiled with the KAL-007 incident in September 1983 and embraced at the recently concluded XXVIIth Party Congress of the Soviet Communist Party, has become even more critical to Soviet strategy in recent months.

As the result of the nuclear reactor disaster at Chernobyl, the Soviets suffered a setback in their own strategic defense crash research effort. Numerous sources have reported that a team of leading Soviet scientists working on x-ray laser systems perished in the reactor explosion. This loss, combined with recent dramatic advances in the U.S. Strategic Defense Initiative effort and the prospect of U.S. government-to-government SDI collaboration with Japan, may have altered the Soviet timetable for a "best date" launching of a first strike global war at acceptable levels of loss, by as much as two years. As the result, victory through unconventional, or low-intensity, warfare means, has taken on a greater relative weight within Soviet war planning.

In this context, the Soviets have identified the following theaters of operation as critical to their near-term unconventional warfare drive to consolidate an unchallenged empire over the Eurasian land mass and adjacent areas:

1) *The Indian Subcontinent*. Moscow intends to unleash a full-scale destabilization of, first, Pakistan, and, then, India, aimed at breaking up those nations into

High Command



Marshal Nikolai Ogarkov

Assets



Hafez Assad



Ariel Sharon



Muammar Qaddafi

Useful fools and agents



George Shultz



Henry Kissinger



Alexander Haig



Michael Ledeen

warring and easily controlled ethnic and tribal enclaves—Baluchistan, Khalistan, Kurdistan, etc. This is at once part of a strategic condominium between Moscow and Beijing, and an integral feature of the Soviet Union's drive to attain warm-water access through the Indian Ocean. U.S. intelligence sources are predicting a major Soviet military offensive into Afghanistan aimed at crushing the rebel forces, in which the Soviets will likely resort to biological and chemical weapons.

The Sept. 5 hijacking of Pan Am 73 was a direct attack against the Zia ul-Haq government—and its relations to Washington. As such, the incident was exemplary of how the Soviet command is directing international terrorist forces centered in the Middle East as a decisive and integral component of their low-intensity warfare. Moscow's willingness to break up India, indicated in Moscow's involvement with Beijing in sponsoring Sikh separatist guerrillas, is an essential feature of the Soviet-Chinese condominium stretching from Southeast Asia through the Persian Gulf. The effort by agents of the Anglo-Soviet "Trust" networks infiltrated into the circles of Prime Minister Rajiv Gandhi to conceal the direct Soviet hand in the dissolution of India is a crucial feature of the entire subcontinent destabilization, one which could fuel a Soviet-manipulated India-Pakistan conflict that would only accelerate the breakup of both nations.

2) *The Persian Gulf.* With the People's Republic of China recently having emerged publicly as a major arms supplier to the Khomeini regime, and with the simultaneous Soviet reassertion of influence within Iraq, the stage has been subtly set for Iran to achieve—with Soviet-Chinese complicity—a limited but strategically significant breakout in the six-year-old Iran-Iraq war. When Khomeini launches his imminent autumn offensive, the Iranian armed forces may successfully seize control of the Bozra region bordering Kuwait. This heightened Shi'ite fundamentalist pressure on the pro-American states of the Gulf Cooperation Council—rather than an overt Iranian march on Baghdad—would tilt the situation in the eastern Mediterranean in favor of Moscow's Syria-centered radical axis. This axis includes Israeli circles centered around former Defense Minister Ariel Sharon. The suspicion that Sharon had a personal hand in setting the stage for the Sept. 6 massacre at the orthodox Jewish synagogue in Istanbul is exemplary of this Moscow-Irgun collusion.

In fact, as a corollary to the Persian Gulf war situation, Moscow has been reportedly involved in intensive back channel talks with Sharon and with Irgun circles of incoming Prime Minister Yitzhak Shamir. These talks involve a regional condominium between Damascus and the Irgun circles in Tel Aviv to jointly rule the eastern Mediterranean as Moscow's two principal satraps. Far from being a short-term

marriage of convenience, Moscow's deal draws upon the original roots of the Irgunist movement in the Russian Okh-rana (Czarist secret police)—identical to the roots of the Bolshevik Party—to forge a revival of the old-world ties as a critical element of Moscow's grab for Middle East hegemony.

A limited, pre-rigged war between Syria and Israel is now a standing option, one that Moscow would activate particularly to wreck any further momentum of Prime Minister Shimon Peres's Marshall Plan for the economic development of the Middle East as a cornerstone of enduring regional peace. The successful pinning-down of Kuwait and Saudi Arabia and the weakening of the Saddam Hussein

U.S. and Western European intelligence sources concur that the Soviet military command, centered around Marshal Nikolai Ogarkov, has defined a series of near-term strategic military objectives and have integrated the restructured terrorist command into these military maneuvers. But the effectiveness of the U.S. response has been crippled by the faulty intelligence supplied by Moscow's agents and such "useful fools" as Secretary of State George Shultz.

regime in Baghdad as the result of a military advance by Khomeini's forces in the Bozra region would be a strong plus for Moscow playing out the Syria-Israel war-games. In military terms, such an Iranian advance would provide improved Soviet logistical lines of assistance to Syria.

3) *Western Europe.* The Soviet military command has defined the January 1987 federal elections in the Federal Republic of Germany as a target of opportunity to break up NATO by helping to install a pro-Soviet combination in power in Bonn. A Social Democratic-Green Party or a Social Democratic-Liberal coalition with parliamentary backing from the Greens would define such a political combination, driving the U.S. military out of West Germany and rendering continental Europe indefensible.

In the short term, the Soviet leadership has reacted violently to the recent political shift inside France. Under Premier Jacques Chirac, France has begun to reassert a role in

African and Middle Eastern affairs directly opposite to that of the previous Socialist Party government, dominated by President François Mitterrand. This loss of de facto Soviet control over France through the complicity of the Socialist International apparatus—which permitted overt KGB agents to hold critical positions within the French cabinet up through March of this year and which openly abetted Soviet-directed terrorism against all of Western Europe—has defined France as a priority target of terrorist low-intensity warfare. The same Socialist International circles inside France who joined with Moscow in turning Paris into a capital of European terrorism from the time of election of Socialist Mitterrand to the presidency in early 1981 are among the prime "inside" collaborators of the Soviets in the recently activated blind terrorist assault.

Every recent terrorist incident that has occurred in the region stretching from the Korean peninsula to the British Isles has been part of the top-down low-intensity warfare drive by Moscow, associated with the near-term strategic targets cited above.

As the accompanying articles will detail, Moscow "fine-tune" directed a major reorganization of the terrorist infrastructure in the wake of the U.S. retaliatory bombing of Libya last April. The reorganization was carried out under the cover of a series of nominally "cultural" conferences and diplomatic trips made by leading figures within the Islamic fundamentalist movement, many of whom are converts to Islam acting on behalf of European-centered networks of the Anglo-Soviet Trust. The main purpose of that restructuring was to hide the tight Soviet control over the pending waves of bloodshed and upheaval. In point of fact, the underlying organization remained intact and unchanged:

- Syrian intelligence remains the most trusted vehicle through which the Soviet military command and KGB direct the international low-intensity warfare offensive. Syrian President Hafez al-Assad, in late August, became the emissary of Moscow, traveling to Tripoli, Libya and Teheran, Iran, to personally deliver marching orders for the terror wave that began days later. Middle East sources have underscored the role of Alois Brunner, a wartime Nazi who took refuge and eventual political prominence in Damascus during the 1950s under Soviet sponsorship. Brunner is a controller of both Syrian Defense Minister Mohammad Tlas, Moscow's most trusted asset in the Syrian command, and Syrian foreign policy in general.

- Among the most critical fronts for this Syrian intelligence apparatus remains the Syrian Popular Party (PPS), a neo-Nazi organization created in the early 1930s by Antoine Sa'ade, incorporating overt Nazi Party propaganda into a geopolitical doctrine of "Greater Syria," encompassing present-day Syria, Iraq, Lebanon, Jordan, and Cyprus. The PPS, which casts itself as a "secular" political movement, has Shi'ite, Druze, Greek Orthodox (Antiochian), and some Maronite members, and is centered in five areas of Lebanon. According to both French and American intelligence spe-

cialists, the majority of suicide commando actions in Lebanon over the past year, though universally attributed to the Jihad organization, have in fact been carried out by Shi'ite members of the PPS.

- In France, the recent spate of anti-personnel bombings has been carried out by a network directly spun out of the PPS: the FARL-Direct Action. Sources familiar with the personal history of jailed FARL leader George Ibrahim Abdallah, say that he is a longtime PPS member. The financing of this PPS-FARL-Direct Action apparatus is reportedly maintained through a Lebanese banking network interfaced with the notorious Crédit Suisse bank.

- Middle East specialists have also underscored the importance of the recently reorganized terrorist training camp infrastructure, in the direct Soviet hand into the Lebanon-centered terrorist nets. These sources underscore the role of KGB "foreign nationalities" agents within the Iranian and Syrian military in screening and deploying the terrorist forces.

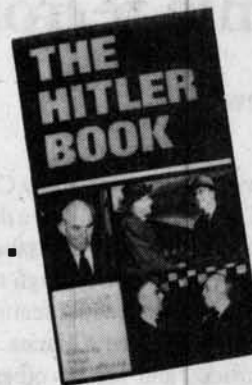
Through these devices, Moscow hopes to prevent the development by Western intelligence agencies of the kind of "juridical evidence" that led to Washington's retaliatory bombing of Tripoli and Benghazi in the aftermath of the La Belle disco bombing in West Berlin. This "ambiguity" is intended to facilitate the work of Moscow's agents and "useful fools" within the West. These Western circles, typified by U.S. Secretary of State George Shultz, are providing decisive assistance to Moscow's low-intensity war by repeatedly throwing distractions into the strategic assessment process.

Washington sources report that Shultz has received the recent critical backing of a consortium of "Trilateralists" including his predecessor in office Alexander Haig, Henry Kissinger, and Georgetown "terrorism expert" and Haig associate Michael Ledeen, in pushing ahead with the U.S. pursuit of the "Syrian Card." Shultz, with the backing of a bankers' faction of the CIA, typified by Kermit Roosevelt, the 1950s author of the original U.S. intelligence community flirtation with Shi'ite Islamic fundamentalism, is not only pursuing the "neutralization" of the Assad regime in Syria.

This grouping has, according to U.S. intelligence sources, systematically blocked any inclusion of the PPS in the assessment of who runs Middle East terrorism, has been instrumental in the destabilization of the Magreb region, particularly Tunisia, and has maintained open channels, including financing, to Muslim Brotherhood and other Islamic fundamentalist networks who have been active players in Moscow's unconventional warfare against the West.

In the most extreme cases of this bankers' intelligence faction, such as Zbigniew Brzezinski, overt endorsement has been given to the Moscow-proposed New Yalta agreement that would cede Eurasian hegemony to a Moscow proclaimed as the capital of a third and final Roman empire. The simple solution to this Soviet unconventional warfare assault is to openly call Moscow's game, as French Prime Minister Chirac and other European leaders have done in recent days.

THE TRUTH ABOUT THE NAZI INTERNATIONAL



Then...

And
Now!

THE HITLER BOOK

A Schiller Institute Study

This highly controversial study exposes the philosophical roots of National Socialism and the international oligarchical network that put Hitler into power.

Edited by Helga Zepp-LaRouche
\$9.95

Please send me _____ copies of The Hitler Book.

Enclosed is \$ _____

Name _____

Address _____

City _____ State _____ Zip _____

Order from:
Ben Franklin Booksellers, Inc.
27 South King St.
Leesburg, VA 22075
Shipping: \$1.50 for the first book; .50 for each additional book.

Moscow's direction of Islamic terror

by Joseph Brewda

At the XXVIIth Soviet Communist Party Congress in March, the Russian High Command authorized a dramatic escalation of blind terrorism and political assassination in the area stretching from Western Europe through the Middle East to the Indian subcontinent, as a leading feature of their attempt to break the will of the Western Alliance. As a direct result of this policy decision, and for no other reason, there is rapidly accelerating "irregular war," being waged by Moscow's terrorists not only throughout that vast region, but in virtually every nation in the world judged to be an ally or potential ally of the United States.

Within this global terror plan, Syria, Iran, and Libya have been assigned special roles, largely because Islamic fundamentalist cults have proven themselves over the centuries to be the most effective instrument to run warfare through terror. With the TWA bombing in Athens on April 2, the bombing of the U.S. GI-frequented West Berlin La Belle discothèque on April 5, and the bombing attempt near the Bangkok hotel where Defense Secretary Caspar Weinberger was staying on April 8, terrorism entered this new phase—underscored by the beginnings of unconcealed irregular warfare conducted by "punk environmentalists" in West Germany.

However, with the U.S. bombing of Libya on April 15, and the exposure of existing networks implicated in the Berlin and Athens bombings, the Soviet Command was forced to reorganize its Islamic terrorist networks for longer-term operations, and to replace the Libyan networks under Syrian control which had been exposed. These networks were reorganized at the point that Soviet deals with Western nations regarding the control of Islamic fundamentalism, would no longer suffice.

Although Moscow controls Islamic terrorism, the rise of Islamic fundamentalism could not have occurred without the help of the Socialist International, in particular in France, and elements of Israeli intelligence associated with Minister of Trade and Industry Ariel Sharon's Greater Israeli project, all of whom were involved in recreating Islamic fundamentalism in the postwar period. Behind the Socialist International and those Israeli factions associated with Sharon is the "Trust," the constellation of Western oligarchic families which aided the Bolsheviks in their grab for power, the group re-

sponsible for undermining the power of the West, to the advantage of what has now become the Warsaw Pact.

One of the key Trust figures within the West through whom Islamic fundamentalist terrorism was developed is Kermit Roosevelt, grandson of former President Theodore Roosevelt, and the former director of Middle East and Iranian operations for the Central Intelligence Agency. Roosevelt's concept of what has been more recently dubbed the "Bernard Lewis Plan," has been to build up Anglo-American capabilities in the Middle East, but only for the purpose of handing these capabilities over to Moscow. A typical example of the reality of the fundamentalist card, was the Trust's gift of Kim Philby, and his entire British intelligence Mideast bureau, to Moscow. Only fools believe that the reason Anglo-American intelligence networks have built up Islamic fundamentalism is to encircle Russia. In every case, Islamic fundamentalism has been used to attack *American* interests, as has been the intent of its creators.

For example, the Parti Populaire Syrien (PPS), which was founded in 1932 as a Nazi organization centered in Lebanon, has been a key factor in the ongoing terrorism in France. Under the guidance of its founder, Antoine Sa'ade, the PPS was a combination of Lebanese Druze, Eastern Orthodox Christians, and some Shi'a Muslims, all operating under the vision of a "Greater Syria," embracing Syria, Lebanon, Iraq, and Cyprus. Although pro-Nazi, the PPS and Sa'ade were always under British intelligence control, specifically the faction around the Royal Household and the Duke of Hamilton, for the purpose of assassination and terror in the Middle East.

In 1968, Moscow ordered the Lebanese Communist Party to align itself with the PPS, now known as the Syrian National Socialist Party (SSNP). The unification of the SSNP with the Communist Party created the conditions whereby Syrian President Hafez Assad was able to take over the network, and incorporate it in his Greater Syrian plan.

The degree of the PPS's role in Islamic terror is suggested by the fact the Lebanese Armed Revolutionary Faction (FARL) and France's Direct Action were trained at PPS camps in Lebanon and Syria. Imprisoned FARL founder George Ibrahim Abdallah is also a member of PPS. George Habash, the founder and controller of the Palestinian Front for the Liberation of Palestine (PFLP) was originally a member of the PPS. Reportedly, so was Yasser Arafat of the PLO.

Current control over the PPS is located in Damascus, in the offices of Alois Brunner, formerly a leading figure in Nazi intelligence in war-time Greece, and today the actual controller of Syrian foreign policy. Brunner, a close associate of Syrian intelligence director Gen. Ali Duba, is also the controller of Direct Action, FARL, and the vast Islamic terrorist network radiating out of Geneva and Zurich, Switzerland. Among Brunner's underlings and associates is Geneva banker François Genoud, who supervised the outflow of Nazi funds from Germany into Switzerland at the end of World

War II, and remains the banker of the Nazi International to this day.

In November 1969, Kermit Roosevelt signaled a new phase of developments in Islamic terrorism, which, like the question of the PPS, has immediate implications regarding the bombings in Paris today. In 1969, Roosevelt ordered the printing of an article in Elijah Muhammed's Black Muslim newspaper, *Final Call*, which stated that Lebanon is a "Muslim nation, ruled by a Christian minority." That Roosevelt-drafted article was correctly read as a signal that the rapid upgrading of Islamic fundamentalism was set to begin.

Under Roosevelt's direction, the foolish Shah of Iran, in what he perceived to be friendly assistance to the United States, ordered General Fardoust, of the Savak intelligence service, to infiltrate Shi'ite fundamentalists into Lebanon to prepare for the shattering of that state. Simultaneously, the PPS was ordered to join the Lebanese Shi'ite organizations en masse; it remains the backbone of Lebanese Shi'ite gangs to this day. Later, the same General Fardoust aided the Trust, and Moscow, in overthrowing the Shah, through the same Shi'ite networks the Shah had earlier funded. After the overthrow of the Shah, Fardoust remained in Teheran as a general in Iranian intelligence, still overseeing Shi'ite terrorism. Today, most murders of French troops in southern Lebanon are done by Shi'ite members of the PPS, under the direction of the Fardoust apparatus.

Reorganization of Islamic terrorism

On March 10, a meeting of the Islamic Council of Europe took place in Geneva, to reorganize Islamic terrorism to prepare for the new terror warfare which is now unfolding. The meeting, which was held at the home of Anglo-American-controlled Trust asset Ahmed Ben Bella, included such terrorists as Sheik Mohammed Fadlallah, the spiritual leader of the Hezbollah Shi'ites in Lebanon.

Closely integrated with the Geneva meetings, have been the travels of Direct Action leader Frederic Oriach, who upon being released from French prison in April, flew to Spain and then Syria to meet with Syrian intelligence director Ali Duba. Since that time, Oriach has traveled between Geneva, Damascus, and Zurich, where he is based, and where terrorist planning meetings have been ongoing since May.

The reason for the Zurich base of Direct Action is financial. Direct Action keeps its money at five friendly Zurich branches of *Crédit Suisse*, which, not accidentally, is also tied to the Roosevelt family. *Crédit Suisse* is also the bank of FARL, whose imprisoned leader, former PPS member George Ibrahim Abdallah, is a close associate of Oriach. The recent bombings in Paris have been claimed by Direct Action and FARL, with the aim of forcing Abdallah's release.

As a result of a 17-year process set into motion by the Roosevelt family in 1969, Lebanon is now becoming the international staging area for Soviet-controlled Islamic terrorism. Today, assassinations in Paris, Istanbul, Karachi,

and elsewhere are being spun out of Beirut, and the Baalbeck region in the north. As a result of the need to restructure Islamic terrorism, following the U.S. moves against Libya, this process has been accelerated.

To this end, Syrian President Assad arrived in Tripoli, Libya, to meet with Col. Muammar Qaddafi, on Aug. 24, after which he flew to Teheran, where he met with Iranian intelligence officials. The purpose of Assad's tour was to put in place an Islamic "fall offensive" in Western Europe and western Asia. Among the tasks of Assad's tour were the arrangements for the Karachi Pan Am hijacking and the machine-gunning of the congregation of Istanbul's Neve Shalom synagogue on Sept. 6, both conducted by Lebanon-based Palestinians.

Closely associated with Assad's trip, were a series of meetings in August which reorganized the overlapping religious and secular Palestinian wings of Soviet terrorism in Lebanon. This reorganization entailed the ascendancy of Abu Khalid Alomla in the Fatah Provisional Council, and the unification of Shi'a and Sunni groups through the intervention of the Iranian embassy in Beirut.

Secular Lebanese terror networks revamped

Evidence of a reorganization of the secular Lebanese terrorist networks first emerged on Aug. 27, when Moroccan intelligence captured two Palestinian terrorists, with two Tunisian accomplices, carrying explosives. Interrogation of the terrorists confirmed that they had been deployed by Abu Khalid Alomla, the new leader of the Fatah Provisional Council, otherwise known as the Abu Musa organization. Like Abu Musa, Alomla had split with the PLO in 1982, under Syrian direction. Until recently, the Provisional Council leadership had been Abu Musa, Alomla, Sami Abo Kawik (a.k.a. Kadry), Abu Ali Mahdi, and Dr. Elias Shofani.

Subsequent investigation has determined that at the end of July, Moftah Edris, the Libyan attaché in Damascus, had succeeded in reorganizing the Fatah Provisional Council such that, with Libyan funds, Abu Khalid Alomla, together with Elias Shofani, had taken control of the organization, leaving Kadry and Abu Musa as figureheads. Ahmed Jibril, the leader of the Palestinian Front for the Liberation of Palestine-General Command (PFLP-GC) also played a role.

Following his takeover of the Provisional Council, control over Alomla was passed from Edris to Maj. Omar Darwish, an agent of the Soviet-directed Syrian intelligence section known as the Managerial Office Over the Fedayeen. Darwish is believed to be the individual who directed the above-mentioned terrorist deployment into Morocco.

Terrorist planning meetings

At the end of August, Abu Khalid Alomla traveled to Tripoli, Libya, with Ahmed Jibril, for terrorist planning meetings with Qaddafi. According to sources, Alomla, who was in Tripoli during the visit of Syrian President Assad, met

with both Assad and Qaddafi, to make the final preparations for Istanbul, Karachi, and the Parisian bombings.

