

EIR

Executive Intelligence Review

November 28, 1986 • Vol. 13 No. 47

\$10.00

LaRouche: scientific method and political freedom
Bishops' pastoral letter embraces zero growth
Why Moscow revived the Baron Rio Branco

**Reagan must drop Shultz
to keep the NATO alliance**



EIR Special Reports

THE SCIENCE OF STATECRAFT

Strategic Studies by Lyndon H. LaRouche, Jr.

Operation Juárez. LaRouche's famous analysis of the Ibero-American "debt bomb"—a program for continental integration. Order #82010*. \$100.

A Conceptual Outline of Modern Economic Science. Order #82016. \$50.

Religion, Science, and Statecraft: New Directions in Indo-European Philology. Order #83001. \$100.

Saudi Arabia in the Year 2023. The thematic task of the Arab world in the next four decades: conquering the desert. Order #83008. \$100.

The Implications of Beam-Weapon Technology for the Military Doctrine of Argentina. Order #83015. Was \$250. **Reduced price: \$100.**

The Design of a Leibnizian Academy for Morocco. Order #83016. Was \$250. **Reduced price: \$100.**

Mathematical Physics From the Starting Point of Both Ancient and Modern Economic Science. Order #83017. Was \$250. **Reduced price: \$100.**

The Development of the Indian and Pacific Ocean Basins. Order #83022. \$100.

MILITARY AND ECONOMIC SCIENCE

Beam Weapons: The Science to Prevent Nuclear War. The year before President Reagan's historic March 23, 1983 speech announcing the Strategic Defense Initiative, this ground-breaking report detailed the feasibility—and necessity—for beam defense. Order #82007. \$250.

Economic Breakdown and the Threat of Global Pandemics. Order #85005. \$100.

An Emergency War Plan to Fight AIDS and Other Pandemics. Issued February 1986. Order #85020. \$250.

THE WESTERN OLIGARCHY

The Trilateral Conspiracy Against the U.S. Constitution: Fact or Fiction? Foreword by Lyndon LaRouche. Order #85019. \$250.

Moscow's Secret Weapon: Ariel Sharon and the Israeli Mafia April 1986. Order #86001. \$250.

★ **The Libertarian Conspiracy to Destroy America's Schools.** Order #86004. \$250.

★ **White Paper on the Panama Crisis: Who's Out to Destabilize the U.S. Ally, and Why.** Order #86006. \$100.

★ **A Classical KGB Disinformation Campaign: Who Killed Olof Palme?** Issued November 1986. Order #86010. \$100.

* First two digits of the order number refer to year of publication.

Order from:

EIR News Service P.O. Box 17390, Washington, D.C. 20041-0390.
Please include order number. Postage and handling included in price.

THE SOVIET UNION

Will Moscow Become the Third Rome? How the KGB Controls the Peace Movement. Includes transcript of the infamous spring 1983 meeting in Minneapolis at which KGB officials gave the marching orders to Walter Mondale's "peace movement": Destroy the Strategic Defense Initiative! Order #83011. \$250.

How Moscow Plays the Muslim Card in the Middle East. Some in the Carter administration—and since—hoped to use Islamic fundamentalism to make the Soviet Empire crumble. What fools! Order #84003. \$250.

Global Showdown: The Russian Imperial War Plan for 1988. The most comprehensive documentation of the Soviet strategic threat available. A 368-page document with maps, tables, graphs, and index. Order #85006. \$250.

INTERNATIONAL TERRORISM

The Jerusalem Temple Mount: A Trigger for Fundamentalist Holy Wars. Order #83009. \$250.

Narco-terrorism in Ibero-America. The dossier that sent the Colombian drug-runners and their high-level protectors through the roof. Order #84001. \$250.

The Terrorist Threat to the 1984 Los Angeles Olympics. An analysis of the U.S. terrorist underground—the information the FBI has repeatedly suppressed. Order #84005. Was \$250. **Reduced price: \$100.**

Soviet Unconventional Warfare in Ibero-America: The Case of Guatemala. Order #85016. \$150.

European Terrorism: The Soviets' Pre-war Deployment. The dual control of terrorism: Europe's oligarchical families and the Russian intelligence services. The case of Germany's Green Party, with profiles of the top families of the international oligarchy. Order #85001. \$150.

★ **Germany's Green Party and Terrorism.** Issued November 1986. Order #86009. \$250.

THE MIDDLE EAST AND AFRICA

Anglo-Soviet Designs on the Arabian Peninsula. Order #83002. Was \$250. **Reduced price: \$100.**

The Military, Economic, and Political Implications of Israel's Lavie Jet Project. Order #83010. Was \$500. **Reduced price: \$250.**

★ **Moscow's Terrorist Satrapy: The Case Study of Qaddafi's Libya.** Order #86002. \$100.

★ **NEW!**

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 Parpart-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 Almaro

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

With this week's cover story, we renew *EIR's* longstanding demand that President Ronald Reagan defend the nation by sacking Secretary of State George Shultz. And why should Reagan listen to us?

The United States is in a profound crisis, in which the standard "policies, methods, channels, and procedures" are the pathway to disastrous results. With more candor than is being shown on this side of the Atlantic, the *Times* of London summed up the Iranian fiasco: "Mr. Reagan lowered himself by seeking to implement the ideas of President Carter through the methods of Dr. Kissinger."

At such a moment, there is a chance for reality-oriented original thinkers who are kept at a distance from government under ordinary conditions, to be politically effective. Events have put *EIR's* record on presenting reality in the limelight:

- *We have been right about Iran for eight years.* Since 1978, *EIR* has identified the Carter administration conspiracy to put Khomeini into power. The Reagan administration's deals with "moderate" terrorists in Teheran are nothing but the continuation of that policy. State Department-protected arms-runner Cyrus Hashemi sued *EIR* for our exposés in 1980, then dropped the suit. See this week's *National* report for a "leaked" State Department document that corroborates the plot.

- *We have been right about the AIDS threat.* Twelve years ago, the Biological Holocaust Task Force initiated by *EIR* founder Lyndon H. LaRouche, forecast that under continued International Monetary Fund-World Bank austerity policies, species-threatening pandemics would break out and spread from the most impoverished tropical areas into the rest of the world. Now, the director-general of the World Health Organization has stated that AIDS will be a "health disaster of pandemic proportions," adopting the terms which until now were unique to *EIR* and its collaborators. (See *Editorial*).

EIR's Biological Holocaust Task Force is taking leadership in the worldwide scientific mobilization that must now begin to keep that disaster from happening. Next week, we will publish the results of the first computer run of our epidemiological model on AIDS, the first model ever developed to study a "lentivirus" (slow virus).

Nora Hamerman

EIR Contents

Departments

- 16 Report from Rome**
AIDS cases multiply in Italy.
- 56 Mother Russia**
Patriarchate renews threat to Pope.
- 57 Report from Bonn**
Stories around town.
- 58 Dateline Mexico**
Regan crony attacks anti-drug fighter.
- 59 Report from Rio**
Fragile PMDB victory in Brazil.
- 60 Report from Bangkok**
The Kra Canal keeps moving forward.
- 61 From New Delhi**
A new boost for regional cooperation.
- 72 Editorial**
WHO admits AIDS pandemic.

Economics

- 4 The Boesky 'insider trading' affair**
Has Don Regan's grip on U.S. economic policy been dealt a fatal blow by the Wall Street corruption scandal?
- 6 Secret ECU scheme fits Soviet plans**
- 7 Africans seek 'Marshall Plan'**
- 8 Colombian labor unites against drug mafia**
Documentation: Excerpts from the speech by former labor minister Jorge Carrillo to the founding conference of the Unified Workers Confederation.
- 10 Mexican exposes AIFLD labor links to drug traffickers**
- 11 Currency Rates**
- 12 Grim reality under Jaruzelski: What it means to live as a vassal**
- 14 Unique EIR model on AIDS announced**
- 15 Medicine**
AIDS virus pool increases.
- 17 Agriculture**
The USDA 'reforms' PIK funny money.
- 18 Business Briefs**

Operation Juárez

- 20 A roadmap for industrial growth of Ibero-America**
The development of the economic structure of Ibero-America basically requires economic growth directed at strengthening the productive sector over the service sector, in order to achieve the kind of capital-intensive growth that development requires.

Science & Technology

- 24 Scientific method and individual political freedom**
Scientists are most concerned with a special aspect of political freedom, the freedom of truthful scientific inquiry. This analysis by Lyndon LaRouche underlines those aspects of the cause of scientific freedom, which illuminate the proper standards for definition of political freedom in general.

Feature



U.S. Secretary of State George Shultz

34 Reagan must drop Shultz to keep the NATO alliance

Editor-in-Chief Criton Zoakos evaluates the "post-Reykjavik" crisis in the Western alliance. Shultz and the Trilateral Commission "decouplers" are under fire from the Joint Chiefs of Staff and the NATO command. Will the President draw the appropriate conclusions?

37 The Friedmann plan for unifying Germany

38 Schmidt calls for European 'assertion'

39 Disinformation on NATO alert status

40 Pugwashers seek to 'denuclearize' Europe

41 Soviets in separate arms offer to Europe

42 World leaders oppose 'decoupling' moves

International

44 What is Israel's policy toward Iran?

Documentation: An interview with Gen. Amnon Shahak, director of Israel's Military Intelligence, to the *Jerusalem Post*.

46 Showdown in the Philippines

48 New revelations of Syria's terror role

49 Kremlin: a missing propaganda czar

50 The imperial designs behind Moscow's revival of the Baron Rio Branco

Why are the Soviets praising the man who allied with Teddy Roosevelt, and made Brazil into the policeman of the international banks against South America's republics?

55 Colombian anti-drug hero gunned down

In memoriam: Colonel Jaime Ramírez.

62 International Intelligence

National

64 Fiascos set administration into full factional war

At stake is the chance to impart new direction to a government now a derelict, dead in the water—and thereby to ensure the survival of the Western alliance.

66 Carter, Yazdi, and the Iranian deal

Documentation: "Secret-sensitive" State Department documents reveal Yazdi's links to U.S. officials back in 1978.

68 Bishops' pastoral letter on economy attacks IMF, but embraces zero growth

John Paul II personally intervened to ensure that the letter's pro-International Monetary Fund stance was dropped.

70 National News

The Boesky 'insider trading' affair

by Chris White

Don Regan's "magic of the market place" grip on U.S. economic policy has been dealt a potentially fatal blow by developments in the so-called "insider trading" case associated with the indicted takeover artist Ivan Boesky.

Boesky has been indicted by the Securities and Exchange Commission in developments following from the earlier SEC action against Drexel Burnham official Dennis Levine. Initial panic that followed reports of the investigation was vastly magnified when it became known that, bargaining to stay out of jail, Boesky had been wired, and his offices fitted out with federal video cameras, to tape and record his planning sessions with other Wall Street insiders, for an as yet undetermined period prior to the formal announcement of the federal agencies' proceedings.

While much of the public attention in the affair has focused on the role of Boesky personally, Sharkface's day in the limelight detracts from what will undoubtedly become the broader areas that will open up during the continuing investigation. The unraveling of the affair may also portend the cited fatal blow for Donald Regan's "free enterprise" operation against the United States.

Boesky, who has visited with President Reagan at the White House, and been a funder of Republican Party activities and candidates, is one member of a stable of shady takeover artists kept in play by Wall Street brokerage firms such as Drexel Burnham Lambert, the U.S. front for the global dealings of the Belgian-based Baron Lambert, and his Swiss holding company, Pargesa, through which Wall Street's Drexel is run. Pargesa, in turn identified with the Swedes Anders Wahl and Pehr Gyllenhammer of Kissinger Associates, is a prime interface for Soviet financial and economic influence in the West.

Others of the group, such as Carl Icahn—who last year took over TWA airlines, and most recently has endeavored to take over USX, the still viable shell of the once mighty

U.S. Steel Company—and the mooted successor of the mob's Meyer Lansky, Victor Posner, are also under investigation. So too are the company Drexel Burnham as a whole, specific individuals employed by Drexel, such as Michael Milkin, the architect of junk bond financing, and traders at Prudential-Bache, Goldman-Sachs, and other securities houses. With a net that broad, it's no wonder the paranoia levels rose when it became known that Boesky was wired for federal eavesdroppers.

There are three interrelated features of the case that will perhaps leave Donald Regan and his friends deep enough in the mess to see them drummed out of government.

The first is more narrowly political. Partners with Boesky are such notorious "respectable" fronts for the north American underworld as Meshulam Riklis, and Canada's Belzberg brothers, along with Martin Peretz of the *New Republic*. The significance of this grouping is perhaps understood best by those who wondered, what exactly it was that accounts for North Carolina GOP Senator Jesse Helms's increasingly strange behavior since before the 1984 elections. The answer to that standing question, raised because of Helms's continued toleration of members of his staff hobnobbing with the Anti-Defamation League and Sikh circles responsible for assassinating Indira Gandhi, and for Helms's vendetta against the foes of narco-terrorism in Panama and other parts of Ibero-America, is partly provided when it is known that it was Boesky who helped provide financial backing for Helms's failed takeover of CBS.

The Belzbergs and Riklis are part of the lineup of drug lobby-connected layers with Israel's pro-Shi'ite faction led by Ariel Sharon. These are the ones who have mediated aspects of the U.S. connection with moderate terrorists in Iran since the Carter era. Weapons smuggling, though the networks of the notorious Cyrus Hashemi, was part of this. It should, then, be a legitimate area for investigation to de-

termine if, and to what extent, the shady speculative activities of Boesky and company were used to provide funding for the international drugs-for-weapons deals that are the underpinnings of that network, and were also used to launder the proceeds of that international criminal activity into the United States.

The second, broader, financial side of the case is most readily understood when the public trail left by investigators is abandoned, and it is realized that the picture thus presented is upside down. It's not Boesky and company who were manipulating Drexel Burnham; it's the other way round. It would be better to look at the picture from the standpoint of the hypothesis that Boesky and the pool of takeover artists were a cut-out operation for the brokerage houses being investigated. Like Bernie Cornfeld, and his IOS scam, it would probably turn out that they had been given a piece of the action, and were permitted to run with it.

To answer the question, "What was the action?" it is enough to pose another question, "How has Donald Regan's so-called recovery been financed?" There are two aspects to this, both of which contributed to the tightening stranglehold of narcotics-based speculative financial interests over the wreckage of the U.S. economy.

First, it was Donald Regan, when chairman of Merrill Lynch in the period through 1979, who worked out with Paul Volcker the deregulated financial mechanisms, such as money market accounts, which allowed the speculative offshore Euro-market to be brought back on shore to threaten the national credit system of the United States. One of the main vehicles for that development was the growth of the securitized instruments known as junk bonds, low-grade corporate paper, for which no formal market exists.

By 1985 the junk-bond market was providing a pool of about \$100 billion for deployment into takeover actions, and raids, like Goldsmith's recent attack on Goodyear, to strip out otherwise viable corporate assets. The practice is more correctly known as extortion and robbery. Volcker and Regan had created the conditions in which the asset base of especially non-financial corporations could be stripped. The airline victims of deregulation are typical. They could no longer muster the liquidity to withstand stock raids and takeover efforts backed by seemingly bottomless pools of ready, if dirty cash.

The Regan/Volcker-orchestrated "appreciation of the dollar" after the unfolding of the debt crisis in 1982, opened the floodgates for an inflow of hot speculative funds, including funds laundered from the proceeds of the international narcotics trade, and capital flight from nations of Ibero-America, and elsewhere. The merger mania that followed Volcker's high-interest-rate wrecking job against U.S. industry, agriculture, and households, was the motor of the increase in stock prices that kept the funds coming in. The junk-bond business, pioneered by Drexel and company, which accounts for half the \$100 billion market, was the way in which the hot speculative, illegal foreign funds were turned

into a battering ram against U.S. industry and economic activity.

The SEC investigation seems to be precisely targeted at the vulnerable point in this whole arrangement, the interface between apparently respectable brokerage and investment institutions, and the shady, if not outright criminal and drug-related layers, through whom that investment community actually works.

The spread of the investigation, and subsequent indictments, would then be enough to put an end to the speculative, dirty-money-based takeover and raider bull market. Already a division has appeared in stock-dealing, as stocks rumored or known to be targeted have fallen, while the rest of the market remains relatively stable. This cannot last. If merger mania is eliminated, the market will be forced back on more traditional methods of evaluating the worth of corporate stocks. The apparently endless "bull-market" that has been one of the principal symptoms of the unprecedented expansion of indebtedness associated with Regan's recovery will be over.

It ought to be clear that a country which essentially hands over control over its finances and credit system, willfully, to the kind of institutions that backed Boesky and the crime-related layers he worked with, is also a country which, in tolerating that its most vital decisions be made by such outfits, is thereby abandoning its own very fitness to survive.

The strategic aspect

This is highlighted by the third area of immediate concern. In the *EIR Quarterly Economic Report* dated April 15, 1985, the thesis was developed that the stupidities of U.S. economic policy, typified by the "buy cheap, sell dear" magic-of-the-marketplace outlook associated with Boesky and company, were the most deadly of weapons available to the Soviet Union in that resurgent empire's efforts to seize world hegemony in the time interval 1988-90.

The Boesky case symptomizes that reality. Who were Ted Turner and Jesse Helms acting for, when they jointly attempted to take over CBS with Boesky's help and funding from Drexel Burnham? Turner's behavior since that 1984 attempt, along with the reported features of Helms's behavior, help make that clear. Soviet objectives were being served by the effort. How many other cases are there in which principals acting for the Russians, through the dirty-money crowd, have enabled the Russians to build up arm's-length, or even hands-on, positions of influence and control, in U.S. financial and corporate institutions, screening their presence under cover of the free-enterprise ideology that their intended victims extoll? Have the Russians, through their allies in the financial interests associated with the dope trade, built up the kind of position which they could use to, for example, dictate the timing of the upcoming financial crash?

It were better to clean out, and put in order our own financial house, right now, even if that means dumping Don Regan and his friends, than to wait to find out.

Secret ECU scheme fits Soviet plans

by William Engdahl

Less than 10 days after his private trip to East Germany and Poland for economic talks, West German ex-chancellor Helmut Schmidt met privately with former French President Giscard d'Estaing in Heidelberg the week of Nov. 12. A monetary coup d'état is in process, the biggest since Bretton Woods, aimed at breaking the European economies from the U.S. dollar perhaps as early as 1987.

On Dec. 18, a new task force called the Committee for a Monetary Union in Europe will meet behind closed doors in Brussels, the European Community headquarters. Members of it include Schmidt and Giscard, and the following members of the Trilateral Commission, which ran the Jimmy Carter presidency: Etienne Viscount Davignon of Belgium, Mario Schimberni of Montedison in Italy, Gaston Thorn of Luxembourg, and Niels Thygesen, former Socialist finance minister of Denmark. The group also includes Bank of France director Renaud de la Genière, and Deutsche Bank director and former chairman, Wilfried Guth.

The organizers of the initiative are reluctant to speak openly. Schmidt and Giscard, when heads of their governments, initiated the present European currency zone, the European Monetary System, in 1978. Their original scheme was only partially fulfilled. EMS member states have stabilized currency parities at a time when the dollar has soared and crashed at record levels of hyper-instability. Now, Phase II of the EMS is under way—creation of a "European Central Bank" which would issue a new European Currency Unit, or ECU. This would be a sovereign, supranational institution, with control over the national economies of Western Europe. The ECU "coup" is being planned in lockstep with the military decoupling of Western Europe from the United States.

In the Hamburg weekly *Die Zeit*, run by Trilateral Commission member Countess Dönhoff, Helmut Schmidt calls for a "truly self-assertive Europe" (see page 38). Schmidt asks for full economic and monetary integration of Western Europe, based on the EMS and the ECU, and creation of an "independent European central bank as a sufficient counterweight to the dollar and the yen."

A Schmidt spokesman identified the U.S. economic and financial crisis as the prime trigger for Schmidt's action. "European monetary unity could come within a year's time," he stated. "The move for a stronger ECU at this moment is

being driven by the growing problems of using the dollar as a reserve currency for the world economy. An alternative to the dollar must be larger than even the deutschemark. The ECU would play this role. It would be independent of the dollar."

The German Bundesbank's recent intransigence against pressures from Washington and the Federal Reserve to join the collapse of the U.S. economy by coordinating monetary policies, appears to have been adopted with the ECU in mind. According to Schmidt's office and a well-placed source in the office of European Commission president Jacques Delors in Brussels, after the Jan. 25 West German elections, the Bundesbank will ask to repeal the constitutional restriction on holding "indexed currencies," to pave the way for dissolving sovereign national central bank and currency control. This will occur first, the sources say, as part of a Brussels process initiated by Delors earlier in 1986 to "liberalize financial regulations within the EC member countries by 1992." But, Schmidt's spokesman stressed, financial market liberalization within the EC is "merely the first step to full economic and political integration of Europe."

Delors is fully involved in the ECU push. His office will reportedly sponsor the Dec. 18 meeting of the private Trilateral monetary group. Sometime early next year, a more public meeting is expected, to draw the countries of Scandinavia as well as Austria into the scheme.

The East bloc angle

A spokesman for Delors insisted the initiative group is "not the appropriate one if you are seeking ways to increase East-West trade." A spokesman for West German Trilateral member Otto Wolff von Amerongen denied there was any "anti-dollar bloc" being formed. Von Amerongen, chairman of the West German Industry Association's Committee on Trade with the East, is on record favoring a parity arrangement between a fully privatized ECU and the Soviet ruble, sometimes called a "transferable ruble."

In a Zurich bankers' seminar on June 28, Hungarian National Bank vice-president Janos Fekete boasted, "You in the West have destroyed all your markets—Latin America, Africa, Middle East, Asia. You have no alternative but to orient to the Comecon countries with its market of 400 million people." Deutsche Bank, Dresdner, and the other Western European banks have been quietly distancing themselves from the wild excesses of the New York banks while making credits available to Moscow and East bloc states on extremely favorable terms.

A senior EC official responsible for EMS development admitted, "We think the ECU can be the basis for expanded East-West trade as well." In May, Moscow gave the green light for official Comecon-EC talks following a four-year hiatus. The talks are proceeding with Delors and Willy de Clerq, the Trilateral Commission EC Commissioner for External Relations and Trade Policy.

Africans seek 'Marshall Plan'

by Mary Lalevée

The 13th Franco-African summit in Lome (Togo) on Nov. 13-15, attended by more than 20 heads of state and government leaders, once again demonstrated the close link between stopping insurgencies like those run by Libya's Qaddafi, and resistance to the economic instability fomented by the international bankers.

In his opening speech, Togo's President Eyadema described the economic crisis facing Africa, saying, "we are almost being crushed by a debt of over \$175 billion." He added that "something like a new Marshall plan" for Africa was needed, to help African nations to develop their economies. French President François Mitterrand responded favorably to Eyadema's proposal; indeed, the French authorities have been known to be quietly promoting such a proposal, out of concern that some of their former colonies are on the verge of total economic chaos. The 40th anniversary of the first Marshall Plan is in 1987.

No doubt Zairean President Mobutu's recent rejection of International Monetary Fund (IMF) austerity conditions and his government's decision to limit debt payment to no more than 10% of export revenues were hotly discussed in private. Zairean sources commented that many African leaders had been carefully watching the "Zaire experiment" with the IMF to see if complete submission to IMF demands brought results in terms of an improved economic situation and increased investments.

Zaire had been praised as a model by the IMF and the international bankers. "Now that it is clear that the IMF medicine doesn't work, it is doubtful whether other African governments will submit their population to such austerity," said a source, adding that the austerity imposed there would have caused "revolution" in any other African nation, and indeed would have caused violent revolts in Zaire, had it been continued much longer.

Talks on Chad crisis

Chad was the focus of informal talks between various African leaders, the President of Chad, Hissain Habré, French President Mitterrand, and Premier Jacques Chirac. Under military threat from its northern neighbor, Qaddafi's Libya, Chad also faces a severe economic crisis due to the drastic fall in the price of its export commodity, cotton.

Seventy percent of Chad's export earnings derive from the local production of cotton. Levies paid by the company,

Cotton Chad, provide the largest source of government revenue. Cotton Chad buys the raw cotton from the farmers, paying a guaranteed price of 300 CFA (\$1) per kilo. By the time the cotton has been transported to the Cameroon port of Douala, it has cost about 400-500 CFA per kilo. Profit has dwindled as the market price has gone down to 270 CFA, meaning huge losses on each kilo sold. Cotton Chad is unable to pay its debts, incurred while paying the farmers for the last two seasons. The debt is officially guaranteed by the Chadian government, but the government has no money, because the levies from Cotton Chad have not been paid.

This situation is typical of many African countries. What makes it worse in Chad is the Libyan-backed insurgency. President Habré announced dramatically at Lome that heavy fighting was going on "as I speak to you now" between Libyan troops and Chadian forces formerly opposed to Habré, but who have now rallied to the government. Rebel leader Goukouni Weddei, head of the Gunt opposition movement, had announced in early October his willingness to meet Habré without preconditions. His Libyan hosts promptly moved to arrest him and 50 of his followers. In a struggle with the troops sent to arrest him, Goukouni killed two Libyan soldiers and was himself wounded. He is now reported to be under heavy guard at a military hospital in Tripoli. However, 200-300 troops loyal to Goukouni have rallied to Habré, agreeing to a cease-fire on Oct. 14, then to undertake common actions against the Libyans.

Goukouni's men are reported to have left their Libyan allies in their position in northern Chad, taking quantities of arms and ammunition with them, including SAM missiles. On Nov. 12-13, a Libyan plane was shot down.

On Nov. 12 President Mitterrand announced that Paris was committed to helping Habré regain control of the north of Chad. While officially this help will primarily be logistical, accurate reports from French sources indicate that whenever Habré decides to move north, "French mercenaries" will accompany his forces. With Libyan troop morale very low, this will lead to a humiliation of Qaddafi.

Diplomatically, Habré has launched an offensive at the U.N. Security Council, which is due to discuss a Chadian appeal for a condemnation of Libyan genocide in northern Chad. Libyan air and artillery bombardments are reported to have killed hundreds of civilians in the towns of Goura, Nyang, and Gouma.

In Lome, the French pledge to increase military aid to Chad was repeated strongly. Parallel discussions involving Chadian government officials, a representative of the Gunt, an American emissary, French officials, and officials from Chad's neighboring states took place. The American emissary is reported to have promised air cover for units acting on the ground, provided France is ready to act. Habré then called for the "rapid reconquest" of the north, underlining that "Chadians are now unanimous in the fight against Libyan aggression."

Colombian labor unites in mighty new anti-mafia confederation

by Valerie Rush and Gerardo Terán

Some 2,000 delegates from 44 trade unions, representing 80% of Colombia's organized labor force, gathered in Bogotá Nov. 15-17 to consolidate a new non-partisan organization of labor, and to deliver a final blow to those mafia-ridden remnants of the trade-union federations from which the new movement has broken free.

In its founding principles, the new organization took responsibility for combating the international usury which it identifies as the primary evil ravaging the continent, and pledged to seek "sovereign solutions" to the problem of underdevelopment for Colombia, and Ibero-America as a whole.

Into a vacuum

The founding of the 700,000-member CUT could not have occurred at a more appropriate moment for Colombia. The escalating violence of the drug mafia and its hired thugs, the constant murders, kidnappings, threats, and bribes directed at the Colombian judicial system, have virtually paralyzed that branch of government. Over half of the Colombian Supreme Court has been slain by the drug traffickers, and the rest are resigning in terror. What remains of the anti-drug law enforcement capability of the Betancur era is being similarly eradicated.