In early August, another series of meetings was held in Lebanon, to reorganize the Shi'ite terrorists, paralleling the restructuring of the Lebanese Palestinians. Between Aug. 1 and 4, the Iranian embassy in Beirut hosted a conference which was intended to combine the Shi'ite and Sunni fundamentalists in joint actions. Leading the gathering were Iranian Ambassador Mahmud Nourrani and Iranian Air Force Attaché Kaddousi, who is a known KGB agent. Among the attendees were the above-mentioned Sheik Mohammed Fadlallah, the spiritual leader of the Hezbollah (Party of God) Shi'ites of Lebanon. While the Hezbollah of Lebanon are largely directed by Iranian nationals, Fadlallah is himself under the control of the Israeli Mossad. Fadlallah's involvement in terrorism is explained by arrangements made between the Mossad and Syrian and Russian intelligence.

Other terrorist representatives at the meeting included Sheik Chaban, leader of the Tripoli, Lebanon Sunnis; Ibrahim El Amin, a spokesman for the Hezbollah and a Syrian agent; Sobny Al Toufaily, director of the Baalbeck Hezbollah; and Hussein Moussavi, leader of the Baalbeck Islamic Amal.

As one result of these meetings, Lebanese Shi'ite networks reportedly extended their cooperation with the Pakistani Sunnite Jamaiti Islami. This cooperation, which is believed to have been facilitated by Chaban, is understood to have been crucial to the Karachi hijacking.

On Aug. 14, Iranian Ambassador Nourrani traveled to the Baalbeck region to meet with Hussein Moussavi. There the two were joined by Syrian Col. Ghazi Kanaan, the director of Syrian intelligence in Lebanon. Kanaan's associate, Col. Abdul Salaan Aldaghestani, was also important to the agreements hammered out at the meeting, which provided for greater Syrian-Iranian cooperation in the Baalbeck region, to facilitate a new terror wave.

The primary Shi'ite terrorist organization in Lebanon is Islamic Jihad, which serves as an executive committee for 10 other organizations, many of which were represented at the Iranian embassy meeting in Beirut. Its members are:

- Movement of Hezbollah (primarily based south of Beirut, and directed by Iranian nationals)
- Islamic Amal (based in the Baalbeck area, under Hussein Moussavi)
- Jundallah (Soldiers of God)
- Assembly of Militant Ulama
- Kawar Alnasr (Forces of Victory)
- Revolutionary Arab Brigades (primarily based in south Lebanon)
- Ansar al Iman (Supporters of the Imam)
- Secret Brigades of Al Hussein
- Hezboaldawa (Party of the Called)
- Islamic Unity Movement (Tripoli Sunni group of Sheik Chaban, but now in alliance with the Shi'ites).

Prior to the Israeli invasion of Lebanon in 1982, the various Shi'ite components of Al Jihad were trained at Camp of Al Dahwy, south of Beirut, by Hussein Manssouri (a.k.a. the "Carlos" of Iran) and received religious brainwashing from the Iranian Ali Hajrany. Following the closing of Al Dahwy, another facility, Al Sadr, was formed in the Baalbeck region, and still later, another in Dayr az Zawr in Syria proper.

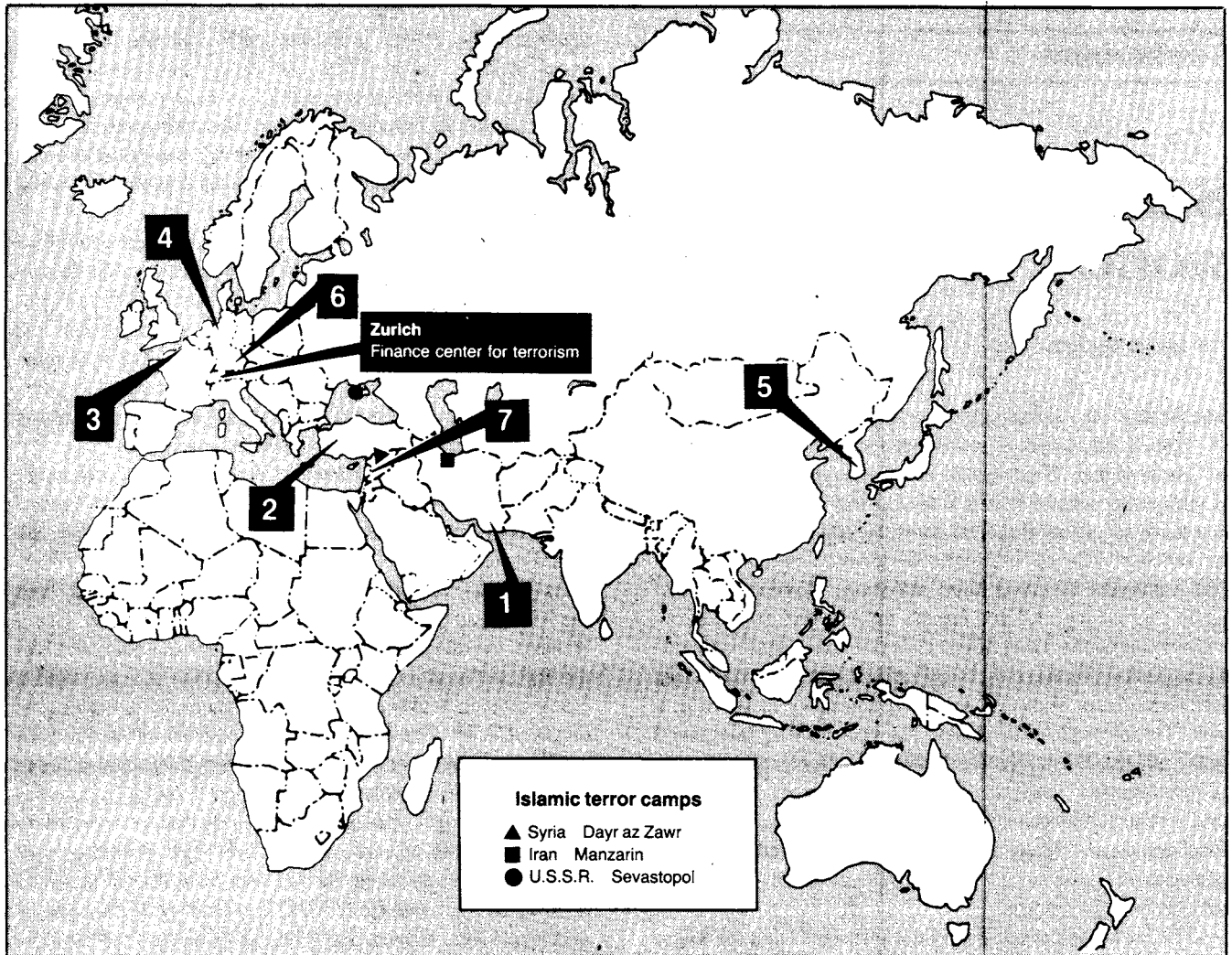
Closely related to the Shi'ite Al Jihad, is the Syrian-formed, Al Sai'iqah, a front of Syrian intelligence chief Ali Duba. The key liaison officer between Iran and Al Sai'iqah is Hussein Shaik Al Islam, the Iranian Deputy Foreign Minister, and, according to sources, a Soviet agent. Prior to the 1979 Islamic Revolution in Iran, Al Islam was a member of the Toufan, a self-identified Marxist terrorist organization. Al Islam sponsors the training of Al Sai'iqah, and also a variety of Palestinian groups, including both the member organizations of Al Jihad and the Palestinian "secular" split-off of the PLO directed by Abu Musa. The key center for this training is at Manzaria, near Teheran, whose first terrorist graduating class of 120 Palestinian, Lebanese, Iraqi, and Bahraini students, was in April 1983.

The individual directly above Deputy Foreign Minister Al Islam, in overseeing the Iranian training of Lebanese religious and secular terrorists, is Mohammed Takii Al Moudarsi, the President of the Supreme Council of the Islamic Revolution. Through Moudarsi, among other channels, Moscow maintains control over a variety of Palestinian terrorist organizations.

Moudarsi, who also runs a theological training academy, is the key individual within Iran who explicitly advocates working with Moscow against the West, which he labels the "direct Satan," as opposed to Russia, which is named the "indirect threat." Moudarsi frequently travels in Western Europe, in disguise, where he checks up on his agents. For such reasons, he is nicknamed "the ghost." Like Al Islam, Moudarsi is a KGB agent.

Moudarsi's brother, Alhady al Moudarsi, is important in his own right, and was probably directly involved in the incident in Karachi. Alhady is the director of the Iranian effort to run a Shi'ite revolt in Bahrain, a state Iran has claimed for centuries. The Bahraini Liberation Front, which is run out of Alhady's palace, Abass Abad, has attempted 14 coups d'état in Bahrain since its creation in 1980. The use of forged Bahraini passports for the Sept. 6 Pan Am hijacking in Karachi, is not unimportant in determining authorship of the event.

The Sept. 6 Karachi hijacking, and the machine-gunning of Neve Shalom synagogue in Istanbul the same day, were the first spectacular incidents in a new phase of irregular warfare targeting the West. France, with its long historical involvement in the Middle East, is only its first target. Thanks to the Roosevelt family, and its promotion of Islamic fundamentalism, the Western Alliance has found itself unprepared.



Strategic Map

Soviet irregular warfare Sept. 6-18

The map reflects the accelerating incidents of "Islamic"-based terrorism since the beginning of September.

1. Karachi (Pakistan): Sept. 6—Pan American flight hijacked; 19 killed.
Sept. 14—Iraqi vice-consul slain.

2. Istanbul (Turkey): Sept. 6—Neve Shalom Synagogue machine-gunned; 23 reported dead.

3. Paris (France): Sept. 8—Post office bombed.
Sept. 8—Iraqi airlines office occupied.
Sept. 12—Cafeteria bombed.
Sept. 14—Champs Elysées cafe bombed; 1 killed, 3 seriously wounded.
Sept. 15—Police headquarters bombed; 36 wounded.
Sept. 17—Tati clothing store in Paris bombed: at least six dead, 50 wounded.

4. Amsterdam (Netherlands): Sept. 8—Hollandse Beton Groep firm bombed.

5. Seoul (Republic of Korea): Sept. 14—Kimpo airport bombed; 5 killed, over 30 wounded.

6. Munich (West Germany): Sept. 15—Bogenhausen office building bombed; over \$75,000 in damages.

7. Beirut (Lebanon): Sept. 18—French military attaché Col. Christian Goutier assassinated.

Sanctuary for the world's terrorists

by Thierry Lalevée

Interviewed on French-language Swiss television on Sept. 14, French investigative journalist Jacques Derogy warned his listeners that "Switzerland is now playing the same role as during the Second World War. During the war, it was the sanctuary for all intelligence services; today it has become the sanctuary for all international terrorist organizations." This statement received scant attention. However, intelligence sources report that a faction fight behind closed doors is now rocking the Swiss political and military establishment. As in previous such crises, the dividing line is, to what extent Switzerland can allow its so-called neutrality to serve as a cover for terrorism. The debate has been further intensified by the fact that Switzerland is beginning to have its own share of low-intensity warfare. The principal target is Switzerland's central nervous system: the banks and major international companies. Many threats have been received, and some carried out. Considered as "non-political terrorism," it has not been widely reported.

The Swiss public has been little informed, that the finger has been pointed at Switzerland, and Zurich in particular, as the location where the Sept. 5-6 Karachi and Istanbul massacres, as well as the present terror wave in France, were planned. This fact has been underlined by parallel but related intelligence investigations in the United States, France, and Italy.

Zurich has become since last May the scene of a series of international terrorist meetings. Held in a rented apartment close to the Limat River, the gatherings featured the Shi'ite and Sunni organizations generally based in Teheran, Tripoli, and Damascus. According to American intelligence estimates, a "holy alliance" for a new "terror strategy" was defined in these quarters, which had been rented by the Zurich-based representation of the Iranian-created Hezbollah party. Swiss-based intelligence sources confirmed that since 1984, the Hezbollah have established their own base in Zurich and created clandestine Iranian "Islamic Centers." Officially Zurich only hosts one mosque, belonging to the Ahmadiyya Muslim sect.

The hard core of the participants belongs not only to the Hezbollah, but also to George Habash's Popular Front for the Liberation of Palestine (PFLP) and the Abu Nidal orga-

nization. The Zurich gathering paralleled similar conferences, held at other levels, in Damascus or Tripoli during the same period, and led to the creation of no fewer than 20 new organizations in Lebanon between May and June. Most do not represent functioning organizations, but rather a small core of two or three persons, ready to act as commandos and be killed, or simply to disappear.

The choice of Zurich, rather than Berne where all embassies are conveniently located, or Geneva close to the French border, was reportedly made on two grounds. First, its immediate proximity to West Germany, where the Iranians and the Hezbollah benefit from facilities in Hamburg, Cologne, Frankfurt, and Munich, notably through the Islamic Centers and the Iranian Airlines offices. Second, because Zurich has become the financial headquarters of these groups.

A case in point is the French terror bombing perpetrated by the Solidarity Committee with Arab Political Prisoners, which is urging the release of George Ibrahim Abdallah, the Marxist leader of the Lebanese Armed Revolutionary Factions (FARL). According to French intelligence sources, both the FARL and the SCAPP were created by Brig.-Gen. Ghazi Kanaan, the director of Syrian intelligence in Lebanon. Over the last six months, one Frederich Oriach has provided a crucial liaison between Syrian intelligence and the operations of the SCAPP. Condemned to four years in jail in 1982 for participation in terror actions, and already suspected of being a liaison between Direct Action and the FARL, Oriach was released in early April 1986. He immediately traveled to Spain, where he was taken in hand by Syrian intelligence, then to Damascus, where he met with Vice-President Abdel Halim Khaddam and Gen. Ali Duba, chief of Syria's intelligence services. Coinciding with the Zurich gatherings, Oriach has been shuttling between Zurich and Damascus over the last six months. Though there is no conclusive evidence yet that he was privy to or a participant at the Zurich terror planning sessions, his repeated presence in the city cannot be a mere coincidence.

Oriach was often seen in the offices of the Crédit Suisse bank where the FARL is known to have five numbered bank accounts, totaling \$1 million. Further investigation shows that the money is transferred from Beirut to Geneva, then to Zurich. The Geneva banking agency transferring funds to Crédit Suisse is still unknown, though the Geneva branch of the Beirut-headquartered Universal Bank S.A.L. was regularly transferring funds to the Paris headquarters of the Crédit du Nord, to pay the rents of some of Abdallah's safehouses in Paris. Not surprisingly, investigations into the Geneva nexus have turned up known names: François Genoud and Ahmed Ben Bella. Both entertained close relations to FARL's founder Abdallah. Another connection goes through Oriach's lawyer, Jacques Vergès, a long-standing associate of both. Switzerland, its banks, and some of its political networks are now under very close scrutiny by numerous world intelligence services.

The planning of Islamic terrorism

Jan. 24: Soviet ambassador to Ankara, Vladimir Lavrov, who had once publicly denounced *EIR*'s Special Report, "Global Showdown: The Soviet Imperial War Plan for 1988," holds press conference in Ankara to warn the United States against confronting Libya. New round of Soviet pressure on Turkey.

Jan. 29: Moonies and Mossad meet on "State Terrorism and the International System," sponsored by Reverend Moon's Unification Church. Attendees include former Mossad European operations director Rafi Eytan, Joseph Churba, Bo Hi Pak, Gen. R. Ze'evi, Yuval Ne'eman, and other Israelis with oversight over Islamic terrorist organizations such as the Lebanese Hezbollah.

Jan. 31-Feb. 4: International terrorist conference in Frankfurt, West Germany. Attendees include: the Red Army Faction (RAF), the Basque ETA, the Irish IRA, the Palestinian PFLP, the African National Congress, the Italian Red Brigades, the Kurdish Workers Party (PKK), the Tamili Tigers, the Libyan People's Bureau of Bonn. Countries or states represented include: Denmark, Holland, Belgium, Switzerland, Greece, Turkey, Portugal, U.S.A., Puerto Rico, India.

Feb. 2: Soviet Deputy Foreign Minister Georgi Kornienko arrives in Teheran, leading highest-level Soviet delegation to Iran since Khomeini's rise to power. Iran describes the talks, which reportedly relate to economic aid and Afghanistan, as "totally satisfying."

Feb. 2: International terrorist planning conference in Tripoli, Libya, entitled "Pan-Arab Command for Leading the Revolutionary Forces." Attendees include: Abu Musa, secretary of the Provisional Command of the Fatah Movement; Ahmad Jibril, secretary general of the Popular Front for the Liberation of Palestine—General Command (PFLP-GC); Abd al-Karim Ballal, member of the regional command of the Syrian Ba'ath Socialist Party; George Habash, PFLP general secretary; Isam al-Qadi, secretary general of the Organization of the Popular Liberation—Sai'iqah Forces; Umar Harb, Arab

Socialist Union secretary general; Abdallah Al-Ahmar, secretary general of the Syrian Ba'ath Arab Socialist Party. Organizations represented, in addition to the above, include:

Lebanese Socialist Progressive Party, Syrian Pan-Arab Socialist Party, Arab Socialist Union-Nasserite Organization, Arab Socialist Ba'ath Party in Lebanon, Palestinian Communist Party, Arab Socialist Labor Party, Lebanese Arab Socialist Union Party, Nasserite Popular Organization, Kurdistan Democratic Party, Kurdistan Democratic Union, Kurdistan Democratic People's Party, Revolution Banner—Kurdistan, Democratic Rally—Iraq, Arab Socialist Movement of Iraq, Storming Forces.



Hafez Assad

Paralleling the general conference, Libyan Staff Major Abd al-Salaam Ahmad Jallud, a leader of the Libyan terror networks, also met with the above-mentioned George Habash, Isam al-Qadi, Umar Harb, and Abdallah al-Ahmar, in separate meetings.

Feb. 5: Ahmed Jibril, leader of the PFLP-GC, threatens retaliation against the United States at a Beirut, Lebanon press conference attended by Abu Khaled Alomla, deputy secretary of the Fatah Provincial Council; Abu Ali Mustafa, deputy to George Habash's PFLP; Abdul-Fatah Ghanem of the Palestine Liberation Front; Arabi Awad of the Palestinian Communist Party; and Abu Nizar of the Fatah Revolutionary Council (Abu Nidal's organization). Many of these individuals had just returned to Lebanon from the Tripoli, Libya terrorist conference.

Feb. 12: The Syrian branch of Abu Nidal's organization and the ASALA (the Armenian Secret Army to Liberate Armenia) have made an agreement to conduct joint operations in Western Europe, according to the West German daily *Die Welt*.

March 10: The Islamic Council of Europe holds terror planning conference in Geneva. Under the cover of the conference, officially devoted to the subject of art, terrorists gather at the home of Ahmed Ben Bella. Attendees include: Salem Azzam, Saudi diplomat and chairman of the Islamic Council of Europe; Necet Erbakan, leader of the Turkish National Salvation Party; the leadership of the Muslim Brotherhood of Egypt; Hafez Salaama of the Islamic Guidance Association; Shiek Omar Abdul Raham, founder of the Egyptian Jihad; Sheik Mohammed Hussein Fadlallah, leader of the Hezbollah in Lebanon; Ali Shamskhani, deputy commander of the Iranian Revolutionary Guard.

March 14-18: Terrorist conference is held in Tripoli, Libya with 700 delegates, entitled the "Second International Conference of the International Center for Combatting Imperialism." In his speech to the conference, Libya's Col. Muammar Qaddafi calls for a new international organization to replace the U.N., and the



Muammar Qaddafi

creation of an International Revolutionary Army. Organizations represented include: Socialist Arab Ba'ath Party of Syria, Syrian National Socialist Party, Progressive Socialist Party, Lebanese Communist Party, Socialist Ba'ath Arab Party of Lebanon, Arab Socialist Union of Lebanon, Algerian FLN Party, Egyptian National Front, Cypriot Communist Party, Greek Communist Party, M-19 (Colombia), Shining Path (Sendero Luminoso) (Peru), Nation of Islam (United States: Farrakhan), American Indian Movement, Direct Action, SWAPO, Ethiopian Workers Party, Chinese Communist Party, Cuban Communist Party, Bulgarian Communist Party.

March 25: Syrian Vice-President Abdel Kalim Khaddam arrives in Tripoli, Libya, for meetings with Libyan terror controller Maj. Ahmed Jalloud.

April: Direct Action leader Oriach released from prison. Travels to Spain to meet with Syrian intelligence officials, then travels to Syria, where he meets Syrian Vice-President Khaddam and intelligence chief Ali Duba. From this time to the present, Oriach travels between Zurich, Geneva, and Damascus, to coordinate the Syrian intelligence connection to European-based terrorists.

April 3: Soviet official V. P. Polyakov, director of the U.S.S.R. Ministry of Foreign Affairs' Near Eastern Department, arrives in Syria for talks with President Hafez Assad and Vice-President Khaddam, where plans against "imperialism" are reaffirmed.

April 8: Syrian Communist Party delegation arrives in Moscow and meets with CPSU Central Committee secretaries Yegor Ligachov and Aleksandr Yakolev. Delegation led by Khalid Bakhdash, deputy general of the Syrian CP, and Ibrahim Bahri, Daniel Naime, Khalid Khammani, Ramu Shaykhu.

April 9: Soviet Ambassador to Lebanon Aleksandr Soldatov arrives in Beirut after a six-month absence.

April 10: A dozen Palestinian terrorist factions meet in Syria,

to formulate response to the U.S. raid on Libya, directed by Ahmed Jibril, director of the PFLP-GC. Terrorist leader Abu Abbas, the accused mastermind of the *Achille Lauro* hijacking, says he plans to hold a meeting to coordinate response.

April 15: U.S. Black Muslim leader Louis Farrakhan arrives in Teheran, as part of his tour of the region since his attendance at the Tripoli terrorist conference on March 14.



Louis Farrakhan

April 28: Palestinian terrorists return to Libya for meetings. Representatives include: Abu Musa, Abu Khalid Alomla, Abu Majdi, of the Fatah Provisional leadership; Ahmad Jibril of the PFLP-GC; Fadl Sharur of the PFLP-GC. Meetings are held with Brigadier Abu Bakr Yunis Jabir, commander-in-chief of the Libyan armed forces.

April 30: West German Foreign Minister Hans-Dietrich Genscher and Syrian President Assad meet in Belgrade, reportedly to discuss re-targeting Arab terrorism from Western Europe to the Middle East.

May 1: Direct Action of France, the FARL (Lebanese Armed Revolutionary Faction), and several Islamic terrorist groups meet near Zurich, organized by Direct Action leader Frederic Oriach. Imprisoned FARL leader George Abdallah is a long-time associate of Oriach and of Ahmed Ben Bella and PFLP attorney François Genoud. Zurich is chosen because Direct Action's funds are deposited at five branches of Crédit Suisse bank there.

May 1: Iranian Foreign Minister Ali Akbar Velayati arrives in Tripoli, Libya, with Minister of the Pasdaran Mohsen Rafiq-Dust. Libya and Iran call for a joint global *Jihad* (Holy War) against the United States.

May 10: Moscow appoints Vasily Kolotusha as new ambassador to Lebanon. Kolotusha had previously been a diplomat at the Soviet embassy in Iraq.

May 12: Lebanese security reports that Libyan networks have been reorganized, with a new array of groups. These include the Arab Fedayeen Cells, the Revolutionary Justice Organization, the Arab Revolutionary Movement, the Arab Revolutionary Forces, the Bin Khadafy Forces, the Islamic Saffin Organization, and the June 23 Unit of Omar Al Mukhtar.

May 14: Iranian Terrorist Ibrahim Yazdi arrives in the United States for a two-week visit, and holds meetings with the U.S.

State Department and Sen. Jesse Helms's (R-N.C.) staff. Yazdi had been Iranian foreign minister during the period of the U.S. hostage-taking in Iran.

May 20-23: Soviet Army General A. D. Lizichev arrives in Syria for meetings. Lizichev is the director of the political administration for the Red Army.

May 25: Syrian President Hafez Assad arrives in Athens for three days of meetings. This is the first visit of Assad to a Western state in 10 years.

May 28: Syrian Vice-President Khaddam and Libyan deputy leader Abdul Jalloud arrive in Moscow. Khaddam meets Gorbachov and Gromyko. Jalloud meets with Soviet Defense Minister Sergei Sokolov. Discussion centers on response to the United States. Syrian and Soviet cultural ministers establish "cultural exchanges."

June 1-14: Twenty-one organizations participate in the "Conference of Islamic Liberation Movements" in Qom, Iran. Participants include: Abu Musa, Ahmed Jabril, and Abu Alhajja, liaison of Al Sai'iqah to Iranian Deputy Foreign Minister Hussein Shaik Al Islam.

June 3: Konstantin Katushev, chairman of the U.S.S.R. State Committee for Foreign Economic Relations, arrives in Damascus for talks.

June 9: Iranian Deputy Foreign Minister Mohammed Ali Besharati arrives in Lebanon to meet terrorist leaders, including Hezbollah leader Mohammed Hussein Fadlallah and Mohammed Mehdi Shamesdin. Prior to the meeting, Besharati had been in Damascus for discussions with President Assad.

June 16-18: Iranian Foreign Minister Velayati arrives in Vienna, the first high-ranking Iranian delegation to Western Europe since the Khomeini coup. Discussion is officially on "ending economic and political isolation."

June 28: A high-ranking Soviet military delegation arrives in Tripoli, Libya, to meet with Qaddafi's deputy, Colonel Jalloud.

July: Abu Khalid Alolma takes over Abu Musa group, through the financing of Libya and Syria. Control of Alolma passes from Mofteh Edris, Libyan attaché in Damascus, to Maj. Omar Darwish of Syrian intelligence.

July: Repeated meetings between U.S. Assistant Secretary of State Richard Murphy and his Soviet counterpart, V. P. Polyakov, or their representatives, in Helsinki and elsewhere, discuss turning over the Middle East and western Asia to Soviet control. Murphy, who directs State Department policy for the region from the Middle East through western

Asia, is a committed agent of the "Trust's" policy to wipe out U.S. influence from the entire region.

July 25: Syrian Minister of State for Foreign Affairs Isam Al-Naib arrives in Pyongyang, North Korea, for talks. He meets Kim Chong-il, director of North Korean terrorist commandos.

Aug. 1-4: Planning meeting at Iranian embassy in Beirut. Attendees include: Iranian ambassador Mahmud Nouranni; Iranian Air Force attaché Kaddousi; Imam Fadlallah, leader of the Hezbollah; Ibrahim El Amin of the Hezbollah and a Syrian agent; Hussein Moussavi, leader of the Amal; Sobny Al Tofuily, director of the Baalbeck Hezbollah; Sheik Chaban, leader of the Tripoli, Lebanon Sunnis. Ties to Jamaati Islami in Pakistan are created.

Aug. 8: Conference of international Islamic centers is held in London, sponsored by Iranian agent Kalim Siddiqi. Attendees include: Hafez Salaama of Egypt; Omar Abdul Rahman, the leader of the Muslim Brotherhood in Egypt; Ben Bella's Spanish representative Mohammed Ben Alhaj. Siddiqi reportedly receives £2 million from the Iranians.

Aug. 14: Iranian Ambassador to Lebanon Nouranni, Amal leader Moussavi, and Gen. Ghazi Kanaan, head of Syrian intelligence in Lebanon, meet at Moussavi's residence in Baalbeck to implement new terror plans.

Aug. 18-19: Representatives of Moscow and Jerusalem meet in Helsinki. Discussion between Foreign Minister Yitzhak Shamir's representatives and the Soviet intelligence operatives, following the abrupt public termination of the talks, focus on joint operations.

Aug. 24: Syrian President Assad arrives in Tripoli, Libya, to meet Colonel Qaddafi. Assad pledges support for Libya. Abu Musa group leader Abu Khalid Alolma also reportedly attends meetings, and is given the go-ahead for a new round of operations.

Aug. 28: Iranian Foreign Minister Velayati and Syrian Foreign Minister Isam Al-Naib meet in Nairobi, on the way to the summit meeting of the Non-Aligned Movement.

Aug. 29: Colonel Qaddafi meets with Ahmed Jibril and other members of the Islamic Jihad in Tripoli, Libya. Further discussions around new terror wave. Abu Khaled Alolma is also reportedly at meeting.

Sept. 2: Qaddafi, Iranian President Ali Khamenei, and others gather at the Non-Aligned summit. Iranian Khamenei meets with Fidel Castro. Iran, Cuba, and Libya to form "anti-imperialist" front. Nicaraguan leader Daniel Ortega and Castro hold second meeting with Qaddafi.

France leads the war on Soviet-controlled terrorism

by Thierry Lalevée

The government of France has responded to the current unprecedented explosion of terrorism, by initiating emergency measures appropriate to wartime. For indeed war, as top officials are saying, is exactly what is now being waged. Premier Jacques Chirac warned on national television on Sept. 14 that "pitiless" retaliation will be taken not only against the terrorists themselves, but against "those who manipulate them." Interior Minister Charles Pasqua left no doubt about the source of the manipulation, when he declared on Sept. 11 that the Soviet Union provides substantial aid to those countries that train and deploy the terrorists. Jean Rochet, former head of the French internal security service, told *Le Figaro* newspaper even more forthrightly: "Soviet support for terrorists today is recognized." (See *Documentation*.)

There can be no doubt that unless the Chirac government succeeds in its war against terrorism, the next staging ground will be the United States.

Among the emergency measures taken by Chirac, was a nationwide manhunt in search of two terrorists believed to have perpetrated the Sept. 12 bombing of a restaurant outside Paris. For the first time in modern history, police on Sept. 17 distributed some 200,000 posters throughout the country, announcing a reward of 1 million francs for information on the activities and whereabouts of Maurice and Robert Ibrahim Abdallah, brothers of George Ibrahim Abdallah, leader of the Marxist Lebanese Armed Revolutionary Factions (FARL). In a challenge to the French State, the brothers held a press conference the same evening in the northern Lebanese town of Tripoli, swearing that they had not been out of Lebanon for two years. But witnesses present at the Sept. 12 bombing recognized Robert Ibrahim Abdallah, from the mugshots on the posters, as the man who had hastily left the restaurant two minutes before the bomb went off. Tripoli-

based French agents confirmed that he had come back to his village only 72 hours after the bombing.

On Sept. 14, Chirac called an emergency meeting of the Internal Security Council, just hours before the explosion of another bomb at a restaurant on the Champs Elysées, which killed one policeman. Before leaving for a three-day trip to Indonesia on Sept. 15, President François Mitterrand addressed a short message to the nation, warning that the fight against terrorism has to be based on "the mobilization and the resolve of all citizens," in support of the action of the law-enforcement agencies. Hours later, terrorists hit the central headquarters of the Parisian police. Then on Sept. 17, in the worst incident of violence yet, terrorists threw a bomb into a clothing store, killing 6 people and wounding 70 more.

The popular reaction to these acts of barbarism has been twofold: rage at the terrorists and support for any measures the government might find necessary to fight what has been characterized as a "subversive war," a "new plague," or, in the words of Economic Minister Edouard Balladur, a "new Nazism." The motto, in the words of Member of Parliament Michel Debré, is: "The Fatherland is under attack, all must mobilize."

Emergency coordination

After the Sept. 17 massacre, Chirac convened another session of the Internal Security Council. Further public and secret anti-terror measures are expected in the coming weeks, but already the daily life of France has been dramatically changed since Sept. 15, when the first measures were adopted, for at least six months' duration. European interior ministers are scheduled to discuss further actions at an emergency session on Sept. 25, along the lines discussed with West German Chancellor Helmut Kohl on Sept. 9: coordination of

information, coordination of prevention, and coordination of action.

The French government has developed an emergency crisis staff, under Chirac's control, to coordinate on a daily basis the information coming from France's foreign intelligence agency (DGSE), internal counterintelligence (DST), political police (Renseignements généraux), the military border police, and local police agencies.

Revealed publicly on Sept. 14 and implemented the following day, the government adopted the following measures:

A visa is now required to enter France, except for nationals of the European Community member countries and Switzerland. The measure, which affects most the northern African countries whose citizens travel back and forth from France frequently, was done with the cooperation and approval of these governments. Only the Swedish and Austrian governments protested.

Beefing up the job done by the Air and Border Police (PAF), more than 1,000 soldiers from regular army units have been deployed to cover all border regions, including those with Switzerland and Belgium, which previously went unchecked. In Paris, security checks have been established at the entrance of all major public buildings—government buildings, supermarkets, etc. Customers and visitors are requested to open their bags for inspection. Police deployments have been increased in museums and the subway. Similar measures are being implemented in the other major cities.

Additionally, the police have adopted an offensive policy of establishing unexpected roadblocks to check the IDs of thousands of drivers, day and night. In an operation of this type on Sept. 16, two bodyguards of Syrian Vice-President Rifaat al Assad were caught, carrying expired residence permits.

The terror support networks

Complementing these public measures, there are other decisions which have remained secret. A member of parliament described them as "the best part" of the government program. Secrecy is required to keep the terrorists guessing, but also in response to a useless debate over the competence of France's foreign intelligence service. Begun by revelations from Alexandre de Marenches, former head of the SDECE intelligence service, the debate degenerated quickly, with numerous former chiefs of the SDECE or the DST complaining to journalists about what they had planned to do against terrorism, but could not do because it had been politically vetoed. The only result of these revelations was to give information to terrorist groups about the capacity for reprisal of France's counterterror units.

However, by Sept. 15, it was clear that among the secret decisions taken by Chirac and his cabinet was a green light to the police, not only to go after the hardcore terrorists, but to confront the so-called intellectual layers, which act as the support network for the terrorists. Through a first sweep of

arrests and interrogations into a wide range of "supporters," it came as no surprise that most belonged either to George Habash's PFLP or the Lebanese Communist Party. Most were not implicated personally in any direct terror actions. Nonetheless, it became evident that the French base of the LCP has proven to be a fertile ground for logistical support. The role of the LCP is no surprise, given the close relations it maintains with Syria and Syrian intelligence.

The government is also close to proving that a Soviet-sponsored "Comintern" apparatus still functions throughout the Middle East and into Europe. Another important finding was that the logistics of the FARL networks were established in France through the good offices of the Ligue Communiste Révolutionnaire, a Trotskyite group. In 1981 in Rome, George Abdallah was put in touch with the French LCR representative, who was the liaison with Italian terrorist groups. She had hosted Abdallah and his friends in her apartment in Grenoble for several months. Her involvement went deeper, as she established another direct contact between Abdallah and Mohand Hammami, then an underground leader of the Direct Action terrorist organization.

The Curiel Network

The strange mixture of Lebanese Communists and Trotskyites, in the FARL logistical support network, has drawn the attention of investigators to the old Curiel Network, named after Egyptian Communist Henri Curiel, a long-standing KGB operative until his death in 1978. The network was then reportedly reshaped by Jacques Verges, lawyer for Abdallah, as well as for kingpins of the Nazi International.

The intensity of terror operations in France in September has suggested a very large-scale logistical support network, in terms of weapons, manpower, safehousing, and transport. None of this could be achieved by a Lebanese terrorist organization on its own, without considerable French participation.

Privately, the eyes of investigators are turning toward former Interior Minister Pierre Joxe, who has, since March, established his own private intelligence network. Joxe, like Mitterrand's former adviser Régis Debray, belonged for years to the pro-Soviet Marxist current in France, active within the Curiel Network. Doubtless the Soviets are using these channels for their Middle Eastern puppets.

Indeed, the Communists were the only political party in France to officially denounce Chirac's anti-terror policies. Even those Socialists who had criticized it at first, withdrew their objections after the intensity of the bombings became obvious. French Communist Party General Secretary Georges Marchais called for the immediate release of George Ibrahim Abdallah. He made the speech during the yearly festival of his party, which featured guests from the Saudi Arabian Communist Party and the National Liberation Front of Bahrain, a sure indication that the French Communists are more involved in the present terrorism than is yet acknowledged.

French leaders speak out against terror

Premier Jacques Chirac—statement issued Sept. 8, after the bombing of the Paris Town Hall: “[Terrorism] is really the plague of modern times, and we have to mercilessly wage a true war against it. This means, first of all, that the government organizes all means at its disposal to fight against this scourge, and this would not be without consequences for all who are directly or indirectly linked to terrorism. This is really a war—a subversive war, but a war, which must be waged with all necessary means. Second—and we are working on this—it means a better, more efficient, more permanent coordination among the intelligence services and the covert operations services of the various concerned Western countries, and especially the democracies that are targeted for destabilization.”

Premier Chirac—interview on French television, Sept. 15: Terrorism is a dangerous game for everybody: for the victims who are supposed to be frightened, of course, those who were injured, but also for the perpetrators. . . . I want everyone to know that the day will inevitably come when we will catch a terrorist red-handed who will talk, and those who are manipulating him should know that they will be subject to draconian measures of retaliation, which will be pitiless, whatever the consequences. They have to know this.”

Chirac announced a series of anti-terrorist measures and then added: “These measures are the public ones. I can tell you there will be others . . . which will remain secret, to destroy the leprosy which is called terrorism.”

Premier Chirac—speech at a City Hall news conference on Sept. 18: The terrorists are “barbarians of the modern age. Let them know that if we get proof of the origin of these attacks, the response will be instantaneous and without weakness. . . . Terrorism is today the absolute evil, a deadly menace . . . for our republican liberties.”

Economics Minister Edouard Balladur—television interview on Sept. 11: “Terrorism is the absolute evil. It is as grave as Nazism. Therefore, we have to combat it by all means, all means, not excluding anything. . . . I recall that in Israel, the entire population associated itself with the fight against terrorism. . . .

“I think we have to upgrade the cooperation among all

the Western countries and join them in the fight against terrorism, and never give up.”

Justice Minister Albin Chalandon—interview published in *Paris Match* Sept. 18: Asked whether he agrees with Alexandre de Marenches’s proposal for a Nuremberg Tribunal to try the international terrorists (see below), Chalandon replied: “Why not? In any case, it is in our interest to act globally, and for threatened nations to cooperate, rather than each looking for its safety separately.”

Roger Chaix, director of French public security—interview published in *Le Figaro* on Sept. 17: “There is no question that governments of Mideast countries are complicit in the ongoing terrorist campaign. . . . We have to give ourselves the means, and hit hard and fast. . . . In this, we cannot respect all of the rules of democracy. . . . Terrorists are killing, in Paris and Lebanon and elsewhere. Abdallah is only a cover for the controllers of terrorism.”

Alexandre de Marenches, former head of the French secret services (SDECE)—television interview on Sept. 7: “We have to draw the lessons from World War II, when the BBC was publicly denouncing the Nazi collaborators. We have to use public denunciation of the terrorists. Also, we have to institute an international tribunal, to try the terrorists, who would be branded for their entire lives as international assassins. I propose that this Tribunal be created in the Federal Republic of Germany, in Nuremberg.”

De Marenches—radio interview, Sept. 8: “We are now in the middle of World War III, though I regret that some people don’t have the courage to say it. . . . Terrorism is only beginning, because there are wolves in our societies, where sheep predominate, and the more the sheep bleat, the more they attract the wolves.”

Asked whether his 1970 proposal that the United States assassinate Libyan dictator Muammar Qaddafi were not too radical, and would not have made things worse, de Marenches replied: “If we asked ourselves the same question about Hitler, if you see what I mean, we were not wondering whom we could replace him with. . . .”

Jean Rochet, former head of the French internal security service (DST)—interview to *Le Figaro* published Sept. 12: “Soviet support for terrorists today is recognized. The political commission of the Council of Europe has concluded that the U.S.S.R. is responsible for helping the bomb-throwers among the Palestinians, by furnishing logistical aid, weapons, explosives, and instructors, which one finds in Syria and in Libya. There is no need for any illusions: The overall supply for terrorists comes from the East. . . . In order to combat crimes and blackmail, we have to counter-attack by using means of pressure and effective actions, by acting against the responsible leaders.”

Moscow formally ranks LaRouche and friends as 'extremely dangerous'

The Sept. 15 issue of the Moscow weekly *New Times* carries a five-page attack against *EIR*'s founding editor Lyndon LaRouche and his associates, under the title "Nazism Without the Swastika." *New Times*, published weekly in tens of millions of copies in the nine most widely spoken languages in the world, is, literally, the flagship of the fabled Soviet world propaganda machine. In it, all the standard libels against LaRouche which have been the customary fare of U.S. liberal "Eastern Establishment" media are rehashed, woven around the principal theme of Victor Gunnarson's alleged "complicity in the crime" of the Palme assassination. A full description of the contents of the *New Times* piece follows below.

Note the opening and the concluding sentences of the *New Times* article:

Opening sentence: "From time to time the world is shocked by political assassinations. But often enough they remain a mystery, even when the victim is a prominent personality, and it is not difficult to see from what quarter of the political spectrum the blow is likely to have been struck. The police investigation often comes up against insurmountable obstacles."

Concluding sentence: "To sum up briefly, groups and organizations like the EWP [European Labor Party, founded by associates of LaRouche], even if their complicity in the murder of Olof Palme is not legally proved, are a specific form of the fascism of the late 1980s. As an integral component of the much vaunted 'Western democracy,' they are in practical terms a tool of the most reactionary forces of international anticommunism. As such these groups are extremely dangerous and must be closely watched by the world public so that their aims and ambitions do not become reality."

This signal piece of the *New Times*, carries, in tens of millions of copies around the world, two messages. First is, that Moscow would like LaRouche killed. Second is, that Moscow recognizes LaRouche and his associates' work has been not only spectacularly effective, but also "extremely dangerous." Virtually everything else, including the journalists' bylines, in the article, is a lie.

Ernst Henry, one of a dozen of pseudonyms of the official who supervised the *New Times* piece, had been known to this

intelligence service for some six months now, to be "Moscow's official LaRouche watcher." He is a 82-year-old official of the GPU-NKVD-KGB secret police agencies, probably the oldest surviving member of the Cheka, the post-Revolution secret police of the early 1920s, in Russia. Oddly enough, he is also the Russian expert of the Turkish fascist "Gray Wolves" organization, from which came Ali Agca, the Pope's attempted assassin.

The article was timed to appear at the height of the Russian irregular warfare campaign against Europe, which this publication has warned of since more than six months ago. It is a clear and distinct call for violence against LaRouche and all of his associates.

Soviet authorship of anti-LaRouche libels

It is worth noting that the headline of the *New Times* article is "Nazism Without the Swastika," nearly identical to the title of the scurrilous pamphlet written by the former Maoist and drug pusher Dennis King against LaRouche and put out by the League for Industrial Democracy in 1982. Now, the Russian mother of all the slanders of LaRouche has spoken in her own name. *New Times* attacks LaRouche as responsible for pro-Strategic Defense Initiative developments in numerous countries and as the leader of campaigns to stamp out the dope trade and AIDS.