A combination of terrorism and internecine squabbling among the political parties has brought the operations of the Colombian Congress to a screaming halt, and mutual recriminations and demands for ministerial resignations appear to be the legislative order of the day. Frozen inside this congressional limbo are three pieces of legislation that have been presented by the Colombian executive, the sole product of the Barco government's first 100 days in office.

Into this vacuum has stepped the new 700,000-member labor organization. "Today we meet, the immense majority of Colombia's organized labor, to make real what until just a few months ago seemed impossible: the unity of the workers in one democratic, pluralist, working class, and progressive confederation," declared the CUT's new president, former labor minister and veteran trade unionist Jorge Carrillo, in his opening speech. Carrillo was not only addressing old colleagues from the so-called democratic UTC, CTC, and

CGT federations, but also new ones from the former Communist Party-run CSTC federation and numerous independent trade unions of various political leanings.

Despite slanders from mafia-linked elements in the deserted federations, that the CUT would become an instrument of Communist manipulation, Carrillo has repeatedly assured the press that it is concrete programmatic solutions, not mindless slogans, that labor—and the country—demands.

Unity against usury

During the CUT deliberations, an economic and social platform was approved which gave urgent priority to solving the foreign debt crisis. "An unpayable debt of nearly \$400 billion weighs upon our economies," warns the document, which goes on to propose "giving a political treatment to the problem of the debt and confronting, together with other Latin American countries, the international financial system. . . . Achieving a flow of new resources for the financing of productive output, but with a substantial reduction in interest rates and extension of repayment deadlines. . . . Battling the speculative sector and the economy of the drug trade which economically, socially, and morally damages the population."

In addition, the CUT congress called for nationalization of a private banking system swollen by drug money, and the application of a tax system which punishes speculation, and not the workers and the productive sectors of the economy.

Finally, the document recommended the achievement of these objectives through the creation of "a common front of nations respecting the problem of the foreign debt and the recapture and strengthening of the process of sub-regional integration."

Carrillo has made perfectly clear that, far from functioning as merely another bargaining agent for trade union members, the CUT under his leadership would seek a voice in how Colombia is going to be run.

As labor minister under the previous Betancur administration, Carrillo did not hide his hostility to economic austerity programs foisted on the country by the International Monetary Fund. He was strongly critical of employment policies

based on labor-intensive, "micro" activities and of wage policies which blamed "excessive worker demands" for Colombia's serious unemployment problem. He was outspoken in favor of the creation of great development projects—like a second inter-oceanic canal through Colombia—and of creating a modern capital-goods sector in the country.

Carrillo was asked by one reporter during the CUT conference if the new organization would work more for political or for economic benefits. The former labor minister responded by insisting that "economic returns would be impossible without genuine political changes." Those changes, he argued, would come through "a strengthening of the democratic process, possibly with new political forces on the national scene." Asked by *EIR* if the CUT would offer "a political alternative for independent workers to the current political parties," Carrillo said, "I believe that it is necessary for workers to have their own political power . . . but this is not, yet, the goal of the CUT."

Documentation

The following are excerpts from the opening speech given by former Labor Minister Jorge Carrillo Rojas to the founding conference of the Unified Workers Confederation (CUT) of Colombia Nov. 15, 1986. Carrillo was later elected president of the CUT.

We, the immense majority of Colombia's organized labor, meet today to make real what until just a few months ago seemed impossible: the unity of the workers in one democratic, pluralist, working-class, and progressive confederation.

This meeting has been preceded by hundreds of assemblies in which the workers have freely and sovereignly designated us to constitute today the Unified Workers Confederation of Colombia in their name.

Thus, there is not the slightest doubt of the authenticity of the worker leaders congregated here from every corner of our fatherland. Here are the representatives of the peasants and Indians who demand an advanced agrarian reform; the workers from the banana zone who with their efforts contribute to the progress of a rich but forgotten region; metallurgical workers and miners; state workers; textile workers; port workers and railroad workers; roofers; people of the sea.

In sum, all of us who have never failed Colombia and its people are here, the worthy and proud working class, holding up as our banners the most valued interests of liberty and redemption of the humble classes of Colombia. Here are we workers who fight for a society in which all the fundamental rights of the individual, civil liberties and social rights are

protected, a society which lives in an environment of peace and harmony, in which violence and terrorism do not extend their macabre reign and continue cutting short the lives of our brothers, a society in which youth can grow up in a clean atmosphere.

Our country belongs to the so-called Third World, the so-called poor world which paradoxically has among its inhabitants some of the richest persons on the planet. We are a piece of Latin America, a subcontinent which in 1984 registered 390 million inhabitants of which 110 million are unemployed or underemployed, where 70% of the people live in conditions of critical poverty, where hunger is such that its inhabitants daily consume 1,200 calories less than in developed countries.

We are burdened with a foreign debt of about \$400 billion, a debt catalogued as unpayable because of its exorbitant growth, because of the economic oppression to which we are submitted, because of plundering by the multinational financial oligarchy. Each Latin American is a debtor owing a \$1,000 parcel of foreign debt, condemned to sacrifice his opportunities for improvement in order to pay debt service punctually. In the concrete case of Colombia, the cost of a family market basket has grown 30 times in the past 15 years. Three million compatriots earn the minimum wage, and in many cases less. What better argument could we workers have to convoke the unity of all Colombians, to seek a solution of national salvation in the face of the picture sketched here?

The tax-reform proposal the Executive has presented for congressional consideration only aims at easing some problems of the fiscal deficit by imposing new burdens on wage earners and the middle class. The reform proposal lacks a social redistributive aspect.

Nor does the urban-reform proposal really merit that name, since it is a law for expropriation in the cities with payment at profitable prices.

Since 1979, our rural economy has undergone a sharp crisis, while the state socializes losses made by banking or industrial monopolies with resources which originated in the countryside, like those from the coffee bonanza. . . .

Our worker confederation, which we form today, will present concrete proposals for solutions to the gravest economic and social problems affecting the population; we will present all the documentation needed to obtain proper juridical status, and we announce we will move the workers through the streets and plazas of Colombia to demand what in justice belongs to us.

We proclaim from this high popular tribunal that we will never give up in the glorious struggle to direct the struggles of the workers of Colombia by routes of peaceful political coexistence and ethical and moral greatness toward the conquest of their historic destiny.

May God and the workers accompany us in such a formidable endeavor.

Mexican exposes AIFLD labor links to drug traffickers

Mexico's most influential news commentator, José Luis Mejías, found a Washington, D.C. press conference, which was blacked out when it occurred in September, so strategically important that he made it the subject of his front page Los Intocables (The Untouchables) column in the daily Excelsior, Nov. 11. A translation of the complete text follows.

The Schiller Institute, like the Ebert and Adenauer ones, operates in several Latin American countries with its sights set on the integral development of those countries, although each of the three does this based on their own ideology and their own mode of seeing things. This noted, we will say that a few months ago, in Washington, during a well-attended press conference, Dennis Small, Ibero-American executive of the Schiller Institute, asked the U.S. government to immediately suspend all financing of the American Institute for Free Labor Development (AIFLD)—the AFL-CIO's foreign policy apparatus—and that it thoroughly investigate its activities. The request, made in the name of the Schiller Institute, was supported by information it obtained that prominent AIFLD representatives in Latin America have close connections with Colombian narcotics trafficker Gilberto Rodríguez Orejuela and the Peruvian Carlos Langberg. Small said, "It is urgent that President Reagan take this action to make credible his own war on drugs program. Given the proof of intimate collaboration between AIFLD officials and known drug traffickers, to permit this to continue with financing from the U.S. taxpayers, would discredit the President's war on drugs."

Of the official AIFLD 1985 budget of \$19.2 million, \$13.5 million—70%—was provided by the State Department's Agency for International Development (AID). In fact, all over Ibero-America, AIFLD is thought of as the State Department's arm for manipulating the union movement. Small also revealed that on the basis of the Freedom of Information Act, he asked for reports from four government agencies: CIA, AID, DEA, and State Department, and that the Arlington, Virginia, law firm of Fensterwald, Alcorn and Bowman was contracted to file suit in case these entities responded [sic]. This law firm would also study for the Schiller Institute the legal steps which could be taken to force the U.S. government to suspend financing the AIFLD and begin

a full-fledged investigation.

Small documented accusations of AIFLD complicity with the Colombian banker Rodríguez Orejuela to set up the Banco de los Trabajadores de Colombia [Colombian Workers Bank]. The bank was founded in 1974 by Colombian union leader Tulio Cuevas of the UTC [Colombian Workers Union], at that time a member of the AIFLD Board of Directors, with a half-million-dollar donation member of the AIFLD Board of Directors, with a half-million-dollar donation from the Inter-American Foundation, on whose board sits the current AIFLD executive director, William Doherty. In 1978, Cuevas arranged for the UTC's shares to be sold to drug kinglet Rodríguez Orejuela. Small stated that Cuevas's behavior was so offensive that even AIFLD investigated the links between Cuevas and Rodríguez Orejuela, but never made the results public. The requests made by Small under the Freedom of Information Act asked that the results of that investigation be made known.

The Schiller Institute spokesman asked, "Why did UTC general secretary Alfonso Vargas go to Spain in 1984 to plead against Rodríguez Orejuela's extradition from that country?" Vargas, Small revealed, issued a circular dated Jan. 28, 1986, on UTC letterhead, asking for all relations between the UTC and the Schiller Institute to be suspended.

"The AIFLD problem, unfortunately, is not limited to Colombia," Small affirmed. "In the Peruvian case, the Schiller Institute has information that the AIFLD representative in that country from 1977 to 1982, one Bernard James Packer, went around trying to set up a Banco de los Trabajadores del Peru, just like the Colombian Workers Bank." One of Packer's cronies in this scheme was Peruvian banker Carlos Langberg. This gentleman is today in a Peruvian jail, accused of [and sentenced to 14 years for] cocaine trafficking, while Packer is the AIFLD representative in Colombia. "What we have, in both the Peruvian and Colombian cases," Small concluded, "is a direct association of AIFLD with known, confessed and convicted narcotics traffickers."

What we just read are formal accusations supported by a lot of documentary, circumstantial and testimonial evidence, which the Reagan administration ignored, since its so [highly] publicized war on drugs, it seems, is nothing more than a

pretext for intervening in the politics of the Latin American countries. At least that has been so in the Mexican case. U.S. officials, politicians and publications frequently accuse Mexican politicians and officials of being involved in drug traffic—governors, soldiers, police chiefs, and even a cousin of President Miguel de la Madrid Hernandez.

Not that we believe that our officials are spotless or unbribeable, but we think that every accusation made should be accompanied by evidence, which has not occurred in the case of the Mexican officials branded as accomplices or participants in narcotics traffic. Why do we take these accusations to heart, when, in the United States, proven accusations—in the case of the Schiller Institute's—are thrown in the wastebasket? If the United States has evidence of collusion between Mexican officials and narcotics traffic, why doesn't it make it known? And, why, if it doesn't, does it accuse without evidence? Everything seems to indicate that it is a matter of pressures and not of accusations having any basis, and that the Reagan administration's propagandized war on drugs, we insist, is no more than a pretext for intervening in the politics of the Ibero-American countries.

Also, it seems that U.S. semi-state agencies promote narcotics traffic, or work in collusion with the traffickers. The Schiller Institute's investigations exposed Packer, the current AIFLD operations director in Colombia and previously director of the same institute in Peru (1977-83), El Salvador (1983-1985) and Guatemala (1985). While he was in Peru, Packer collaborated intimately with Julio Cruzado, AIFLD board of directors member and president of the CTP [Confederation of Peruvian Workers]. At the same time, Packer was an intimate friend of Carlos Langberg, whose house he often visited with Cruzado. Langberg, as we now see, is currently in a Peruvian jail, accused of being a narcotics trafficker. Packer and Cruzado tried to found a workers' bank in Peru with AIFLD money by following the scheme of the Colombian workers' bank, one of the banks shown to have served as a "laundry" for the illegal transactions of convicted narcotics trafficker, Hernan Botero.

Packer, when AIFLD director in Peru, worked through Cruzado's Association for the Promotion of Labor Education and Economic and Social Research (AFELIES), which has extensive data on the psychological traits of every single Peruvian labor leader stored in its computers. The U.S. Embassy in Lima had a direct telephone line to the AFELIES offices. In 1982, a big scandal about Packer arose in the Peruvian press. He was forced to flee the country, accused by independent unionists and other sectors of being a CIA agent and of intervening in Peru's internal affairs. As a sequel to the same scandal, Cruzado was expelled from APRA.

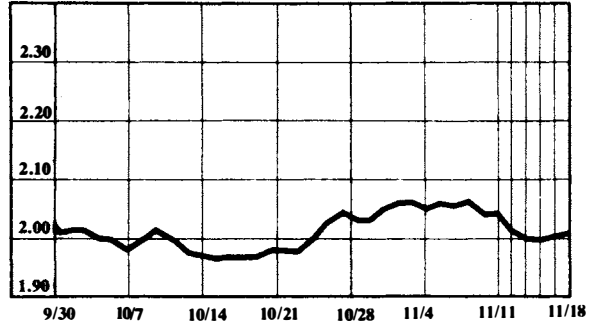
It remains to be determined if this is a personal deviation, or if it is, in fact, the policy of institutions like the AIFLD, which also operates in Mexico.

Somebody someday will write a book about narcotics traffic and intervention.

Currency Rates

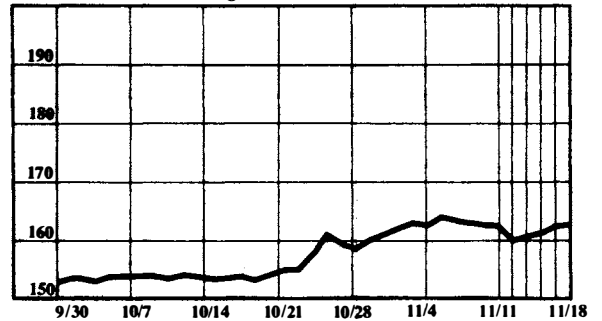
The dollar in deutschemarks

New York late afternoon fixing



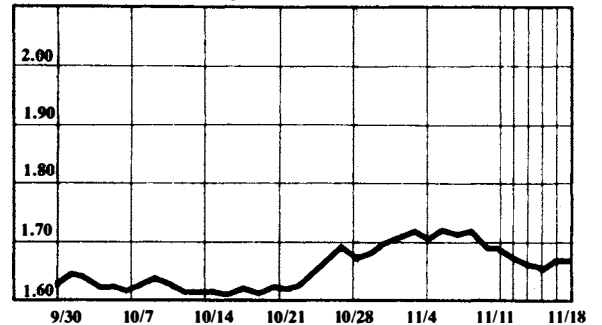
The dollar in yen

New York late afternoon fixing



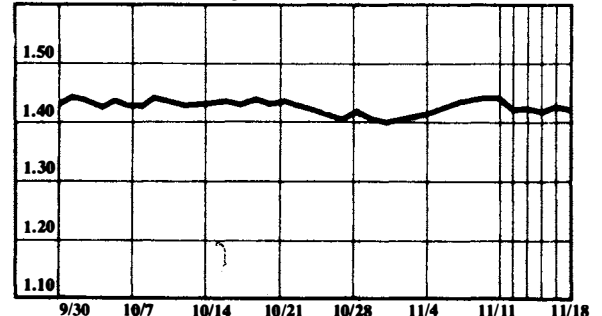
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



Grim reality under Jaruzelski: what it means to live as a vassal

by Tadeusz Rejtan: Part II of a series

The ugliest feature of life in Jaruzelski's Poland is that, within five years, the outlook of the Polish population has shifted to one of deep cultural pessimism. Hardly anyone inside Poland lives with any hope for the future of the nation. The attitudes common to the past quarter century of cultural and moral degeneration in the West—living for individual gratification and for the present—have taken root in Poland.

This is not merely due to the political repression which began with Jaruzelski's December 1981 proclamation of martial law. Russian repression techniques are far more clever. Co-existing with the integration of Poland's industrial economy, infrastructure, and energy sector into the Soviet Union, and the savage repression of any organized political opposition, is virtually complete "freedom" to achieve individual gratification and degenerate hedonistic desires.

Concretely, Poles can travel to the West. The "troublesome" part of the population thus has the opportunity to defect—which tens of thousands do each year. Besides the political benefit of this emigration, the refugee wave helps the regime to evade the totally hopeless housing crisis. In 1985, the Jaruzelski regime admitted that it would take another 10-15 years before enough apartments could be built to guarantee every Polish family their own apartment. Mass emigration, which contains population growth in Russia's largest Roman Catholic neighbor, and alleviates the regime's housing shortage, is definitely in Russia's interest.

The mass travel of Poles to the West and heavy purchases of Western consumer goods, have created by far the biggest—and most open—black market in Eastern Europe. Buying and selling Western products in Poland has become a national pastime. The "dream" of becoming a *zloty* millionaire has in many cases replaced the earlier dreams of national revival and political freedom. This need not be the case for the future, but, unfortunately, has become present-day reality in Poland.

Poisoned by the collapse of investment

Poland under Jaruzelski has witnessed a collapse in investments to modernize its largely outdated industry. Every year the portion of industry which is obsolete increases. Be-

sides the obvious effects on product quality and labor productivity, this situation has plunged Poland into a very real environmental crisis. Poland, as a Russian colony, has an air and water pollution nightmare.

A recent report by the Polish Science Academy on the chemical pollution of the environment warned of an impending ecological holocaust. Already in 1983, the European Environmental Commission had rated Poland as the most polluted country in Europe. The Commission pointed out that the degree of poisoning of air, water, and soil is in no way related to the degree of industrialization of the country. It is not industry, but the system which, by adopting Soviet-dictated investment policies which reject modernization, necessarily pollutes.

The key industrial regions of Poland—Upper Silesia, the Legnica region of Silesia, the bay of Gdansk, the Krakow area—have become unfit for human existence. Leaving aside nitrogen and sulfur dioxide rates, the highest in Europe if not in the world, the lead content of fruit and vegetables threatens the population with massive lead poisoning. Whereas the maximum dose considered tolerable by health authorities is 3 milligrams per week, in some areas, salad contains 230 mg of lead per kilogram, cabbage 30, parsley 113, etc.

According to the Academy report: "In the junior high-schools of Upper Silesia, an alarming increase in the number of retarded children has been observed, and this can be directly linked to the increased quantity of heavy elements, especially lead, in the surrounding environment and in food-stuffs."

The state of the food processing industry is such that food poisoning and gastrointestinal infections have taken on epidemic proportions. Shortages of detergents and soap make maintaining a minimal level of hygiene—not only in the food processing and catering sector, but also in hospitals—almost impossible. Regularly, infants die in hospitals because of unsanitary conditions. And then, there is a chronic shortage of medicine and drugs.

The following figures on Polish life expectancy need no comment. According to the *Report on the Demographic Situation of Poland*, mortality is rising. It has reached levels

similar to those of the early 1950s. Life expectancy is declining: A 15-year-old boy today will have a shorter life span than a 15-year-old in 1956. Men between the ages of 30 and 40 have a life expectancy two years shorter than 30 years ago. Also significant is the very high discrepancy between male and female mortality. The discrepancy reaches 8-8.5 years as compared to less than 6 in Spain, another sad European record for Poland. Children born in 1980 will live statistically six years less than in most other European countries. The infant mortality rate is nearly three times as high as in the most developed European countries. But the most worrisome factor is the increase of mortality rates: 1984 and 1985 were the worst years since the end of the war in that respect. Is this the reason for Gorbachov's grinning when he delivered his speech at the Polish Party Congress?

With this as reality, it is no wonder that the population shows no enthusiasm for the blood, sweat, and tears program the Party and Jaruzelski have to offer.

This subjective factor represents one of the major "objective" reasons for the incapability of the communist regime to turn around the situation: To quote again from Ryszard Bugaj's article (cited in Part I):

"Sociological surveys contribute an explanation to the lack of improvement in the efficiency of the economy. We refer to such attitudes and features of social consciousness as: pessimism in the evaluation of the economy's future and skepticism about whether the government acts efficiently to overcome the crisis. Official opinion polls show that as many as half of the people surveyed think that the government does not undertake actions which could prevent a new crisis, and that up to 64% think that the policy followed up to now does not create the preconditions for coming out of the crisis. The state of social consciousness cannot but have an influence on the behavior of the workforce."

Pessimism drowned in vodka, drugs

This feeling of hopelessness and helplessness is the main cause behind the surge in alcohol consumption. Vodka drinking is reaching Russian proportions. In 1983, the statistical Pole (including newborn babies, children, and teetotalers) drank over 10 liters of vodka (between 40% and 50% alcohol) compared to 6 liters in 1960. That same year, 11% of the average Polish family's income was spent on Vodka (twice as much as 20 years ago). Imagine an American family earning \$20,000 a year, where \$2,200 is spent on bourbon or scotch. Since 15% of the government's revenue comes from the sale of spirits—three times more than 20 years ago—one can figure out how sincere its "anti-alcoholism" campaigns are. Here again, imagine 15% of the American federal budget revenues coming from taxes on alcohol sales. Polmos, the state liquor monopoly, consistently rates first in the "500" list of Polish state corporations.

But, as Stanislaw Nowak (probably the pen name for the former chairman of the Warsaw Sociological Association) writes in the underground monthly *Kontakty*:

"It is not only alcoholism that is a problem. Psychiatrists have warned that the incidence of nervous disorders is increasing. Of these, the most widespread . . . have as their central symptom the feeling that life is without sense or meaning. In some cases this produces psychosomatic disorders, and it seems that the occurrence of organic symptoms that clearly have a mental origin is notably increasing. . . . The non-satisfaction of many of the needs of the population, besides the significant deterioration in quality of medical aid . . . have produced as a side-effect, a large number of symptoms of deterioration of the nation's physical health. This factor has, in turn, affected the mental health of society as a whole, which indirectly intensifies further the negative effects of the crisis, to the extent that the very biological existence of our nation is threatened."

This process affects youth the most. *Tygodnik Mazowsze*, the underground weekly of Solidarnosc for the Warsaw region, reporting on the conclusions of an independent academic panel, writes: "The sociologists spoke about young people in dramatic terms. . . . Martial law and the economic collapse have made young people helpless, have caused atrophy of will power, and a disappearance of basic signs of activity. . . . Young people turn away from the world in fear for their own future and that of their country. . . . The generation of young people who arrived too late for the Gierek era (the 1971-76 period of relative growth), and for self-realization during the Solidarnosc period, is the first generation in Poland's history that neither believes nor hopes for a better life."

Another Warsaw underground monthly, *Vacat*, reports: "Drug abuse is spreading, both in the form of hard drugs, which have brought thousands of young people to total physical destruction, if not death, as well as soft ones, which result in physical dependency and personality destruction. There is a frightening development of drug-dependency among children; glue sniffing is spreading in high schools. Poland is becoming one of the countries in the world where drug abuse represents a dangerous threat. The response is minimal. It sometimes seems that the authorities consider the self-destruction of the young generation a lesser evil than its non-conformist activities.

"The mildest form of mass dependency, which is nevertheless destructive to youthful ambition, is the plague of youth music. Punks and others of that ilk claim that their lifestyle is a protest against enslavement, an act of defiance and a manifestation of their personality, but this form of negation is mainly self-negation, tantamount to a capitulation before the Reds, who could not care less about the infantile noises made by pop idols. What counts for the Reds is the fact that a majority of their potential opponents dull their senses with a noise with which they try to drown their complaints about the adult world."

This should be a clear warning to those who rejoice at the spreading of this evil kind of "Western" influence in the countries of Eastern Europe.

Unique EIR model on AIDS announced

by Warren J. Hamerman

As director of the *EIR* Biological Holocaust Task Force, I am pleased to report that a scientific team of our Task Force in West Germany, coordinated by Jonathan Tennenbaum, and including Ralf Schauerhammer, Bernd Schulz, and Wolfgang Lillge, has successfully completed the first computer run of the new *EIR* model on the spread of AIDS. The model, commissioned by economist Lyndon H. LaRouche, Jr., will revolutionize the field of epidemiology, and is the only policy tool for making informed policy judgments about how the lentivirus AIDS pandemic will spread. Jonathan Tennenbaum is now writing a report for a forthcoming issue of *Executive Intelligence Review* on the first phase of work on the model, which takes into account the unique mathematical interplay between the fast-track and slow-track transmission routes of AIDS.

Generally, what little honest epidemiological work that has gone on heretofore which has not been biased by the desire to cover up the spread of the disease, has been measuring the wrong end of the disease, with primitive tools. Previous epidemiological studies have focused on the terminal cases in their last stage, rather than the newly infected who are actively spreading the species-threatening illness. Furthermore, since AIDS is the first lentivirus pandemic in the human population, previously existing epidemiological models are at best incapable of measuring the true singularities of the process.

New virus discovered

Even as the first successful *EIR* model runs were completed, the Karolinska Institute in Sweden announced the discovery of what is apparently the fourth distinct new AIDS-like retrovirus from Africa. In addition to the original AIDS virus, a French team has already reported the discovery of LAV-II; an American team has reported the discovery of HTLV-IV. Furthermore, yet another AIDS-like retrovirus may recently have been isolated from Venezuelan Indians and miners. Thus, there may already be at least four to five distinct retroviruses in the tropical areas, caused by a process of "recombination" in the human reservoir as it rapidly

spreads. The variants are not detectable by the AIDS blood-screening tests which have been in use for the past years.

Unique methodological features

There is a fatal methodological flaw behind the incompetent epidemiological reports previously circulated by official agencies. They have relied upon the linear and algebraic mathematics pervasive in standard epidemiology, a field dominated by statisticians and sociologists. Our new model will utilize increasingly more precise approximations of the LaRouche-Riemann scientific-geometric method.

The unique feature of the new model is that it rests upon the scientific knowledge base of *physical chemistry* rather than sociology. The differential equations used to chart complex reactions in physical chemistry have been adapted to the study of the spread of AIDS. The fast-track transmission among high-risk groups "lights the fire" of the slow track transmission modes in non-risk populations. In a normal killer epidemic, the newly infected die off rapidly, which exerts a "damping factor" on the rise of the curve of new infections. However, in a lentivirus, or slow-acting disease like AIDS, there is no such "damping factor." The number of newly infected keeps growing and growing and it may be half a decade or more before they exhibit symptoms. Computer runs were done for the United States as a whole, as well as a scenario for spread in a city of five million inhabitants.

The first-phase computer-generated graphs are based upon a model of "non-catalytic" chemical reactions in which the rates of interactions between high-risk and non-high-risk populations are mapped differentially. Just as the reactions of different elements in a chemical reaction occur at different interacting rates, so does the model graphically display the interaction of slow- and fast-track transmission modes.

A second-phase physical chemistry model will present differential rates of reaction as occur in "autocatalytic chemical reactions." The rates of propagation of the reaction depend upon the concentrations of co-factor elements. At an early stage, the reaction is driven in one direction; when a certain concentration of critical elements is achieved, the reaction is driven in a new, nonlinear direction.

The third-phase model will be based upon refining elliptical functions to map the interplay of several autocatalytic reactions simultaneously, such as the way in which tuberculosis acts as a "precursor wave" for AIDS, or the interaction between various arboviruses and AIDS in tropical climates. Most useful will be an intended model-run utilizing veterinary data from lentivirus pandemics in animals. This phase of the model will be uniquely qualified to map the dangerous trend of a growing retrovirus pool in the tropics.

LaRouche, the initiator of the model project, was pleased upon receiving a verbal report of the first phase of the results, which are already useful. The second and third phases will be even more productive, in giving policy planners the necessary scientific basis to prepare an effective response to AIDS.

AIDS virus pool increases

The news means that more sophisticated techniques of microbial diagnosis must be brought on line as rapidly as possible.

At a recent scientific meeting in San Francisco, Luc Montagnier of the Pasteur Institute sounded the alarm about a new AIDS retrovirus, which he had discovered in AIDS patients from western Africa. The ominous feature of this new virus, which Montagnier has designated LAV-2, is that, unlike numerous other isolations of AIDS viruses (LAV/HTLV-III or HIV) from Africa which are not serologically or biologically distinguished from European or American AIDS viruses, the new virus is not detectable by present serological tests.

This announcement of a new, undetectable AIDS virus at a meeting of blood-bank personnel was not calculated to soothe those who were congratulating themselves on the defeat of Proposition 64 in California, especially since Montagnier stressed that there was no way this virus would remain confined to the African continent.

In April of this year, a group of scientists from Harvard School of Public Health, working with researchers from France and Senegal, reported evidence that a virus similar to one known to infect African green monkeys was infecting healthy people in Senegal, West Africa. Serum from these individuals reacted strongly with antigens of the monkey virus, known as STLV-III, but only weakly with antigens of HTLV-III/LAV, the AIDS virus.

This new virus was cultured and was shown to have retroviral-type particles, growth characteristics, and virus proteins similar to the STLV-III and HTLV-III/LAV type of retrovi-

ruses. The proteins were more closely related to those of the monkey virus than the human AIDS virus. Interestingly, this virus, designated HTLV-IV, has not been associated with the development of AIDS, or any other disease, so far.

On the other hand, the Pasteur Institute virus, LAV-2, was isolated from active AIDS cases which were seronegative for LAV/HTLV-III. These patients were both also from West Africa, one from Senegal and one from Guinea Bissau, and their sera also reacted strongly with an STLV-III virus which causes AIDS in a species of monkeys, "macaques."

To further complicate matters, there is now evidence of another cytotoxic (cell killing) retrovirus in South America. Evidence for this new virus was found by Dr. David Volsky and his colleagues at the University of Nebraska Pathology Department. In analyzing 1,100 blood samples from Venezuela, Dr. Volsky detected the presence of a retrovirus in 35 specimens. This virus is reactive to antisera against two proteins associated with HTLV-III/LAV, p42 and p51, but not to the rest of the proteins and glycoproteins associated with HTLV-III/LAV. In culture, the virus infects T-cells and ultimately kills them, but much more slowly than HTLV-III/LAV. All of the infected individuals live in remote areas of Venezuela, and a number are also infected with malaria.

Dr. Volsky is now trying to grow this virus in culture in order to be able to do genetic analysis and analyze its structural components. In addition, he

has requested genetic probes for LAV-2 and HTLV-IV from the respective investigators, Montagnier and Essex, in order to see if his Venezuelan virus is related to one of these or is an entirely new virus.

What we are now seeing is the emergence of the "retrovirus pool" which Dr. Robert Gallo predicted at the Symposium on AIDS in Africa in November 1985 in Brussels, Belgium. It is now evident that animal retroviruses can infect man and, at least in some cases, produce disease. As the number of persons infected with these retroviruses increases, mixed infections and the recombinant products of these infections will also increase, resulting in an even larger selection of viruses.

This proliferation of different retroviruses will seriously impair the usefulness of antibody screening to detect infected individuals. In this circumstance, it is necessary that more sophisticated techniques of microbial diagnosis, such as those represented by Circular Intensity Differential Scattering (CIDS) or Multiparameter Light Scattering, be brought on line as rapidly as possible, before our present methodologies are overcome by the proliferation of multiple serotypes of retroviruses.

In addition to diagnostic capabilities, the development of such techniques of optical biophysics will enable researchers to finally elucidate the pathogenetic mechanisms by which the various AIDS viruses produce disease in the living host—pathogenetic mechanisms which, as the recent report of the National Academy of Sciences points out, are totally unknown at the present time. Development of these technologies within the necessary time frame will require a Biological Strategic Defense Initiative to complement the present Strategic Defense Initiative.

AIDS cases multiply in Italy

Thanks to the cost-cutting climate imposed by the International Monetary Fund, no concrete steps have been taken.

The top Italian expert on AIDS, Prof. Ferdinando Aiuti, has reported to the press that, according to a document of the Interior Ministry, Italy will have between 5,000 and 10,000 persons with full-blown AIDS by 1988. This means that the government has foreseen a very grave danger of epidemic, yet nothing concrete is being done to stop AIDS.

Some proposals made by cabinet ministers still seem far from being implemented. Interior Minister Scalfaro proposed making AIDS cases reportable. Health Minister Carlo Donat Cattin proposed mandatory testing for AIDS of prisoners being released from jail.

Speaking for the academic medical profession, Prof. Carlo Vetere, general director of public hygiene in the Health Ministry, criticized Donat Cattin's proposal as a "multi-billion-lira exorcism which however would not resolve the AIDS problem." Prof. Donato Greco reported at a recent convention in Milan that Donat Cattin called a meeting of experts to discuss a national plan, on the basis of proposals made by the Higher Institute of Health for "coordination and surveillance of initiatives." Unfortunately, the position of the experts is close to that cited by Professor Vetere, i.e., that nothing can be done against AIDS except to educate the public on the need to use condoms and clean syringes.

Italy currently registers about 500 "confirmed" AIDS cases, and at least 150,000 infected—low estimates cal-

culated not to alarm people. The number is said to double every five months, or more likely, every three months. Even by these conservative figures, it is clear that by the end of 1987 the number of AIDS-sick persons will surpass 5,000 and be closer to 10,000. According to Professor Aiuti, 75% of Italian drug addicts are infected, a figure that has been confirmed by samples taken all over Italy.

Officially Italy has 100,000 drug addicts, although unofficially there is talk of about 250,000. On the basis of the drug-addicted "high-risk" population alone, the number of AIDS-infected would far surpass the 150,000 officially estimated. Moreover, the drug addict, because of the destruction of his immunological apparatus through drugs, tends to be turned from a "healthy carrier" of the virus into an AIDS-sick person in a shorter than average period, i.e., 1-2 years.

Another very worrisome element is determined by what an Italian expert, Professor Moroni, called "the risk chain." At a recent conference organized in Milan by the Italian Microbiologists Association, Dr. Clumeck of the Free University in Brussels told of a person who died of AIDS, who before dying provided the names of 12 girls who had had sexual relations with him in the last period of his life. All 12, once they were tracked down, were seropositive for AIDS. Professor Moroni reported on a girl being treated in Milan who infected other youth, who in turn, it is believed, may have infected many other girls.

At the cited Milan meeting Prof. Jean-Claude Chermann of the Pasteur Institute underlined the extreme fallibility of present AIDS tests, and the huge financial speculation made on them. He proposed that management of the tests be entrusted to a European commission. This proposal, while interesting, is inadequate: As Chermann knows, the only test capable of identifying the virus in cells and not only the presence of antibodies, is that carried out with the flow cytometer, a machine which exists but is not commercially available, for reasons linked to lack of investment.

The Italians are reacting with more and more distrust of the authorities on the AIDS issue. A recent poll taken in Turin and Novara was made public by the Institute of Psychosomatic Medicine on Nov. 6. Of 1,000 citizens polled, 35% asked for the isolation of infected persons, 22% said they favored having infected persons carry identification, 37% said they were convinced of the possibility of "casual" contagion, 16% said they chose what bars and restaurants to patronize based on the clientele, 26% demanded more morality, and finally, 27% saw the solution to the problem in more research.

The problem in Italy, as elsewhere, is not that there are too many experts, but indeed, too few, because there is no "crash" program, and because the experts are not interdisciplinary in their approach. Under tremendous pressure, the "experts" have become a group that talks only to itself.

The problem does not start with the scientists but with international institutions that have decreed health care cost-prohibitive. In the case of Italy, the International Monetary Fund has repeatedly intervened to demand cuts in health services, and the scientists end up fighting each other for diminishing funds.

The USDA 'reforms' PIK funny money

It still works to the advantage of the grain cartel companies, but it's not quite such a windfall anymore.

A federal rule change, effective Nov. 17, gives farmers more time to trade, or to cash in the subsidy payments they have received from the U.S. Department of Agriculture in the form of "generic crop certificates." About \$2 billion worth of these certificates has been issued this year—the first time ever for this innovative "funny money," that the USDA politely refers to as "a kind of new currency." The extension of time is called a "reform" of the certificate system, and follows a previous reform effective Oct. 31, that put a stop to a scandalous abuse of the payment-in-kind (PIK) plan by the major grain-trade cartel companies.

As of Nov. 17, farmers have 8 months, not 5 months, in which to redeem their certificates in a crop—any government-owned crop (hence, the term "generic"), or to sell them to someone. On the most obvious level, the government is bankrupt, and paying farmers in this scrip is a way to avoid dishing out money for programs in which the farmer is to be paid to idle land, or to receive some assistance in case of disaster, etc. As of October, farmers signing up to idle their land for 10 years in the Conservation Reserve Program have started receiving generic crop certificates, so that the face value of this scrip will soon mount to even more than \$2 billion.

However, the real function of the certificates has been to serve the interests of the major grain-trade cartel companies (Bunge, Cargill, Conti-

mental, Archer Daniels Midland, and the rest), that have been buying up the certificates as they need them, and then redeeming them as they need to obtain commodities to meet contracts. But in the meantime, the cartel companies *do not have to pay any storage* or related brokerage fees to obtain the goods. All the costs are borne by the government.

As if this wasn't enough, at least \$200 million or more was neatly made by the cartel companies in a legal scam referred to popularly in the farmbelt as "long distance PIK-and-roll." This practice was a real lulu, and was finally outlawed by the USDA in a "reform" action that became effective Oct. 31. Up until then, here's how the thing worked—as promoted by Cargill, ADM, and other grain companies.

The farmer harvests his corn. He then takes it to an elevator (frequently connected behind the scenes to one of the major cartel companies), or weigh station and gets a weigh-ticket. He then takes this ticket to his Agriculture Stabilization and Conservation Service (ASCS) office.

Then an interesting hour passes. The farmer presents the weigh-ticket to confirm the amount of corn he can pledge for a government crop loan. The loan amount is calculated as usual—according to a formula based on the ASCS "market price" for a bushel of corn (based on the Evansville, Indiana, bushel, of, for example, \$1.95, plus a "regional differential" of a few cents). The farmer then gets a govern-

ment loan check.

Then comes the fun. At the same office, the farmer presents to the ASCS some generic crop certificates he has been able to receive from other government programs, or has been able to buy on the market. Cargill and the other big cartel companies have been wheeling and dealing in the certificates, sopping up certificates from Texas, for example, and re-selling them to farmers in Minnesota, etc. The ASCS, according to its own program rules (up until Oct. 31), has to accept these as payment for the corn collateral the farmer has just pledged. In other words, the farmer is redeeming his same corn with the crop certificates, that are permitted to be redeemed in whatever commodity and at whatever time he wants. But the corn can be redeemed by the farmer at, for example, \$1.11 a bushel. Thus the farmer gets 84 cents a bushel, which is no windfall for him, relative to his costs and debts.

However, the elevator boys get a commission on each transaction, that can range from \$2,500 to \$10,000 at a time. All they have done is a few minutes' "work" per transaction. This fall, elevator representatives were sitting out in vans in front of ASCS offices waiting for farmers to come by. The grain didn't go anywhere or do anything. The ASCS didn't even check to see if it existed.

Most farmers didn't take advantage of this kind of possibility in the crazy PIK program, because, though desperate for money, they are trying to farm and survive, not bilk the government. But Cargill and the other majors promoted the idea on the grapevine. It is estimated that Cargill and others have been averaging at least 6% profit on their buying and selling of the PIK generic certificates. What next?

Business Briefs

Free Enterprise

Soviets open door for 'capitalism'

The Supreme Soviet of the U.S.S.R. on Nov. 19 passed a "Law on Individual Labor," which provides that beginning May 1, 1987, Soviet citizens will be allowed to engage in 29 types of production and service activities in the private sector.

These will include making clothes, shoes, furniture, toys, and fishing tackle. Skilled workmen would be free to repair houses, cars, televisions, and radios, and car owners can use their vehicles as taxis.

The law applies to citizens over 18, provided they also hold down a state job, as well as housewives, students, pensioners, and the disabled. Only family members will be able to run businesses, since the constitution forbids the private hiring of labor ("wage slavery"), and tax must be paid on all earnings.

The Supreme Soviet, on the same day, had a discussion of the poor quality of work in the state sector. Examples were given of apartment buildings that had been approved even though they lacked elevators, light, or water.

Alexei Shkolnikov, the president of the Committee of People's Control, a governmental supervisory body, said his inspectors had found many state goods were made "carelessly." The quality of all industrial production, he said, needed "drastic improvement," but the housing sector was particularly bad.

Shkolnikov criticized one prize-winning tractor factory in Kharkov in the Ukraine that he said was turning out 14 defective machines in every 100.

Dope, Inc.

Drug traffickers indicted in Miami

The U.S. Attorney's office in Miami released an indictment—three years in the making—on Nov. 19 that charges nine of the world's leading drug traffickers with crimes ranging from racketeering and mur-

der to smuggling of nearly 60 tons of cocaine into the United States since the early 1980s. The indictment included charges relating to the murder of undercover drug-agent Barry Seal earlier this year. One person named is "former" aide to Nicaragua's Tomas Borge, Federico Vaughan, whom Seal exposed as working with Pablo Escobar, Carlos Lehder, etc. in the cocaine smuggling operation.

Named in the indictment are the "Medellin cartel" from Colombia, including Escobar, Lehder, and the three Ochoa brothers.

Since all the individuals indicted are fugitives, it is not yet clear where the extradition requests on these criminals stand. As one U.S. spokesman said, "Unfortunately, it's just an indictment."

Extensive press coverage of the indictments stressed the vast size of the drug cartel's international operations. One article attempted to smear the CIA by noting that the plane in which Eugene Hasenfus was shot down by the Nicaraguans was the same used by Barry Seal for cocaine smuggling (i.e., a CIA plane).

The *Washington Times* claims the indictment was sealed in August in order not to embarrass the newly installed government of President Virgilio Barco in Colombia.

The Invisible Hand

Data on U.S. economy to be classified

In mid-November, National Security Decision Directive 145 was issued that classified certain public data. Guidelines restricting the release of unclassified data were signed by National Security Director John Poindexter.

The data include medical, Social Security, Internal Revenue Service records, as well as U.S. Department of Agriculture news about crops. Donald C. Latham from the Department of Defense explained that although the data may be unclassified, they could have national security implications when viewed in the context of other unclassified data.

By classifying data about food produc-

tion, perhaps the administration hopes no one will notice that we have no more farmers. Is the plan to make the depression a state secret?

Austerity

56% of Mexican budget goes for debt service

Mexico's 1987 fiscal budget will climb to 86.211 trillion (about \$104 billion at current exchange rates) pesos—54 trillion pesos (167.7%) more than was authorized for 1986.

Of the total amount, 55.9% or 48.238 trillion pesos will be used to pay interest, amortization, and capital on foreign and domestic debt. There is also a "reserve" of \$500 million, held abroad, in case there is no recovery in the first three months of the year.

In addition, according to the federal spending law for 1987, the programmable expenditure will be 33.55 trillion pesos. Of this, social services will receive 8.565 trillion; the energy sector 8.633 trillion; education, 4.299 trillion; and industry, 4.18 trillion.

International Trade

Japan agrees to limit machine-tool exports

Japan has tentatively agreed to curb its machine-tool exports to the United States as part of a broad U.S. attempt to shield its defense ability from reliance on foreign tools, the Commerce Department announced Nov. 20.

The Commerce Department also said that talks with Taiwan, West Germany, and Switzerland were continuing, in an effort to hold down the shipments of those countries to the U.S. market. "This agreement is a positive step toward rebuilding our country's national defense capability," said James Gray, president of the National Machine-Tool Builders Association.

Commerce Secretary Malcolm Baldrige said in a statement, "We are pleased with

Briefly

the progress we have made thus far in achieving the objectives of the President's program."

The number of machine-tool industry production workers has dropped from 67,000 workers to 44,500 workers (34%) in the past five years.

Some observers wonder at the wisdom of this approach. Where is the guarantee that the U.S. will again begin producing the machine-tools that it now imports, and no longer produces?

Education

Governors say U.S. students can't compete

Education in the United States fails to prepare Americans to compete in the international marketplace, and the place where the situation can be changed is at the state level, according to a Southern Governors' report issued on Nov. 21.

"American education fails to prepare our citizens to compete and participate in the world marketplace," the report, entitled *Cornerstone on Competition*, found. "We know neither the globe nor the cultures of the people who inhabit it."

Among the 27 recommendations of the report are: Geography should be taught "as a distinct subject" from kindergarten through grade 12. Foreign languages should be required as part of the admission standards of higher education institutions, and should be taught as early as the first grade. State world-trade centers should be established to provide education and marketing assistance, and foreign exchange programs should be expanded for Americans.

Africa

Nigeria caves in to IMF austerity

The military regime of Nigerian President Ibrahim Babangida, which came to power in a bloodless coup in August 1985, has now accepted the austerity program suggested by the International Monetary Fund, ending "one of Africa's last significant bastions of

resistance to the West's economic wisdom," according to London's *Financial Times* on Nov. 18. But if his "radical program" doesn't cause recovery, "there may be officers in the barracks who feel they could do better."

In September, the country that is potentially an African superpower launched a weekly hard currency auction and the result has been a massive devaluation of Nigeria's currency, the naira. Imports of rice (which reached nearly 600,000 tons in 1981) have now been banned and wheat imports will end next year. Major capital projects, such as the multi-billion dollar Ajakuta steel project are being reassessed by a joint government and World Bank team.

As Michael Holman, Africa editor of *Financial Times* and author of the article, points out, in one respect the strategy has already been successful: "It has gained the explicit endorsement of the IMF, which has declared Nigeria eligible for an SDR 650 million (\$540 million) stand-by loan. . . . As a result of the Fund's imprimatur, the longstanding deadlock in efforts to reschedule Nigeria's \$22 billion external debt appears to have been broken."

War on Drugs

OAS announces alliance to fight trafficking

The Organization of American States (OAS) announced in mid-November that an American Alliance Against Narcotics Traffic will be formed.

The 31 foreign ministers of the OAS agreed to a proposal from Peruvian delegate Luis González Posada that declares drugs to be a "crime of broad international scope that should be determined by all the member states in order to achieve its total eradication from the continent."

A data bank for the exchange of information and experiences will be operated by a new Inter-American Commission on the Improper Use of Drugs. According to the Peruvian Andina wire service, the ministers also agreed on a regional fund against narcotics traffic.

González Posada welcomed "the political will to face the so-called multinational of crime."

● **THE LONDON STOCK** Exchange has issued a warning to every brokerage firm in Britain on the risks involved in helping "launder" drug money in a letter from Stock Exchange Council Secretary Martin Fidler spelling out the implications of the Government's Drug Trafficking Offenses Act. The Act states that anyone involved in helping transfer money has committed an offense if he or she even suspects it is profits from the drug business.

● **SUDAN** opened talks with the IMF on Nov. 16 on an economic reform package and ways to handle a foreign debt of \$10 billion, the official Sudan News Agency (SUNA) reported. Finance Minister Omer Beshir, heading the Sudanese side in the talks, said that the IMF team understood that Sudan's economic problems had accumulated over many years and could not be resolved in one. Sudan is \$300 million in arrears with the IMF, which earlier this year froze credits to Khartoum.

● **LIGHTING GROUP** of Cooper Industries, Inc., will close its plant in Racine, Wisconsin, because of recent changes in the company, according to a mid-November announcement from Dan Thompson, president of the company. Due to redundancy in equipment, the manufacture of products produced at the Racine plant will be accomplished at Vicksburg, Mississippi, creating 175 jobs in that area, he reported.

● **ARMAND HAMMER** announced on Nov. 20 that Occidental Petroleum would eliminate 300 staff positions by combining its international and domestic oil and gas operations into one company. "This reorganization will allow us to avoid duplication in many areas, and we expect to eliminate 300 staff positions," Hammer said. He added that the restructuring was the final step involved in blending the operations of Cities Service into Occidental.

A roadmap for industrial growth of Ibero-America

Part 13 Ibero-American integration

By the year 2000, 100 million new jobs will be created in Ibero-America, in which workers will be trained to be skilled in the production of capital goods. By 2015, the continent will be an economic superpower, whose production and productivity will equal the level attained by the industrialized countries of today.

This installment continues Chapter 5 of the Schiller Institute's book, *Ibero-American Integration: 100 Million New Jobs by the Year 2000!* published in September 1986 in Spanish, and appearing exclusively in English in EIR's serialization. An international team of experts prepared this study on the urgent measures needed to free Ibero-America of its economic dependency and spark a true, worldwide economic recovery, elaborating the outline of Lyndon LaRouche's 1982 proposal, "Operation Juárez."

Numbering of figures and tables follows that of the book.



Profile of production by sector

The development of the economic structure of Ibero-America under the premises we have outlined—jobs, productivity, and composition of the work force—defines specific growth parameters for each one of the sectors of the economy. As can be summarily seen in **Figure 5-7**, what is required is a plan for economic growth primarily directed to strengthening the productive sector over the service sector, with special emphasis on those areas making up the industrial sector whose growth rate should be higher than the rest of the economy, in order to achieve the kind of capital-intensive growth that economic development requires. Over the next 15 years, Ibero-America will need to sustain annual growth rates on the order of 6% in agriculture, 12% in manufacturing, and no more than 9% in services. It is worth emphasizing that this 9% must be exclusively in *socially necessary services* (education, health, etc.) and not in unnecessary "services" with which we are so familiar today (excessive bureaucracy, street vendors, etc.).

During this first period, absolute growth of the industrial sector will be 2.2 times greater than that of agriculture, and 50% greater than that of the service sector.

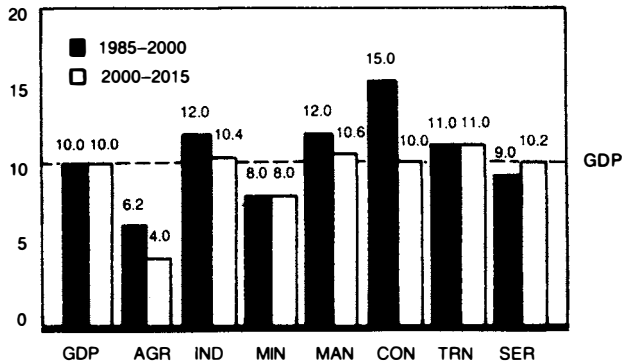
Within the industrial sector itself, certain areas should experience a more accelerated growth rate than the rest, particularly those that directly feed the process of productive expansion, such as the production of machinery and equipment, basic metals, and construction materials, as can be seen in **Figure 5-8**. The primary productive effort should be concentrated on the industrial area of *machinery and equipment* (capital goods), which will serve as the spearhead of economic development and productive modernization of the

FIGURE 5-7

Projection of economic growth in Ibero-America, by sector 1985-2015

GDP = Gross Domestic Product MAN = Manufacturing
 AGR = Agriculture CON = Construction
 IND = Industry TRN = Transportation
 MIN = Mining SER = Services

Annual growth rate of value added (percent)



Growth index of value added (base 1985 = 1)

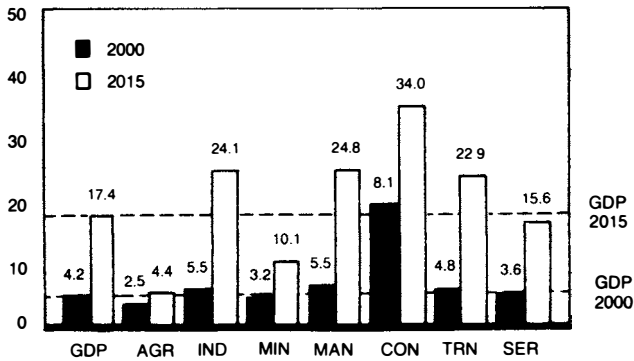
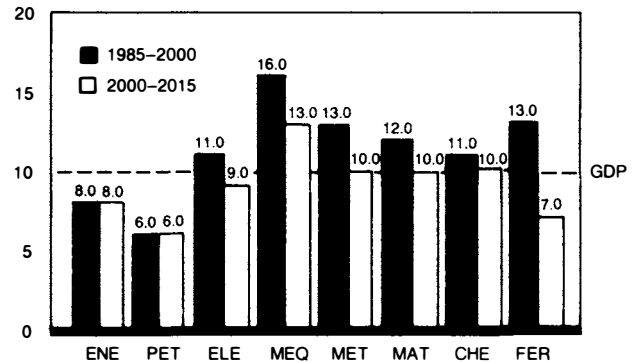


FIGURE 5-8

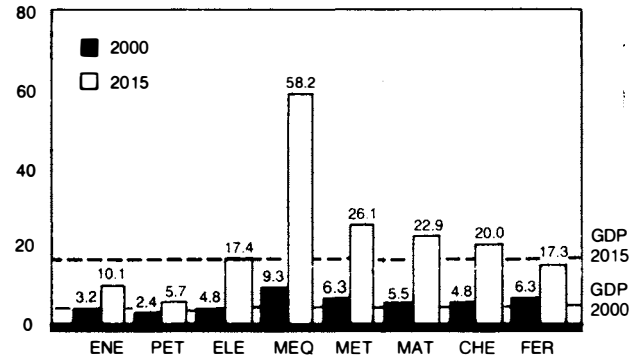
Projection of industrial growth in Ibero-America, by sector 1985-2015

ENE = Energy MET = Basic metals
 PET = Petroleum MAT = Construction materials
 ELE = Electricity CHE = Chemical products
 MEQ = Machinery and equipment FER = Fertilizers

Annual growth rate of value added (percent)



Growth index of value added (base 1985 = 1)



subcontinent. Over the next 15 years, this industrial sector should grow at an annual rate of 16%, that is, 4% more rapidly than industry as a whole, to be able to satisfy the growth needs of the other productive sectors. From the year 2000 to 2015, this area should continue to grow strongly, but at the lesser rate of 13% a year, and reach the year 2015 representing 40% of the activity of manufacturing industry, which is the minimum required level for the development of an industrial economy.