After a round-up of reports on the activities of LaRouche, the Schiller Institute, and the European Labor Party (which *New Times* calls the European Working Party) in Sweden, Germany, France, and the United States, *New Times* concludes with a one-page interview of 82-year-old Soviet intelligence kingpin and LaRouche-watcher, Ernst Henry.

In light of Ernst Henry's career of deception and diversion, as a Soviet intelligence officer, his remarks about the creation of a "climate of terror" must be read as directed at LaRouche himself. Henry says: "True, the EWP [European Labor Party] does not always openly advocate terrorist tactics. But it cultivates the hatred that is essential for the perpetration of terrorist acts. It lays the psychological groundwork for terror."

What makes the "EWP" fascist? *New Times* asks Henry.

Who is Ernst Henry

Ernst Henry, who attacks Lyndon LaRouche in *New Times*, is a Soviet spymaster, among the most versatile and experienced operatives of Soviet networks interfaced with Western intelligence factions. In 1984, the octogenarian Henry was identified to investigators, by a Soviet source, as "the person who oversees all the work on fascism and neofascism, including the European Labor Party."

According to the Soviets, Ernst Henry (or Genri) is the pen name of Semyon Rostovsky. According to Western intelligence sources, he came from an ethnic-German family in Russia. In the 1920s, "Ernst Henry" was in and out of the German Communist Party and Social-Democratic circles in Germany, then moved to England in 1933, where he is said to have been in contact with the Cambridge "Apostles" set that produced the Soviet spy ring of Kim Philby, Anthony Blunt, et al. He was the favorite Russian writer on the subject of the "military-industrial complex," on the "role of the intelligentsia in eliminating nuclear weapons," and so forth of Lord Bertrand Russell, the British architect of today's Soviet-controlled "environmentalist" and "peace" movements.

According to the *London Observer* (Dec. 4, 1979), Ernst Henry was posted in London in the late 1940s, as a spymaster for the Philby group, serving as "Anthony Blunt's secret contact in the Soviet Embassy in London."

Upon return to the U.S.S.R., Henry was arrested and jailed while Stalin was alive, only to be released in 1956 and to surface as a KGB control-man in the "disident" movement of the next decade. Then he began to write again, in Soviet publications, on "fascism" in the West.

He replies, "The first and most important is anti-communism. This is a feature of any fascist movement. . . . [T]hese groups are extremely dangerous and must be closely watched by the world public so that their aims and ambitions do not become reality."

New Times leads the feature with a report on the (Soviet-orchestrated) frame-up of the "European Working Party" in Sweden, for the assassination of Olof Palme. "EWP" complicity has not been proven, admits *New Times*, but "there are enough grounds for taking a closer look at this political organization. . . ." Stockholm correspondent Nikolai Vukolov then attacks the "EWP" campaign for Sweden to enter

NATO, points out that the party "fully supports Reagan's 'star wars,'" and regrets the influence of *Executive Intelligence Review* on "the business world."

The report from the Soviet weekly's West German correspondent, illustrated by the famous "Frieden schaffen mit Strahlenwaffen" (Create Freedom With Beam Weapons) poster and a reproduction of a Patriots for Germany advertisement, is a hysterical attack on Lyndon LaRouche's wife, the German political leader Helga Zepp-LaRouche, and on the Schiller Institute and Patriots for Germany, two organizations she helped to found.

"The Schiller Institute founded in 1984 is a strong proponent of SDI," writes Alexander Tolpegin, ". . . [It] has four departments: military strategy, economic and scientific cooperation, culture, and history. The institute operates on a grand scale. It does not confine itself to the Federal Republic, but sponsors conferences and symposiums in other West European countries and the United States. The first such conference was held in 1985 in the U.S. state of Virginia and was attended by delegates from 50 countries. Then there was a 'trade union conference' in Mexico and another conference in Rome which brought together 800 people."

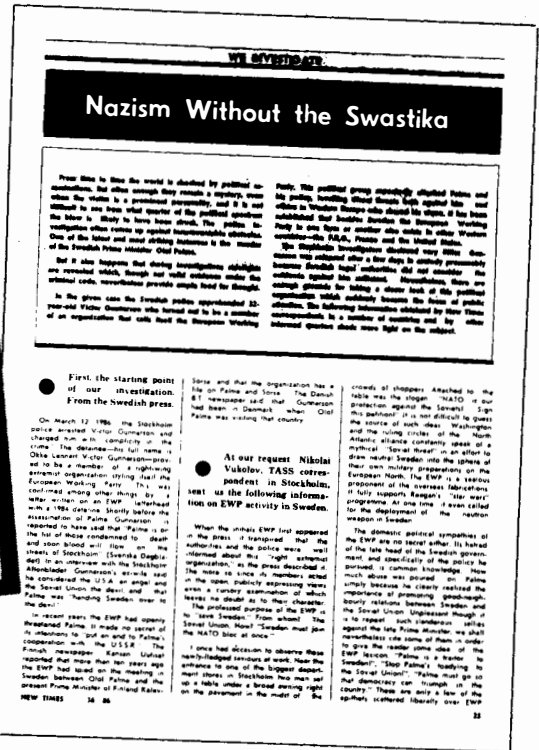
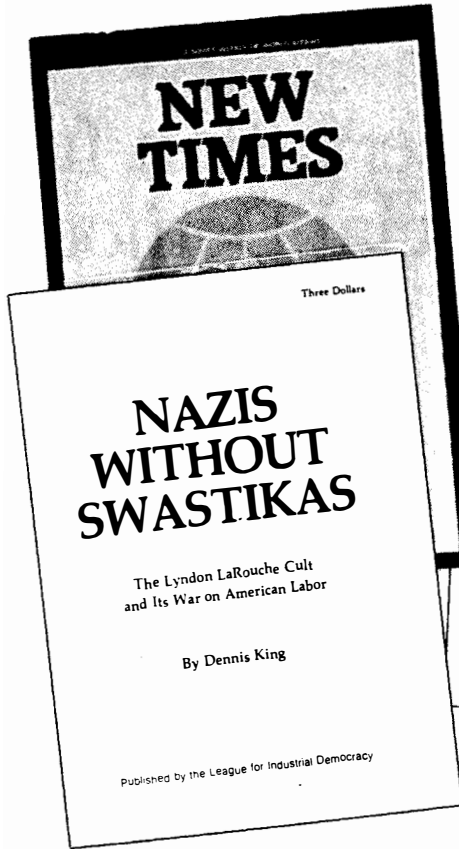
"In late October 1985 a new grouping appeared on the political scene. The right-wing newspapers carried full-page advertisements placed by 'Patriots of Germany' [sic]. What did they propound? The speedy conclusion of an official agreement on the participation of the F.R.G. in SDI (such an agreement, as we know, was signed this spring), and the strengthening of the alliance with the U.S. They were against the revival of détente and called for preventing the 'red-green friends of Moscow' from getting into government. To offset this they advocated combating drug addiction and also 'technological renewal.' It was not difficult to discern the EWP [sic] behind the 'Patriots of Germany,' for one of the signatures on the advertisement was that of Zepp-LaRouche."

From France, *New Times* excerpts a *Le Monde* article by Bernard Brigoleux, which described the energy and "brilliance" of the European Labor Party leadership there.

To comment on LaRouche's role in the United States, *New Times* brings out an expert from the Institute of World Economics and International Relations, the think-tank called IMEMO. Yuri Oleshchuk quotes former Attorney-General Ramsey Clark, a notorious terrorist sympathizer who helped bring Khomeini to power in Iran, that LaRouche's group "breeds fascist-type sentiment." Dennis King is quoted on "Nazis Without the Swastika." After regurgitating slanders that the Soviets made up in the first place, Oleshchuk fulminates, "It is a well-known fact that LaRouche stands for stepping up the arms race, believing it essential to increase the nuclear might of the United States. He is all for SDI, with the emphasis on the nuclear component deployed in outer space."

IMEMO's Oleshchuk endorses the U.S. press: "The American press regards LaRouche as a rabid anti-Sem-

Moscow's diatribe on LaRouche in *New Times* has the same headline and basic content as the 1982 writing of Dennis King for the "anti-communist" *League for Industrial Democracy*. King, formerly an anti-Semitic activist with the Progressive Labor Party, is a joint asset of the LID, of which the Anti-Defamation League's Irwin Suall is also an official, and of the ADL itself. LID created the "New Left" and SDS during the 1960s, as Suall admitted under oath in deposition. King is a sometime contributor to the gutter drug-lobby magazine, *High Times*, and a confederate of violence-prone and terrorist organizations based in New York City. King's role in ADL-directed operations against LaRouche began during 1979, under the sponsorship of the same Roy Cohn, a life-long Democrat recently deceased of AIDS, who was notorious as Joseph McCarthy's counsel, as a legal fixer and organized-crime-families mouthpiece in New York City.



ite. . . . He sees world history and international politics as a chain of sinister conspiracies with the participation primarily of the Jews but also the International Monetary Fund, the Rockefellers, the Jesuits and Henry Kissinger personally.

"For the general public he has 'simpler' demands. For instance, it is proposed that the entire U.S. population be screened for AIDS. LaRouche and his followers call for severe punishment for drug pushers. They promise that if they get into the government they will set up tribunals all over the country to try 'traitors' of all kinds. Meanwhile legal action has been taken against LaRouche and his accomplices on charges of fraud and illegal financial operations."

Oleshchuk concludes with reference to the victories of LaRouche Democrats Janice Hart and Mark Fairchild in the state primaries last March in Illinois, never before reported on by the Soviet press, and the size and scope of the candidates' movement of the National Democratic Policy Committee, of which Lyndon LaRouche is chairman emeritus.

What is *New Times*

The Soviets' *New Times* journal is under tight ideological control of the international department of the Soviet Communist Party's central committee, whose head is former ambassador to the United States Anatoli Dobrynin. According to a European-based expert on the U.S.S.R., ultimately,

Dobrynin must have played a direct role in the overall concoction of the Sept. 15 anti-LaRouche slander.

This source also pointed out that *New Times* maintains a vast dossier and clipping file, likely the largest of any Soviet publication. More often than not, *New Times* correspondents are directly employed by the KGB. Also, there is a significant rotation between the staffs of *New Times* and the Czechoslovakia-based publication, *Problems of Peace and Socialism*.

The Sept. 18 issue attacking LaRouche featured lead articles by Soviet "West Germany expert" Valentin Falin and LaRouche-hater Georgi Arbatov. Falin, who now heads the Soviet news agency, Novosti, attacks Washington for "declining every Soviet offer" to formalize a nuclear test ban. He adds, "The U.S. [SDI] plan is to put space strike stations into orbit over other countries. This is equivalent to the de facto establishment before the Second World War of a continuous air patrol system over the key military targets of a 'potential enemy.'" Arbatov, academician and head of Moscow's U.S.A.-Canada Institute, writes that the White House is trying "to destroy as much as possible before 1988 arrives, so that the current administration's successors will find it almost impossible to start mending fences." Arbatov, a member of the Palme Commission, was the first to slander LaRouche's associates in connection with Olof Palme's murder.

The 'energy conservation future' of Germany's Social Democrats

by Rainer Apel

The Nuremberg party convention of the German Social Democrats (SPD) (Aug. 25-29) resulted in drastic changes of program. The changes are most profound on defense policy, and on the economic/energy aspect of the program. Defense cooperation with the United States on missile stationing, the Strategic Defense Initiative, and wartime host-nation support, is to be ended. Nuclear technology is to be given up completely, and the economy is to be "ecologically restored."

The SPD is West Germany's official Opposition, and the second most powerful party after the Christian Democratic Union, which leads the current coalition government. The Social Democrats won a series of upset victories against the Christian Democrats in state elections over the past year, and have set up a coalition with the Moscow-steered, radical-environmentalist Green Party in the state of Hesse. Strategically, the SPD has been turned, under the tutelage of chairman Willy Brandt and the party's foreign-policy grey eminence Egon Bahr, into a tool of the Soviet foreign policy of "decoupling" Western Europe from the United States, also known as the "New Yalta" deal. With popular support shrinking for the Christian Democratic-led coalition of Helmut Kohl under that government's *laissez-faire* economic policies, the SPD has a strong chance to win power in the January 1987 general elections.

Since the Federal Republic of Germany is the industrial fulcrum of Western Europe, the SPD's energy and economic policies are no less dangerous to Western security than its blatantly pro-Soviet strategic policies. In fact, they are part of the same deal.

The SPD's ideas on energy and economic policy would have devastating effects on the West German economy. The bail-out from nuclear energy is supposed to be put into effect within 10 years, but already in 1987 the first nuclear plants are to be shut down. The nuclear laws are to be changed so that even nuclear research will no longer be possible. Already-existing nuclear power plants are to be replaced by coal-burning plants. Neither nuclear plants nor nuclear technology will be allowed to be exported, and the importing of electrical current from foreign nuclear plants will also be

prohibited. Fifty thousand jobs in the nuclear industry and research will be "wiped out," by the SPD's own admission, but there will be 60,000 new jobs in coal mining in their stead.

Monstrous costs

The costs for this bail-out would be monstrous, since a new coal power plant based on the best technology entails a minimum of 1.5 billion deutschemarks (about \$750 million)—as long as its construction is not delayed, for example by years of court actions by the Greens. The State of Hesse would have to replace the A and B reactors at Biblis, and put up 3 billion marks in advance to do it.

The immediate question that comes up is, how the 50,000 highly skilled workers from the nuclear sector will be "converted," since these skills can hardly be turned around and used in coal mining. What can be foreseen is either costly retraining programs, since a large part of those 50,000 will seek work in other high-technology areas, or, more likely, a steep rise in joblessness among the high-skill engineering and technical professions.

In fact, the bail-out from nuclear will directly hit not just the 50,000 jobs named by the SPD, but far more jobs, probably between 150,000 and 180,000. The further question arises, of what future high-technology industry has in a Federal Republic in which cheap atomic-generated electricity is not available either domestically or imported from other European countries. Either the price of electricity will have to be so highly subsidized that taxpayers will be asked to cough up billions, or the energy-intensive industries will pack up and go to countries friendlier to the atom. A gruesome spiral of austerity policy and high tax burdens, coupled with the emigration of whole industrial sectors and capital flight, can be predicted.

While playing these social-democratic futurist games, the SPD has not bothered to think through the problems which cranking up of coal production again entails. It is not so simple to reopen shut-down mines. When a mine is no longer worked on a day-to-day basis, the shafts sag and fill up with water and gases. Putting them back into working order in

Tomorrow, East Germany

If the Social Democrats ever put into practice their kinky ideas about economic and energy policy, the Federal Republic of Germany will soon be forced to implement a strict planned economy. Industry would be allowed to use only a limited amount of energy, and given the SPD-backed demand for a six-hour day (in a five-day work week), production would quickly sink. Probably per-capita work quotas would soon be decreed, to keep production at a minimal level within the framework allowed by lower energy supplies.

First of all, one could expect a massive emigration of the workforce, especially in highly skilled nuclear related trades. An SPD government must sooner or later decree strict bans on emigration, to keep labor in the country. Probably it would pass a corresponding ban on immigration for labor from Turkey or Yugoslavia (for example). Further, an SPD government could not tolerate millions of West German citizens sneaking billions of marks out of the country, to spend on their vacations. That would

imply obligatory exchanges for foreigners, who want to take their vacations in the German forest.

For private households, electricity would be on only part of the day: morning, noon, and evening cooking hours. Private washing machines would be replaced by public laundromats, and even the household garbage must be carefully sorted for recycling. Careless discarding of tin cans and so forth would be seen as an economic lapse, and in the worst cases, an economic crime. For the gravest environmental sins, military training in the Environmental Work Service would be mandated. Owning or spreading books on nuclear technology would be severely punished as "people-damaging."

Yes: We would then be in East Germany, or rather, the Soviet Occupied Zone of 1948. Perhaps the SPD wants to go back to what that was, economically. SPD official Egon Bahr has repeatedly said in public that the Berlin Wall can only vanish when the economic level between West Germany and East Germany becomes equal—when East German leaders need no longer fear massive flight of the workforce to the West. Since East Germany has not been able to reach the economic level of West Germany despite all its efforts, it will be met halfway—from below!

such cases, while sometimes possible, would cost the West German economy billions of marks—with the corresponding impact on the price of coal, and hence on costs to the utility consumer. To open new mines would also cost billions of dollars, with the same consequences for prices.

To make this coal future attractive to the economy, the SPD came up with the idea of covering a large portion of the expected coal needs by imports. Herein lies the next catch in the SPD's scheme. According to Saarland SPD boss Oskar Lafontaine—the "greenest" of the SPD's new leaders—of the required 23 million tons of additional coal, about half would have to be imported. But foreign mines produce significantly more cheaply than the West German coal industry. So, to equal out the price differential between German and foreign coal, the government must raise several billion marks, to make domestic coal "cheap." One already sees where the plan that SPD leaders Lafontaine, Rau, and Hauff put forward in their speeches to the Nuremberg party congress is going.

It is moreover rather cynical when a party like the SPD, which year in, year out has traveled up and down the land with the slogan "humanization of the work world," now considers cheap coal imports from international mines for its scenario of a coal future. It is well known that in broad strata of the foreign mining industry, safety protections, equipment, and working conditions are catastrophic, and that huge mining accidents are the rule, sometimes with hundreds of deaths. It is precisely because the high standards of German

mining are not practiced there, that the coal production price can be so low. Either the Lafontaines stick to the "cheap aspect" of imported coal, and hence, pre-program thousands of dead miners, or they stick to the price subsidies which have been applied up to now—a costly swindle in any case.

Conservation an energy source?

In the case of the SPD, the swindle does not merely lie in the question "atoms—yes or no," but extends to the entire energy field. Thus, energy conservation is supposed to be one of the important energy *sources* (!) of the future; but private consumers can't conserve enough energy, since private households use only 26% of the total energy consumption. The main burden of this conservation therefore must be borne by industry, especially by the energy-intensive branches. So a firm that refines aluminum, under an SPD government, would not only pay high environmental protection taxes, but also punitive energy rates. Whoever uses a lot of energy, should be penalized according to the SPD, and whoever uses little energy, will be monetarily rewarded.

How does one establish who is conserving and who not? A monstrous bureaucracy of conservation commissars, official experts, environmentalists, and so forth is visible on the SPD horizon. Probably tens of thousands of Greens, who have never learned anything, are hoping for jobs under the SPD energy policy. That would be the kernel of the "ecological renewal of the economy," which is the title given by the SPD to this policy.

'Theology of liberation': reviving the Gnostic cults

by Leonardo Servadio

The various presentations given at the Sept. 10-14 international conference on theology sponsored by the John XXIII Association of Theologians in Madrid, indicate clearly that the vitality of what was called "theology of liberation," in its various Ibero-American, African, and European varieties, has been exhausted. In its place will come either acceptance of the fight for civilization Pope John Paul II has been waging, not least through his various Ibero-American trips, to establish social justice by eliminating usury and the moral degradation and corruption of drugs; or by even more ferocious attacks on the papacy as the world's highest moral authority.

This second tendency, represented at the Madrid conference in the most outspoken way by the Swiss-based, censured heretic, Hans Küng, is already starting to profile itself in the form of a defense of the last officially condemned heresy: modernism.

The conference had two principal spokesmen: José Maria Valverde, a sociology professor whose professional credentials include translating into Spanish that masterpiece of organized craziness, James Joyce's *Ulysses*, and Gregoriana University Prof. José Maria Diez Alegria.

The tone was set by Valverde, who explained that the "Church" and "people" are often separate and at odds, due to the alliance of the Church with capitalism, its power and its money. He defended the Nicaraguan example as indicative of the potential for an alliance between believers and non-believers, united in their thirst for justice, and accused the Church hierarchy of favoring the "Contras" (a lie, since the Pope supports the peacemaking Contadora group of nations).

Then, Valverde directly attacked the Pope as a symbol of the "capitalist" Church: "Could we imagine today Jesus Christ, going to proclaim the good word in an armored vehicle and protected by the imperial guard?" Obviously, Valverde would prefer that the Pope offer himself unprotected to the Ali Agcas of various parts of the world. But then, that is Valverde's objective: Destroy the centralized universal (Catholic) Church, by destroying the Pope, its living image, and replace it with many little local, "popular" churches.

Synarchists and pagans

The conference was attended by about 1,000 people, mostly young, and, for the most part, perfectly ready to be corrupted by the low-key populism of such veteran Gnostic pagans. The young undefended fellows, ready with applause for Professor Valverde, had no sense that the Church which would follow from his proclamations, would be exactly that advocated by the masters of *synarchism*, such as Joseph de Maistre: a church divided into many different local churches, each adhering to local gods, i.e., "saints," under the unifying umbrella of a central pantheon presided over by an emperor/pontifex maximus—the model of the Roman empire.

De Maistre is the champion of reaction and counterrevolution, the main inspirer of the pseudo-Christian feudal sect, Tradition, Family, and Property. His theory was that the Christian saints are nothing but a translation into the Christian world of the preceding pagan gods, and therefore, a Christian pantheon as an aggregation of all the various saints-gods should be instated so as to continue the original Roman pantheon. That original Roman pantheon was a collection of all the various gods of the populations subdued by the Emperor and Pontifex.