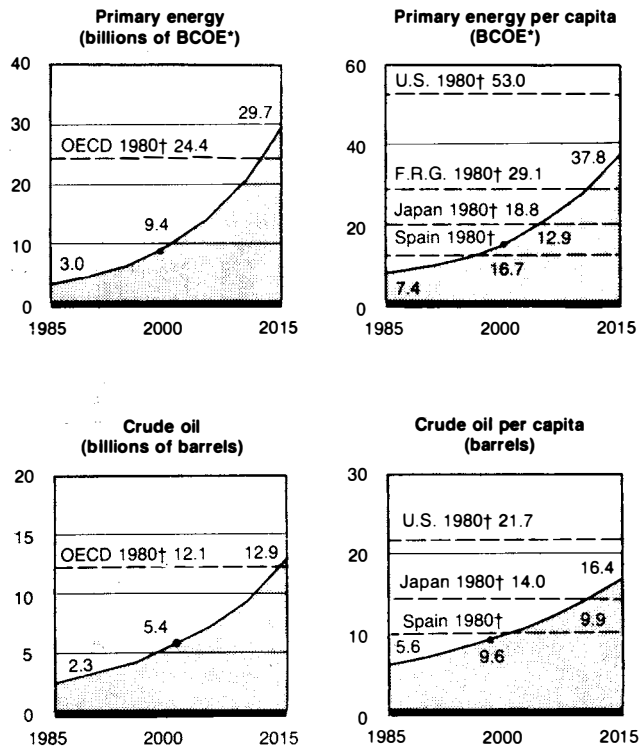
In contrast, the areas of *mining and petroleum* should grow at a rate less than the average of the total economy, for two major reasons. In the first place, Ibero-America today has a productive capacity in excess of its internal needs in both areas, which allows it to export huge volumes of oil and minerals, which will be slowly reoriented to the intra-region-

al market to satisfy the future needs of the countries of the region. But, in addition, productive expansion based on modern technologies and more efficient processes will provide a broad margin of efficiency in the use of natural resources and, ultimately, will relatively lessen the growth pressures on these industrial sectors.

For example, during the next 30 years, a modest annual growth rate of 8% in production of *primary energy* will be sufficient to allow a 10% growth of total product, and 12% of industrial production. And this does not mean that the energy intensity of production will be reduced; in fact, it will tend to increase to the extent that heavy industry increases in importance within the total economy. Rather, we will need a growth rate of only 8% in primary energy because technological development and modernization of the economy will

FIGURE 5-9

Parameters of industrial production in Ibero-America: primary energy and and crude oil 1985-2015



*BCOE = Barrels of crude oil equivalent.
† = Apparent consumption.

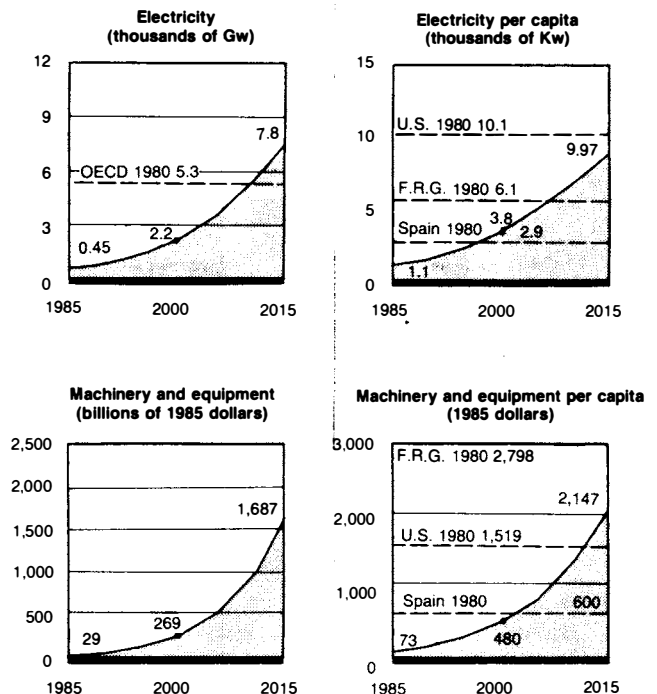
allow for taking full and efficient advantage of primary energy sources, which in turn will translate into growth rates of useful energy significantly higher than those of primary energy.

In the following figures, the production parameters of the main industrial sectors over the next 30 years are shown, both in their absolute magnitude and per capita, in comparison to the most relevant examples from the developed sector. Concretely, one can see that the Ibero-American countries will reach the year 2000 with a development level equivalent to that of Spain in 1980, while over the next 15 years, they will surpass the average level of the OECD nations of 1980, practically equalling the best levels currently sustained by the developed sector.

In **Figure 5-9** production parameters for *primary energy* and *crude petroleum* are indicated, based on growth rates established in the previous figure. In both cases, by the year

FIGURE 5-10

Parameters of industrial production in Ibero-America: electricity, machinery, and equipment 1985-2015



2015, the total 1980 consumption of the OECD will be slightly surpassed, but per-capita production will be considerably behind that of the United States, whose energy consumption is quite disproportionate with respect to the size of its economy. This is true both because of the energy inefficiency (i.e., technological backwardness) of certain key U.S. sectors, like steel, as well as for the high energy consumption levels of nationwide transport systems, due to the low demographic and industrial density in comparison with Japan and the advanced countries of Europe. Another important aspect is that oil moves to second place in total energy production, from supplying nearly 80% of production in 1985, to only producing around 40% by the year 2015.

In regard to *electricity* (**Figure 5-10**), the accelerated growth of this industrial sector is a fundamental premise for economic development, and is directly related to the need for the technological modernization of the economic infrastructure and productive apparatus of the subcontinent. This is derived from the fact that the most modern and efficient technologies, both in industry and in transport, tend to base themselves increasingly on the use of electricity as a primary source of energy. According to our growth projections, by the year 2000, the per-capita electricity consumption levels

FIGURE 5-11

Parameters of industrial production in Ibero-America: steel and cement 1985-2015

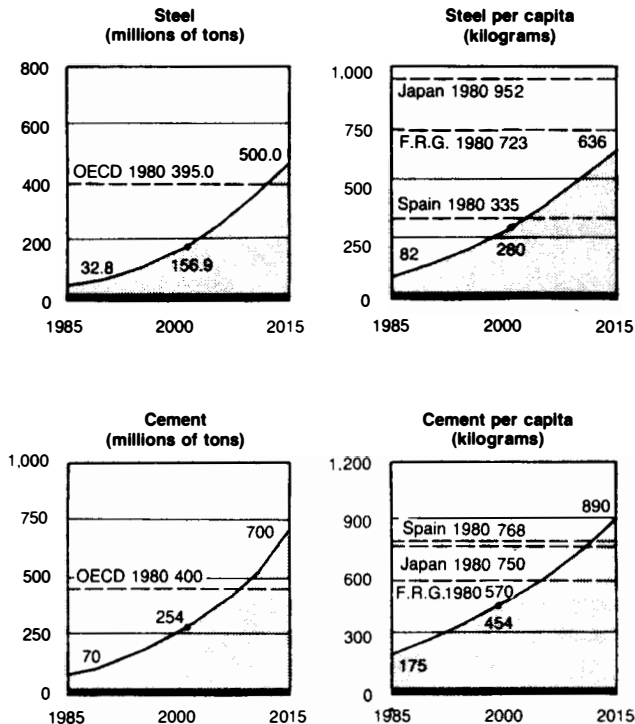
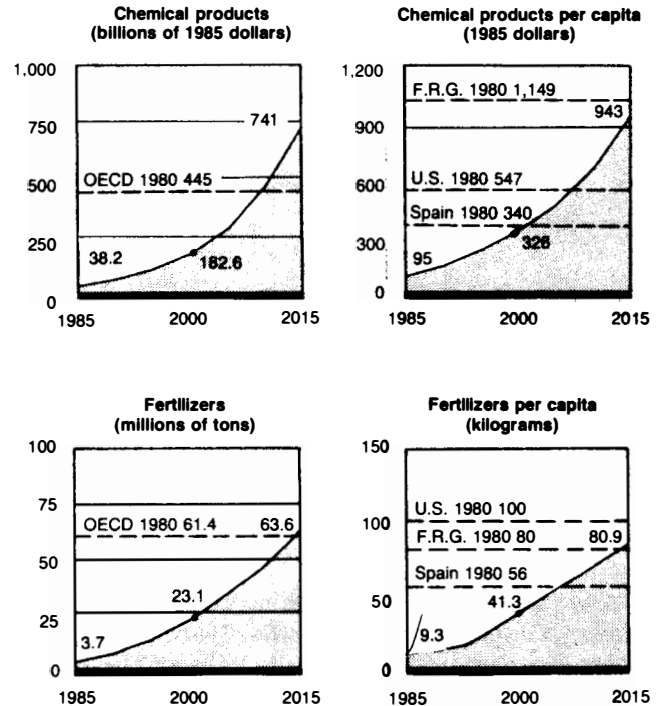


FIGURE 5-12

Parameters of industrial production in Ibero-America: chemical products and fertilizers 1985-2015



prevalent in 1980 Spain will have been surpassed, and by 2015 the level of consumption of the United States itself will be reached.

In regard to production of *machinery and equipment*, also represented in Figure 5-10, the accelerated growth of this sector will enable Ibero-America to reach the year 2000 with a per-capita production level characteristic of an economy at a medium level of industrialization, comparable to 1980 Spain, by means of which the greater part of the capital-goods needs of the subcontinent will be met, with the exception of certain types of high-technology machinery and equipment that is difficult to produce, which will have to be imported. Over the following 15 years, Ibero-America will reach, and even exceed, the per-capita capacities that the majority of the developed nations had in 1980, although it will still be behind West Germany, the industrialized nation with the highest relative level of capital-goods production in the world.

In regard to *steel and cement*, which are shown in **Figure 5-11**, these industrial sectors constitute two of the principal elements of economic growth, by supplying the most important requirements for industrial and infrastructural construction, which will have such importance for the economic take-off of the Ibero-American Common Market. In both cases,

the growth of productive capacities take into account the requirements posed by the enormous construction tasks that the subcontinent will have to carry out during the coming decades, projects that will demand higher volumes of steel and cement production than those existing in the developed sector, above all in the case of cement where the creation of entire new cities across the subcontinent will imply a huge construction effort.

Finally, in **Figure 5-12**, one can see the production parameters of chemical products and fertilizers, derived from the high growth rate that these sectors must sustain to feed the development of other branches of the economy. The most relevant case is that of the fertilizer industry, which will have to grow at a rate much superior to the growth rate of the agricultural sector, so as to actually increase fertilization to meet the requirements of expanded agricultural productivity. From now through the year 2000, Ibero-America will have to increase about sixfold its production of fertilizer, in order to be able to adequately fertilize the greater part of its arable land, such that by the year 2015 it should achieve a production level 17 times greater than the current level. Thus it will achieve a per-capita production level equivalent to that of West Germany today.

Scientific method and individual political freedom

Against what must freedom be defended? Lyndon H. LaRouche, Jr. addressed this commentary to a convention of American scientists on Nov. 2, 1986.

Today, few in the United States remember, that, only recently, a distinguished U.S. senator, Harrison "Pete" Williams, was sent to federal prison on "Abscam" charges, although the government's prosecutors themselves presented filmed evidence which proved that the senator was innocent of the alleged offense charged. More recently, a most distinguished rocket scientist, Dr. Arthur Rudolph, was stripped of his citizenship solely on the basis of allegations manufactured by the Soviet government, allegations which have been shown to be fraudulent ones. During the past 12 months, there is a mounting number of individual cases, of U.S. citizens stripped of their legal rights through mental-incompetency proceedings, in which the sole evidence of mental incompetency is their support for some political view, of which a particular judge happens to disapprove.

Happily, recently, a number of distinguished U.S. senators, including Howell Heflin (D-Ala.), David Pryor (D-Ark.), and Dennis DeConcini (D-Ariz.), has sounded the alarm against such dictatorial practices by powerful circles inside the U.S. Department of Justice. Let us hope that those senators pursue this long-overdue investigation both courageously and wisely. I would hope that American scientists would recognize their special qualifications for, and duty of contributing to an urgently needed reaffirmation of what the term "freedom" ought to signify, both in popular opinion and the practice of our judicial system.

For approximately 2,500 years, European civilization has defined "freedom," by adopting Socrates' address to his accusers during that infamous trial which condemned him to death. From Socrates, through John Milton, and among the

leading founders of this constitutional republic, the essential definition of "freedom" has been the right of the individual to pursue the quest for truth, even when this quest incurs the displeasure of overwhelming popular opinion.

Socrates' case has the very special sort of included importance for us, over the ages, that that trial exemplifies the point, that although no man, no judge, no jury, can know truth with absolute certainty; under law, we must resort to a pragmatic substitute for absolute truth, a substitute best named "truthfulness." Respecting the practice of legislators and courts, we must demand of our lawmakers, our judges, and our prosecutors, that they, above all others, be unwavering servants of the cause of truthfulness.

Some, unfortunately, confuse "truthfulness" with the mere appearance of "sincerity." We see the error of relying on sincerity, the moment we pose to ourselves the question, "Is it not possible that Adolf Hitler was sincere?" or "Is it not possible that Josef Stalin was sincere?" Sincerity and political freedom are not necessarily compatible qualities.

If sincerity is not a reliable test of truthfulness, what is? So, our attention is properly turned, again, to the case of Socrates. In this connection, the special role of scientific workers is best spotlighted.

Generally, the history of science is the paradigm of truthfulness. The essence of scientific knowledge, is the accumulation of a succession of valid discoveries respecting the lawful composition of our universe. Yet, the history of science is also a process of successively overthrowing the useful discoveries of yesterday, by less inaccurate ones. Overall, we know that science is the business of truth-seeking, but



Students at Camden High School (New Jersey) working on an ant colony experiment for the Space Shuttle.

"The scientific method, by means of which valid advances in man's power over nature are brought about, serves us as the best point of reference for investigating the faculty of potential truthfulness in mankind."

NSFSP/Carlos de Hoyos

that we never achieve anything better than truthfulness. This is our paraphrase of the same argument, the which occupies the center of the work of the Socrates of Plato's dialogues.

Truthfulness is the human mind's questing for knowledge of that lawful ordering of the universe, that which is a higher authority than the mere opinion of any man, any government, any body of popular prejudice. The special significance of the physical sciences, in this matter of principle of law, is that the practical increase of society's power over nature, per-capita, achieved through scientific and technological progress, is the crucial test, of whether changes in opinion brought about by scientific work, are relatively more consistent with the lawful composition of universal creation, or not. The scientific method, by means of which valid advances in man's power over nature are brought about, serves us as the best point of reference for investigating the faculty of potential truthfulness in mankind. This aspect of science, the proven methods of valid scientific discovery, especially of more fundamental discoveries, is a paradigm of what we ought to signify by the term "human reason." The right of the individual, to enslave his or her will to the employment of that faculty for truthfulness, to become so a less imperfect agent of reason, is the essence of true political freedom.

Inevitably, scientists as a stratum of society, are most occupied with a special aspect of political freedom in general, the freedom of truthful scientific inquiry. What I am doing here, is to underline those aspects of the cause of scientific freedom, the which illuminate most efficiently the proper standards for definition of political freedom in general.

Having said this much by way of introduction, I ask your attention for two key points to be stressed in this connection: 1) the two contrasting definitions of "liberty" commonly found in society today; and, 2) the special meaning of what is called

"fundamental scientific discovery," together with the connection of this special meaning to the more fundamental aspect of Socratic reason.

Two definitions of liberty

If we construct a mathematical economic model for what anthropologists describe as a "pure hunting-and-gathering society," we estimate that approximately 10 square kilometers of our planet's land-area would have been required to sustain an average individual in a very wretched sort of existence. This implies a maximum for the human population of this planet, of approximately 10 million persons.

Today, more than 5 billion persons exist. Admittedly, the greater portion of these live in a relatively miserable condition. Yet, that misery is not necessary; it is fairly easily shown, that if state-of-the-art technologies were generally employed, we could sustain much more than 10 billion persons in an average condition equal to or better than that of the United States during the early 1970s. The potential population-density of mankind has been increased by approximately three orders of magnitude above the estimated condition of primitive mankind. With presently emerging technologies, we could begin the permanent colonization of Mars within about two generations, and could surpass all present apparent limitations of so-called natural resources on this planet. This potential has increased by approximately one order of magnitude during the recent four and a half centuries, since the early 15th century, the greatest part of this since the development of economies based on improvements in heat-powered machinery, since the end of the 17th century. Within 50 years or so, we could increase the potential population-density of mankind by more than an entire order of magnitude above present best levels.

From the standpoint of physical sciences as narrowly defined, this mode of potentially exponential rate of increase in man's power over nature, is the fact which best sets mankind absolutely above all lower forms of life. The range of potential population-density of lower beasts is fixed, hereditarily, within a small fraction of one order of magnitude. Only mankind can willfully alter its species' behavior to the effect of limitless increases in our species' potential population-density. From the standpoint of physical science, the interplay between fundamental scientific progress and technological progress, is the aspect of individual human potential in which this absolute superiority of our species is centered.

This quality, the ability to produce and assimilate scientific and technological progress, pertains to a special human quality, a quality most conveniently named "reason."

The wonderful thing about each healthy new-born child, is that that child possesses that divine spark of reason, the potential for cultivating the powers of reason. It is this quality which sets all human individuals above the beasts, and renders individual human life sacred. This is man's potential to discover, and to be governed by knowledge of the lawful ordering of creation, to become in that way, the conscious instrument of the Creator's Will.

If we are wise, this aspect of our individual nature is the essence of what we regard as our fundamental self-interest. We may serve this self-interest in various ways. In one instance, we may effect a valid scientific discovery, which contributes to the foundations of human advancement over generations to come; in that way, we make the fruit of our brief mortal existence an immortal one. Or, we may assimilate such discoveries into our individual practice, and make our individual lives of enduring benefit for future generations on that account. Or, as loving parents and teachers, we may promote the development of such potential in children and youth, and thus also make an immortal contribution.

On this account, wise men and women demand that our society be so ordered, that every new-born child has the right, both to develop the power of reason, and the opportunity to employ that power to some useful purpose. Our awe of universal natural law, combined with our loving regard for such rights of the sacred individual life of the person, are the foundation of a body of natural law absolutely higher in authority than any body of popular opinion, higher than the judgments of any government. The right to live in a manner consistent with such natural law, is the essence of true political freedom.

Unfortunately, among scientists, there is a widespread opinion contrary to what I have just described. Correspondingly, there is a definition of "freedom" contrary to the one I have just outlined.

Each of us is born with two natures. On the one side, there is the aspect of our nature which sets us above the beasts, the divine spark of potential for reason. At the same time, we partake of the irrationalist hedonism of the beasts,

an obsession with the seeking of sensual pleasures and avoidance of pain for their own sakes.

On account of these two conflicting impulses, reason versus irrationalist hedonism, Plato, St. Augustine, and Dante Alighieri, among others, described three categorical types of human character: 1) the purely irrationalist-hedonist individual, the resident of Dante's Inferno; 2) the individual ruled by reason, the resident of Dante's Paradise; 3) the individual ashamed not to be ruled by reason, but nonetheless significantly enslaved to irrationalist-hedonist impulses: the resident of Dante's Purgatory.

With the rise of the converging tendencies, known as empiricism, romanticism, positivism, and existentialism, over the recent centuries, a false definition of "liberty" has invaded popular opinion and the practice of institutions of law. Where natural law demands political freedom for reason, as Socrates did, a hedonistic definition of "human nature," locates "freedom" in the unbridling of irrationalist impulses of hedonistic pleasure-seeking. So, "sincerity of feeling," and popular prejudices to such effect, have displaced the freedom to be truthful in much of common practice, including the practices of courts and other institutions of government.

The most hideous expression of such existentialism recently, has been the Nazi, racialist cult, of triumph of the irrationalist, arbitrary popular will.

Again, the history of science comes to our assistance.

In the proper conduct of scientific inquiry, we measure ideas according to their provable practical consequences. The principle of reason requires that each of us be held morally accountable for the practical consequences of any opinion which we promote, or tacitly encourage by our failure to oppose such policy. If we support a policy which causes great suffering, we are personally guilty of causing that suffering. Rightly, the Nuremberg trials did not consider the sincerity of the Nazis' views as offsetting the enormity of the crimes accomplished.

Not all ideas are equal. Ideas contrary to principles of natural law, are wicked ones. Ideas conceived truthfully, in agonies of a conscience dedicated to natural law, are the best ideas of which mankind is capable at any time. If we are honestly mistaken, in a truthful search for ideas consistent with natural law, admittedly, the error in our judgment may do some damage. However, the fact that we transmit not only such ideas, but also the practice of truthful search for consistency with natural law, bestows to our heirs the capacity for correcting the inadequacies of our fallible judgment.

My field of specialization is economic science. By "economic science," I mean the establishment of economic science by Gottfried Leibniz, in work accomplished over the interval from his first paper on economy, in 1672, until his death. Although all economic science must take the impact of monetary processes duly into account, economic science is essentially a science of physical economy, economic processes treated as physical processes. "Physical economy," as Leibniz's economic science was defined into the early 19th-

century teaching of cameralism in European universities, is the study of physical economic processes relative to technological progress in an energy-intensive, capital-intensive mode. Leibniz's preliminary definition of "technology," is the central point of reference in such studies. The yardstick of measurement of economic performance, is changes in the rate of increase of physical productivity, a rate measured in terms of increase of potential population-density.

Apart from my work respecting the measurability of the cause-effect relationship between technological progress and increase of physical productivity, my prime application of this research has been the question of unnecessary misery within our own nation, and, most emphatically, among the so-called developing nations. My work has thus brought me into conflict, not only with those prevailing policies which cause this unnecessary misery, but with very powerful financial agencies which esteem prevailing policies as representing their own most vital interests, and with a Soviet government whose foreign policies affect developing nations to similar effect. On this account, my friends and I have become extremely controversial, the targets of escalating oppression by Soviet agencies, and also powerful financier interests inside and outside our own government.

The political argument arrayed against my efforts by the relevant financier agencies, contains two leading elements. More narrowly, these financier agencies have denounced me and my friends as constituting a "serious potential threat" to what certain financial institutions consider their vital interests. Second, more broadly, respecting my complaints against the economic injustice caused by their policies, they insist that their economic policies represent a principle of "freedom of the marketplace," their right to take a hedonistically self-interested view of their immediate economic self-interests, in disregard for the practical consequences of such policies respecting the poor in our own nation and the developing nations generally.

Their argument is a wicked one, and is scientifically absurd. We have in reach, the means to increase the energy-density cross section of primary sources of energy by an order of magnitude or more. With aid of these technologies, some already state of the art, others in reach within a decade or more, we can declare today that there are no limits to primary resources of production. Obviously, if we can foresee controlled energy-density cross sections of applied energy, sufficient to transform tungsten ore into a controlled plasma-state, and can create paracrystalline structures out of such energetic processes, there are no longer any limits to inorganic resources. With improved sources and applications of energy-stocks, all limits on production of an excellent diet for all persons are exceeded.

Following this track of technological progress, every nation could become rich beyond the imagination of most today. Every well-managed enterprise could become profitable beyond the dreams of today's entrepreneurs. Employed labor could enjoy a standard of life soon to become an order of

magnitude higher than average per-capita market-basket standards of today. There is no longer the need to think in terms of policies which condemn the majority of humanity to such forms of repetitive toil as liken the human condition to that of a beast. We have within the reach of a generation or so ahead, the practical means to make the development of the individual's powers of reason the dominant aspect of human labor everywhere.

Such an improvement in the characteristic feature of human labor is directly expressive of true human freedom. This is not some idealistic communist's dream; it is the fulfillment of the principle upon which the modern form of entrepreneurial economy was founded, during the 15th and 16th centuries.

By the nature of the responsibility, that side of a nation's physical economy which pertains to basic economic infrastructure, must remain the work of the state: the management of water-supplies, the production and distribution of energy-stocks for general use, general transportation, communications, public sanitation, education, and the basic economic infrastructure of urban-industrial life. These are improvements of the general environment, upon which depend the possibilities of entrepreneurial agriculture, industry, trade, and of private life. However, during the 15th and 16th centuries, modern European society established a system of entrepreneurship in agriculture, manufacturing, and general commerce. This change was introduced in Cosimo de Medici's Italy, put into practice in Louis XI's France, and was the great contribution of Tudor England. The reason for this institutional change, bears directly upon the issues of political freedom before us today.

The enlightened governments issued patents to inventors and their business partners, to encourage the proliferation of the benefits of useful inventions. This action freed human creativity from the mind-dulling practices of the medieval guilds, establishing the technologically progressive institution of the modern independent farmer and industrial enterprise, as the driving-force of economic progress.

This action recognizes the principle, that innovations of discovery and application of scientific progress flow from the exercise of the principles of reason by the individual human mind. It should be our desire, that farmers invest retained earnings of production in improvements of agriculture, and that the industrial entrepreneur and operatives share a commitment to employing retained earnings of production in modes of capital-intensive technological progress. It should be our desire, that the greater portion of the accumulation of wealth in society, be concentrated in such employment of retained earnings, rather than as commercial profits from mere buying and selling, and that profits from usury be strictly contained. It were sufficient merely to unleash that policy of entrepreneurship, including the improvement of the well-being of a well-educated and hardy labor force, to accomplish more or less automatically all the things which need to be done to improve the material well-being of the human popu-

lation.

The center of the problem of morality is, that the nations of Western civilization have shifted away from a society based so on the principle of fostering human reason, to imitation of the usury-dominated processes of economic and moral decay which characterized the fall of both the Roman and Byzantine empires.

The economies have shifted from profits of useful production, to profits of the buying and selling of money and other financial paper, as the dominant mode of accumulating economic, and political power. This shift has increased the influence of irrationalistic hedonism in the following leading fashion.

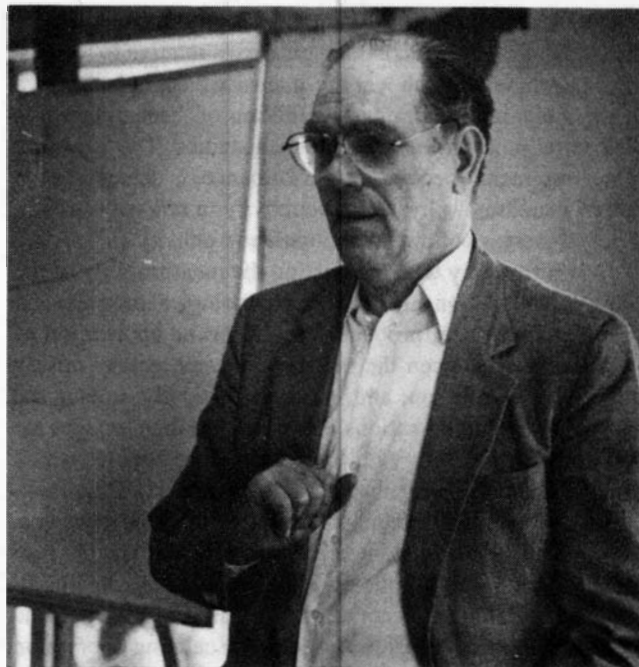
The first step in examination of the health of a national economy, as a physical economic process, is to view a nation's economy as of the form of a consolidated agro-industrial enterprise. As for any productive enterprise, we distinguish those activities which are directly responsible for production of physical output, from the sundry necessary and wasteful forms of activities fairly described as "overhead expense." In a healthy agro-industrial economy, "overhead expense" is minimized, relative to promotion of improvements in basic economic infrastructure and growth of allotments to direct production of useful physical output.

In a rentier economy, as opposed to a production-oriented economy, the rentiers' practice treats use of retained earnings for improvements in physical capital of production and infrastructure, as a diversion of funds from rentier income on the profitable buying and selling of money and other financial paper. So, under rentier-oriented policies, not only is technological progress in an energy-intensive, capital-intensive mode aborted; the percentile of the labor force employed as operatives, in combined basic economic infrastructure and production, declines relative to a growth in the percentile employed for both necessary and wasteful forms of administrative and service occupations.

The social and moral effect of such a shift in economic policy of practice, is to foster a shift from a productive economy, to a pleasure-seeking economy.

Naturally, a productive economy requires improved market-basket standards of per-capita households' income, as well as of producers' income. However, in both forms of consumption, market-basket requirements are a means to an end, not the end in itself. The goal served is the individual's pride in effecting useful contributions to the material and moral conditions of life of present and future generations, in the same way a scientific discoverer's goals are defined. Pleasure is not an end in itself; one takes pleasure in those activities which are necessary means to a moral end.

In a rentier society, momentary pleasure as such, tends to dominate, as the current content of increasingly popular "soap operas," both daytime and evening varieties, underscores such a trend. Ever freshly jaded appetites seek new objects and forms of momentary pleasure-taking, in an irrational hedonist's mode of pleasure-seeking.



The author teaching a class on physical economic processes relative to technological progress.

In this latter state of moral decay, "liberty" is defined as license for whatever is momentarily perceived as pleasure-taking. The campaigns for "decriminalization" of such formerly despised practices as today are seen as the pleasure of some, exemplify this.

Under the rule of such a rentier policy, the state and private financier interest, both, protest strongly against every effort to measure the performance of monetary and economic policy against the consequences of such policy for physical economy. The nominal profitability of the rentier interest, replaces physical productivity as a measure of performance of fiscal, monetary, and economic policies of states. It tends to be asserted, as Professor Milton Friedman asserts this, that unbridled rentier practices will in some way, magically, lead to a prosperous state of affairs.

Since nearly all policies of both government and business are dominated, either directly or indirectly, by the impact of monetary and economic policies, the sheer irrationalism of a rentier policy invades every realm of practice. From a moral standpoint, the collapse of urban infrastructure is an intolerable policy; yet, to arrest this decay would require actions which defy and tend to overthrow rentier monetary policies. So, in every aspect of policy, either rational morality or the rentier doctrines of Professor Friedman must give way to the other.

In each case rentier policy is not overthrown by rational morality, the entire area affected is removed from the domain of rational policy-making. So, rentier policy makes every aspect of life more or less irrational.

Doctrines such as Friedman's insist, as Friedman himself insists categorically upon this, that, in matters bearing upon

monetary policy, we must never permit the precalculable physical effects of a policy to be used as factual premises in opposition to the axiomatic tenets of monetarist dogmas.

This rentier undermining of reason in public policy has been aggravated by the wild irrationalism of the so-called "radical ecologists." If a nuclear-fission plant should even be as much as suspected as representing the same concentration of radiation as three human bodies in the same bed, certainly even less than the radiation from a brick fence, these fanatics would shut down that plant. If the policies of these radicals were adopted, the shutdown of technology effected would lower the effective carrying-capacity of this planet to levels approximately those of the 14th century, causing the genocidal death of literally billions, through combinations of famine and epidemic. Yet, such forms of literally paranoid irrationalism prevail in our courts.

In this state of affairs, true scientific and political freedom are threatened with extinction. Once the individual is no longer protected by natural law and reason, ephemeral fads in opinion among authoritative institutions or so-called popular opinion, become a substitute for principles of law.

The history of the emergence of Nazism in Germany, is the classic example of the kind of moral decay we are undergoing presently.

According to the leading modern apologist for fascism, former SS volunteer Dr. Armin Mohler, the roots of German fascism are found in the irrationalist doctrines of Jean-Jacques Rousseau and Madame de Staël. The spread of combined Romanticism and cultural pessimism in Germany, as typified by such cases as Arthur Schopenhauer and Friedrich Nietzsche, are the precursors of fascism. The key predecessor of Nazism is Berlin Professor of Law Friedrich Karl Savigny, the single greatest influence in promoting irrationalist dogmas of law and culture in Germany.

Savigny, among other things, the teacher of Karl Marx and the author of Marx's conception of "historical materialism," outlawed natural law, and demanded the substitution of what he called the *Volksgeist*, an irrationalistically ordered succession of ephemeral moods of popular opinion. Savigny was also the most influential, in decreeing that matters of law, social sciences, and such, be freed from scrutiny by the forms of reason associated with the physical sciences.

When, under the terms of the Versailles Treaty, Weimar Germany was prevented from rational forms of economic practice, and subjected to rentier law in the extreme, the cultural pessimism so engendered fostered the spread of irrationalist movements feeding into Nazism.

The Jacobin Terror in France, was a bloody tyranny also born of what is an apparent "excess of democracy," of rule by what passed for ephemeral moods of popular opinion of the Paris mob. As the trial of Socrates merely exemplifies the point over the centuries since, an excess of democracy always leads to the cruelest forms of tyranny. This occurs not because of democracy as such, but occurs wherever popularity of irrationalist pleasure-seeking wages war against the con-

straints of natural law.

It is that natural law, which protects the right of the individual, to assert truthful inquiry even in opposition to prevailing opinion, which is the most indispensable prerequisite of true political freedom of the individual. The right of the scientist, employing the truthful methods of scientific inquiry, to challenge the most popular contemporary assumptions of scientific opinion, is the exemplar of the principle of individual political freedom.

We are each accountable, politically, and absolutely, for the rightness or wrongness of those ideas which inform our practice. Since no man nor institution is capable of knowing absolute truth perfectly, the law must find a knowable surrogate for absolute truth, in the form of a rigorous set of standards for truthfulness. That rigor is the essence of all law as law must be practiced by society, whether in the community of scientists, in legislative proceedings, or in courts of law. The political freedom of the individual lies in the individual's rights and obligations to acquire, and to be self-guided by the developed powers of reason, and in the obligation of the state to judge the individual's challenge to prevailing opinion by no standard but this one.

Freedom from the higher standpoint

Those trained in mathematics are acquainted with the most essential principle of formal deductive logic, a principle sometimes described as the "hereditary principle." In such a formal logic, any theorem consistent with that body of logic is nothing but an elaborated tautology, in terms of the axiomatic assumptions implicitly underlying that logic as a whole.

If we choose constructive geometry, rather than formal deduction, as the basis for mathematics, we have a different sort of "hereditary principle." In elementary constructive geometry, such as the curriculum Prof. Jacob Steiner prescribed for secondary education, circular action, as defined by the topologist's isoperimetric theorem, is the sole axiom from which all theorems in that geometry are derived, by means of nothing but successive constructions originating in this isoperimetric principle. Most simply, Gauss and his successors extended synthetic geometry to encompass the construction of the theorems of the complex domain, substituting conic self-similar-spiral action as a higher form of circular action. Thus, there is an "hereditary principle" in constructive geometries, which seems at first glance analogous to the "hereditary principle" of formal logic.

Assuming that the theorems of scientific opinion are adequately consistent, true freedom can arise in scientific work only in two ways. First, we may demonstrate that some postulate implicitly underlying prevailing opinion is itself in error. The correction of such an underlying error tends to effect a scientific revolution, by virtue of the fact that all scientific thought must be brought into consistency with the new principle. Second, we may demonstrate that the underlying assumptions are erroneous in a different way, that they are not an adequate view of the universe, although correct up

to a point within more limited scopes of application. This second consideration pertains to the higher form of individual freedom, both in scientific work, and in political freedom generally.

This higher form of freedom has been the principal subject of my life's work in economic science.

The conventionally taught view today, is the assumption that our universe is so constituted, that the sense of time and of increasing general entropy are congruent in the large. Issac Newton, among the first moderns to discuss this view, admitted it to be somewhere founded upon an absurd assumption. In the Leibniz-Clarke correspondence, Leibniz placed heavy emphasis on this observation of Newton's: that the Cartesian view, of discrete bodies interacting within empty space-time, leads to the formal judgment, that our universe is winding down, in the sense of a mechanical timepiece. Kepler, among others, had insisted that the universe was elementarily negentropic, not entropic. It is only from the standpoint consistent with Kepler's, that we can locate the deeper meaning of true freedom in a thoroughly rational way.

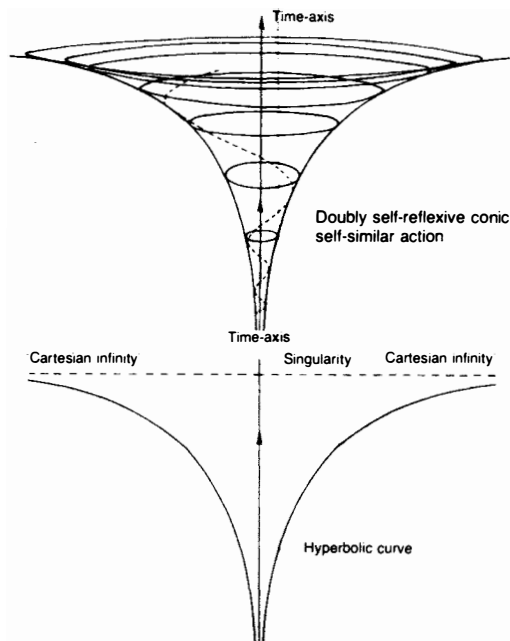
The two successive approximations of the definition of true freedom, are best located within the bounds of Socratic method. Reason's elaboration begins with uncovering the implicit assumptions upon which any assumed belief depends, much as the formalist's "hereditary principle" implies this. The most profound, deeper level of this exploration, is the criticism of the most fundamental among the implicit assumptions "hereditarily" underlying the general thought of an entire culture. On the deeper level of Socratic reason, we search for a single hypothesis which supplies, "hereditarily" the correct theorem for every aspect of experience.

The most fundamental of the questions posed to science, is the array of questions associated with the most elementary notions of the mere fact of human existence.

This current of work in modern science, was set into motion by the scientific works of Nicolaus of Cusa, Cusa's 1440 *De Docta Ignorantia (Of Learned Ignorance)* most notably. This appeared during the 15th-century's Golden Renaissance, as a general continuation of St. Augustine's policies, and of the work of Dante Alighieri and Petrarca. This became known as "Christian humanism," as opposed to the dogmas of self-styled "secular humanism" today.

The most direct application of this work of Cusa, was accomplished by the circles of Luca Pacioli and Leonardo da Vinci, toward the close of that same century.

In the course of elaborating the principles of a constructive geometry, Pacioli and Leonardo demonstrated that the characteristic distinction between living and non-living processes, is the fact that the morphological elaboration of growth of living processes is harmonically congruent with the Golden Section of elementary constructive geometry. This is otherwise a geometrical definition of negentropy as a physical principle in its own right. This is central to my own work in economic science, and this in a manner which bears directly upon the higher principle of freedom.



The effect of technological progress in an economy is to generate a series of Riemannian shock-wave-like discontinuities, as these diagrams of conic, self-similar spiral action show. The growth of per-capita potential relative population density generates a bell-mouthed horn, whose cross-section describes a hyperbolic curve, seeming to zoom off into Cartesian infinity. The diagram on the right shows a harmonically ordered series of discontinuities. At the flaring mouth of the hyperbola, a new curve, in an altered "economic physical space-time" begins. The second curve flares into a discontinuity, as did the first.

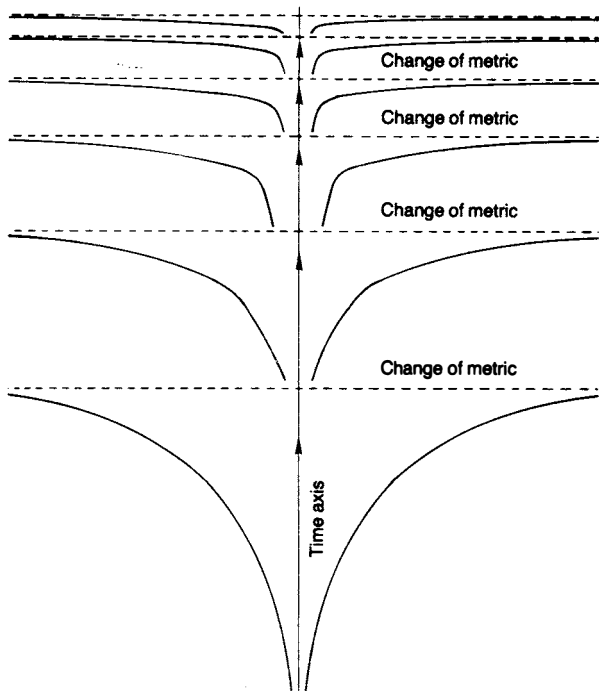
This elaboration of the principle of living processes, was the axiomatic center of Kepler's elaboration of a mathematical physics. It would be correct, and is relevant, to make the following descriptive observations on Kepler's work.

During the discussions of special and general relativity, it was acknowledged by some, retrospectively, that the notions of physical space-time associated with relativity, were anticipated by Kepler. In other words, that cause-effect relationships are efficiently situated in physical space-time, rather than as causal relations among discrete bodies in Cartesian, empty space-time.

The notion of planetary orbits, as lying within harmonically ordered least-action pathways, and no arbitrary orbits in between these available least-action pathways, expresses a characteristic, efficient feature of such physical space-time.

The characteristic harmonic orderings are ordered by a topological principle of physical space-time, the which underlies also the uniqueness of the five Platonic solids and the Golden Section as the metrical characteristic of the construction of those solids. Gauss's treatment of harmonically ordered elliptic functions, pivoted upon his treatment of the arithmetic-geometric mean, addresses this underlying principle.

If, then, the fundamental laws of astrophysical motion



are determined by such a topological principle, the universe as a whole is negentropic in the large. The notion of negentropy as a statistical fluctuation within a process, the which is deemed entropic in the large, is rejected as a notion characteristic of an axiomatically wrong, Cartesian manifold.

The characteristic of multiply-connected conic (self-similar-spiral) action, within the domain of a constructive geometry, is that such a universe is a negentropically evolving process, in a self-sustaining way. This negentropy is most typically represented by a succession of phase-states, each of a respectively higher order than its predecessor states. This ordering is associated with the generation of singularities intrinsic to such a multiply-connected construction. Two of Bernhard Riemann's most famous papers address this in an exemplary way: his 1854 dissertation "On the Hypotheses Which Underlie Geometry," and his 1859 "On the Propagation of Plane Air Waves of Finite Magnitude."

This aspect of Gauss-Riemann physics performs a central function in my principal discovery in economic science.

My brand of economic science is subsumed by the pioneering work of Leibniz, and the "American System of political-economy" incorporating central features of Leibniz's work, the latter as represented by Treasury Secretary Alexander Hamilton's 1791 "On the Subject of Manufactures." This American System bases U.S. economic policy upon the fostering of increases in physical productivity per-capita through technological progress in an energy-intensive, capital-intensive mode. Within this context, I attacked a previously unsolved problem: How might we express the cause-effect between technological innovation and increase of productivity in a mathematical way? This inquiry led directly to a more rigorous definition of freedom, permitting an implicit

measurement of both such freedom and its practical consequences.

This inquiry was prompted by contempt for the assertion of an "information theory" dogma by such figures as Profs. Norbert Wiener and John von Neumann. These persons mis-defined human intelligence's negentropic aspects in terms of the doctrine of statistical fluctuations of Ludwig Boltzmann, denying any actually creative aspect for such intelligence. My refutation of Wiener and von Neumann on this and related points, began with two elementary facts: 1) that the growth of healthy economies is itself negentropic (in the sense stipulated by Pacioli, Leonardo, Kepler, et al.); 2) that human beings are living processes, intrinsically negentropic. The added clue, was my hypothesis, that those functions of the human brain which account for valid creative discoveries, represent a form of consciousness (or near-consciousness substrate of consciousness) which echoes the negentropic principle of reproduction of tissue.

My general hypothesis, based on these and related considerations, was that the negentropy introduced to economy through technological progress, is a direct reflection of the negentropy of those aspects of human brain functions typified by valid scientific discoveries. Hence, I concluded, the cause-effect relationship between scientific discovery and increase of productivity must be mathematically comprehensible in these terms of common reference.

This implied, but did not adequately identify, the feasibility of measuring the cause-effect connection involved. For reasons which should be obvious to those familiar with the work of Georg Cantor on transfinite orderings, a study of Cantor's work led me to a correct appreciation of the most relevant features of Riemann's work. Riemann's elaboration of the work of Gauss, Dirichlet, and Weierstrass (most notably) points to the mathematical solution desired.

What is implicitly required, is a function subsuming "non-linear," negentropic ordering of successive phase-states of the economy. Most simply, given two input-output matrices, each referencing one of two successive states of development of an economy, we require the non-linear function subsuming the transformation of the two linear systems so represented. This must be generalized, to subsume a more or less indefinite ordering of this type.

My own work, since 1952, and my collaboration with others in this effort during recent decades, has been focused upon three lines of endeavor:

- 1) The elaboration of such non-linear, Riemannian functions for economic processes, including selection of methods of approximation required for computer simulations.
- 2) The implied case, that the economic process is a special aspect of the general function for the biosphere.
- 3) The analysis of the congruence between valid discovery in physics and valid creativity in the arts.

It is the third of these three matters reflected principally

here: a general notion of human freedom.

At first glance, it might appear that the limit of Socratic reasoning is to reach a set of perfect axioms, corresponding to perfect laws of a fixed universe. More deeply, we should recognize, that the universe is not of the fixed character which the mechanistic tradition of Descartes, Newton, Cauchy, Boltzmann, et al. implies. The universe as a whole is evolving negentropically, such that as each higher phase-state is generated, the apparently fixed laws of the universe are modified in the manner argued by Riemann.

Rather than fixed laws, we must discover a set of evolutionary principles which subsume the generation of those arrays of temporarily fixed laws, the latter which are seemingly applicable to any one state of physical space-time. These are of the form of the fundamental laws of the universe; they are also, necessarily, of the form of the fundamental principles of valid scientific discovery, fundamental discovery correctly seen in its most primitive form, as an act of the individual human mind.

The chief source of the difficulty of efforts to identify the principles of creative thinking, is the mistaken assumption, that the rational mind is logical. I mean "logical," in the sense of consistency with some form of deductive logic, such as a deductive algebra. The center of the problem, is the fact that the very principles of deductive logic preclude a method of accounting for the coming into existence of the discrete elementarities of a physical process.

This problem does not exist in an advanced constructive geometry, such as that of Gauss, Dirichlet, Weierstrass, and Riemann, since, in that sort of constructive geometry, elementary existences are generated as singularities. The combined, relevant discoveries of Dirichlet, Weierstrass, and Riemann render solutions for such cases elementary in principle.

Hence, the form of mathematics so indicated is in and of itself a mapping of those creative processes of mind, through which valid scientific discoveries are effected.

We have the same picture of technological progress from the side of its effects. It is conventional, but wrong, to measure the performance of an economy in terms of a quantity of market-basket objects produced. We do and must make such measurements as a matter of first approximation, but we commit a fundamental fallacy if we define "economic value" as something which might be measured in terms of scalars such as prices or quantities of objects produced. It should be obvious, that what ought to concern us, is how the result of current production affects the characteristics of tomorrow's production. In other words, we must view consumption as an intermediate action, between two successive cycles of production, not as a final result.

The raw magnitude we must measure, is a rate of increase of a society's potential population-density. To measure this properly, we must discover a cause-effect relationship between the rate of increase of productivity today and the rate of increase tomorrow. Only in this way, do we examine the

physical-economic process as a process.

As I have indicated, we may imagine that at each of successive points A and B, the economy may be described in terms of an input-output matrix, of respectively different levels of productivity. This is associated with a modification of the array of rows and columns, and of coefficients of the included terms. Given a succession of such matrices, our first attempt must be to measure a rate of increase of productivity. Beyond that, we must discover a function which accounts for the effect of a change in the rate of increase at point A, on the rate of increase at point B. The changes in rows and columns of the matrices, represent singularities. These are crude illustrations, but they indicate the fact that the required function is non-linear.

The increase of productivity through technological progress in an energy-intensive, capital-intensive mode, is bounded by six general constraints, as follows:

- 1) As Leibniz indicated in his first paper on economy, his 1672 "Society and Economy," sustaining productivity under conditions of technological progress, requires that the per-capita market-baskets of consumer and producer goods must improve in quantity and quality.
- 2) The quantity of usable energy per-capita supplied must increase (energy-intensity in the first degree).
- 3) The energy-density cross section (and relative coherence) of applied energy must increase secularly (energy-intensity in the second degree).
- 4) The percentile of the labor force employed in urban occupations must increase, on condition that the per-capita supply of food and fiber increases (capital intensity in the first degree).
- 5) The percentile of the urban labor force employed in production of producers' goods must increase, on condition that the per-capita market-basket of households' goods increases (capital-intensity in the second degree).
- 6) The level of technology, as Leibniz defines technology, must be advanced: the action of the creative processes.

Thus, an economic process is elementarily non-linear in this sense. If we define "economic value" as a measurement of the characteristic feature of an economic process, then economic value is a non-linear magnitude associated with such a function.

Economic progress generates the material and cultural preconditions fostering the power of the society to generate, and to assimilate efficiently, new levels of technology. It is from this vantage-point, that creative discoveries by individuals and economic value are commensurable magnitudes.

It can be demonstrated, that the relationship I have described, between scientific and economic progress, applies equally to other creative productions of the individual mind. This is true for painting, sculpture, music, poetry, and ar-

chitecture. Leonardo's application of principles of constructive geometry to the idea of beauty as defined by reason, is exemplary. From the standpoint of the ancient Panini's principles of philology, it can be demonstrated, also, that language itself has a constructive-geometric basis consistent with the methods of Gauss-Riemann.

The human mind is not only capable of behaving according to the principles of reason; reason can know itself as a subject-matter.

Conclusion

The hideous epidemic called Nazism, is but typical of a species of horrors humanity brings down upon itself, whenever the bestial aspect of human nature, irrationalist hedonism, suppresses rule by the search for reason. This wretched state of affairs is fostered by the substitution of irrational popular opinion for the principle of natural law, or when an irrational interest, such as a rentier interest, is permitted to subjugate society to its oligarchical whims. The pathological condition manifest in a population being lured into such moral depths, is what is often called cultural pessimism, the loss of confidence in the ability to solve society's problems through the guidance of reason.

We have seen that cultural optimism and technological optimism are closely interrelated. Certainly, today, there is no material problem of mankind which could not be overcome by an energetic promotion of science and technology. Apart from the obvious fact, that the material well-being of society depends upon such progress, there is a moral aspect to such work which is more fundamental. As science and technology require the development and exercise of those powers of the mind we associate with human reason, so a society so ordered esteems individual persons for those qualities of the mind. In a society locked in the bestial embrace of "zero-technological growth," the individual person generally is degraded to likeness to the moral condition of a beast, and tends to be valued only as a beast of burden is valued.

The abominations in practice of law by our government which today remind us of Nazi or Soviet practice, are the fruit of 20 years of destruction of our former commitment to technological progress, by the combined forces of rentier policies and an anti-science counterculture. Because the results of rentier and countercultural policies are miseries contrary to every humanistic principle of Western Judeo-Christian civilization, the habit of tolerating such policies, the habit of viewing as respectable those persons and institutions which foster such wicked policies, has either destroyed or greatly anesthetized the consciences of a growing number of our people. We are tending to be bestialized, because we have too long tolerated policies which are themselves inherently bestializing.

The clearest examples of this process of bestialization, are two. Today, approximately 31 of the 50 U.S. states are predominantly in depression conditions akin to those of the

1930s; yet, the worsening of this condition over the recent years has been officially described as a momentous upsurge of prosperity. In the name of "conditionalities," degrees of austerity have been externally imposed upon developing nations, the which have caused a spiraling collapse of the per-capita productivity of labor in those nations, fostering the spread of hunger, epidemics, and impulses for internal social chaos. In both these cases, the prosperity of the mere policies bringing this misery about, has been used as the yardstick for measuring the prosperity of society. Thus, our government has rejected the most elementary of moral standards of policy-making, that the value of policies is their precalculable, or experienced impact upon the general welfare of persons and nations.

Such flights from reason remind us of "soap opera," or, more precisely, mass-paranoid-schizophrenia. The principle of "soap opera," is a morbidly irrationalist obsession with the existentialist side of interpersonal relations, in the form of a neurotic's fantasy-life, all real aspects of life are of relatively no consequence: clinically speaking, paranoia. In matters of economic policy, fantasy, in the expressed form of a policy alien to reality, becomes the ruling principle of policy-shaping action. The defense of an irrational policy, for the sake of that fantastic policy, is counted as everything, and the moral impact of the policy judged as relatively nothing. This is paranoid-schizophrenia in the strictest clinical sense of the term. It is, otherwise, simply described as evil, as irrationalist hedonism run amok.

Thus, there has been fostered that irrationalist state of mind, under which influence our republic has been recently increasingly invaded by practices fairly described as Soviet-style violations of elementary human rights. Whenever some faction, controlling relevant elements of the Department of Justice and courts, deems the influence of some person or organization to be inconvenient to its own interest, the legal process is perverted to accomplish the victimization of that person or organization, in a manner which differs not at all, in principle, from the Soviet manner of dealing with "political dissidents."

It is necessary and meritorious, to work to eliminate such forms of tyrannical caprice from our Department of Justice. However, we shall not succeed in uprooting such bestialization of our national life, unless we address and correct the conditions which have made such abominations a present possibility.

Respecting the principles of reason, much of what I have set forth above will be generally accepted among scientific professionals; other features, depending upon the premises of a constructive geometry, will be debated. On the latter count, this report may be faulted as alien to a spirit of consensus. I suggest that that is no fault; it is only when the search for truth brings one into opposition to the terms of a general and easy agreement, that the spirit of true freedom is evoked. For that latter reason, I have written this report as I have done.

Reagan must drop Shultz to keep the NATO alliance

by Criton Zoakos

George P. Shultz, a leading member of the faction promoting the military decoupling of Europe from the United States and the breakup of the NATO alliance, must be dismissed by President Reagan now, before Shultz's friends outside government succeed in their campaign to break up NATO. Why such presidential action is needed now, will be put in perspective once the prevailing confusion over U.S. policy is clarified by the following:

- *First*, the post-Reykjavik uproar in the alliance over the proposal to eliminate all U.S. intermediate nuclear missiles from Europe, the so-called "zero INF option," must be judged against the current, operational, Soviet war plan. That war plan, which continues to be in the hands of Marshal Nikolai Ogarkov, strives to create a situation in which the United States is denuded of alliances and overseas military assets, is rolled back to the continental U.S. as a precondition for a victorious Soviet general nuclear assault. Hence the Soviet pressure to reach an agreement in the area of intermediate-range nuclear forces in Europe.

- *Second*, Western Europe cannot be defended against any Soviet aggression, conventional or nuclear, if it does not have American nuclear weapons on the ground and if it does not have the further protection of U.S.-based intercontinental ballistic missiles—the reason being the overwhelming local Soviet superiority in both conventional and short-range nuclear weapons locally.

Shultz's duplicity and treason

During May of 1985, Secretary Shultz made a memorable foreign policy speech in Vienna, Austria, in which he presented the personal strategic orientation which would guide his actions during the following months—including his duplicitous relation with President Reagan in matters surrounding the Reykjavik summit. In celebrating the 30th anniversary of the Austria State Treaty of 1955, in which Austria became a neutral nation, with both its neutrality and sovereignty guaranteed by the armed forces of the Soviet Union, Shultz at the time argued that the European part of the NATO alliance should, eventually, settle its status on the basis of the example of the Austria State Treaty. The secretary then argued that



NATO Supreme Commander in Europe Gen. Bernard Rogers (left) has led the chorus of military leaders critical of the Secretary of State George Shultz's "zero option" scheme for handing Europe over to the Soviet sphere of influence.

since the Russians had, in the case of Austria, been "true to their word" and had not invaded or otherwise taken over that country, the rest of Western Europe should place a similar trust in Moscow, for its national security, rather than continue relying on the existing alliance arrangements.