This, a model of social-spiritual control rather than a religion proper, is also characteristic of the Russian empire, where the local "orthodox" churches, in some cases "autocephalic," i.e., "democratic" in the sense that their leaders are elected from the base, all refer to and stay under the direction of the centralized state authority.

The synarchist message contained in the antics of many of the speakers at the conference is the essence of a specific current in the Spanish imperial tradition: Carlism. The essence of synarchism is simple, to communicate a very simple idea of God, on which people do not need to think much to understand: that God is good, fighting against evil. That is all. It must be simple, so simple people can understand it, because the purpose of the state, and the church, is to keep the people good and simple. The gist of it is that this kind of "theology" does not aim at elevating the people's minds, is not done to educate, but to maintain a population under con-

trol through and by means of their own popular prejudices.

Synarchist theology is predominantly mystical in the sense of denying the Augustinian message that God can and must be understood through Reason. In that sense, it denies man's capacity for higher thinking, denies the true divinity of mankind as reflected in the *Filioque* principle, the potential divinity of every human individual.

This synarchist tradition has always been the imperial tradition in Ibero-America, a means of populist control of the rage of peoples oppressed by oligarchical colonial domination.

Since Pope John Paul II, as Paul VI, has repeatedly stated the Church's total opposition to colonial economic and usurious exploitation, to scream against the Pope as a modern reproduction of the Inquisition, as Valverde has done, means to expose himself as an agent devoted to the continuation of that kind of economic exploitation.

The content of the 'revolution'

That theological relic from the bowels of rotting Gnosticism who responds to the name Hans Küng, dedicated his intervention at the conference to a protest against the emergence of "a new inquisition" within the Church. "There is no dialogue in Rome, there is inquisition," said Küng, who stressed that the paradigm of society has changed into a "post-modern" society, exhibited in the so-called "alternative movements," and the Church had better adapt to these movements.

These movements are, of course, the Soviet-run "peace" movement, the anti-nuclear, anti-technology movement, the feminist movement, etc.

The typical "conservative" might think that this is all just "Marxist deviation" in the Church, but it is much more than that. It is an expression of that old Gnostic thought of which Marxism is nothing but a contemporary manifestation. "At the moment there is a mentality like the one existing at the time of anti-modernism. . . ." said Küng in an interview published in the Trilateral Commission's newspaper in Spain, *El Pais*, on Sept. 12. In that interview Küng also defended the opinion of the late theologian Karl Rahner, that with the present pontificate, the Church is in a sort of "winter." Says Küng, "The term winter time, suggests to me January, the month of the god Janus, who has two faces. The present Church in a certain sense has two faces: One is the Roman and hierarchic, the other is the one of the base. That is, it has an absolutist face and another, communitarian face."

Consulted on the phone, Diez Alegria, a "former" Jesuit, defended modernism, stating that the attack against modernism on the side of the Church "went too far." He didn't want to explain in what sense. Asked why, with all the talk on popular church and defense of the people, the question of the anti-usury and anti-drug fight being waged by the Pope was not picked up at the conference, Diez Alegria explained that the conference was intended only for theological matters. He

then quickly ended the conversation.

These kinds of "criticisms" of the Pope are justified by the organizers of the conference as legitimate in the face of the growing power of ultra-conservative movements like Opus Dei and Comunione e Liberazione in the Church. This is ridiculous, since, as we have shown with the case of synarchism, it is precisely this sort of "left versus right" mechanism that is used against the Church—as against society at large—to subject it to oligarchical control. Were these liberation "theologists" serious, they would denounce the International Monetary Fund and the "New Yalta" faction in the Curia, instead of attacking Joseph Cardinal Ratzinger and the Pope.

'Modernism'

Modernism is the last heresy condemned by the Church, with the encyclical letter "Pascendi dominici gregis" issued by Pius X (1903-14). Whatever Pius X otherwise was, nothing can be taken away from that encyclical. Modernism is condemned because it allowed for a purely subjective interpretation of religion, detached from the teaching of the Church; for establishing that faith varies with the varying of the times; for rejecting the central authority of the Church; for denying that the divinity of Christ has an historical manifestation, and arguing that, therefore, the divinity of Christ is manifested only in the subjective judgment of the faithful. In other words, modernism was pretty much a reproduction of the oriental mystical tradition, which transforms all theological statements into purely subjective experience and, by extension, asserts that all knowledge is purely relative and subjective.

By contrast, the Augustinian concept of reason and of man in the image of God is based on the idea of the existence and objective knowability of absolute Good, even if our human limitations do not allow us to fully actualize it.

This mystical tradition is more precisely the Gnostic tradition infiltrated into the early church, which was picked up again in the last century precisely by people like de Maistre.

Now, this seems to be the tradition which Küng wants to resuscitate, and his reference to the Roman god Janus adds an eerie touch to his antics. As a matter of fact, originally, Gnosticism was an attempt by the Roman imperial oligarchy to re-introduce into Christianity the preceding pagan mystical religions. In this sense, it seems that the tradition Küng wants to resuscitate is that Swiss-German Gnostic tradition of which Karl Gustav Jung was one of the most outspoken representatives, which originated those "back to Mother Nature" cults of rejection of technological progress. This, at the time of the original "Modernism," gave way to the pre-Nazi movements of destruction of the constitutional state.

The situation in Ibero-America

There is a certain uneasiness on the side of Ibero-American Theology of Liberation to accept this line: It is somewhat difficult to state that one is on the side of the poor, and at the

same time, fight for a "post-modern" society based on the rejection of technology.

Gustavo Gutierrez, the most authoritative spokesman of Latin American theology of liberation, gave an interview to the Italian magazine *Panorama*, published the week prior to the Madrid conference. The interview was remarkable for the total absence of any criticism against those structures like the IMF which do represent the essence of the oppression of Latin America today. Gutierrez prefers to assert that theology of liberation "derives theology from practice," and that his

"There is no dialogue in Rome, there is inquisition," said Küng, who stressed that the paradigm of society has changed into a "post-modern" society, exhibited in the so-called "alternative movements," and the Church had better adapt to these movements—the Soviet-run "peace" movement, the anti-nuclear, anti-technology movement, the feminist movement, the homosexual movement, etc.

main preoccupation is how "to speak about God starting from the sufferings of the innocent." In other words, not how to free the innocent from sufferings.

Gutierrez, signaling a probable re-tooling of his networks into a more radical stand, states that there is social conflict in Latin America, and this cannot be avoided and must also be taken into theological considerations: "Violence is legitimate," stated Gutierrez, who ended the interview with a call for new martyrs. All this, from somebody living in a country, Peru, whose President Alan García is trying the only possible way to end colonial economic domination and develop his country. Gutierrez sounds pretty much like an open supporter of the savage terrorist activities of Shining Path (Sendero Luminoso), used by the IMF itself as a means of destabilization against threats to the IMF, such as García. There could not be a clearer example of how "liberation" theology functions.

Gutierrez naturally also hails Marxism as a legitimate sociological interpretation of the world, to the delight of the "right wing" side of the destabilization game on the continent.

The Church has actually supported some theology of liberation stands in Latin America, to the extent that they are the expression of actual necessities in the face of abominable IMF imperialism. But now, the time has come to clean these networks out of the Hispanic and Hispanic-American Church. Going up the stairs to the control level of this Jacobin operation, one does not find poor people who delude themselves that some variety of "Christian Marxism" shows the way to social justice; one finds only oligarchs, and their "theologians," running operations to prolong that social injustice.

The case of the Maryknolls

One of the ugliest little examples is the Maryknoll order, originally a Protestant order, which suddenly, at the beginning of this century, decided to enter the Catholic Church. Groomed in the oriental mystical tradition, the Maryknolls are among the most active in pushing all those "alternative movements" which Küng identifies as characteristic of the "post-modern" society in the United States. The Maryknolls are financed by Robert Mueller, the secretary to the U.N. secretary general. Mueller is an activist in the theosophical and satanist "Lucis Trust," an official "non-governmental organization" at the United Nations, whose original name was "Lucifer Trust."

Mueller, working in the "brave new world" tradition of social imperial control, was the financier of the "pacifist movement" in the United States and its various derivatives, through the Maryknolls. Mueller was a personal friend of the late Club of Rome founder, Aurelio Peccei, whose zero-growth policy of genocide is the essence of the "cultural matrix" of the "post-modern" society for which Küng and his friends are providing a "new" theology as an instrument of social control.

The Maryknolls, together with other Presbyterian networks, represent the connection between these pro-Soviet "progressive" movements in the United States and the destabilization networks of Hispanic-American (and Brazilian) theology of liberation. The Maryknolls have promoted a separate "black theology," a "feminist theology," and perhaps next will come a distinct "homosexual theology," in an orgy of libertinism whose objective is to destroy those universal truths of the Church which represent the instruments for elevation of mankind.

The final statement of the Madrid conference reads: "This congress tries to contribute to a live actualization of that hierarchic communion that the Vatican Council II proposes as the essential structure of the Church. Neither communion without hierarchy nor hierarchy without communion. . . ."

Why do they need to underline such obvious things? Precisely because they are out to destroy these things, and hence must insist on their loyalty to them. Such a communion would never occur under the re-emerging Gnostic attempts to destroy the unity of the Church, signaled by the Küngs, Valverdes, Diez Alegrias, and other stars of the ilk that convened the recent conference in Madrid.

Nuclear power: The challenge grows

Chernobyl is being used to mobilize anti-nuclear activists in India, too, but the program is riddled with its own problems.

Nuclear power is the only source of power available in the future, and we in India must not miss this new industrial revolution," Dr. Raja Ramanna, Indian Atomic Energy Commission chairman and secretary of the Department of Atomic Energy (DAE), stated recently. "For if we do, we are bound to lead ourselves to total economic disaster."

Ramanna was speaking at the inauguration of a new DAE regional center in Bangalore, Karnataka, on Sept. 10. Anti-nuclear activists have targeted the state since its 10-year-old demand for a nuclear power plant to meet crippling power shortages was granted.

In India, the imperative for nuclear power couldn't be greater. This nation of 750 million presently generates a pitiful 45 gigawatts of electrical power—barely 150 units per capita, compared to 2,500 for even the least developed nation. Coal, now the mainstay, is of low quality and highly polluting, in addition to the fact that its increased use for power generation poses nightmarish problems for the already overburdened railway system and a low-productivity mining sector. India's only long-term option is nuclear power. From this perspective, the present plan to generate 10 gigawatts, or 10% of total power, with nuclear plants by the year 2000, is, as Prime Minister Rajiv Gandhi noted, "still too low."

But even this conservative program is now under pressure. As everywhere, the fallout from Chernobyl has helped boost a coalition of anti-tech-

nology, anti-nuclear activists and peaceniks against nuclear energy. Typical is the surfacing of a Committee for a Sane Nuclear Policy, with former Supreme Court Justice B. R. Krishna Iyer, a mouthpiece of the Soviet-inspired peace lobby, on stage to insist that Chernobyl proved "beyond reasonable doubt" that even peaceful uses of atomic power are dangerous.

By itself, this line wouldn't go far. The trouble is that it takes place in the context of growing impatience over the DAE's inability to deliver results commensurate with the time and money invested.

The prime minister himself gave voice to the misgivings last December when he inaugurated the fast-breeder test reactor in Kalpakkam. Mr. Gandhi had praise for DAE's ability to master and even innovate the full nuclear fuel-cycle technology under difficult circumstances of boycott and pressure. "Yet," he added, "I sometimes feel that, though we have come a long way from the Rajasthan power project [RAPP] to the Madras Power Project [MAPP], one foot is still left behind."

The RAPP was the first nuclear plant India completed independently after the Canadians left summarily in 1974. The MAPP is India's first fully indigenously-built station, completed in 1984.

The prime minister referred to the undependability of the nuclear power supply, citing frequent outages, slow rectification of faults, inefficient management and inventory systems, and delays in standardization.

Every indication is that even the current low targets for Indian nuclear are receding into the distant future. In the last several years, nuclear power has slipped from 3% to just 2% of total power. Reaching 10% by 2000 depends on being able to design and commission the first two of a series of 500-megawatt reactors by 1995—and another two each year thereafter, in addition to installing the smaller 235 megawatt reactors at the rate of one per year starting next year.

The first two 500-megawatt reactors need about \$400 million over the next four years, but only \$180 million has been allocated. The rest is to be raised in the capital markets, a prospect that DAE's time and cost overruns could dim.

This year, Unit 1 of MAPP had to be shut down for four full months of its second year of life. Just after it was brought back on line, a snag in the fuel-rod assembly transport system of Unit 2 brought it to a grinding halt. When the outages will begin to devour the 20% cost advantage MAPP now enjoys over normal electricity in Tamil Nadu, is a point of concern.

Then, RAPP's Unit 1 put the costly prospect of nuclear plant decommissioning on the immediate agenda. More than four years of effort to repair the malfunctioning reactor's cracked endshield has been all but given up. In the 10 years since it came on line in 1972, RAPP-1 was shut down more than 250 times due to such things as failure of the rotor blades on the imported turbo-generator, heavy-water leakage, and labor trouble.

Further, work on the two new reactors at Narora has again been hit with delays in supply of equipment and materials, this time by at least another 15 months. The heavy-water production program is still riddled with problems.

Fight for Cattenom wins German allies

Patriots for Germany support France in defense of a nuclear power plant that Moscow doesn't want.

On Sept. 12, a joint press conference was held by France's Jacques Cheminade, general secretary of the Parti Ouvrier Européen (POE), and Ortrun Cramer from West Germany, speaking for the Patriots for Germany. The press conference took place in Metz, France, the capital of Lorraine, the site of the Cattenom nuclear power station.

Both speakers' strong support for completing Cattenom and bringing it on line marked a key intervention into a mobilization by German Social Democrats and Greens to stop Cattenom, which is right next to the German border. Cramer charged that the anti-Cattenom drive is part of the low-intensity warfare of the Soviets against Germany, "whether by small arson attacks against police or military installations, small, homemade bombs against industry working for nuclear power stations, or—a very common act these days—the sabotage against electricity pylons." She quoted from the Patriots for Germany statement on Cattenom: "Moscow wants to rule over an economically weakened Western Europe, which is isolated from the United States, and torn in internal fights. Besides the danger of the 'big decoupling' of the Federal Republic from the United States, we now see emerging the 'small decoupling'—of West Germany from France. Cattenom is being used as a sledgehammer to ram this policy through."

The regional TV station FR3 reported that the POE and the Patriots for Germany had charged that the Greens and ecologists against Cattenom were "manipulated by Moscow."

FR3 broadcast an interview in which Cramer charged that the protesters only pose as ecologists, while in reality, they are pursuing strategic aims. She corrected the belief of many French people that the majority of the Germans are anti-nuclear. "The population is pro-nuclear, and they disagree with the Greens' methods."

The regional newspaper, *Republicain Lorrain*, also quoted Cramer: "We will not capitulate to these attacks, neither in Germany nor in France. The majority of opinion favors nuclear power, favors Cattenom, but it is silent. We want to make it courageous."

Days before the press conference in Metz, a court in Strasbourg had rejected a suit against the plant by Saarland energy minister Jo Leinen, some municipalities in Luxembourg, and the German states of Rhineland-Palatinate and Saarland. The French TV broadcast with Cramer reached into nearby Saarland, where it will certainly come to the attention of Gov. Oskar Lafontaine, who has been leading the fight against Cattenom, that he is being exposed in France.

Jacques Cheminade stressed in the press conference that only if European countries join to develop nuclear energy as well as other high-technology fields, will they be able to master the tasks of the future, i.e., industrialize the underdeveloped parts of the world. In this spirit, Germany's Konrad Adenauer and France's Charles de Gaulle had worked to establish a German-French friendship destined to last for generations. Unfortunately, the fight over Cattenom has done much to harm

this spirit of cooperation and friendship: In France, especially in the Lorraine, the general public tends to think that if the Germans do not want nuclear energy, "we will develop our own program instead," and takes up isolationist attitudes.

Right after the Strasbourg court ruling, radical ecologists announced more protest actions against Cattenom. Problems during test runs of parts of the supply systems for the power plant—not of any reactor parts so far—have been played up widely in the German press, to make it seem that the Cattenom plant's safety systems were inadequate. After a first incident during a test run of the cooling system, when a valve had not been closed and water ran into the basement of the plant, a short-circuit occurred in some electricity line, which German media presented as major safety problems.

The latest protest took place over the Sept. 13-14 weekend, when around 4,000 demonstrators from Luxembourg, West Germany, and France formed a "human chain" in the so-called "Three Countries Corner." There was no violence, but nobody ever reported how many of the demonstrators were French—usually an extremely small percentage.

French Premier Chirac addressed the German population on behalf of Cattenom in an interview in the widely circulated tabloid *Bild am Sonntag*. His statement will undoubtedly get under the skin of many Germans, especially those of the older generation: "Those people, who want France to get its energy out of windmills and solar energy, remind me of Morgenthau, who proposed that West Germany should become an agricultural country." He stressed that German-French relations could develop more in industrial cooperation, especially in the area of space travel.

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



EIR
Executive Intelligence Review
Price: \$250

Order from:
EIR News Service,
P.O. Box 17390,
Washington, D.C. 20041-0390
Order #85019

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

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

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

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

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

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

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

Shultz tries to recuperate alliance

The Eastern Establishment wants a new "Hemispheric Alliance" with Brazil, against its neighbors.

During the Sept. 10-14 state visit of Brazilian President José Sarney to the United States, Secretary of State George Shultz managed what the *New York Times*—mouthpiece of the Eastern Establishment families—described as a desirable "hemispheric alliance" between the two countries. To this end, the State Department, with the leave of Itamaraty Palace (Brazil's foreign ministry) staged the farce of cataloging Brazil as the eighth (soon to be seventh) world power. They conveniently forgot the 30 million in northeastern Brazil on African living standards.

This well-orchestrated campaign seeks to isolate Brazil from a joint solution with Spanish America to the unjust foreign debt. In Washington, negotiations on Brazil's \$105 billion foreign debt—the touchstone which day-by-day defines Ibero-America's sovereignty and democracy—were displaced by debates over trade privileges which one or the other country could obtain in the midst of a world trade collapse.

The highlighted conflict of the trip was over liberalization of services markets as determined by the General Agreement on Tariffs and Trade (GATT) framework (see page 4). U.S. financial and commerce sectors demanded that Brazil end its laws restricting foreign access to its computer industry and internal financial markets, which Brazil was already making more flexible. The whole discussion was only a pretext to debate who would reap maximum advantage from the savage and absurd free-trade regime. Is Brazil to pay its debt or is the

United States to tranquilize its cancerous trade deficit with monetarist aspirin?

In welcoming Sarney Sept. 10, President Reagan undiplomatically told him that since Brazil is the "eighth world power," it should open its market: "No nation can expect to continue freely exporting to others if its own domestic markets are closed to foreign competition."

While Paul Volcker, James Baker III, the U.S. negotiators at GATT, and Ronald Reagan himself took an intransigent line on Brazil's computer law, Shultz and his aide Elliot Abrams played the role of Brazil's "friends." Shultz, trying to take personal charge of Brazil-U.S. negotiations, publicly criticized the brusque treatment Reagan had given Sarney. There are rumors in Rio de Janeiro that before the end of the year, Shultz will make an official visit to Brasilia.

Once the trap was set, the State Department deployed its agents and prepared the environment before Sarney arrived in the United States. Riordan Roett, Washington's leading "Brazilianist," leaked the line in an interview given to the Rio daily *O Globo*: "With an economy which is the world's eighth, Brazil would cease being a Third World country. . . . Perhaps within five or six years, the great Western powers will need to invite this country to participate in periodic meetings of the highly industrialized nations."

This conclusion reveals the objectives of the not-so-discreet efforts of Shultz and his mafia: "A marginal country like Peru could let itself speak

internationally with the language of a streetcorner cowboy. But that could never be the position of a nation having a vocation of respectability, like Brazil."

There's the trap: In the face of the collapse of the Cruzado Plan and the international financial system, combined with Brazil's complaints about excessive debt service, Washington moved to set up a "hemispheric alliance" with Brazil to counter Peru's regional leadership against the International Monetary Fund and narcotics traffic.

Meanwhile, Brazil's version of Shultz is embodied in Ambassador Rubens Ricupero, President Sarney's foreign policy adviser and the only member of the official delegation who witnessed every one of the Washington meetings. Ricupero eclipsed even finance minister Dilson Funaro, who was snubbed by Volcker and the State Department.

Ricupero, an expert in U.S. history and diplomacy, is a direct disciple of the "Limits to Growth" kooks at the Club of Rome. He is also reputed in Latin American diplomatic circles "the most brilliant Brazilian diplomat since Baron Rio Branco." Rio Branco, Brazil's turn-of-the-century diplomatic chief, was Teddy Roosevelt's prized partner in Ibero-America.

Roosevelt helped Rio Branco expand Brazil to encompass parts of Peru and Bolivia. Rio Branco threw Brazil against Argentina, Venezuela, and Chile in their efforts to resist the "Roosevelt Corollary" arrogating to the U.S. the right to collect debts by force. The Rio Branco-Roosevelt partnership was the "special relationship" Henry Kissinger sought to replicate in 1976. From its geopolitical perspective, the Soviet review *America Latina* appreciates Rio Branco as the model "anti-imperialist" it would like to see more of. No wonder.

Who stands behind Bartlett?

Is the front-running presidential contender a mere front-man for the dope mob?

Considered the "leading candidate" for the Mexican presidency in 1987, Interior Minister Manuel Bartlett is surrounded by an important and powerful economic and political grouping which seeks power for the purpose of imposing what some here ironically describe as a "Stalinist or Mussolini-style democracy."

Authoritarianism is the facade which Bartlett has built in his capacity as the person in charge of internal political and security matters. Behind that facade is the "Alemanista" political grouping, associates of the late former President and mafioso Miguel Alemán, and now headed by his son, Manuel Alemán Velasco, the newly appointed president of Televisa. Televisa, in turn, is Ibero-America's largest television and radio network, founded during the 1930s by the U.S. drug-mafia-linked National Broadcasting Corporation (NBC).

Bartlett represents powerful interests in Mexico. But he was not the one intended for the presidency. Bartlett is a political by-product of Mario Moya Palencia, the current Mexican ambassador to the United Nations, and interior minister from 1970-76.

Under the government of Luis Echeverría, Moya Palencia was an "almost certain" candidate for the presidency, but then he was destroyed by a constellation of nationalist forces.

By 1976, Moya was finished, but Bartlett revived him through his appointment as ambassador to the U.N., after collaborating with U.S. Secre-

tary of State George Shultz to force the resignation from that post of Porfirio Muñoz Ledo. Muñoz Ledo was labor minister under the Echeverría government, and as such had been part of the nationalist effort to prevent Moya Palencia's nomination to the presidency.

On July 2 of this year, Bartlett took a political risk which has cost him dearly. He invited Moya Palencia to be the guest speaker at the inauguration of a government-sponsored forum on the electoral reform of the Mexico City government. Moya's appearance at the express invitation of Bartlett caused such a furor in political circles that CTM labor chief Fidel Velázquez attacked the forum as an exercise in demagoguery that diverted energies from addressing the real economic problems facing the country.

More recently, Moya and Bartlett have suffered an even worse scandal. In mid-August, circles linked to Bartlett launched a wave of rumors predicting that Foreign Minister Bernardo Sepúlveda would soon be resigning to distance himself from "possible disagreements" between Presidents de la Madrid and Ronald Reagan, on the eve of the Mexican head-of-state's visit to Washington in August. The rumor also suggested that Moya Palencia would be named the new minister. According to some sources, the rumor was virtually a fact.

However, at the same time, several Mexican newspapers began to report on the publication of James Mills'

book, *The Underground Empire*. The part of the book the newspapers chose to play up reported on the charge by several Drug Enforcement Administration agents in 1975 that the extremely powerful drug trafficker, Alberto Sicilias Falcón, enjoyed the protection of none other than Mario Moya Palencia, then interior minister.

The DEA agents claimed that Falcón gave weapons to Mexican guerrilla groups in exchange for drugs. In particular, they referred to the case of the guerrilla Genaro Vázquez Rojas, who operated in the state of Guerrero, where most of the heroin and marijuana in Mexico was produced.

One of the newspapers suggested that Mario Moya Palencia was knowledgeable of that situation. Manuel Bartlett operated at the time as an interior ministry employee in Moya Palencia's confidence. According to certain sources, this information killed Moya's aspirations to become foreign minister—and perhaps those of Bartlett for the presidency.

Bartlett's links to drugs have surfaced before. In the aftermath of last year's scandal over the assassination of DEA agent Enrique Camarena on orders of the mafia godfathers, it was learned that the director of the Federal Security Department (DFS), Antonio Zorrilla Pérez, had received enormous quantities of money in exchange for his protection of the drug traffickers who murdered Camarena. Despite all the evidence, Bartlett's ministry published a report which only blamed Zorrilla for "administrative negligence," as a result of which, the DFS head was neither accused nor arrested.

But Zorrilla, before quietly resigning and slipping out of the country, told several persons that part of the protection money he received went "higher up," to a "buddy."

International Intelligence

Top Israeli delegation visits Japan for talks

Abba Eban, foreign policy committee head of the Israeli Knesset, is now leading a parliamentary delegation to Japan. He accompanied Prime Minister Shimon Peres to Alexandria a week earlier for the summit with President Hosni Mubarak. According to his political advisor, reached in Jerusalem, the trip signals a dramatic turn for the better in Japanese-Israeli relations, which "had been hampered by Japan's total dependence on Arab petroleum." Eban's adviser said the Japanese had demanded that Eban lead the delegation, to underline the importance of the trip.

"Mr. Eban will certainly be discussing the Marshall Plan, to prepare the terrain for more concrete deliberations on specific items and projects," his political adviser told *EIR*. At the summit with Egypt's Mubarak, his adviser confirmed that Peres's proposed "Marshall Plan" for the region had not been specifically discussed.

Although the two leaders lamented the "lack of time" which made such discussions impossible, "it would be futile to discuss the Marshall Plan without the participation and proposals on the part of those countries which should play a major role in making it possible. . . . Yes, I mean the U.S. and some countries in Western Europe, and also Japan."

Brits, Soviets expand 'cultural contacts'

"There is an expansion of reciprocal cultural contacts between Britain and the Soviet Union planned," a London source close to the British Foreign Office said privately Sept. 17.

"This will be under the auspices of our reciprocal cultural agreements. There had been a break of several years in many of these contacts, following the Soviet invasion of Afghanistan, which had led to a ton-

ing down of cultural relations, but this is changing."

The source added that this expansion would take the form of "major manifestations of culture taking place again," such as the recent British tour of the Bolshoi Ballet.

Such contacts are mediated in significant part, he said, by "people in Britain who play a similar role to that of Armand Hammer for the United States, but who work more in the background, privately, without their names being known, and less on the overt political side of things."

Soviets fear SDI's economic impact

Recent pronouncements from Russian military leaders demonstrate that, as *EIR* has long contended, it is the economic revolution portended by the Strategic Defense Initiative, not its military implications, that is giving Ivan sleepless nights.

In an Aug. 25 press conference, Red Army Chief of Staff Marshal Sergei Akhromeyev stated: "If the U.S. continues to work to implement its Star Wars plans, the Soviet Union will have to take countermeasures." He categorically rejected President Reagan's offer for the Soviets to jointly develop the SDI.

Another Red Army spokesman, Col. Vasily Morozov, stated on Sept. 6 that the goal of the American program, apart from its military purpose, was "the exhaustion of the Soviet Union's economic resources. The Americans would like us to try to create an SDI because, in their view, this would place such a huge burden on the Soviet economy that it would collapse."

Predict 'war of cities' in Gulf

Following Iran's firing of a surface-to-surface missile into the Iraqi capital of Baghdad, the Iran-Iraq war will now escalate into "the war of the cities," France's *Le Figaro*

and *Le Monde*, and Italy's *Corriere della Sera*, all predicted on Sept. 13.

Says *Le Figaro*, this will be characterized by a "reinforcement of violence . . . oriented toward economic zones."

The Iranian missile landed during the night of Sept. 11-12. While the Iraqis are denying Iranian claims that it hit and destroyed the Iraqi secret police headquarters, Iraq is admitting that at least 21 were killed, and over 80 wounded.

The following day, 250,000 Iraqis marched through the streets of Baghdad, demanding retaliation. According to *Le Monde*, Iraqi defense minister and assistant chief of the armed services, Gen. Adnan Kharallah, declared that Iraq will now "wipe off the map" several Iranian cities.

Le Monde says that Iraq, thanks to Soviet-supplied materiel, has superior missile technology. This will make the whole war "more violent and bloody," it concludes.

British doctor warns of AIDS 'plague'

"'Plague' Warning on AIDS," headlines the Sept. 13 *Daily Express* of London, reporting: "The disease AIDS is set to claim more victims than the Black Death plague of the Middle Ages or both World Wars, an expert warned.

"'Mankind is on the threshold of a viral catastrophe too horrible for most people to contemplate,' Dr. John Seale told the British Veterinary Association Congress in Britain. He said AIDS was so infectious, it could be spread in blood and saliva. 'There is no risk in shaking hands with someone who has AIDS, but playing rugby with them could be a different matter,'" he said.

The *Daily Mail's* coverage of Seale's speech is headlined, "AIDS Can Be Spread by Kiss of Death," citing his warning that AIDS is just as likely to be transmitted by kissing as having sex. "The result could be the killer disease spreading rapidly among children," says the *Mail*. It quotes Seale attacking members of the medical community

Briefly

for "repeatedly failing to give credible advice" on the 20th-century equivalent of the Black Death. "There is a psychological block," said Seale.

Carrington insists Soviets want to talk

In the midst of the most massive outbreak of Soviet irregular warfare ("terrorism") ever seen in the West, NATO Secretary General Lord Peter Carrington told an audience in Mainz, Germany Sept. 16 that NATO has a major opportunity to "do business" with the Soviet Union under Mikhail Gorbachov's leadership.

Carrington, the former British foreign secretary and a champion of the "New Yalta" faction in the West, told the annual assembly of NATO that the Soviet leadership is ready to think "in radical terms" in the field of arms control and disarmament and to push through the decisions that will be necessary.

He added ruefully that the Western alliance has the problem of persuading Western public opinion, as well as itself, that such an opportunity exists.

U.S. detects Soviet ABM breakout?

According to leading government defense analysts, the United States is assessing reports that show that the U.S.S.R. has begun to deploy large anti-satellite-capable, ground-based lasers. Some experts believe that the lasers could be readily upgraded for use against ballistic missiles. This, together with the apparent stockpiling of more conventional ABM missile interceptors and construction of another ABM battle management radar, reveal Russian preparations for a breakout of the 1972 Anti-Ballistic Missile Treaty.

According to *Aviation Week and Space Technology*, the Soviet laser construction sites were only recently detected by a U.S.

Air Force imaging reconnaissance satellite. But the sites, located on mountain tops near the Afghanistan border, are in an advanced stage of construction.

One site appears to contain two lasers. The second has one laser and one microwave facility. *Aviation Week* quotes one government official: "Nothing in the U.S. directed-energy program compares to what we see."

U.S. intelligence sources also report that the Soviets are stockpiling more conventional ABM missile interceptors, similar to the old U.S. Spartan/Sprint models. The discovery of an apparent battle-management radar in the Caucasus is continuing to be assessed.

East-West confab sees sparks over Daniloff

Despite some cancellations because of the Daniloff affair, the largest-ever U.S. delegation visited the Baltic city of Yurmala, U.S.S.R., in mid-September under the auspices of the Chautauqua Institute. More than 270 U.S. representatives, government and non-government, were due to examine "the obstacles standing in the way of the normalization of U.S.-Soviet relations."

Defense Undersecretary for Technology Transfer Richard Perle, former National Security Adviser Robert McFarlane, and former U.N. Ambassador Jeane Kirkpatrick canceled due to Daniloff frame-up.

In the Sept. 15 session, Jack Matlock, White House adviser on the Soviet Union, was laughed at when he tried to bring the Daniloff case into the discussion. He said in fluent Russian, "We cannot and will not equate a professional spy caught red-handed with an innocent American journalist."

Soviet and U.S. speakers also clashed over the Strategic Defense Initiative. Col.-Gen. Nikolai Chervov charged that America wanted the SDI to achieve military superiority. U.S. journalist Strobe Talbot shot back that Reagan wanted the defense system because of Soviet numerical advantage in ICBMs.

● **AN 'AIDS concert'** scheduled for Nov. 21 in Dusseldorf, West Germany, backed by Elizabeth Taylor, was cancelled on Sept. 16, according to an official at the hall where the concert was to have taken place. Earlier this month, a "megaconcert" whose proceeds were to go to purchase of condoms and clean needles for "safe" perversions, scheduled for Turin, Italy, also with Taylor's backing, was cancelled.

● **PRESIDENT REAGAN** responded to claims he caved in to the Russians in the Daniloff affair during a session with reporters Sept. 15. "I don't know where they get that idea. No, we have not blinked. [Daniloff] is a hostage. . . . The individual we're holding is an accused spy and there can be no trade between those two. . . . From the very first I felt it was absolutely essential that we get Daniloff out of their hands and out of that cell which he occupied with what was obviously a Soviet aide—and four-hour-a-day interrogation."

● **COPENHAGEN** Central Station has installed a dispensing machine where addicts to illegal drugs can obtain disposable syringes free of charge. This is the result of a campaign by Danish health authorities, who argue that by using these needles, the infection-rate of AIDS in this "risk-group" can be reduced.

● **ISRAELI WEAPONS** dealers have shipped at least 3,600 tons of U.S.-made weapons to Iran, in violation of U.S. restrictions, the Danish Sailors Union said Sept. 14. Citing one 900-ton shipment union members transported, the spokesman said: "We have the documentation, the log, and the testimony of the sailors on board. We have the exact dates. There is absolutely no doubt."

Continental integration: the Peronist experiment

Part 3, on the century-old battle for integration, told how the only genuine effort in this century was launched from Argentina by Juan Domingo Perón. In a 1951 article, Perón proposed an Argentina-Brazil-Chile alliance, as the basis for a "South American Confederation" by the year 2000.

The optimism and historic voluntarism that can be seen in the following article excerpt by Perón, prefigures today's speeches by Alan García:

Unity begins with union, which in turn is achieved through the unification of a primary nucleus of agglutination.

The immediate and medium-term future, in a world highly influenced by the economic factor, forces preferential consideration of this factor. No one nation or group of nations can face the task such a destiny imposes without *economic unity*.

The sign of the Southern Cross can be the symbol of triumph of the numina of the America of the southern hemisphere. Neither Argentina, nor Brazil, nor Chile can, by themselves, dream of the economic unity indispensable to face a destiny of greatness. United, however, they form a most formidable unit, astride the two oceans of modern civilization. Thus Latin-American unity could be attempted from here, with a multi-faceted operative base and unstoppable initial drive.

On this basis, the South American Confederation can be built northward, joining in that union all the peoples of Latin roots. How? It will come easily, if we are really set to do it.

If this Confederation is expected for the year 2000, what better than to jump ahead, thinking it preferable to wait from within, than to keep time waiting for us?

We know that these ideas will not please the im-

perialists who "divide to conquer." But for us, the moment World War Three ends the danger will be so great, that not to do it will truly be suicide.

United we will be unconquerable; separate, defenseless. If we are not equal to our mission, men and nations will suffer the fate of the mediocre. Fortune shall offer us her hand. May God wish we know to take hold of it. Every man and every nation has its hour of destiny. This is the hour of the Latin people.

We Argentines are prepared, ready, and waiting. If we throw the first stone, it is because we are blameless.

Over the next four years, Perón "threw the first stone" and carried forward this strategy of unification, achieving successes that terrorized the oligarchy and the international banks, who finally succeeded in overthrowing him in 1955.

With the election of Getulio Vargas to the Brazilian presidency in October 1950, and that of Carlos Ibáñez in Chile at the end of 1952, the chance to carry out this unity policy was in the offing.

Vargas was an old nationalist who had already governed in the 1930s. He returned to power in 1950 with the slogan of creating a "New State" to achieve the "directed industrialization" of Brazil. In June 1953, he named João Goulart as his minister of labor, and Goulart, unmistakably applying the Peronist strategy from neighboring Argentina, began to organize a strong labor base around "Getulismo". Goulart and Vargas defended the right to strike, doubled the minimum wage, and organized a Brazilian General Confederation of Workers (CGT), taking the Peronist CGT of Argentina as the model. During this period, Goulart traveled several times to Argentina, where he met with Perón.

Vargas also launched a campaign to nationalize oil, under the slogan "the oil is ours," and in October 1953 he

succeeded with the establishment of the state company Petrolbras. Peron praised it, saying that "Getulio Vargas, authentic representative of the Brazilian people, triumphed against the pressures of the North and the dollars of Standard Oil."

In Chile, Carlos Ibáñez was elected to the presidency at the end of 1952. Ibáñez had lived for many years in exile in Buenos Aires, and there had cultivated a strong friendship with Perón. It was no surprise, then, that the Argentine leader saw the election of Ibáñez as a golden opportunity. In February 1953, days before going to Chile on a state visit, Perón stated definitively to a Chilean newspaper:

I believe that Chilean-Argentine unity, a total unity and not half-way, should be complete and immediate. Simple economic unity will not be strong enough. . . . In this situation, one must be bold.

"Boldness" for Perón meant a virtual union of the two countries, which for centuries had been manipulated by the British to consider each other enemies. In his historic visit to Chile—despite the virulent protests and demonstrations organized by the socialist leader of the opposition, Salvador Allende—Perón succeeded in signing an agreement on the principles of economic unity.

Five months later, Ibáñez visited Buenos Aires, where he signed a treaty with Perón specifying the first concrete steps of that unity: mutual reduction of customs tariffs, increase in bilateral trade, and establishment of a joint council to determine the next measures to be taken. These steps were not as revolutionary as Perón would have liked, but they were an advance in the right direction.

Perón immediately moved to do the same with Paraguay. In October 1953, he traveled to that country, where he signed an agreement for closer relations. But a second trip, planned for the middle of 1954, had to be postponed because of the coup d'état carried out by Alfredo Stroessner in May of that year.

At the end of 1953, Argentina also signed bilateral economic pacts with Ecuador and Nicaragua, but in both cases political pressures on the different governments blocked the advance that Perón sought. In an attempt to outflank this problem, Perón in 1952 urged the CGT to form a continent-wide trade union organization: ATLAS (Agrupación de Trabajadores Latinoamericanos Sindicalistas). In November 1953, Perón explained his initiative:

We've a very sad experience of unions come by through governments; at least, in 150 years none have managed to crystallize with some definitiveness. Let's try the other path, which has never been tried, to see if, from below, we could gradually attain a determining influence in the realization of such unions.

While Perón promoted ATLAS, the great question both for himself and for his oligarchic enemies, continued to be:

Part 4

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.

What will happen with Brazil? In 1954, as in 1986, the reality was simple: If Brazil enters, there will be integration and a common market; if not, not. As Joseph Page, Perón's biographer, explained:

It would have taken a Herculean effort to overcome the antagonism between Argentina and Brazil, a deeply entrenched reality which first Great Britain and later the United States exploited as the cornerstone of their diplomatic policy toward South America. Nonetheless, Getulio Vargas's surprise election victory in 1950 brought to the Brazilian presidency the only politician who could have reached an agreement with the Argentines. . . . Vargas was friendly with Perón, and was open to the idea of continental unity. According to Perón, when Vargas took the presidency again, he promised that they would meet in Rio de Janeiro or in Buenos Aires to sign the kind of agreement that Perón would later seal with Ibáñez.

But that meeting never took place. Under Anglo-American pressure, in February 1954 elements of the Brazilian military forced the “Peronist” Labor Minister João Goulart to resign. And in August of that year, a military manifesto demanded the same of President Vargas. He acceded, and then “committed suicide” under suspicious conditions that still remain to be clarified.

With Getulio died the immediate possibility of the dreamed-about ABC alliance. One year later, in the middle of 1955, a military coup also organized by the Anglo-American oligarchy, overthrew President Perón.

Prebisch and ECLA

Perón was out of power in Argentina. But, how to contain the power of his ideas for integration on the continent? The Anglo-American oligarchy had already decided several years earlier that, if it encouraged direct opposition to the idea of integration and development, they would be shooting themselves in the foot. They preferred, rather, to come up with their *own* theories, institutions, and movements in favor of “unity” and “development,” to thereby subvert the strong nationalist ferment on the continent. The main institution created in 1948 towards this end was ECLA (Economic Commission for Latin America). And the man they chose to head up that operation was one who enjoyed their absolute confidence: Raúl Prebisch.

Why don Raúl? Because Prebisch, from his first political acts in the 1930s to his overdue death in 1986, was a shameless agent of British neo-colonialism.

Prebisch was trained at Columbia University and the London School of Economics. In 1930, with the coup d’état of General Uriburu, Prebisch succeeded in occupying his first post of some importance: that of deputy minister of economics. In 1933 he was named special adviser to the Economics Ministry, and took an active part in the negotiations of the infamous Roca-Runciman Treaty that same year. That treaty turned Argentina into a virtual economic colony of the British Crown throughout the period of the 1930s depression: It was the only Ibero-American country which did not suspend its debt payments during the depression.

In 1934 Prebisch played a key role in the creation of the Argentine Central Bank, as a substitute for the old Banco de la Nación. So brazen was the British role in this deal that the Crown sent Sir Otto Niemeyer, official representative of the Bank of England, to Argentina with a detailed plan of the kind of bank they wanted. Unfortunately, Sir Otto could not find an economics minister ready to do what he wanted. One minister after another was fired, until one Pinedo was finally named. Although Pinedo too offered some resistance, Deputy Minister Prebisch came to the rescue and, in his own words: “I was able to convince him, and later I was put in charge of carrying out the definitive project of the central bank.”

The resulting institution, directed by Prebisch from 1934 to 1945, was a masterful work of submission to British monetarism. The Argentine foreign debt was paid punctually, emphasis was placed on agricultural exports, and industry was systematically strangled.

When the Anglo-Americans overthrew Perón in 1955, they immediately called on don Raúl to “fix up” the Argentine economy. He returned from exile in the company of a team of ECLA technicians, and prepared the notorious “Prebisch Plan,” in which he proposed measures identical to those recommended today by the IMF:

- Reduce the size of the state sector of the economy, which would imply firing at least 20,000 “unproductive” state employees.
- Channel the economy toward agricultural production for export, away from industrial production, and raising internal prices of agricultural products.
- No wage increases for workers to compensate for the increase in food prices.
- Halt the issuance of credit for the national economy, especially for the industrial sector.
- Contract new international loans.
- Establish “floating parities” (that is, devalue the Argentine peso) and free repatriation of all profits of foreign companies.
- Export everything possible to pay recently contracted debts.