Shultz had expressed these views earlier, going as far back as August 1982, when he was appointed secretary of state. He made it clear, back then, that his policy of decoupling the alliance was in conformity with Henry Kissinger's similar perspective—which placed him squarely in the camp of Kissinger's immediate collaborators in Europe, such as Valery Giscard d'Estaing, Helmut Schmidt, and Lord Carrington—generically, the Trilateral Commission crowd, for which Donald T. Regan acts as the appointed overseer in the White House.

Beginning in the late summer months of 1986, both Shultz and his confederates in Europe began a series of intensive efforts to generate motion and momentum in the direction of decoupling.

Shultz in particular spearheaded an opening maneuver which began with the Sakharov-Daniloff "no-swap swap," and concluded with the Reykjavik "no-summit summit." At the present time, most of Shultz's and his confederates' efforts to promote the cause of decoupling, are centered around actions and issues associated with that summit.

Shultz and the Reykjavik INF issue

In the course of certain circumstances whose sequence is

not yet clear, President Reagan's "preparation" and coaching for the Reykjavik summit were conducted by three persons, exclusively: George Shultz, Donald Regan, and Adm. John Poindexter. Defense Secretary Caspar Weinberger, being out of the country for an extended tour, was kept out of it. The Joint Chiefs of Staff, according to their own official statements, were not consulted respecting Reykjavik and the proposals entertained there; the NATO military command was also neither consulted nor advised; the defense ministers of the European allies unanimously complained that they, too, had neither been advised nor consulted.

Even though President Reagan held his ground on the question of the Strategic Defense Initiative, during his talks with Gorbachov at Reykjavik, it appears that either through oversight or inadvertence, he failed to challenge certain proposals which had been made by the Soviets, with an eye to their propaganda value in kicking off a major decoupling campaign in Western Europe. These proposals are associated with the conditions for negotiating the elimination of intermediate nuclear forces in Europe:

According to the proposals, 50% of intercontinental strategic missiles would be eliminated by 1991. By 1996, all types of strategic and intermediate nuclear weapons would be eliminated.

Upon announcement, by Undersecretary of State Rozanne Ridgway, of these "breakthrough" proposals, the entire military establishment of the United States and Western Europe rose up in clamorous protest. Beginning with German

general Hans-Joachim Mack, NATO's deputy commander, and U.S. general Bernard Rogers, Supreme Allied Commander, Europe, the military pointed out that, given overwhelming Soviet conventional superiority, as well as overwhelming Soviet superiority in short-range nuclear weapons and chemical weapons, without American "Euromissiles," without American nuclear forces, Europe would be totally defenseless should the Reykjavik proposals be realized. On Oct. 20, one week after Reykjavik, Defense Secretary Weinberger went into action at the NATO defense ministers' Nuclear Planning Group meeting at Gleneagles, Scotland. Europe's defense ministers went on record complaining that Washington had not consulted them before entertaining these proposals with the Soviets. Subsequently they passed a resolution which opposed any withdrawal of U.S. nuclear forces from Europe, unless first a balance were established in respect to conventional, chemical, and short-range nuclear forces in the European theater.

Subsequently, George Shultz's friends in Europe, beginning with U.S. Ambassador to the Federal Republic of Germany Richard Burt, and including various Trilateral Commission members such as Helmut Schmidt, Christoph Bertram, and, most especially, Lord Peter Carrington, the civilian secretary general of NATO, kicked off a large-scale propaganda campaign attempting to popularize the prospect of removing the U.S. nuclear protection of Europe. Under the weight of the projected image of a U.S.A. ready to abandon Europe, numerous influential, Trilateral-connected politicians of the ruling CDU party in Germany, began floating proposals for a "neutralized" and "re-unified" Germany, which would be the centerpiece of a "new security arrangement with the Soviet Union—echoing Shultz's ideas of an Austria State Treaty solution for Europe.

Subsequent events pitted the two warring factions in a competition of influence with the public: the Trilaterals trying to create the impression that the alliance is breaking up, their opponents seeking to galvanize resistance to any "decoupling" prospects. The culmination of the fight was Monday, Nov. 17. Following a weekend of meetings between President Reagan and British Prime Minister Thatcher, the White House issued a clarification on the subject of nuclear arms control, and the INF issue in particular, which was in total opposition to Shultz's and the Trilaterals' line. The White House spokesman declared: "I can only restate the obvious fact that we cannot and will not agree to any situation that would leave the United States and its allies at a disadvantage with the Warsaw Pact. . . . We would see that we and our allies do have a balance in conventional forces with the Soviets before we make drastic reductions in our nuclear forces."

On the same day, Caspar Weinberger and West German Defense Minister Manfred Wörner, in a joint press conference in Washington, stressed: "There will be no split between the United States of America and Western Europe. . . . Anybody who counts on such a split will be disappointed." Wein-

berger, scoffing at the Trilaterals' insinuations, further said: "What is most amazing about these current eulogies over NATO's bier is how familiar they are, and how absolutely wrong they continue to be." On the same Nov. 17, NATO's parliamentary wing, the Atlantic Assembly, voted up a resolution introduced by the American delegation, which laid to rest any prospect for a deal to remove U.S. nuclear weapons from Europe, as Shultz et al. were suggesting. The resolution declared that any INF agreement must be accompanied by measures to correct existing imbalances in both short-range nuclear missiles and conventional forces. So, the lineup rejecting withdrawal of American INF systems from Europe included the American President, the British prime minister, all of the NATO defense ministers, the representative parliamentary assembly of NATO, and all the senior field commanders of NATO.

But it did not include either George Shultz or his ambassador to Bonn, Richard Burt. Neither did it include the West German foreign minister, Hans-Dietrich Genscher, and his deputy, Jürgen Möllemann. On that same Nov. 17, Burt in Bonn and Shultz at the University of Chicago, made speeches which were against both President Reagan's policy and against alliance consensus. Shultz, characteristically, said: "The prospect of a less nuclear world has caused concern in both Europe and America. Some fear it would place the West at a great disadvantage. *I don't think so.*" In response to the objections of all military commanders that a "zero option" for INF would leave Europe defenseless, Shultz proposed that after American nuclear weapons were removed from Europe, some other "insurance policy" could be worked out: "Even after the elimination of all ballistic missile forces, we will need insurance policies to hedge against cheating or other contingencies. An agreed-upon retention of a small nuclear ballistic missile force could be part of that insurance."

Almost immediately, an "unnamed official of the White House" denounced Shultz's speech as "not having been cleared by the White House," and as "badly drafted. The language was injudicious. In fact, the key paragraph is bullshit." More important, General Rogers, who had held several long meetings with Weinberger since the Gleneagles meeting, in a statement to *Air Force* magazine (see *Documentation*, below), attacks the decoupling of Europe and America as a policy sought by some elements in Congress, *as well as Henry Kissinger and Zbigniew Brzezinski.*

The problem President Reagan has is this: If he fails to dismiss George Shultz, then Shultz's friends in Congress, in Europe, and in Moscow will continue mobilizing momentum for a breakup of the alliance, on the basis of the argument that Shultz's continuing presence in the Reagan administration is evidence that the policies of Kissinger and Brzezinski, i.e., of the Trilateral Commission, are the hegemonic policies of the U.S.A.

Shultz must be fired before the "fix" is in for West Germany's general elections next January.

The Friedmann plan for unifying Germany

West German parliamentarian Bernard Friedmann's call for the reunification of Germany, excerpted here, was published in the daily Die Welt on Nov. 13. Friedmann, a Christian Democrat, is a member of the parliamentary Budget Committee, and has been a member of parliament since 1976, from Rastatt in the state of Baden Württemberg.

At Reykjavik, both superpowers were unmistakably looking for new security structures. Whether they succeeded or not is of secondary importance. The zero-solution put on the table again there for the medium-range missiles is welcomed by many who are worried about over-armament. But what would be the consequences for Europe? The reduction of all nuclear medium-range missiles in Eastern and Western Europe would naturally give greater importance to the shorter-range missiles. They are concentrated in Eastern Europe. The West has nothing comparable to set against them. So, in the interest of security, the shorter-range weapons would also have to be "negotiated away." Would the East be willing to do that? Hardly, because it would not receive anything, in its view, in return. According to the thinking up to now, a rearmament on the Western side in the shorter ranges would be the result, as many think.

So, would we have a "new" NATO two-track resolution for the medium-range missiles of shorter range? Such a two-track resolution would be difficult to implement politically, and if it were implemented, the political insight would remain, that a nuclear war in the future would be limited to Europe. America would no longer unconditionally secure Europe. The conventional superiority of the East bloc would take on more political-psychological effect. The question therefore inevitably becomes, whether the West is able to allocate more money than previously for its own defense.

The German defense budget is now 51 billion DM. . . . I do not think it is economically or politically feasible to double or triple this sum. An increase of 10 or 20% would require an enormous effort.

The loosening of nuclear deterrence and the knowledge that an arbitrary increase in defense spending for conventional defense is impossible and hardly desirable, have to be seen against the background of certain significant developments. SDI, for example, serves primarily American interests, even if only for technical reasons in the definition and development phase, and not European interests. The immense budget def-

icit in the United States is forcing savings in the American defense budget. There is, in addition, a change of consciousness in the U.S.A., which peaks in the question of why 240 million Americans should defend 320 million Europeans. The question is being posed ever more loudly in the U.S.A. as to why 400,000 young Americans still have to be in Europe. One cannot overlook the fact, that the U.S.A. is not only thinking about Europe, but also increasingly of Asia. I am of the opinion, that Europe cannot stand by and watch these developments. What is to be done?

I am convinced that the reunification of Germany must be introduced as a security concept for operational policy. A reunified, free Germany would be the best security guarantee for East and West. I am also sure, that this reunified Germany must emerge from free and secret elections, whereby the Federal Republic and the G.D.R. [German Democratic Republic, or East Germany—ed.] would vote separately a joint parliament. The smaller population of the G.D.R. would not out-vote the larger population of the Federal Republic. Surely, communists would also be represented in such a parliament. But democracy seems to me to be strong enough. Such a reunified Germany would choose its own place in alliances. I am not by any means thinking of a neutralized Germany. Within NATO there are already various forms of membership. Should it not be possible to find a status compatible with the Western alliance that corresponds to the interests of a reunified Germany? Some will argue against me, that the major Eastern power will not be willing to give up the G.D.R. This is chiefly because the East bloc depends so much economically on the G.D.R. But could not a reunified Germany offer the East much more than the G.D.R. alone? Some will say, that in the case of reunification, there would be unrest in the East bloc. Other East bloc countries, it could be argued against me, would also want to break out of the East bloc. But is their situation really comparable to that of the G.D.R.? Germans want to come together again!

No other East bloc country is divided like Germany. This special situation can be made clear to the others, and made acceptable to them by special arrangements. There is the argument, that the East has never given up a country it once possessed. Is that true? Austria is one counter-example. And, besides, in the U.S.S.R. too, there are considerations about getting away from over-armament. The population of the East is more insistently demanding a higher living standard.

The essential thing is, that a reunified Germany take account of the security interests of all—its own, the interests of the West, and those of the East. On this line, the new disarmament discussions did not include the French and British nuclear weapons in the talks. For me, this means that parallel to reunification, the idea of a European Defense Community is gaining ground. And it should not be forgotten: In a reunified Germany, which can come about only with a general agreement of all concerned, the borders to the East would be open.

Schmidt calls for European 'assertion'

The article excerpted here was written by former West German Chancellor Helmut Schmidt, and published in the weekly Die Zeit on Nov. 20, under the headline, "Europe Must Assert Itself."

. . . The United States each year spends 6-7% of its GNP for military purposes, the Soviet Union, 12-14%. Gorbachov has no wish to divert a greater portion of his productive forces to the military. In Washington, on the contrary, some hope for an economic war of attrition, which they are convinced they can win.

In fact, however, Reagan, since 1982, had seriously overstrained the efficiency of American capital formation and of savings because of the budget deficit; in 1982, the United States did not need any net flow of capital from abroad in order to finance the domestic need for capital—today, more than \$100 billion per year flows from the rest of the world into the United States. The U.S. foreign debt is growing rapidly. . . .

For the remainder of the 20th century, the alliance of the United States with the nations of Western Europe will continue to be seen as the *conditio sine qua non*. Likewise, leading political circles in America and Canada will in the future consider their alliance with the nations of Western Europe, in their own strategic interests, as indispensable. There is, therefore, no real danger of dissolving the Atlantic alliance, despite the way some try to frighten us with such a vision. However—and this should not be forgotten—there are possibilities for the economic and strategic emancipation of Western Europe within the framework of this alliance.

America remains by far the most important and powerful alliance partner, militarily and politically as well as economically. Today's Washington is inclined to egocentricity, to isolationist egoism. The Europeans must realize that such tendencies from the Americans will not be averted in the least by European obsequiousness, but rather strengthened!

The obvious decline of the influence of Western European governments in Washington is, in part, the result of changes of personnel in Paris, London, and Bonn. More important was and is the structural economic crisis that began in 1973-74, and especially the second oil shock of 1979 and 1980. Those made the nations of Western Europe and the European Community unable to attack their newly erupting

economic problems in a concentrated way, and to oppose, from a common economic basis, the economic-deficit policy of the United States, which began in 1982 and is burdening the entire world. . . .

Thus today there can be discerned no strategic concept for Europe, either in security policy or in economics. Europe lacks leadership. The governments are preoccupied with the problems in their own chicken-coop. . . .

France holds the key

There remains the possibility of French leadership. President Charles de Gaulle was ready and willing for that at the beginning of the 1960s. . . . The conventional armed forces of France and Germany alone would almost suffice to offer a counterweight to the conventionally armed masses of troops of the Soviet Union and attain a power-political equilibrium. The defender does not need nearly as many soldiers as the aggressor. Naturally, a French supreme commander will be necessary; naturally, some additional conventional armaments will also be necessary. . . .

There are in France more politicians than there are here who can think far into the future. They also know that, in the long run, only a close French-German entente can firmly tie the Federal Republic to the West and simultaneously legitimize our German hopes; the new political elites from the South and West of the United States cannot do so in the long term. Given resolute French leadership and a firm German will to cooperation, there would be three principal problems to solve by the end of the century:

- Acceleration of the presently sluggish economic integration within the framework of the EC by means of construction of a European currency system and an independent, common central banking system to control an ECU currency—with the auxiliary goal of producing a sufficient counterweight to the dollar and the yen;

- Conventional military union, including France;

- Development of a common security and overall strategy. If it becomes clear that the future self-assertion of Europe largely depends on whether and how France will play a leading role in Europe, then the peoples of continental Europe would certainly accept a French leadership role. But the United States would also—it is the most generous nation in the world!—not refuse to accept that, if it could be sure that while the European development might indeed change the form of NATO, it would not endanger NATO's existence, but would rather strengthen it. Finally, the Americans would even be freed of a part of their military presence on the old continent, which is becoming a burden to them. The proposal for a European Defense Community in the early 1950s did not provide for an American supreme commander either.

The Soviet political leadership may be terrified by such aspects of future European developments. . . . But it will welcome the political as well as military ties of the Federal Republic and will eventually come to terms with them. . . .

Disinformation on NATO alert status

Reports which circulated widely in the West German press during the second week in November, alleging a reduced alert status for NATO nuclear missiles, have turned out to be the product of a disinformation campaign aimed to further the "decoupling" of the Western alliance.

The reports, which originated with a high-level source in the Bonn defense ministry, claimed that NATO's Quick Reaction Alert (QRA) status had been changed, so that instead of requiring as little as three minutes to launch, it would take up to nine hours.

The disinformation line was put out by the same newspapers that had recently endorsed parliamentarian Bernard Friedmann's proposal for the reunification of Germany (see p. 37). Commentator Rüdiger Moniac wrote an article in *Die Welt* on Nov. 10, titled "NATO Changes Alarm Plan for Nuclear Units; Extremely High Readiness Not Required." "NATO has changed the alarm procedures for their nuclear units stationed in Western Europe," he claimed, "and essentially reduced their readiness status. In the future, no nuclear weapons of ranges between 2,500 and 500 kilometers will be kept in the so-called 'QRA' readiness. . . . Informed circles in the alliance say that this form of alarm readiness corresponds neither to the political nor the military realities of NATO countries in Western Europe in their relationship to the Warsaw Pact. . . . This also goes for the Pershing IIa, maintained by the German Air Force, as well as Pershing II of the American Army, and the cruise missiles in England, Holland, Belgium, and Italy. For the nuclear-capable aircraft in certain NATO air forces in Western Europe, the alarm readiness has also been reduced, and indeed such that the launchers are now to be deployable within nine hours."

Then on Nov. 18, the *Süddeutsche Zeitung* carried the following brief report: "The 100-hectare missile base at Bodelsberg near Kempten (Oberallgau District), where the nuclear warheads for the Pershing I are stationed, has been closed by the military. These were 150 soldiers of the U.S. armed forces and the Bundeswehr. The removal followed in the context of the altered readiness status by NATO for the longer-range nuclear medium-range systems, said a spokesman of the Rocket Unit 1 in Landsberg on Monday. According to this spokesman, NATO no longer thinks it is necessary to maintain the QRA status for all missile positions. This

measure serves to stress the defensive character of NATO armed forces, said Colonel Dieter Reindl, commandor of the missile Geschwader 1. The base at Bodelsberg is still in operation for training and exercise purposes."

A NATO spokesman, asked to comment on these reports, stressed, "It is standing alliance policy never to make any statements about the alert status of our forces, certainly not our nuclear forces. . . . If I were you, I would look for the politician who wants to hang his hat on this one, and you know you ought to look for him in Bonn, because we aren't getting this press flap from any place except West Germany."

The politician widely believed to be responsible for the disinformation "leak" is the Free Democratic Party-linked State Secretary in the defense ministry, Lothar Rühl.

"The missile alert status is not abandoned, but only modified," commented a spokesman of the Bonn defense ministry. He explained that the decision to change the status means that the standing alert on the missile-launching site is no longer necessary, because of NATO's early-warning capabilities (AWACS, for example), which leave time for evaluation. A Warsaw Pact surprise attack on NATO is not possible under these conditions.

Whether this was discussed at the NATO Nuclear Planning Group meeting at Gleneagles, Scotland, Oct. 13-14, the official was unable to confirm.

The spokesman also explained that the manpower previously mobilized "around the clock" at the missile launchers is kept in a "rear alert position," and can be mobilized in a "relatively short period of time." How much time is required, he would not say, but admitted that "initial news reports that the manpower would be abandoned were not accurate and were corrected in a press release issued by our ministry."

'A political disaster'

A senior German military expert characterized the publication of the report as highly detrimental politically. It hit amid the "post-Reykjavik" discussion of a U.S. nuclear disengagement from Western Europe, in a situation where there is a growing clamor from U.S. figures like Henry Kissinger and Sen. Sam Nunn (D-Ga.) for a U.S. troop withdrawal, and from European "decouplers" for an accommodation with Moscow. What most strengthens the hand of the European advocates of such a "New Yalta" deal, is any suggestion that the U.S./NATO nuclear umbrella over Western Europe no longer functions.

As *EIR*'s source explained, "The point is that people are reading this politically as a signal to expect a purely conventional attack, countered with a purely conventional defense. . . . If I have QRA, as a political-doctrinal measure, that means that I say I am no longer going to force the enemy to go nuclear. The Russians can forego starting the nuclear exchange. . . . It is not clear whether a signal effect politically was intended, or whether it was a leak. In practice, it means close to nothing; but as a signal, it is a disaster."

Pugwashers seek to 'denuclearize' Europe

by an EIR Investigative Team

The one-world-federalist Pugwash Group is mediating a strategic arrangement between the Soviet General Staff and the Western appeasers of the Trilateral Commission, the aim of which is the unilateral nuclear disarmament of Western Europe. Coinciding with the Reykjavik summit's push for a "zero option"—withdrawal of both Soviet and U.S. nuclear missiles from Europe—the Pugwash effort is promoting the "denuclearization" of Europe.

The Pugwash Group was set up in the 1950s by associates of Britain's Lord Bertrand Russell, as an East-West "back channel" for arms control. For the past four years, Pugwash has sponsored a Conventional Defense Task Force to study "alternative defense strategies" premised on the "denuclearization of force-structures." The central work of this task force has been done at the Max Planck Institute in Starnberg, West Germany.

The last meeting of this special unit took place in Pisa, Italy, during the first half of October of this year, under the direction of Denmark's Anders Borsrup—a strategist credited by some with having authored the "denuclearization" and anti-NATO policies of the West German Social Democratic Party and the British Labour Party—and Professor Müller of the Max Planck/Starnberg group. The meeting featured representatives from the East bloc, including individuals seconded by Soviet General Staff member Col.-Gen. Nikolai Chervov, an expert in propaganda and disinformation, as well as strategists from the planning divisions of the Hungarian and Czechoslovakian ministries of defense.

What differentiated this meeting from previous work of the task force since 1982, Western Pugwash sources report privately, is the sudden interest shown by the East bloc delegates in the "alternative defense strategies" doctrines. This shift is not surprising, for the Pugwash plan amounts to the unilateral disarmament of the West, as one Pugwash source candidly admitted: "Why should the West stick to the nuclear game in Europe? Our strategy, now, is to pretend that we will use nuclear weapons on the fifth day of war, all of which has little to do with security policy. Why not let it be up to the other side to insist on nuclear use? Leave the decision up to them! We can free ourselves from such choices."

The Pugwashers attempt to sell the idea of the "denuclear-

ization" of Europe, through paeans to "conventional defense." Said a Pugwash source: "We are studying how we could achieve a military regime of what we call mutual defensive superiority, to decouple offensive and defensive capabilities. We want to base stability, or crisis-stabilization, on the very force-structure, to shape force-structures on the basis of giving bonuses to the defensive role."

The Soviets have absolutely no intention of giving up their overwhelming superiority in conventional forces in Europe, but if they can foment the illusion that they would modify their capabilities for offensive attack, how much more quickly can they destabilize NATO military strategy, and achieve hegemony over Europe.

The Soviet-Trilateral game

Through the good offices of Pugwash, a dangerous diplomatic game is going on. First, from the Soviet side, laser physicist Yevgenii Velikhov has let it be known that Soviet leader Mikhail Gorbachov will, around the time of the German elections of Jan. 25, 1987, make a major offer to "reduce offensive capabilities on both sides." As a Pugwash source had it from Velikhov: "He will acknowledge the Western arguments about Soviet conventional superiority, and make an offer in the form, 'We can maintain our security, without threatening you.'"

The "Gorbachov offer" will be an expansion of a bogus offer for negotiations on conventional force reductions made by the Warsaw Pact command on June 13, 1986, in Budapest.

Second, from the Trilateral Commission side, there is a parallel process in motion. Kurt Biedenkopf, head of the North Rhine-Westphalia branch of the Christian Democratic Union, will be releasing a new book, immediately after the Jan. 25 elections, which will incorporate the kernel of the Pugwash "alternative defense" notions. Biedenkopf, a Trilateral Commission member at various points in his career and a leader of the "Moscow faction" of the CDU, is an intimate of the Pugwash/Max Planck group in Starnberg. An aide to Biedenkopf reports that he was there, for private discussions, during the afternoon of Nov. 20.

A Pugwash source familiar with the political and strategic debate in West Germany states, "There is growing awareness of, and support for, the ideas of Pugwash in West Germany. The Social Democrats have already adopted the Pugwash 'alternative defense' doctrine through the paper of [Andreas] von Bülow [a Social Democratic strategist who advocates German withdrawal from NATO, denuclearization, etc.]. As for the Free Democrats, we have [Foreign Minister Hans-Dietrich] Genscher, whose recent speech in Vienna was most welcome, calling for new 'security structures' for Europe. The last to pick it up are the Christian Democrats, and that is changing with Kurt Biedenkopf, who will try to bring these issues into the CDU."

A foretaste of what to expect from Biedenkopf has come from another West German CDU Trilateralist, Volker Rühle. On Nov. 14, Rühle called for the "denuclearization" of West-

Soviets make separate arms offer to Europe

Immediately after the collapse of the Oct. 11-12 superpower summit in Reykjavik, Iceland, top Warsaw Pact officials launched a high-publicity campaign to break Western European support for the U.S. negotiating position. It had become apparent to the Soviet leaders that President Reagan was definitely not going to use the Strategic Defense Initiative (SDI) as a "bargaining chip" in arms-control negotiations—despite the urgings of White House Chief of Staff Donald Regan and Secretary of State George Shultz; the Kremlin therefore initiated what veteran "back-channel" diplomat Georgi Arbatov called, in a statement at the close of the Reykjavik meetings, "a big diplomatic offensive" in Western Europe.

The point-man for the drive was Viktor Karpov, Moscow's chief arms negotiator, who set off in mid-October on a whirlwind tour of European capitals, pledging Soviet readiness to discuss "the possibility of finding a solution on medium-range nuclear weapons in Europe separately from space and nuclear offensive arms." This, despite repeated statements from Gorbachov that the arms-control "package" would absolutely have to include a U.S. back-down on the SDI.

The Military Council of the Warsaw Pact countries met Nov. 12-14 in the Romanian capital of Bucharest, "to evaluate the post-Reykjavik situation," as the Soviet gov-

ernment daily *Izvestia* reported on Nov. 15.

The immediate outcome of this meeting was the announcement by Viktor Karpov on Nov. 18 that the Warsaw Pact was about to issue an appeal to NATO for direct contacts on limiting and reducing conventional forces in Europe. The obvious effect of this would be to short circuit the Moscow-Washington negotiations, by appealing directly to the Europeans.

Karpov announced that a "special working group" of the Warsaw Pact was meeting in Sofia, Bulgaria "to study the possibility of comprehensive reduction of conventional forces and weapons in Europe," as was proposed by the June 1986 Budapest summit meeting of Warsaw Pact nations. Karpov demanded the convening of NATO-Warsaw Pact negotiations to discuss the Pact's conventional forces proposals: "The Soviet Union is being accused of wishing to maintain a clear imbalance of conventional forces in its favor. The West however, will not negotiate on this. We want contacts between NATO and the Warsaw Pact."

NATO headquarters officially rejected the Karpov proposal on Nov. 20. An official NATO spokesman in Brussels confirmed that Moscow had tried to establish direct contacts with NATO, first in an approach to NATO Deputy Secretary-General Marcello Guidi, and then through Italian diplomatic channels. Moscow was told that "the normal way" for the Warsaw Pact to make contact for dialogue with NATO, was through bilateral channels with individual member countries. The French government was reported to be particularly angered by the Soviet attempt.

ern Europe, in light of what had been discussed at the Reykjavik summit. He welcomed the views of West German Social Democratic strategist Egon Bahr, the notorious pro-Moscow appeaser. During the week of Nov. 24, Rühle is scheduled to go to Moscow—despite Soviet cancellation of visits by leading West German officials, supposedly out of anger about Chancellor Helmut Kohl's recent likening of Gorbachov to Nazi propaganda chief Joseph Goebbels.

One other dirty nest, is that around Bonn Defense Ministry State Secretary Lothar Rühle, himself nominally an FDP Genscherite, but whose "post-Reykjavik strategic ideas" are being circulated by the public-relations office of the CDU-CSU parliamentary faction. Rühle, the same individual responsible for destabilizing disinformation leaks about a supposed change in the "Quick Reaction Alert" of nuclear missiles stationed in Western Europe (see article, p. 39), is coordinating a new task force of senior Western Europe civil servants in Bonn, which is discussing "alternative defense strategies."

At this rate, the Pugwash Conventional Defense Task Force may already be dictating the policy of Western governments, by the time of the group's next meeting in Sweden, in April 1987. The Pugwashers are counting on two factors of irrationalism in the West, to achieve their aim.

First, Pugwash is trying to spread panic, to the effect that the United States is about to abandon Europe militarily. As one Scandinavian Pugwasher puts it: "Opinion is moving a bit in our direction. This is because people are getting scared; there is a growing fear in Europe that America will sell the European forces down the drain. Now, all sorts of ways to alternatively defend ourselves, on our own, are becoming discussable."

Second, Pugwash is counting on the cost-cutting mania now overcoming Western capitals. If "alternative defense strategies" become acceptable in enough minds, the thinking goes, then why bother to spend all that money on modernization of nuclear capabilities, sophisticated strategic-defense capabilities, and the like?

World leaders oppose 'decoupling' moves

French Premier Jacques Chirac gave an interview to the Nov. 17 issue of the magazine *Valeurs Actuelles*. Asked what conclusions he draws from the Reykjavik summit, Chirac replied:

The American government very faithfully communicated to its allies, the day after the summit, what was said, and the perspectives that have opened up concerning reduction of strategic armaments such as the SDI.

The Soviets made also known their conclusions, which of course are not similar. . . .

The U.S.S.R. tended to use its presentation of the conclusions as a means of psychological pressure on the West. We are not impressed.

I would only say that Europe must be vigilant, in order to not be victim of an agreement between the two superpowers. This implies being very watchful, of everything that could signify "decoupling" of Europe and the U.S. on defense matters. Especially this "zero option," whose definition is not very clear, but about which I remain rather cautious. I would say in any case, that if Europe were to become, after a process (which has not yet begun), a de-nuclearized zone—with the exception of the French and British forces—whereas the U.S.S.R. and the United States were to keep considerable nuclear arsenals, it would be a great danger. The consistent purpose of Soviet diplomacy—to place itself in a position to take Western Europe hostage—would be quite close to being met. In particular, because the imbalance between the conventional and chemical weapons arsenals of East and West is quite to our detriment.

U.S. Secretary of Defense Caspar Weinberger, in a speech on Nov. 17 at the Institute for Foreign Policy Analysis in Washington, stressed that U.S. offers to negotiate a reduction in Europe of intermediate nuclear force (INF) missiles would not jeopardize the security of the European allies.

"My jaundiced view," he said, "is that the Soviets were never serious about any of the arms-control proposals they

made the first morning at Reykjavik. Their only aim was to get President Reagan to abandon the Strategic Defense Initiative, so I don't think we were really close to any kind of agreement at all."

Weinberger stressed that the U.S. negotiating position at Geneva for eliminating all medium-range missiles from European soil is dependent upon deep "asymmetric" reductions to achieve parity in short-range missiles (the total number of Soviet warheads exceeds NATO's 10 to 1). "Asymmetric," he explained, would have to mean demobilizing far more of the Soviets' short-range missiles than NATO's."

Any arms-reduction agreement, Weinberger said, would have to be predicated on "air-tight" verification—which has always been the biggest stumbling block to any agreement.

Weinberger added that it is important to improve NATO conventional forces, "regardless of whether we achieve deep reductions in nuclear forces."

The defense secretary reasserted President Reagan's commitment to the Strategic Defense Initiative: "The President has always been interested in using the SDI for the defense of people, not missile sites. . . . If the Soviet Union's goal is to protect itself, it should embrace the arms reduction proposals of the President. . . . The staged elimination of the most threatening weapons known to mankind, linked to the deployment of strategic defenses, should be attractive to all nations seeking to preserve their national security. But if this is not the Soviets' goal, if instead Moscow wishes to gather around itself a potent arsenal useful for threatening others, and has not abandoned its policy of seeking world domination, then the prospects for arms reductions are grim indeed."

General Bernard Rogers, NATO's Supreme Allied Commander in Europe (SACEUR), told a conference at the Hanns-Seidel Foundation in Munich on Nov. 19 that the elimination of all medium-range nuclear missiles from Europe—the "zero option"—would leave the Western alliance in a worse position than before it decided in 1979 to deploy the weapons.

Earlier in the month, Rogers was quoted widely in the West German press saying that he and many other military leaders are worried that the post-Reykjavik diplomacy could lead to the dismantling of nuclear strike capabilities in Western Europe. They fear that a summit agreement to withdraw nuclear missiles would leave the West Europeans, and the 330,000 U.S. soldiers stationed in Europe, defenseless against an overwhelming superiority in short-range missiles and other airborne attack capabilities. Rogers further called for the development and stationing of an efficient air defense and ATBM (anti-tactical ballistic missile) system in Western Europe.

General Bernard Rogers, SACEUR, elaborated these concepts in an interview to *Air Force magazine*, published in the

November 1986 issue. Excerpts from the article follow (bracketed additions are by the Air Force editor, except where indicated):

Proposed U.S. Pullout Spells Disaster: "I can't think of anything that will move the Soviets more quickly down that road toward the objectives 'they have set for themselves] than the withdrawal of U.S. forces" that is being sought by some elements in Congress as well as by former Secretary of State Henry Kissinger and former Carter Administration National Security Advisor Zbigniew Brzezinski, the SACEUR asserted with visible frustration.

These proposals to remove 100,000 U.S. troops from Europe and assign them to an expanded rapid deployment force situated in the U.S. were born of two complementary notions. For one, the use of U.S. forces assigned to NATO to strike Libya last April suggested to some people that the U.S. presence is greater than needed for legitimate NATO support. Secondly, these analysts argue that by bringing 100,000 of these forces back to the U.S., the European NATO members could be coaxed to up their own military contributions to the Alliance. In lacerating this reasoning, the SACEUR suggested that bringing these forces back to the CON-US [continental United States—*EIR*] is tantamount to "taking them out of the structure. We have played that game before."

But the truly "disastrous" consequence of such moves—one was sponsored by Rep. Pat Schroeder (D-Colo.) in an amendment that the House subsequently defeated—is the signal it sends to Moscow. According to General Rogers: "The objective of the Soviets in Western Europe is to reach a point where the military situation—even for a defensive alliance—is beyond restoration." From the Soviet perspective, this condition obtains when "what they term the 'correlation of forces' is [so tilted in the U.S.S.R.'s favor] that she would have the opportunity to intimidate and blackmail Western Europe without having to fire a shot."

Such a potential checkmate, he said, is his "major concern as SACEUR. That is the direction [in which] we are heading, because every year that goes by—even though we get stronger because of the commitment by our [member nations]—the gap widens [because of the excessive military growth by the Warsaw Pact]. The day will come when [this imbalance] is beyond restoration." The Soviet Union, he warned, will know when that point is reached "the minute we know, if we operate under the assumption that everything we know about ourselves, she knows—and that is valid."

It follows, he asserted, that "if the U.S. withdraws 100,000 troops from Europe, this won't make the West Europeans do more [in terms of their contributions to NATO; rather, such an action] is going to send the kind of message that will lead [the European NATO members] to start to accommodate to the East. It will be an excuse for the U.K. to pull some of its forces back" and will cause similar reactions among the other member nations. . . .

The ATBM Imperative: For a variety of reasons that include the need to counteract the Soviet Union's SS-21, SS-22, and SS-23 theater ballistic missiles equipped with conventional warheads, General Rogers told *Air Force Magazine* during a recent press breakfast, his interest in developing and fielding antiballistic missile defenses within NATO is "very high." . . .

The fate and progress of NATO's ATBM [anti-tactical ballistic missile—*EIR*] project are also affected by the U.S. Strategic Defense Initiative, especially by the fact that SDIO [the Strategic Defense Initiative Office—*EIR*] "is moving around Europe, dropping little piles of money on the desks [of NATO member countries, offering for instance, \$14 million to the British], and saying, 'Would you please develop an ATBM architecture for Western Europe?'" Claiming that he did not mean to be critical of SDI's managers, he suggested this approach was "fine, because the [NATO] nations have to get their industries involved, which is a key to getting the West Europeans to think about it." At the same time, he expressed reservations about the SDIO's policies on grounds that they encourage various parochial solutions by NATO members and their industries, "which have gotten quite powerful."

The SACEUR would instead like to see SDIO "take a big sack of money and plunk it down [in front of] the conference of NATO Armament Directors and say, 'Now here is the contribution the U.S. is willing to make as you decide how to fulfill these mission-need documents for an ATBM.'" He added that the U.S. ought to insist that the system should be built in Europe by the NATO member countries in close technical cooperation with the Strategic Defense Initiative Office. With SDI as well as West European ATBM efforts relying on similar technical advances—from boost phase interception to killing hostile ballistic missile warheads in their terminal target area—"we ought to be exchanging this information across the Atlantic," General Rogers suggested.

Most importantly, the SACEUR pointed out, this country "can't put itself into the position where it intimates to the West Europeans that [the U.S.] is going to deploy an ATBM in Western Europe at its own expense, manned by U.S. personnel. We must encourage the West European development of an ATBM architecture" and then be very supportive as it "is being deployed."

General Hans-Joachim Mack, deputy supreme commander of NATO, said on Nov. 17, in a speech in Munich before the Western German Military District Command, that NATO powers in Europe would face weakened deterrent capability if the superpowers dismantled medium-range nuclear weapons. "A zero option . . . without associated measures in the field of shorter range nuclear systems as well as on the conventional side would open up gaps in the deterrence spectrum of NATO in Europe by which conventional imbalance would weigh more heavily on NATO," he said.

What is Israel's policy toward Iran?

by Thierry Lalevée

The revelations of the past 18 months of intensive contacts between the United States and Iran, are finally about to spark a debate within Israel on its policies toward the Gulf War and the Iran of Ayatollah Khomeini. Such a debate has agitated the Israeli ruling circles internally ever since February 1979 and the last months of the regime of the Shah, but there has been little public discussion. The importance of the debate today is that ultimately, it will help to define Israel's policy toward the region. Can several cards be played at the same time, without undermining Israel's already fragile situation?

While the revelations have caused much embarrassment in Washington, they were received candidly in Jerusalem. After all, it confirmed what they had been saying all along, each time the Israelo-Iranian connection was being exposed: "We have been always ready to help a friendly nation to obtain the release of its hostages," said Defense Minister Yitzhak Rabin on Nov. 13—a statement which is far from telling the whole truth. Though elements of Israeli intelligence did play a role in bringing Khomeini to power, there is no doubt that their involvement was negligible compared to the role played by the treacherous Carter administration, which pulled the rug from under the Shah.

However, by the first months after Khomeini's takeover, Israel had a dialogue going with Iranian mullahs. Very publicly, Israel was asked by the Carter administration to send weapons to Iran in October 1980, both as a help to the Iranians against the just-begun war against Iraq, as well as a signal to release the American diplomats. There is evidence that the weapons shipments never stopped. However, Israel didn't just deliver weapons in order to help the release of Western hostages. Indeed, in June 1981, Iranian cooperation with Israel was crucial to the destruction of the Tammouz nuclear power plant in Baghdad. In addition to providing Israel with

important data, the Iranians created the right kind of diversion to enable the Israelis to launch a surprise bombing attack.

Begun under Prime Minister Menachem Begin, this policy has been continued by his successors. The very same persons were used as middlemen, whatever the administration in power. Topping the list was Israel's last ambassador to Teheran, Uri Lubrani, appointed in 1982 as Israel's coordinator for Lebanon. A close partner was Ya'acov Nimrodi, military attaché in Teheran under Lubrani, then a member of the staff of Ariel Sharon while Sharon was defense minister in 1982; Nimrodi later became a "private" arms dealer with offices in Israel, London, and Switzerland.

Both have gone on record justifying their actions. On Nov. 12, Nimrodi told the *Daily Telegraph*, "Israel just tried to do something to help the Americans, the poor people. It is a sad story," adding in answers to questions about Reagan's personal involvement: "If Reagan decided to do it this way, I think he is a clever man." Two days later, Uri Lubrani boasted to the French daily *Liberation*: "We told the Americans that their policy toward Iran was stupid. I told them, time and time again; forget about the taking of the U.S. embassy, think about tomorrow's Iran, the post-Khomeini Iran. Washington has to have a superpower policy based on logic, not on emotions..." In conclusion, Lubrani explained that Israel's policy "has been dictated by our conviction that the historical Iran will reemerge."

Such a statement is believed by no one in Jerusalem. More to the point, the former general director of the Foreign Ministry, David Kimche, declared on Nov. 13: "It is in Israel's interest that Iran has a strong army!"

Despite continuity from Likud to Labor Party and vice versa, Israel's policy toward Iran has been based on a deliberately maintained ideological ambiguity. One school of

thought advocated support to Iran from a purely tactical and military standpoint: Support the Iranian efforts to keep the Gulf war going, and neutralize the region. Such a view is best explained by General Shahak (see *Documentation*). Others have supported Iran from a totally different standpoint—within the framework of a longer-term alliance with Islamic fundamentalism, understood not as a “bulwark against communism,” but as a weapon to undermine Arab nationalism. Ultimately, this Israeli “Shi’ite faction,” as it is called, expects that an Israeli religious fundamentalist state will be able to reach an understanding with Islamic fundamentalism. Meanwhile, Islamic fundamentalism will sweep the region and destroy any organized opposition to Israel.

This has been the policy followed by the Sharon faction within Israel’s intelligence network, a policy much opposed by middle ranks within the Israeli armed forces. Indeed, the very same policy has been implemented in Lebanon since 1982, and it was no coincidence that Lubrani was appointed as coordinator in Lebanon. Under his sponsorship, Israeli networks have been playing a dangerous game of favoring the Lebanese fundamentalists, both the Shi’ites of Nabih Berri’s Amal organization, and the Hezbollahi terrorists. While Lubrani and his circle think this policy has proven effective in containing the Palestine Liberation Organization, Israeli soldiers confronted with daily attacks from the Shi’ites have thought otherwise.

Documentation

On Oct. 3, General Amnon Shahak, director of Israel’s Military Intelligence since January 1986, gave a background interview to the Jerusalem Post. We excerpt his analysis of the Iran-Iraq war.

... From my position, the best situation would be one where there was no victor.

This war is far away from us, but it is of acute interest to us. It cannot last forever and a seven-year war is not something we are familiar with or know exactly how to assess. Two rich countries went into this war—Iran slightly richer, with more reserves in the bank. Iran however went into it with over 40 million people, and Iraq with only 13.5 million.

After six years, these two factors, reserves and population, become crucial. The Iranians for example may have suffered more casualties, but per capita their casualty rate is much lower, having far less influence on national and military morale and on the country’s willingness to fight. It is clear that in this regard Iran has an advantage over Iraq.

Both countries are on the verge of collapse; both countries have had morale problems in their armed forces. We have read of pilots defecting from Iran to Iraq and of soldiers

deserting from both sides. Neither side has managed to win a decisive victory, and there is a strong internal opposition to the war in both Iraq and Iran, yet, there is no knowing how long it can continue or how it will end.

What I can say is that there is no chance of an Iraqi victory, certainly not in the short term. From our point of view, a victory of either side would be a bad thing. Better that there should be no victors. But an Iraqi victory, however hypothetical, is the worse of two evils and presents a much more immediate threat. . . . The Iraqis will be flushed with the high morale of victory if they win. This will boost the self-confidence of the country’s leadership and armed forces and, consequently, Iraq’s self-image as an important regional power. . . .

What are the Iraqis going to do with an army of a million men? They can’t let them all go at once. They will release their reserves, disband a few divisions, send several thousands more troops to keep the population under control in trouble spots, and dispatch several more divisions to the border.

And what about the divisions remaining? There is no doubt where they will land up—on our eastern front. . . . For seven years they have been learning the art of logistics, of moving huge forces along an unprecedentedly long frontier. They have had six years of operational experience in artillery, armor, maintenance, you name it. Just think of feeding a million soldiers a day! And they have done all this for six long years.

The Iraqis have developed an international reputation in the tactical deployment of attack helicopters, and they are considered world experts in the field. They have also developed expertise in chemical warfare and an impressive doctrine for the defence of long borders. All these things make the Iraqi army an impressive one and the implications of an Iraqi victory extremely bad from Israel’s point of view.

Not that an Iranian victory would be any better. They may not send divisions to this region, but they will do everything they can to undermine regional stability. An Iranian victory would be a victory for fundamentalism, no matter where it might be, for all fundamentalists no matter what their religious persuasion.

An Iranian victory would stir up the Shi’ites, not only in Iraq; the entire Gulf, including Saudi Arabia would be in jeopardy. So would Jordan, Syria, and Egypt.

We can already see what is happening in Lebanon. Not even a total and debilitating war with Iraq, has prevented the Iranians from sending considerable resources to Lebanon. This despite fierce opposition to the Hezbollahis from Syria—Iran’s only ally in the Arab world.

The Iranian threat to Israel is less immediate than the Iraqi one. First and foremost, the Iranians threaten other Arab regimes, and Israel only indirectly. The consequences of an Iranian victory cannot be disregarded though. Hence, my hope that neither side come out victorious. . . .

Showdown in the Philippines

by Linda de Hoyos

Although Philippines President Corazon Aquino took home with her, from her four-day state visit to Japan Nov. 10-14, promises of \$210 million in economic aid, the most significant aspect of her visit was that her absence from Manila prompted the most severe crisis yet to face her government. Upon her departure, Aquino warned those in the military who were reportedly preparing a coup for her overthrow: "Any coup or other military action by misguided elements must contend with my opposition, which means with the power of the people."

Aquino's affirmation of the "power of the people" is in fact an admission that her government is dead, as the Philippines crisis—begun with the U.S.-directed campaign against Ferdinand Marcos—unfolds into civil war.

Couprumors were particularly fed in Manila by Aquino's own group of close advisers, the human rights mafia including former Communist Party member Teodoro Benigno (her presidential spokesman) and executive secretary Joker Arroyo. This is the nest that links the Malacang Palace to "the power of people" in coordination with the *éminence grise* of the Aquino administration, Cardinal Jaime Sin.

On the other side of the spectrum is Defense Minister Juan Ponce Enrile, who has loudly attacked Aquino's policy of "appeasement at all costs" to the terrorist New People's Army. For days before Aquino's departure, the charge raced through Manila streets and newspapers that Enrile would execute a coup while Aquino was in Tokyo.

Indeed, on Monday, Nov. 10, tensions in the city of Manila rose to a peak, with expectations that fighting might break out within the military itself between forces loyal to Enrile and those loyal to Armed Forces Chief of Staff Fidel Ramos, who had functioned as a mediator between Enrile and Aquino with the backing of the U.S. embassy. In a tense meeting between Enrile and his backers and Ramos's forces, the chief of staff's "middle position" was reportedly eliminated, and the military unified behind Enrile. "There is no one in the military who does not want to fight the NPA," said a knowledgeable Filipino source.

The country is now locked into a showdown. On Nov. 14, the day of her return from Tokyo, Rolando Olalia, the leader of the May First Movement, the trade union arm of the NPA's National Democratic Front, was brutally murdered. Since Aquino's coming to power, the May First Movement has grown tenfold to some 500,000 members. Olalia was also a leader of the Bayan Party, which overlaps with the NDF and whose thousands provided the "people's power" for the February Revolution.

The NPA and its various political fronts immediately blamed the murder on the military, and specifically Enrile. José Sison, the founder of the Philippines Communist Party who was released from prison soon after Aquino came to power, put the responsibility for the murder at the door of the United States: "The U.S. is obviously doing everything in its power to make sure that every obstacle to the perpetuation of U.S. military bases and other U.S. privileges is removed."

Similar to the "gang vs. countergang" murders that preceded the civil war in El Salvador and Nicaragua in 1980, three days later, gunmen murdered David Puzon, a close associate of Defense Minister Enrile.

The May First Movement general strike for Nov. 17, called in protest of the Olalia murder, did not appear to mobilize the "people's power" Aquino's statements would imply exists. A funeral march for the murdered trade unionist Nov. 21 brought out only 100,000 people—not the 2 million that Aquino's aides say are prepared to defend Malacanang.

Nevertheless, ceasefire talks between the NPA and the Aquino negotiators have fully broken down, and the tempo of confrontation between the military and the Theology of Liberation's NPA has reached the point that full confrontation is viewed as inevitable.

Who rules Manila?

Coming to power on the battle cry of "democracy," it has taken the Aquino government only nine months to expose itself as the very kind of "democracy" deplored by Plato in *The Republic*—mob rule on behalf of the oligarchical families who covertly back and deploy that mob.

The NPA itself proclaimed, from its demonstrations of protest for the Olalia murder, that its protests were directed only toward the military. "It's not directed at her [Aquino], at all," said J.V. Bautista, an official of the pro-NPA Bayan Party.

Even before she left for Tokyo, Aquino had already factored out the military as an element of her government, whether she still chooses to call Enrile her defense minister or not. Malacanang Palace is not being guarded by any official agencies, but by the Yellow Army, a selected group of military men and others whose training was funded by Aquino's brother Pepe Cojuangco, of the Chinese oligarchical Cojuangco family, at the family's hacienda in Tarlac. The Israelis provided the funding and most of the weaponry of this 2,000-man force.

In addition, the New People's Army has deployed another 2,000 military cadre into Metro-Manila to counter a coup attempt. An NPA communiqué declared that Enrile "desperately rides" on the anti-communist campaign to "set the stage for a military takeover to gain full control of the government. . . . NPA units are in urban areas to thwart evil designs of the ultra-rightists to once more gain total control of power by staging a coup."

The Sandinistas of the Philippines already inhabit Malacanang, in the person of Joker Arroyo et al., who have waged a months-long campaign to force Enrile's ouster. Also part of this grouping is Agapito Aquino, the first lady's brother-in-law, who moved into Malacanang during her visit to Tokyo.

This is the first tier of defense of the current government. The administration itself is reportedly run by an Executive Council run by the Cojuangco brothers of Aquino. This Council operates in coordination with Central Bank chief Jobo Fernandez and Finance Minister Jaime Ongpin, who were installed on behalf of the Philippines' international creditors.

A scandal breaking in the press Nov. 16 that Aquino's brother José Cojuangco had been implicated in car smuggling is but a tiny fraction of the evidence of gross corruption on the part of the wealthy landowners and families who comprise the so-called Executive Council. It is the Executive Council which derives the maximum profit from the various government franchises, including the government-sanctioned casino gambling operations. It is also these families that funded the "Light a Fire Movement" and other terrorist operations in 1972, which forced the Marcos declaration of martial law.

Aside from the Cojuangcos and their associates, the most powerful figure in the government is Cardinal Jaime Sin. Sin's own *Veritas* newspaper had warned Aquino not to go to Japan, but the first lady insisted, demanding that Cardinal Sin himself delay a trip to Rome in order to be on hand in defense of Malacanang should there be a coup. A full one-tenth of the NPA is comprised of priests and nuns, and in any village or town where the NPA is in the vicinity, the insurgents can be reached through the local Catholic Church. It was Cardinal Sin, and not Vice-President Salvador Laurel, who greeted Aquino at the airport upon her return from Tokyo.

It is the plan of the Enrile forces to force the ouster of the "Sandinista" faction infested in Malacanang, maintain Aquino as President, but install a cabinet that would permit the military to take effective action against the NPA. For such a scenario to begin to work requires a total overhaul of the government's economic policy in which development and national sovereignty, and not debt, are made the priorities. Otherwise, well-placed sources in Manila believe that the Philippines will not hold out for more than a year against a full Sandinista solution. Time, these sources point out, is on the NPA's side.

EIR

Special Report

An Emergency War Plan to Fight AIDS

EIR's Biological Holocaust Task Force has prepared the world's only science-intensive "Emergency War Plan to Fight AIDS." The newest discoveries of optical biophysics and advanced laser technology can improve diagnosis and lead to research breakthroughs—if governments move now.

The War Plan begins with the President of the United States, in his capacity as civilian leader and commander-in-chief, declaring a War on AIDS and invoking National Emergency powers to avert disaster. In parallel, heads of state of other nations of the Western alliance shall declare war on this scourge to mankind.

A 150-page *Special Report* for governments, scientists, public health officials, and all citizens concerned with a policy to fight AIDS, before a pandemic wipes out millions.

Contents

- I. The emergency war plan to fight AIDS and other pandemics
- II. The real story of AIDS in Belle Glade, Florida
- III. AIDS in Africa: the unfolding of a biological holocaust
- IV. The biology of AIDS
- V. Flow cytometer and other laser technology potential for combatting AIDS
- VI. The relevance of optical biophysics for fighting AIDS: designing a Biological Strategic Defense Initiative (BSDI)
- VII. How Kissinger and Pugwash destroyed America's biodefense against AIDS and other deadly diseases
- VIII. The Soviet command and control of WHO's AIDS Policy
- IX. Why the Reagan administration has tolerated the CDC cover-up of the AIDS pandemic
- X. The necessary public health program to fight AIDS

\$250.00. Order from: EIR News Service, P.O. Box 17390, Washington, D.C. 20041-0390. Order #85020

New revelations of Syria's terror role

by Thierry Lalevée

The spectacular break of diplomatic relations between Britain and Syria on Oct. 24, and the Nov. 10 decision of the European foreign ministers to implement limited sanctions against Damascus, have hardly brought Syria's new troubles to an end.

The Syrian leadership is well aware that the worst is yet to come, as indicated by the extraordinary public-relations campaign of Vice-President Abdel Halim Khaddam. Within the first 10 days following the imposition of sanctions, he appeared on four French and West German television programs, discussing the trials of the terrorist Hindawi brothers, whose cases allowed Western governments to prove the involvement of Syrian intelligence services in international terrorism. In each appearance, Khaddam's message was the same: "The Hindawi are Israeli agents. . . . Their father was arrested as an Israeli spy in the 1960s."

In another interview with the German daily *Die Welt* on Nov. 18, Khaddam warned that Europe is "being blackmailed by the United States" into applying sanctions against Syria, and concluded by praising France's behavior and "praying for Bonn not to fall into the trap into which London fell."

Khaddam's activities underline the fact that, however limited, the sanctions do hurt Syria. Perhaps not immediately, but in six months time, the cut-off of EC credit will be very much felt. It also hurts politically; those countries which came to Syria's aid can be counted on the fingers of one hand. Syria's isolation has been total, even though Saudi Crown Prince Abdullah did choose not to welcome Britain's Prince Charles to Riyadh on Nov. 17, in a gesture of opposition to the European stand.

Nonetheless over the coming weeks, Syria has several problems to face. Despite much controversy, the arrival of Prime Minister Thatcher in Washington on Nov. 14 was welcomed by a series of anti-Syrian measures by the United States. American Ambassador William Eagleton will not return to Damascus. Then, Washington imposed a boycott of Syrian airlines and related agencies.

Syria blew the story of the U.S.-Iranian deals, in retaliation for the British action, as well as to warn that negotiations with Teheran should not supercede dealing with Syria. However, Damascus is now unsure whether such a scandal may not strengthen Washington's resolve to go after Syria. On

Nov. 17, the U.S. government came out with a five-page public memorandum, stating that between 1983 and 1986, more than 500 persons were either killed or wounded in terror actions sponsored by the Syrian government.