These acts tell much more about Prebisch than his sugar-coated words about “*desarrollismo*.”

And what of the ECLA version of “integration”?

Since its founding in 1948 with Prebisch at its head, ECLA has promoted a sort of “slow” integration, limited in its objectives to reducing customs tariffs among Ibero-American countries over a period of 10 years, and that within the free-trade global framework of General Agreement on Tariffs and Trade (GATT). It never accepted the idea of Friedrich List—the 19th-century German economist of the American System school—of imposing tax barriers against products from outside the common market; never did it contemplate joint projects or even joint development strategies; it absolutely never thought of establishing a common currency.

ECLA’s first work on the subject was published in January 1954, with the title *Study of the Prospects of Inter-Latin American Trade*. What was astonishing about the study was that, although it came out within just a few months of Perón’s dramatic and revolutionary 1953 initiatives for continental unity, not once in its 134 pages of text did it dare to mention Perón—not even to criticize him. Instead, it presented the idea of integration as if it was an original discovery of ECLA, that had never occurred previously to anyone else.

Nearly three years later, in November 1956, ECLA organized a meeting of its Trade Committee, from which it issued its first call for a Latin American Common Market as such. But, this done, it stressed that "evolution towards a regional market will be slow and gradual," and argued that "the best path would be to seek the services of GATT." Its clear intention was to capture the integrationist ferment that still existed in Ibero-America, and channel it in a timid and innocuous manner for the oligarchy.

In the following years, the ECLA boys of Prebisch continued to insist on "their" version of integration, such that in February 1959 they were able to hold a second Working Session, where discussion centered on the "differences" among the attending nations and the need to give "preferential" treatment to certain countries and certain products. ECLA had succeeded in turning all discussion on the common market into a debate on what should be "excluded" from such an agreement, even before it existed! And always the admonition against taking any concrete steps: "In a field in which Latin America lacks all experience, to make a total commitment from the very beginning could be a veritable leap into the void."

The formation of ALALC (Latin American Association of Free Trade) the following year could definitely not be accused of the sin of "total commitment" to integration. Rather, it was a sad parody of the serious efforts attempted one decade earlier. The only thing that ALALC did was establish a framework within which negotiations to reduce customs tariffs among the continent's nations could be carried out, product by product. It did not contemplate any coordination of trade, investment, credit, or other policies.

After 20 years of activity increasingly irrelevant to the terrible economic reality of the continent, ALALC was disbanded and replaced by the equally useless ALADI (Latin American Association of Integration). Subregional efforts such as Caricom and the Central American Common Market essentially suffer the same problem as ALALC.

Of all the regional and subregional organizations that emerged in the post-war period, the only institution that diverged from the ECLA guidelines was the Andean Pact, formed in 1969, and SELA (Latin American Economic System), formed one decade later on the initiative of Luis Echeverría and Carlos Andrés Pérez, then Presidents of Mexico and Venezuela respectively. Unlike ALALC, the Andean Pact did not have its origins in ECLA, but in the social doctrine of the Vatican, and particularly in the deliberations that followed the encyclical *Populorum Progressio*, of Paul VI. This means that the Andean Pact in effect grew from the same tree that yielded Peronism.

The fundamental difference between the Andean Pact and the ECLA theory can be seen in the programmatic proposals of the Pact. It proposed not only the reduction of tariffs among member nations, but also:

- establish a common protectionist tariff toward the exterior;
 - carry out regional projects and investment;
 - coordinate different national economic policies;
- and
- unite criteria in regard to foreign investment, which resulted in the famous Decision 24 of the Andean Pact.

If the Andean Pact has also failed and has not brought about a true Common Market, it is not for the failure of its original concept, but because that concept was applied on too limited a scale, and also because the Pact has been the victim of operations by the Anglo-American oligarchy to destroy it.

Operation Juárez

The Malvinas War, in 1982, made clear for many Ibero-Americans what was already evident to Juan Domingo Perón 35 years earlier: that the disastrous world order established in the post-war era means that Ibero-America must develop its own independent power—economically, militarily, and politically—if it is to maintain its sovereignty and very existence under crisis conditions like the current ones. And only a united Ibero-America can achieve this; there is no nation on the continent able to do this by itself.

During the Malvinas War, in May 1982, U.S. economist Lyndon H. LaRouche, Jr. traveled to Mexico to meet with President José López Portillo and other important political leaders. Some of them asked him to write out his proposal for dealing with the problem of the foreign debt. Three months later, the historic essay *Operation Juárez* was published, in which LaRouche takes up the old integrationist idea, and poses the necessity of immediately forming a Debtors' Club and an Ibero-American Common Market. He demonstrated the necessity of creating such institutions to stop the IMF's genocide; he explained conceptually how these institutions could function, technically, and politically; and argued that the only real obstacle to achieving this was the political problem of mobilizing the leadership of the continent to undertake this difficult task.

The months and years to come will prove the veracity of LaRouche's evaluation.

Today, Ibero-America finds itself with a new—and possibly its last—chance to achieve genuine integration. Since July 1985, when Alan García assumed the Peruvian presidency, the continent has again had a clear voice around which to mobilize for unity.

This book intends as its primary purpose to contribute to the realization of that longed-for integration, demonstrating both the feasibility and the conceptual grounding for the Ibero-American Common Market. Its more detailed elaboration will be the task of that successful integrationist movement that we also seek to awaken and consolidate.

The looming prospect of U.S. economic emergency

by Nicholas F. Benton

A government crisis of unprecedented proportions is unfolding in the United States as the countdown to Oct. 1 is under way. Oct. 1 is the start of a new fiscal year (FY 1987), and the pressure is on the government to arrive at a consensus on the budget by that date to be able to continue "paying the bills."

In the past, when the President and the Congress have not agreed on a budget by Oct. 1, the government has literally shut down for a day or two until some form of temporary, short-term legislation, known as a "continuing resolution," is passed to pay expenses a week at a time until a full-year budget is finally passed into law.

This year, however, there is a new feature which changes all this, and is now in the process of throwing the government into an unprecedented crisis. It is the Gramm-Rudman deficit-reduction law, which commits the government to reduce the size of the federal deficit (the amount of projected outlays in excess of projected income) to a specific sum. The federal deficit was near \$200 billion in Fiscal Year 1986 (FY 86), and the Gramm-Rudman law calls for that sum to be lowered to \$144 billion in FY 87. This has to be achieved by massive cuts in expenditures because the President, in particular, will not tolerate lowering the deficit by raising taxes.

The Gramm-Rudman law, passed last December, originally gave authority to a budget agency of the Congress, the Government Accounting Office (GAO), to make automatic, computer-generated cuts in the budget by Oct. 1 if the Congress and President failed to come within \$10 billion of reaching the \$144 billion deficit target by that date. This automatic computer-generated budget cut is known as "sequestering." The law was written to provide an incentive for the government to come to a consensus in order to avoid "sequestering." Namely, if they did, they were allowed a \$154 billion deficit, but if they failed, automatic "sequestering" would, according

to a pre-set formula, draw the deficit all the way down to the \$144 billion target, thus taking an additional \$10 billion out of the budget.

The fall-back

This Gramm-Rudman law remains operational, with one significant change, even though the U.S. Supreme Court declared it unconstitutional last July. The Supreme Court's ruling against the law was based on a technicality, only. It said that the law's provision to make the GAO the agency of "sequestering" was a violation of the U.S. Constitution's "separation of powers" of government because the GAO is an agency of the Congress, which is the legislative branch. The Congress can correct this technicality by passing a law shifting the "sequestering" authority to a budget agency of the executive branch; namely, the Office of Management and Budget (OMB). If they did this, all the same automatic, computer-generated budget-cutting features of Gramm-Rudman would still be in effect, and constitutional.

However, the Congress has not had the time to pass a law making this adjustment. Instead, they are prepared to resort to a so-called "fall-back provision" in the law which, rather than making computer-generated "sequestering" automatically binding, simply requires a vote of approval from the Congress to become law.

Therefore, for political reasons (the November elections are approaching when all 435 congressional and 34 out of the 100 Senate seats will be contested) and especially for economic reasons, leaders of the Congress and the Reagan administration have all expressed their desire to produce a budget within the constraints of the Gramm-Rudman amendment.

The economic reasons for this are clear. With the collapse of the U.S. industrial and agricultural base, and with record

U.S. trade deficits and debt-equity imbalances, the only thing now delaying a total blowout of the U.S. financial system is the so-called "discipline of the government" to impose austerity through budget cuts. The combination of a certain amount of capital investment in military production and this "discipline" is the only basis of value for the dollar. However, these two props for the economy cannot co-exist, since the biggest victim of Gramm-Rudman "discipline" is the defense budget itself.

Nonetheless, the "discipline" of Gramm-Rudman has already produced certain definitive results. For one, it has led to an absolute cut of \$4.3 billion in the federal Medicare budget (health insurance for the elderly) for FY 87, at a time when that budget is already far too low and euthanasia laws are being expanded to cut health care costs. For another, congressional leaders and key Wall Street advisers to President Reagan—namely, White House Chief of Staff Don Regan and OMB Director James Miller—agreed to falsify the data released Aug. 20 telling the Congress how much more they had to trim from the budget by the Oct. 1 deadline, grossly understating the real size of the deficit at \$164 billion, rather than what is in reality closer to \$230 billion.

So now, working with the \$164 billion deficit figure, Congress is approaching the Oct. 1 deadline faced with cutting another \$10 billion from its budget in order to come in below the \$154 billion Gramm-Rudman limit to avoid "sequestering." And, while the President's Wall Street advisors Regan, Miller, and Treasury Secretary James Baker are working with Congress to make these cuts and meet this deadline without a tax increase (including without the projected increase in revenues from the new tax reform law), the major crisis emerging from this whole process revolves around the issue of defense.

President Reagan, under advisement from Secretary of Defense Caspar Weinberger, requested a defense budget of \$319 billion for FY 87 last January. This included a total budget for the Strategic Defense Initiative of \$5.4 billion.

Now, however, the Congress' "reconciliation" package aimed at conforming with Gramm-Rudman, is expected to cut the defense total all the way down to \$288 billion—an astonishing \$31 billion cut (or 10%) below what the President and Secretary Weinberger have repeatedly insisted is an indispensable figure to maintain an effective deterrent against the unprecedented Soviet military buildup.

Moreover, the Congress wants to add to its draconian defense budget cut a series of restraints on the President which would cripple U.S. strategy in direct conflict with the President's policy. These restraints, passed in the House Defense Authorization bill, would: 1) force the President to comply with the SALT II accord, 2) prohibit nuclear testing, 3) prohibit anti-satellite (ASAT) testing, 4) stop the development of chemical weapons, and 5) slash the SDI budget by 40% down to \$3.12 billion. A Senate bill also prohibits the U.S. from granting SDI contracts to its allies if the same

work can be done at home.

The President, when he first learned the House had passed these restraints, went on national radio to promise the American population he would veto such measures. When asked by *EIR* Sept. 19 whether the President would accept a \$288 billion defense budget, White House spokesman Larry Speakes said tersely, "We want more."

But, Congress (with the help of Regan, Miller, et al.) is using Gramm-Rudman to blackmail the President into accepting these destructive policies by threatening to vote for "sequestering"—which would cut even more from the defense budget—if the President is not willing to sign their "reconciliation" bill before Oct. 1.

If the President vetoes the bill, then the Oct. 1 deadline would pass without a budget. The government would begin operating with no allocated money until a resolution was reached. Congress would be forced to postpone its scheduled Oct. 3 recess, and thus delay its opportunity to get back to home districts to campaign for the Nov. 4 elections.

This would enrage the Congress. According to Gail Foller, chief economist for the Senate Budget Committee, "There is an odd mixture of liberals and right-wing Republicans" who would favor voting, under these circumstances, for "sequestering" in retaliation against the President's veto. This would cut another \$10 billion from the budget (reducing the deficit from \$154 to \$144 billion), and, according to the preset formula, more than half of this would come from defense, resulting in lowering the defense figure further to \$283 billion.

At that level of funding, according to a Pentagon report released in August, the U.S. would be forced to eliminate 590,000 troops (310,000 active, and 280,000 reservists and National Guard), more losses than the U.S. has ever suffered in any foreign war.

Meanwhile, as long as the President and Congress would be battling, the government would be without money, and if temporary appropriations were voted, they would, by law, be at the level of "sequestering"; namely, at the level that would force the Pentagon to remove the 590,000.

Therefore, it is the threat of this "nightmare scenario" which is being used to blackmail the President into signing the "reconciliation" bill, even though, as noted above, its massive defense cuts will destroy one of the only remaining props—military production—holding up the U.S. economy, as well as devastate the strategic defense capabilities of the nation.

As recently, the White House revealed its total confusion on the issue, when Larry Speakes gave totally contradictory answers to *EIR* inquiries about the effects of a presidential veto under the Gramm-Rudman law. In reality, the President's only real option is to begin exploring the use of emergency powers to free himself from the deadly "no win" scenario he is being forced into by Gramm-Rudman's proponents.

NBC 'jail LaRouche' plot is derailed

NBC's plan to set Lyndon LaRouche up for assassination, by having him thrown into jail, was derailed on Sept. 17 as friends and supporters of LaRouche posted a \$256,451 appeal bond with the federal court in Alexandria, Virginia. NBC attorneys, who clearly had been caught by surprise, were left with no choice but to consent to a stay of all proceedings, and signed a proposed court order to that effect. The order was signed by Judge W. Claude Hilton on Sept. 18. The amount deposited with the court covers the judgment, interest, and costs.

This will bring to a screeching halt the proceedings by which NBC attorneys were trying to catch LaRouche in a contempt-of-court trap, under the pretext of trying to enforce their \$202,000 judgment against LaRouche.

Max Dean, noted civil rights and labor lawyer in Flint, Michigan, spearheaded the effort by friends of LaRouche to raise the funds necessary to post the bond, and even to pay the NBC judgment if necessary to keep LaRouche out of jail. Almost 200 persons contributed to this effort. (None of the funds came from any of the 20 organizations which NBC had targeted as "LaRouche organizations.")

Dean commented that, "The real problem on the part of the court is, that they are incapable of imagining the deep respect and esteem in which Lyndon LaRouche is held by thousands and thousands of people."

On Aug. 8, LaRouche was ordered by a federal magistrate to provide information as to who paid his personal expenses such as food, housing, clothes, travel, and legal and security costs. Magistrate W. Curtis Sewell also ordered LaRouche to pay \$2,000 costs and \$200-a-day fine until he provided the information to NBC. On Sept. 12, Judge Hilton affirmed the magistrate's order. NBC's attorneys had stated their intention to seek "progressively harsher sanctions"—including contempt of court—against LaRouche if he did not comply with their discovery requests.

LaRouche in fact had answered a number of NBC's queries, as to who had paid some legal and security costs and also campaign travel expenses. Otherwise, he told the court, he was "safehoused" by various friends because of the threat to his life, and, while a guest of friends and sometimes of governments, he does not ask who pays the bill. LaRouche had repeatedly testified that he does not know exactly who pays for the food he eats or wherever he happens to be staying. Yet the magistrate and judge ordered him to provide

detailed financial information—such as who paid for every meal he has eaten since 1973.

LaRouche's attorneys twice sent requests to 20 different organizations named by NBC asking if they had paid any expenses associated with LaRouche and requesting they provide any such information. Some of the organizations responded that they had not paid any such expenses. In other cases, attorneys for the respective organizations responded that they were advising their clients not to provide the requested information because of other pending legal matters.

Despite clear evidence that LaRouche had no legal control over, or access to, the requested information, both Magistrate Sewell and Judge Hilton ordered him to get the information or be fined. Judge Hilton was so anxious to "get LaRouche" that he put on a shameful performance in court, citing NBC's arguments as if they were the magistrate's actual findings. He didn't even know what the magistrate had said; he just knew that *he* wanted to rule against LaRouche.

NBC's pretext

The pretext for these proceedings is the \$202,000 judgment against LaRouche which NBC obtained from a rigged jury during the trial of LaRouche's libel claim against NBC in October 1984. NBC and its co-defendants, the gangsterish Anti-Defamation League of B'nai B'rith, successfully rigged the judge and the jury with false evidence and corrupt rulings so that the jury initially gave NBC \$3 million punitive damages verdict against LaRouche, as against only \$2,000 in actual (real) damages. The \$3 million punitive damages were later reduced to \$200,000, for the only reason that no precedent could be found for a verdict that large.

Although NBC could have begun collection proceedings at any time after March 1985, it sat on its judgment for over a year, reportedly convinced it would spend far more than \$200,000 in trying to collect the judgment from LaRouche, who they know has no assets or income.

This summer, NBC abruptly instituted discovery proceedings against LaRouche. It soon became evident that NBC was not interested in the money, but in forcing LaRouche into contempt of court. As LaRouche's attorney argued in court Sept. 12, if NBC were serious about getting the information it wanted, rather than setting a contempt trap for LaRouche, it would have subpoenaed the organizations it thinks are paying his expenses, rather than trying to force him to give information that he has no legal right or power to provide.

NBC's escalation against LaRouche coincided with reports from intelligence specialists that the Soviets wanted LaRouche dead, and had told the State Department and other "New Yalta" sympathizers that unless LaRouche were gotten out of the way, there would be no Gorbachov-Reagan summit and no détente. Moscow's orders were to "kill LaRouche": NBC's lawyers thought they had come up with a way to set the whole thing up.

Weinberger opposes 'posse comitatus' repeal

Defense Secretary Caspar Weinberger labeled "absurd" the amendment passed by the House in its omnibus anti-drug bill the second week of September, to seal the U.S.-Mexican border with U.S. troops within 45 days of the enactment of the bill.

The amendment was authored by conservative Rep. Duncan Hunter (R-Calif.) and attached to another amendment, equally opposed by the Pentagon, by Rep. Charles Bennett (D-Fla.), repealing the U.S. "posse comitatus" laws which prohibit the military from performing direct law-enforcement activity.

White House spokesman Larry Speakes and Attorney General Edwin Meese have both backed up Weinberger in his opposition to the House amendments.

In a letter to the Congress, Assistant Defense Secretary William Taft IV pointed out that the military plays, and will continue to play, a significant role in providing time and equipment to assist civilian law-enforcement agencies in the War on Drugs, and even in helping foreign governments (such as Operation Blast Furnace in Bolivia). However, he pointed out, to divert the military to direct involvement in law-enforcement captures and arrests would require expensive retraining, cutting into U.S. strategic military readiness.

Taft also pointed out, it would provide too easy an out for government to underfund domestic law enforcement.

With so many members of the Democratic-controlled House eager to shred the defense budget and pull U.S. troops out of Europe, many people are

suspicious of the motivations behind the tough-talking advocates of using the U.S. military on the Mexican border to fight drugs.

The President's War on Drugs legislative package asks for \$400 million to equip the new Southwestern Border Patrol with sophisticated technology to detect low-flying aircraft and other modes of drug smuggling across the border, without direct involvement of U.S. troops.

Use of troops would be justified, one observer pointed out, only if Congress were to make a formal declaration of war against drug traffickers. Then, the matter would be simple. Any aircraft, vehicle, or boat entering the United States that failed to identify itself and receive proper clearance would be considered an enemy and shot down, blown up, or sunk.

Short of calling for this, however, the House should not be allowed to use anti-drug rhetoric as an excuse to take U.S. troops out of Europe while slashing funding for the Drug Enforcement Agency, Customs, and Immigration services.

Meese raised another problem with repeal of "posse comitatus": namely, that it violates the constitutional separation of powers by letting Congress decide how the President shall use the armed forces.

Meese 'in full accord' with French anti-terror

In response to queries from this reporter, Meese on Sept. 18 became the highest-level U.S. official to go on record in support of French Premier Jacques Chirac's virtual declaration of war against terrorists. Meese said "we are in all sympathy" and "in full accord with what they are trying to do" to deal with the terrorists.

Meese announced a new U.S.-

British treaty to cooperate in drug-money-laundering investigations on the British islands east of Florida known as the Turks and Caicos. Turks and Caicos was "put on the map" last year when the prime minister of the tiny islands was arrested at the Miami airport for trying to smuggle heroin into the United States. The islands have been a major base for drug traffickers, being one of many "bank secrecy havens" in the world where local laws "draw a dark curtain" over records of private bank accounts, according to Meese. He said he expects the new treaty will produce results similar to that signed in 1984 with the Cayman Islands; 65 indictments for drug money laundering have resulted from "lifting the curtain" there.

He added that a similar treaty with the Italian government led to the breakup of the "Pizza Connection" heroin trafficking ring, some of whose operatives are now on trial in New York.

Meese announced that he has been invited to Mexico City by the Mexican attorney general to meet with his Mexican, Colombian, and Peruvian counterparts to widen the War on Drugs throughout the hemisphere.

Assistant Attorney General Steve Trott put his stamp of approval on a declassified executive summary of a classified Army-sponsored project study of low-intensity warfare, which recommends lifting restrictions that limit aid to allies in debt to the U.S. Asked by *EIR* if he supported telling the International Monetary Fund to "back off" in the name of national security and the War on Drugs, Trott told the Sept. 18 press conference that it is "a valid concept." He noted that the success of Operation Blast Furnace in Bolivia against cocaine production has created economic chaos where "dollars would be well spent" for development purposes.

Senate panel decimates budget for SDI

The Senate Appropriations Committee voted Sept. 16 to impose crippling cuts in Strategic Defense Initiative funding, after Sen. Ted Stevens (R-Alaska) gave up his fight to protect the administration's original request of \$4.8 billion.

Stevens's defense subcommittee had okayed the full \$4.8 billion the week before, although \$1.2 billion of that would have been available only under certain contingencies. But, facing nearly unanimous resistance to that figure from the full, Republican-dominated Appropriations Committee, Stevens finally agreed to eliminate the contingency fund.

Sen. William Proxmire (D-Wis.), a savage foe of the SDI, could hardly contain his joy over the Appropriation Committee's final decision, crowing that it was "a victory, because the President had asked for so much more."

But to some members, even that massive cut was not enough. Sen. Bennett Johnston (D-La.), who, despite being an official of the pro-defense Coalition for Peace through Strength, has been waging an anti-SDI battle this year that would do the Kremlin proud, proposed two amendments, one to reduce the SDI budget to \$2.95 billion, and another to bring it down to \$3.2 billion. Both were narrowly defeated, leaving the SDI with \$3.4 billion.

Funding for the anti-missile program is expected to drop even lower, to approximately \$3 billion, in House-Senate conference.

The Sept. 17 *Washington Post* gloatingly reported that if appropriations are kept at that level, as a number of senators and lobbyists predict, the administration's five-year SDI plan

would total \$15 billion, less than half of what the administration is seeking for the program through fiscal 1991.

Fred Wertheimer, president of Common Cause, part of a key anti-SDI coalition, said the \$3.4 billion compromise means that the program is "headed for a status quo," rather than steadily increasing funding.

House backs covert aid to Savimbi forces

The House of Representatives rejected a proposed cut-off of covert military assistance to rebels fighting the Soviet-backed regime in Angola, after a heated debate Sept. 17 that ended in a 229-186 vote.

The House defeated attempts by House Intelligence Committee chairman Rep. Lee Hamilton (D-Ind.), and a coterie of leftists and liberals, to prohibit all covert aid to Jonas Savimbi's UNITA forces, and to require a congressional vote to permit overt assistance.

Rep. Bob Stump (R-Ariz.), who played a key role in turning back Hamilton's proposal, charged on the House floor Sept. 16 that it would have "impose[d] a new form of the Clark amendment." The Clark amendment, offspring of ultraliberal former Sen. Dick Clark, was enacted in 1975, and halted all U.S. covert assistance to UNITA for a decade.

Stump called on the Congress to "defeat the Democrats' dangerous effort to establish a country-specific restraint on the President's ability to protect U.S. interest through effective aid to the forces of freedom. . . . The President . . . cannot protect and advance American interests if the Congress so shackles his conduct of for-

eign policy."

Stump's key co-sponsor was Rep. Claude Pepper, a liberal Democrat from Florida, who broke ranks with the party leadership to support continued assistance to UNITA. He asked: "Are we going to stop all covert aid all over the Earth? Who's more meritorious than those people over there in Angola?"

Those opposing American assistance tried to portray UNITA as nothing more than a South African asset. "UNITA is a proxy for South Africa and exists only because of massive South African backing," contended Hamilton. "Support for Savimbi is support for South Africa."

Hamilton's bill to choke off the aid was contained in the 1987 intelligence bill. The House approved the Stump-Pepper amendment deleting the aid-cutoff provision.

Congress seeks Pentagon reorganization

Congress finished and sent to the President Sept. 17 the most sweeping military reorganization bill in 40 years, which will complete the destruction of the Defense Department initiated by Robert Strange McNamara during the 1960s.

A key provision of the legislation calls for making the chairman of the Joint Chiefs of Staff the sole ranking military adviser to the President, and would correspondingly downgrade the role of the other service chiefs in military policy.

The bill also places much greater decision-making capability in the hands of theater commanders, eliminates 17,000 Defense Department jobs, and drastically curtails the Na-

vy's historically independent operating role.

Heads of all the military services have protested the legislation, charging that it would make a "hash" of the defense structure. One of the most outspoken critics has been Marine Corps Commandant General P. X. Kelley, who reportedly charged last winter that the proposals would cause "significant degradation in the efficiency and effectiveness of the defense establishment—to the point where I have deep concerns for the future of the United States."

The bill's impetus came from the military reform movement, a joint project of the Georgetown Center for Strategic and International Studies, the Heritage Foundation, and the Congressional Military Reform Caucus—an unsavory coalition of liberals like Sen. Gary Hart (D-Colo.) and self-styled defense conservatives.

Defense Secretary Weinberger also had serious reservations about the bill. But President Reagan was convinced by David Packard and J. Peter Grace that the bill would help the military by knocking out "inefficiency," and is expected to sign the bill into law.

House passes its own anti-drug bill

Eager to jump on the war on drugs bandwagon, the House of Representatives enacted a far-reaching omnibus anti-drug bill Sept. 12 by an overwhelming 392-16 vote. Though it contains some good provisions—such as the death penalty for certain categories of drug-dealers—it also includes dangerous elements, especially its recommendations for indiscriminate use of the military.

With elections less than two

months away, most of the liberal Democrats were striving to be counted among the most strident opponents of drugs.

There were a few exceptions: Rep. Pat Schroeder (D-Colo.) called the bill a case of "piling on" (a football term for an illegal assault on the ball carrier after he is down). Rep. Don Edwards (D-Calif.) called it "panic and hysteria." Rep. Barney Frank (D-Mass.) said it was "the legislative equivalent of 'crack,'" while Rep. Peter Rodino (D-N.J.) termed the bill "an attack on the Constitution." All of these legislators were co-sponsors of major marijuana decriminalization legislation in 1979.

There are some dangerous booby-traps built into the bill that will present major problems for the administration. The most dangerous is the repeal of the so-called "posse comitatus" law, which prevents the military from making law-enforcement arrests (see *Eye on Washington*, page 67).

Despite Pentagon objections the House voted in favor of two amendments to the bill that compel the use of military personnel in anti-drug activity. One, by right-wing Republican Duncan Hunter (R-Calif.), mandates the President to deploy military troops to the U.S.-Mexican border within 30 days of the passage of the bill, and calls on the military to make arrests in the case of "hot pursuit." The other repeals "posse comitatus" in cases where the attorney general requests the military forces and the defense secretary agrees.

The Hunter amendment was supported by an odd coalition of liberal Democrats and "Rambo" Republicans, and passed by a vote of 237-177. Rep. Tommy Robinson (D-Ark.) epitomized the joining of liberal and right-wing forces on the vote, when he argued for the amendment by quoting

"My friend, the gentleman from New York . . . Mayor Ed Koch," who said, "Give me the Army, the Navy, the Air Force."

In other words, in the name of the War on Drugs, the liberals, with the help of KGB-controlled elements on the right, are seeking to seize control over the deployment of U.S. forces—to use the War on Drugs as the pretext to attack President Reagan's defense deployment, and to bring the troops home from Europe onto North American soil.

House Democrats are crowing that they've pulled one over on the administration. House Majority Leader Rep. Jim Wright (D-Tex.) said gleefully, "There is no way the President can veto this bill and still convince the American population that he is serious about the War on Drugs."

Senate clears plan to sell naval petroleum

A proposal to sell off the Naval Petroleum Reserve at Elk Hills, California, won Senate approval Sept. 17 as part of an \$8 billion appropriations bill for the Interior Department and related agencies.

The sale is a central element of the administration's broad plans for "privatizing" the federal sector by transferring federal activities and assets to private business.

The bill orders that the installation be sold by June 30, 1987, if possible, for an initial payment of at least \$200 million.

The House had previously rejected the proposal on the grounds that trying to unload the petroleum reserves during the current oil glut would result in low bids.

National News

U.S. found unprepared for low-intensity war

A Pentagon report has found the United States unprepared and lacking defined lines of coordination to act in the face of low-intensity conflict. The unclassified executive summary of the *Joint Low Intensity Conflict Project Final Report* and the project's *Resource Data Base* was released by the Pentagon Sept. 17, and it finds that:

"As a nation, we do not understand low-intensity conflict; we respond without unity of effort; we execute our activities poorly; and we lack the ability to sustain operations."

The authors demand that restrictions on U.S. aid to countries in debt to the United States be immediately lifted, in order to facilitate coordinated civil-military response to threats facing our allies. They also call for civil-military projects to stabilize targeted countries as the essence of strategy, and for a national publicity effort to educate the nation to the crisis posed by the low-intensity war facing the country.

California bishops denounce Proposition 64

California's 20 Roman Catholic bishops have issued a statement denouncing Proposition 64, the ballot referendum that would mandate elementary public health measures of quarantine and prevention against AIDS. Their statement calls it an "irrational, inappropriate, and misguided approach to a serious public health problem."

Issued Sept. 16 by the California Catholic Conference in Sacramento, the statement claims that fear generated by Proposition 64 "could undermine years of research and seriously hurt [health professionals'] ability to treat and find a cure for AIDS." It asserts that, were the proposal passed, "expertise and resources would be diverted to identifying, isolating and quarantining persons with AIDS rather than finding a cure,"

and that, in the process, "numerous California residents would be forced to endure or be the agents of repressive and discriminatory action."

The ballot proposition has "grave defects" and "threatens the civil rights of all persons in this state as well as the mutual trust and respect which characterize life in a civilized and humane society."

Meanwhile, California's Interfaith Council of AIDS Project Los Angeles, which held a press conference earlier this summer denouncing Proposition 64, plans a follow-up news conference Oct. 1. Scheduled speakers include Catholic Archbishop Roger Mahoney, Episcopal Bishop Oliver B. Garver, and Rabbi Allen Freehling, president of the Southern California Board of Rabbis.

CDC destroyed AIDS research

Investigators at the Centers for Disease Control in Atlanta have found evidence that research on the causes of AIDS and other viral diseases may have been deliberately ruined in at least five cases, says the Sept. 17 *New York Times*.

The *Miami Herald* published an article on Aug. 30 in which some scientists charged that research on AIDS had been sabotaged. Dr. Gary R. Noble, assistant director for science, confirmed that there had been tampering, in a letter to CDC Director Dr. James O. Mason.

Mason himself, however, was the target of the *Herald's* most serious charges, that he deliberately organized a cover-up of the true AIDS threat by classifying every case as indicative of a "risk group."

Link Weld to Boston terrorist newspaper

William Weld, recently confirmed by the Senate Judiciary Committee to head the Justice Department's Criminal Division, in-

vested thousands of dollars in a pro-terrorist "underground newspaper" in Boston, *EIR* investigators have learned. Weld was formerly the U.S. Attorney for Massachusetts.

Financial disclosure documents obtained by *EIR* reveal that the newly appointed Assistant Attorney General invested \$18,750 in Boston's *Real Paper*. Weld's investment was in partnership with David Rockefeller, Jr. who bought the newspaper to save it from bankruptcy.

Notorious as the most left-wing "alternative" newspaper in New England during the Vietnam War era, *The Real Paper's* editorial line was directed by the networks of the Institute for Policy Studies (IPS) based in Washington. At that time, Chuck Fager was the leading "investigative reporter" with the *Real Paper* and worked with a broad network of KGB-connected journalists in a "Get LaRouche Task Force." Presidential candidate Lyndon LaRouche is *EIR's* founder.

The group included Andrew Kopkind, associate editor of the paper, who went on to form Liberation News Service, and Bo Burlingham, an operative of the Communist Party U.S.A. and leader of the American Deserter Movement. *EIR* exposed the network in its 1981 Special Report "The KGB Moles and the Heritage Foundation."

Heretics in Chicago rave against the Pope

"An efficient process is at work to force a kind of conformity" on the American Church, the *Washington Post* quotes Chicago church historian Martin E. Marty, in a front-page article Sept. 15. Marty and other "American Heresy" spokesmen are livid over the campaign by the Vatican to impose Catholicism on the American Catholic Church.

"There was a time when there were mixed signals from the Vatican. Now there is no longer even the appearance of a balance" between "progressives" and "traditionalists," the *Post* quotes Notre Dame theologian Richard McBrien. "The lay people are very angry."

A three-day conference on "The Voca-

tion of the Laity," which ended in Chicago Sept. 14, turned into a rally against the Vatican and in support of recently censured Father Charles Curran of Catholic University and the German heretic Hans Küng. The conference, supported by Cardinal Bernardin, supported "liberation theology" as a new ideology for Ibero-America.

Finally, the *Chicago Sun-Times* quoted priest Andrew Greeley, author of soft-porn novels which have grossed him millions, who had the following to say about the Vatican's expulsion of a member of the Jesuit Order for demanding the ordination of female priests: "That's the way the Nazis won World War II. [Joseph Cardinal] Ratzinger," Greeley raves, "follows the Grand Inquisitor instinct: 'Condemn, punish, ban, burn.'"

Union files suit to stop drug testing

A suit was filed Sept. 16 to block President Reagan's plan to test government workers for drug use, said George King, spokesman for the National Treasury Employees Union, which represents about 120,000 of the nation's 2.8 million federal employees. The suit seeks an injunction to halt the mandatory drug testing plan.

"No innocent federal worker should be subjected to this demeaning urine test. It robs them of their constitutional rights," said union president Robert Tobias.

The suit also requests a court order requiring publication of the executive order for public notice and comment, as outlined in the administrative procedure act.

But Assistant Attorney-General Richard Willard defended President Reagan's order of mandatory drug tests for federal workers Sept. 17 and denounced the suit. "We can defend this in court," Willard told a conservative activist group. "Opponents on this issue do not have the support of the American people. It's basically a fringe group composed of extreme civil libertarians like the ACLU and some government unions who, I think, may not even be adequately reflecting the views of their members."

Pat Robertson near declaring candidacy

"When at least 3 million registered voters sign petitions committing to pray, to work, and to give toward a campaign effort, I will seek the nomination of the Republican Party," said evangelist Pat Robertson in a letter to voters. "It is very literally up to you."

The letter came with petitions and "Robertson '88" bumper stickers enclosed and an appeal for a \$100 "gift" to Americans for Robertson as a sign of "tangible support," according to an Evans & Novak column appearing in the Sept. 13 *New York Post*.

Eisenhower Treasury chief: money-launderer?

Robert B. Anderson, Treasury Secretary under President Eisenhower, has been named in a federal money-laundering probe, according to the Sept. 17 *New York Post*.

Anderson, a Cabinet member and ambassador for three Presidents, who has also been linked to Reverend Moon's Unification Church, was a business partner of banker David Gould, who pleaded guilty to conspiracy and money-laundering charges. It has not been ascertained whether Anderson has been named as a target in the grand jury probe in Manhattan Federal Court, the *Post* says. Anderson, who now heads his own midtown investment firm, recently resigned as chairman of the Global Economic Action Institute, an organization funded by the Unification Church.

Both Gould and Anderson are listed as "financial advisers" to the Caribbean-based Commercial Bank & Trust. It had been formed by Gould and a Customs Service informant, who recommended that the real owners of the bank be listed as "financial advisers."

Gould pleaded guilty last October to conspiracy, failing to file tax returns, and illegally accepting deposits.

Briefly

● **AIR TRAFFIC** controllers at a California regional center have been told to enter a drug rehabilitation program or quit their jobs, the Federal Aviation Administration said Sept. 12. Of 34 air traffic controllers at Palmdale, who were moved to other jobs last month pending drug testing, 13 were found to be using drugs. The remaining 21 have been cleared of any involvement in drugs and have returned to their duties.

● **PRESIDENT REAGAN** revealed his legislative package for a war against drugs Sept. 15. The "Drug Free America Act of 1986" is quite similar to the bill passed last week by the House except in two areas: 1) The Reagan package retains the "posse comitatus" act, which prohibits the use of the military in arrest situations, and 2) it calls for repeal of laws prohibiting the prosecution of persons captured by law enforcement agents of the United States outside U.S. territory.

● **SLEEPING SICKNESS** has broken out near Houston, Texas. There are now 11 confirmed cases of St. Louis Encephalitis in Harris County, Texas, health authorities said Sept. 15. A 17-year-old girl and an 84-year-old man have been hospitalized in Baytown. Health officials are also investigating more reports of SLE within Houston city limits. The disease, usually transmitted by mosquitoes, most often proves fatal in the young, the elderly, and those with immune system deficiencies.

● **'PRETTY ABSURD,'** is the way Defense Secretary Weinberger described the amendment to the House drug bill requiring the Defense Department to close the nation's borders to illegal drugs within 45 days. "It is not discretionary." The President is "ordered to do it in much the same way that King Canute attempted to order the tides back. You have to have a complete naval and air blockade to do this."

Editorial

'Frighteningly sane'

"'Frighteningly sane' is the way a spokesman for California deviants, interviewed by local press, described the sponsors of that state's Proposition 64—Lyndon LaRouche and his associates. Proposition 64 is the November ballot initiative which, if passed, would force authorities to take elementary public health measures against the spread of AIDS, including quarantine and prevention.

Only a generation or so ago, people were frightened in the presence of *insanity*. How far we have come, down the rock-sex-drugs paradigm shift to the culture of the "Age of Aquarius," that it can be now stated that sanity is frightening.

However, in Proposition 64, you will be glad to know, the sane have laid a trap for the insane, the opponents of Proposition 64, which include "conservative" Gov. George Deukmejian; the stars of AIDS-ridden Hollywood; the "American Heresy" Catholic Bishops Conference of California; and, not surprisingly, the American Red Cross (a notorious front for the political interests of Swiss finance and the big Swiss international drug companies).

Read Boccaccio on the way people reacted against the institutions that had promoted usury, after the 1348 Black Death. Then, you begin to understand how the trap LaRouche has set for the liberals will work.

The liberals are already in the trap; they have mobilized massively into a position from which they cannot now successfully disengage. The trap is locked, with them inside.

What is the trap? It might best be called: "reality," that which the insane find most frightening, and do not admit to exist. (That is why they could be trapped.) Four developments now define reality: First, a broad resurgence of family-centered moral values in the population; second, the fact that AIDS is indeed, as LaRouche has contended, the deadliest threat mankind has ever faced, and the cover-up (e.g., "risk groups") by established institutions is becoming untenable; third, the worst financial collapse in modern history is imminent; fourth, the Soviet Union is unveiling its commitment to warfare against the United States and its allies.

What LaRouche and associates did in the wake of their Illinois primary victories in March, was to lure the liberals into mobilizing a massive campaign of lies against LaRouche, *linking those lies to an all-out campaign against Proposition 64 in California*. Instead of limiting themselves to attacking Proposition 64—politically suicidal in itself—they committed the blunder of attacking LaRouche for correlating AIDS with International Monetary Fund policies in Africa, of assembling prominent figures in the "No to 64—Stop LaRouche" campaign, who are otherwise notorious as Soviet appeasers (Sen. Alan Cranston, for instance), as well as drug lobbyists.

As Freud might have said, they have made AIDS the popular "cathexis" of liberal-radical politics, and have linked the international financial system, Soviet appeasement, and drug-lobbying as associated features of that "cathexis" in the popular mind.

In the next few months, as Soviet appeasement grows most unpopular, as the financial crisis terrifies the electorate, as the anti-drug mood gathers steam, and as hatred of the AIDS cover-up explodes—all emotionally as one—liberalism itself will be hated as akin to Satan. And, the liberals themselves have made "LaRouche" the most popular symbol of the liberals' hatred around these issues.

Do you know what that means?

The purpose of Proposition 64 is just what it says: to enact a law to force officials to stop their mass-murderous cover-up of the danger of AIDS to the general population. If it wins, obviously, the liberals have suffered a defeat. But the crux of the trap is, what if it loses?

Under the political conditions they themselves have created, as the spread of AIDS accelerates, every political figure now associated with "No to 64" will be packing his bags to leave California, as a target of hate-filled rage by the population. LaRouche will emerge as the popular folk-hero of the state, and to a lesser degree, the nation.

LaRouche will have lost a battle. The liberals will have lost the war.

EIR Alert Alert Alert Alert

Our special service for the policymaker who needs the best intelligence EIR can provide—**immediately**.

World events are moving rapidly: The economy is teetering on the brink, and even the largest American banks are shaking at their foundations. Soviet-backed terrorists have launched a shooting war against the United States. In Washington, the opponents of the President's defense program are in a desperate fight to finish off the Strategic Defense Initiative.

We alert you to the key developments to watch closely, and transmit 10-20 concise and to-the-point bulletins twice a week (or more often, when the situation is especially hot). The "Alert" reaches you by electronic mail service the next day. A daily 3-minute telephone hot-line is provided to subscribers.

Annual subscription: **\$3,500**

Contact your regional EIR representative or write:

EIR News Service P.O. Box 17390,
Washington, D.C. 20041-0390.

Executive Intelligence Review

U.S., Canada and Mexico only

1 year \$396
6 months \$225
3 months \$125

Foreign Rates

Central America, West Indies, Venezuela
and Colombia: 1 yr. \$450, 6 mo. \$245,
3 mo. \$135

Western Europe, South America,
Mediterranean, and North Africa: \$1 yr.
470, 6 mo. \$255, 3 mo. \$140

All other countries: 1 yr. \$490, 6 mo.
\$265, 3 mo. \$145

I would like to subscribe to
Executive Intelligence Review for

1 year 6 months 3 months

I enclose \$_____ check or money order

Name _____

Company _____

Phone () _____

Address _____

City _____

State _____ Zip _____

Make checks payable to EIR News Service Inc.,
P.O. Box 17390, Washington, D.C. 20041-
0390. In Europe: EIR Nachrichtenagentur
GmbH, Postfach 2308, Dotzheimerstrasse 166,
62 Wiesbaden, Federal Republic of Germany,
telephone (06121) 44-90-31. Executive
Director: Michael Liebig.