The memorandum blames Damascus for the September massacre at the Istanbul synagogue which killed more than 20. Up until now, investigations had been inconclusive. In recent weeks, Turkish police intelligence has come out with conclusive evidence implicating Damascus. This followed the arrest in late October of Adnan Musa Suleiman Ameri, who worked as a translator at the Jordanian embassy in Ankara. During his interrogation, Ameri first admitted to the killing of a Jordanian diplomat in Turkey a year ago, a murder then claimed by Abu Nidal's new Black September organization. Later, he also gave details of how, together with members of the Islamic Jihad organization in Turkey, he had helped establish the logistical network for the Abu Nidal group to perpetrate the September massacre.

Arrests of some 20 accomplices later unveiled a plot whereby the Abu Nidal organization, sponsored by Damascus, planned the assassination of Turkish Prime Minister T. Ozal. The prime minister was reportedly embarrassed by the revelations, which had been given to the media by Turkish intelligence during his absence.

Turkish retaliation may prove serious. Even Greece's secret defense pact with Syria will be of little help to Damascus. No doubt these consequences were in the mind of the Soviet Commander of the Black Sea Fleet, Admiral Kronopulo, when he warned from Piraeus on Nov. 19 that Moscow would come to Syria's aid if attacked by the United States or its allies. It was the first visit to Greece by a Soviet Black Sea Fleet commander ever.

Next: Berlin

Meanwhile, all eyes are fixed on West Berlin where a second Hindawi case began on Nov. 17. Ahmed Narwarf Mansour Hasi, brother of Nèzar Hindawi, is being judged along with accomplices for the March 29 bombing of the "German-Arab Friendship society" in West Berlin. Hasi, who traveled together with Nezar to Tripoli, then to Damascus in February of this year, was given a bag of explosives at the Syrian embassy in East Berlin. The explosives proved defective. Twice a Syrian explosives expert came to Hasi's flat to repair the bomb. Twice, if not more, Hasi got in touch with Col. Haitham Saeed of Syrian Air Force intelligence, then in East Berlin to control the operation.

Whenever the trial ends, Syria, not Hasi, will be in the dock of the accused and will be condemned.

Bonn recalled its ambassador from Damascus at the beginning of November, and he is not expected to be replaced. But even if Bonn were not to follow the British in breaking relations, this would be no victory for Damascus. Accumulated evidence of its role in international terrorism points to the fact that retaliation will go much farther than mere diplomatic steps.

Kremlin: a missing propaganda czar

by Konstantin George

For whatever reason, the Soviet Union's "Propaganda Czar," Aleksandr Yakovlev, one of the co-initiators in August of Raisa Gorbachova's Soviet Cultural Fund, and one of the top Kremlin insiders who accompanied Mikhail Gorbachov to Reykjavik, was absent from the Nov. 17 opening of the Supreme Soviet, as the rubber-stamp parliament of the Soviet Union is called.

The opening of the Supreme Soviet is one of those Moscow "must" occasions for the appearance of all top leaders from two groupings; the Politburo membership, both full and candidate members, and the Central Committee Secretaries (the Secretariat). Yakovlev's attendance, as Central Committee secretary for propaganda, was mandatory. He was the only member from either the Politburo or Secretariat missing for the occasion.

As *EIR* has documented, Yakovlev has functioned as one of the ringleaders of the Soviet media slanders from August through October which egged on the Justice Department witchhunt against Lyndon LaRouche.

Alexander Yakovlev's disappearance did not begin on Nov. 17. He was conspicuously absent also from the Nov. 7 Bolshevik Revolution anniversary celebration—both the Red Square Parade and the ensuing Kremlin reception, as well as from the previous evening's Kremlin festivities.

The Nov. 6 disappearance is even more striking than the absence on Nov. 7. That evening, Gorbachov's chief ideologue and right-hand man, Yegor Ligachov, delivered the keynote speech. A substantial portion of it was devoted to the theme of combating and countering "propaganda hostile to the Soviet Union"—Yakovlev's bailiwick. Since Yakovlev has never been reported as being outside Moscow during November, his absence on all three occasions—Nov. 6, Nov. 7, and Nov. 17—can only be accounted for by a grave illness or disgrace.

One can compare his case with that of gravely ill Marshal Sergei Sokolov, the 75-year-old Soviet defense minister and candidate Politburo member. Sokolov had disappeared from public view since Oct. 10, when he accompanied Gorbachov to the airport to see him off to Reykjavik, and was also absent from the Nov. 6 and Nov. 7 celebrations. But unlike Yakovlev, Sokolov's absence from the Nov. 7 celebrations was officially announced in the military newspaper *Krasnaya Zvezda* on Nov. 5. Afterward, a Soviet Foreign Ministry

spokesman told Western journalists that Sokolov had been ill. Finally, a very sick and decrepit looking Sokolov was trotted out for public view on Nov. 17, when he attended the opening of the Supreme Soviet.

The new acting defense minister

Sokolov, however, is defense minister in name only. His replacement in all but name is Pyotr Lushev. Lushev, 63, General of the Army since 1981, when he was also placed on the Central Committee as a full member, was appointed first deputy defense minister in July of this year, after having served for one year as commander in chief of the Group of Soviet Forces in Germany, GFSG, as the Soviet forces in East Germany are called. In this capacity, Lushev was the most important combat forces commander under Soviet Marshal Nikolai Ogarkov, the wartime commander in chief for all Soviet forces deployed against the United States and NATO.

During November, Lushev assumed all the duties normally undertaken by Sokolov. At the beginning of the month, Lushev led the talks at the defense ministry with the visiting Indian defense minister—extremely important talks which were part of the intense preparations under way for Gorbachov's visit to New Delhi, which begins on Nov. 25. Following that, Lushev delivered the traditional defense minister's speech at Red Square on Nov. 7, stressing that everything necessary would be allocated to meet the Soviet Union's military needs.

Lushev's case parallels a meteoric rise one year earlier, in July 1985, where Army General Lizichev, then political commander for the Soviet forces in East Germany, was called to Moscow to become the new boss of the entire Soviet Main Political Administration.

Lushev in 1985 was no newcomer to the GSFG. He had spent seven years with the GSFG, from 1969-75, beginning as the first deputy commander of an army (1969-71), then Army commander (1971-73), and ending his service with the GSFG as first deputy commander in chief of the GSFG (1973-75), serving then under General of the Army Yevgeni Ivanovsky (commander in chief of the GSFG, 1972-80). Today, Lushev outranks his former boss, Ivanovsky, who is only a deputy defense minister and commander in chief of the Soviet ground forces. Lushev was commander of the Volga Military District (1975-77); commander of the Central Asian Military District (1977-80); and, from December 1980 till July 1985, commander of the key Moscow Military District.

Added to the Yakovlev disappearance and Lushev's leapfrog to the top, is the fact that the Supreme Soviet opened with a Central Committee Plenum never having been held. The non-existence of the traditional Fall Plenum is striking. In early October, Ligachov announced the urgent necessity of a Plenum to discuss "cadre questions"—Soviet jargon for a new round of mass purges. As one source commented: "Obviously, many party leaders are in no hurry to discuss personnel questions."

The imperial designs behind Moscow's revival of the Baron Rio Branco

by Lorenzo Carrasco

As part of the Soviet Union's diplomatic efforts toward Ibero-America, and Brazil in particular, the Soviet Academy of Sciences published in its monthly organ, *América Latina* (1986, No. 3) an article by Boris Martinov under the title: "The 'Enigma' of Baron Rio Branco." Apart from the bowing and scraping of those who hang around the aristocratic Itamarati (Brazilian Ministry of Foreign Relations), *América Latina's* praise of the policies and person of the Baron Rio Branco, exposes the imperialist underpinnings of Soviet strategy towards Ibero-America today.

José María de Silva Paranhos, known by the title of Baron Rio Branco (which he was awarded by Brazil's Emperor Pedro II) was, as foreign minister from 1902 to 1912, the architect of Brazilian foreign policy in the 20th century. He adapted Brazil's historic role as a continental "policeman" for European financial interests, to the needs of the nascent Anglo-American alliance under the "big stick" of President Theodore Roosevelt.

As today, the strategic issue then facing the Western Hemisphere, was debt collection versus sovereignty. Did international financial interests, then largely based in Europe, have the right to forcibly collect debts, or did nation-states represent sovereign bodies, protected by natural law against such acts of war? The Anglophile Roosevelt chose debt collection, turning U.S. law on its head with his infamous "Roosevelt Corollary," the doctrine which claimed a U.S. prerogative over debt collection in the Western Hemisphere. Against Roosevelt, was Argentine Foreign Minister Luis María Drago, who upheld the original intent of the Monroe Doctrine to block European imperial designs in the hemisphere, and organized continental unity around the principle of sovereignty.

Rio Branco, as foreign minister, brought Brazil into the creditor's league, turning his country against its Hispanic neighbors. His attempt to create the famous "ABC Alliance" of Argentina, Brazil, and Chile, hoped to expand the countries defending the interests of foreign powers, in the name of a false "integration." The baron backed the Roosevelt Corollary, and blocked every attempt to organize unified action around Drago's Doctrine of economic sovereignty.

The parallels with today are striking. Striking, too, is the

Soviet decision to identify the baron and his policies as the kind of "nationalist" who serves Moscow's interests today.

Baron Rio Branco's entry into government in Brazil guaranteed that the old imperial diplomacy remained after the republic was founded in 1889, with its "living frontiers" border and geopolitical policies, and especially its amoral principles packaged as the most flagrant pragmatism. In the future this policy would be sheltered by the pro-monarchist Brazilian diplomatic corps lodged in Itamarati Palace.

It should not be overlooked that Rio Branco, as Brazilian imperial delegate to the St. Petersburg exposition of 1884, worked for closer diplomatic ties with Czarist Russia. There, he first set out the parallels between Russian and Brazilian culture and society. In those days, some European diplomats already catalogued Brazil as the "Tropical Russia." On leaving Moscow, Rio Branco wrote, "The success we obtained here was immense and I suppose that no Brazilian exposition had ever made such a thunderclap."

It so happens that while Rio Branco was in power in Brazil, the so-called "Trust" was put together by the European oligarchic families controlled from Venice and allied with the Anglo-American-Russian apparatus. The "Trust," among other things, launched the plans for the Bolshevik Revolution. It is a little known fact that Theodore Roosevelt himself was one of the most fervent sympathizers and propagandists of that Revolution.

Soviets urge revival of Rio Branco's work

América Latina's Martinov was well-informed of Rio Branco's imperial links: He acknowledges that the Russian diplomatic archives of that period provided one of the main sources for his article. Martinov emphasizes the tremendous sympathy Rio Branco enjoyed with the Russian envoys to South America, citing the declarations of Czarist envoy to Brazil, Maximov, upon Rio Branco's death in 1912. "With the death of Rio Branco, Brazil lost its most brilliant politician," the envoy had written.

Martinov declares from the outset that his purpose is to clear Rio Branco's name of any taint of having been "pro-imperialist," in order to promote renewed "interest in the political-ideological heritage" of Rio Branco today. From

Moscow's viewpoint, such a job has become necessary to counter "foreign analysts," who identify the baron as "a fervent supporter of Teddy Roosevelt's diplomacy" whose "principal objective was to achieve a 'harmony of interests' with the 'great brother of the North': the U.S.A." Such characterizations, argues Martinov, are "rather superficial," put out for "frankly tendentious" reasons.

For Martinov, Rio Branco is no enigma. Rio Branco is hailed as the founder of Itamarati, the man who determined the outlines of Brazil's relationship to Latin America, Europe, and the United States for decades, one of a small group of men who led Brazil through a "revision of values." "Undoubtedly, Rio Branco is an outstanding representative of Brazilian diplomacy," Martinov wrote. "His activity in the interest of Brazil had the character of actively responding to the demands of development on the continent."

The only limitations of Rio Branco as a nationalist, Martinov asserts, came from the fact that he "expressed the interests of the nascent national bourgeoisie," which "could not find broad support amongst the dominant classes." The baron was an "elitist," he wrote, but this was "objectively conditioned."

English agent

Like his father, the Viscount Rio Branco, himself an important political figure of the Empire, the younger Rio Branco was an agent of the Baring Brothers banking house. His career was shaped, from beginning to end, by British colonial policies. The viscount and his scion both stood for the legacy of the Holy Alliance, the power directly responsible for the creation of the Brazilian empire in 1822. Their purpose was to build a beachhead for the European oligarchies from which to launch innumerable operations inside the Western Hemisphere to undermine its republics, especially the United States. Since then, all attempts to re-establish monarchies in the rest of the hemisphere—the U.S. Civil War, the plots against Lincoln, and those against Juárez in Mexico, including the adventure by Archduke Maximilian and Carlota—all went through Brazil.

Young Rio Branco cut his teeth on anti-republican operations in 1871 through his entry into the Scottish Rite masonic lodge of which his father was Grand Master, the "Grand Orient of Brazil." As Grand Master of the Brazilian Scottish masons, the Viscount took his orders from English minister Lord Palmerston, the supreme leader of Scottish masonry in the world. The viscount, at the time, was chief of the Brazilian imperial cabinet.

During his 1859-65 tenure as prime minister, Palmerston had run the Second Opium War in order to maintain control of world trade and profits from narcotics traffic, in company with the Barings. Together with the English Secret Intelligence Service, Palmerston also coordinated the secession of the American slave states and the formation of the Confederate Secret Service, in which future Presidents Grover Cleveland and Theodore Roosevelt took their first steps in

political treason. These Presidents were the ones who later gave Rio Branco his most important diplomatic "successes."

With these origins, until the 1890s, the monarchist circles to which Baron Rio Branco belonged never considered the United States as anything other than "barbarism against civilization" and "cruel imperialism." His scarcely hidden hatred of the American political and economic system—a hatred which extended to the Hispanic American republics—flowed from the recognition that the "American System" was the most serious threat to the interests of the European oligarchic families whom he served. Although the baron did not descend from any noble family, he never brooked any doubts about the purity of his Portuguese blood.

In the months between the 1888 abolition of black slavery and proclamation of the Brazilian Republic in 1889, Rio Branco wrote,

The old molds which the new generation imprudently wants to break today gave us 40 years of peace, prosperity and glory which will be reckoned with in the future when the works of our fathers is compared with the results of the reforms which the new generation is going around proclaiming. . . . *I live in Europe and I can assure that the governments and the enlightened classes of this old world today hold Brazil in the highest esteem. We are valued more here than all the Hispanic American republics and the United States.* [emphasis added]

Rio Branco never tired of praising the English parliamentary system, which had been imitated by Brazil.

. . . The parliamentary monarchy is a more advanced form of government than the republic; and it was not for the benefit of the Braganza family, but for benefit of the country, that the Andradas, Vasconcelos, Feijos, Evaristos, sought Brazil into an exception in the Americas. . . . And wouldn't it be good to also show what is Canada, Australia, the English possessions under the parliamentary regime? They are young countries, but a citizen of these countries is a free man.

It was only at the beginning of the present century, when the Anglo-American alliance was being set up and the Trust was formed by Venetian-controlled families, that the baron, after extensive consultation in Europe and always from a British perspective, decided to change his opinions on the United States and leave aside his hoary affection for monarchical parliamentarism, to open the way for a new and final passion: Teddy Roosevelt. Before the cock crowed thrice, the Baron, now metamorphosed into a "republican," was ready in 1902 to return to his country after having spent 26 uninterrupted years as consul in Liverpool, to become minister of foreign relations. This was one year after Roosevelt had become President, upon the assassination of McKinley.

Roosevelt-Rio Branco alliance against the Drago Doctrine

Despite abundant evidence and the confession of both principals, the Soviet *América Latina* author turned somersaults to cover up the embarrassing Roosevelt-Rio Branco alliance. Rio Branco was no “fervent partisan of the diplomacy of Th. Roosevelt,” Martinov insists, because he was consistently an enemy of the United States from the start of his diplomatic career.

As we have demonstrated, this is true. But it does not contradict the unqualified support of Rio Branco for Roosevelt and his “Corollary to the Monroe Doctrine.” Roosevelt’s 1904 dictum was penned to destroy the original republican spirit of the Monroe Doctrine, by turning it into a weapon against not only the Hispanic American republics but against the United States itself. Instead of leading the defense of sovereignty in the hemisphere, the United States under the Roosevelt doctrine abrogated to itself the right to “exercise of an international police power,” against any nation which failed to “act with reasonable efficiency and decency in social and political matters, . . . keep order, and *pay its obligations*.” (emphasis added).

The truth is that as Brazil’s foreign minister, Rio Branco articulated a hemispheric alliance with the United States, to present Teddy Roosevelt’s policies as his own and to wreck every intent at legitimate hemispheric unity. The Roosevelt-Rio Branco alliance was easily accomplished, given the loyalties of both to England, particularly to the banking House of Baring.

In the framework of that hemispheric alliance, Rio Branco wrote a newspaper article, “Brazil, the United States and Monroeism,” which was circulated widely in both countries to justify alliance with what had previously been the hated United States. Now, the labels “barbarism,” or “cruel imperialism” which were quite valid for Teddy Roosevelt’s politics and his corollary, would give way to encomiums which he lacked the courage to sign except with his name disguised under the pseudonym, “J. Penn.” Rio Branco wrote:

The manifestations of reciprocal appreciation and friendship between the governments in Rio de Janeiro and Washington have been in recent years sometimes censored with much injustice and passion by some odd Brazilian publicists who presumed themselves to be genuine interpreters and propagandists of the political thinking of the statesmen of the Empire. [Self-criticism?—L.C.] These censors consider badly the closer relations which Presidents Rodrigues Alves and Theodore Roosevelt promoted between Brazil and the United States. The censors showed themselves on several occasions to be disdainful of the Monroe Doctrine.

Throughout the document, Rio Branco strives to dem-

onstrate, deceptively, to his own pro-monarchic friends that there is a continuity between the Monroe Doctrine of 1823 and the interventionist “Corollary” introduced by Theodore Roosevelt.

What this means concretely was made clear in 1902, when Venezuela was militarily threatened by a show of “gunboat diplomacy” by European powers to force it to pay its foreign debts. Rio Branco coordinated with Teddy Roosevelt to lead a counter-attack against the position of Argentine Foreign Minister Luis María Drago, who, resurrecting the original spirit of the Monroe Doctrine, organized a league of South American countries to defend Venezuelan sovereignty.

Against the Drago Doctrine, Rio Branco claimed it was not necessary to defend Venezuela, since the snares set by the European powers did not entail territorial conquest, but only were temporary measures to collect the debt. In a March 18, 1903 telegram, he reaffirmed his orientation to the ambassador of Brazil in Washington: “We must not enter into this as it is the desire of the President (Rodrigues Alves) and also my own for us to always be in agreement with the Washington government.”

From that time on, Brazilian foreign policy, headed by Rio Branco, became the keystone for the defense of the Roosevelt Corollary. In one of his dispatches to Washington in 1905, Rio Branco says:

I see no motive for the three nations of South America—Brazil, Chile and Argentina—to be bothered by the language of President Roosevelt and the former Secretary of War, his personal friend. Nobody will be able to say with justice that they are among the number of those misgoverned or turbulent nations which do not now have to make “good use of their independence,” or those on whom the stronger should apply “the right of expropriation against incompetent peoples,” a right proclaimed some time ago by the current President of the United States. The other Latin American republics which feel threatened by the “international policy” of the United States have the remedy in their hands: trying to choose honest and far-sighted governments and, through peace and efficacy in their labor, progress with riches and force.

The Brazilian posture against the Drago Doctrine persisted, so much that in the Third International American Conference, held in Rio de Janeiro in 1906, Rio Branco maneuvered the agenda to exclude any discussion of it, while stripping the meeting of any deliberation. On March 10, 1906, on instructing his old Anglophile and monarchist friend, Joaquim Nabuco, now Brazilian ambassador in Washington, on the Conference’s agenda, Rio Branco turned the offensive against Drago’s principles and in favor of Roosevelt:

We think that Monroeism will in general be accepted in order to declare all united around the idea

Drago's Financial Corollary to the Monroe Doctrine

The debt crisis of the turn of the century reached its climax in December 1902, when Germany, Italy, and Great Britain sent gunboats to blockade the ports of Venezuela, after Venezuela announced that it was unable to meet payments on its foreign debt on time. On Dec. 29, 1902, Argentine Foreign Minister Luis María Drago outlined, in a letter to Argentina's ambassador in Washington, "considerations with reference to the forcible collection of the public debt." These principles have since been incorporated into Western Hemisphere law as "the Drago Doctrine." Drago himself called the principles "the Financial Corollary to the Monroe Doctrine." Excerpts follow:

... The capitalist who lends his money to a foreign state . . . knows that he is entering into a contract with a sovereign entity, and it is an inherent qualification of all sovereignty that no proceedings for the execution of a judgment may be instituted nor carried out against it, since this manner of collection would compromise its very existence, and cause the independence and freedom of action of the respective government to disappear.

Among the fundamental principles of public international law which humanity has consecrated, one of the most precious is that which decrees that all States, whatever be the force at their disposal, are entities in law, perfectly equal one to another, and mutually entitled by virtue thereof to the same consideration and respect.

The acknowledgement of the debt, the payment of it in its entirety, can and must be made by the nation without

diminution of its inherent rights as a sovereign entity, but the summary and immediate collection, at a given moment, by means of force, would occasion nothing less than the ruin of the weakest nations, and the absorption of their governments, together with all the functions inherent in them, by the mighty of the earth. The principles proclaimed on this continent of America are otherwise. "Contracts between a nation and private individuals are obligatory according to the conscience of the sovereign, and may not be the object of compelling force," said the illustrious [Alexander] Hamilton. They confer no right of action contrary to the sovereign will.

... What has not been established, what could in no wise be admitted, is that, once the amount for which it may be indebted has been determined by legal judgment, it should be deprived of the right to choose the manner and time of payment, in which it has as much interest as the creditor himself, or more, since its credit and its national honor are involved therein.

This is in no wise a defense for bad faith, disorder, and deliberate and voluntary insolvency. It is intended merely to preserve the dignity of the public international entity which may not thus be dragged into war with detriment to those high goals which determine the existence and liberty of nations.

... If [forcible debt collections] were to be definitely adopted they would establish a precedent dangerous to the security and the peace of the nations of this part of America. . . . Such a situation seems obviously at variance with the principles many times proclaimed by the nations of America, and particularly with the Monroe Doctrine, sustained and defended with so much zeal on all occasions by the United States, a doctrine to which the Argentine Republic has heretofore solemnly adhered.

of impeding any colonial expansion or effort at European conquest on the continent, *making an exception from Monroeism the case of any temporary bellicose occupation as a reprisal and in defense of the offended honor or legitimate interests of any European nation.* We believe that not even the United States itself with its immense resources could efficiently exercise the friendly or paternal policy which it would like to exercise, except in the Sea of the Antilles.

Rio Branco against Ibero-American integration

In the same March 1906 communication to Nabuco, Rio Branco expressed his ideas against any action which would institute principles of sovereignty on the Ibero-American subcontinent:

The idea of an arbitration tribunal composed of Americans to oppose that of The Hague—where Americans do and could take part—seems unacceptable to us. It would suppose that America formed a world apart from Europe. To solve problems between the nations of South America, arbitrators chosen in North America and in Europe offer greater guarantees of impartiality. . . . With Hispanic-American arbitrators, Brazil, Chile and the United States would always come out badly. . . .

A general agreement of all the American nations is even more impossible than among the Europeans. The European concert is only now forming among the so-called great powers. We think that for an agreement in the general interest to be viable, it should only be tried between the United States of America, Mexico,

Brazil, Chile and Argentina. Since [they are] many, we would be supplanted by the many whenever any resolution had to be made.

Instead of a legitimate political and economic integration based on the principles of sovereignty and independence like that which several of the Hispanic American republics desired, Rio Branco promoted a geopolitical agreement which would be called the ABC Alliance, oriented not towards any positive principle whatsoever, but only to make permanent the new territorial borders in South America, which Rio Branco's previous efforts had shifted, consistently to the aggrandizement of Brazil. "I have already constructed the map of Brazil," he said. "Now my program is to contribute to unity and friendship among the South American countries."

His proposal for "A Treaty of Cordial Political Intelligence and Arbitration between the United States of Brazil, the Republic of Chile and the Republic of Argentina" (ABC Treaty) was presented in Petropolis on Feb. 29, 1909. It is an agreement for Rooseveltian détente two of whose articles read:

Article 4 . . . If the top contracting parties cannot reach agreement on choosing an arbitrator or arbitrators, the question under litigation will obligatorily be submitted to the arbitration of the Swiss Federal Council.

Article 7. None of the three contracting Republics can form with a fourth power an alliance against other signatories of the present treaty.

And who was behind the accord—which shows the true strength of Rio Branco's convictions—can be seen in the following declaration:

Brazil guarantees that there will not be discord in South America, nor protest in Peru (in relation to the matter of the Acre territory, claimed by that country); and that the President of the United States, Theodore Roosevelt, and his minister, Mr. Root, will specially invite the Presidents of the ABC to accompany them with his presence in the coming inauguration of the Panama Canal.

It is useful to note here that Rio Branco was the architect of the recognition of Panama among the Hispanic American states. The mediation attempted by ABC during the Mexican Revolution in 1914 was rejected by the constitutionalist forces commanded by Venustiano Carranza as soon as he discovered the interventionist character of the ABC conferences at Niagara Falls.

'Uti Possidetis': a Soviet diplomatic enigma

But what makes Rio Branco most fascinating to today's Soviet imperial diplomacy, as shines through in the Martinov article, is his application of the principle of "uti possidetis," which permitted first the Viscount and then the Baron Rio

Branco to settle border conflicts with Brazil's neighboring countries. "Uti possidetis" is an immoral doctrine originating in Roman law, which Rio Branco applied without distinction to defend the thesis that the "natural" occupation of territory by Brazilian nationals was sufficient cause for decreeing to it the territory under litigation. This is absolutely congruent with the ideas that he held since he was a student, that there is an absolute separation between law and morality. "Kant," the Baron said, "made external freedom the basis of right and based morality on the internal."

What "uti possidetis" meant for Rio Branco, was sharply revealed when the Acre territory, belonging to Bolivia and recognized as such by Brazil, was decreed under litigation and its 200,000 square kilometers eventually incorporated into Brazil with the Petropolis agreement of 1903. Acre was critical for Anglo-American interests, since it produced 60% of all the rubber exported from the Amazon to Europe and the United States. Rio Branco put together separatist movements of Brazilians who had recently, in flight from the misery and hunger of Brazil's Northeast, emigrated to Acre to work in the rubber fields. For his plans, he made use of the cooperation of the Bolivian Syndicate, an Anglo-American company, which, as may have been guessed, was associated with the interests of the Roosevelt family and the House of Baring. And clearly, there was no lack of threats of total war against the weak Bolivian republic. Brazil cut off transit on the Amazon river, the only access route for Acre and much of Bolivia.

Perhaps the theft of Acre was the gift Roosevelt bestowed on Rio Branco (its state capital is now named Rio Branco) in exchange for his valuable services as a traitor to the Ibero-American cause. The Acre affair poisoned Brazilian relations with Hispano-America, bringing forth suspicions which last to the present day.

Yet Martinov defends the Brazilian annexation of nearly 600,000 square kilometers of land ("territory equivalent to the state of France," he acknowledges), as an "anti-imperialist" action, writing that "the policy, which throughout 14 years resolved border problems which had existed from colonial times, deprived the U. S. of an important instrument of domination!"

The "uti possidetis" doctrine developed by Rio Branco fits to a tee Soviet justification of the historic Russian territorial advance, even more so now given the current Western economic crisis as a new opportunity for the imperial expansion of Matushka Rus to achieve the dream of coming to be the Third Rome before the end of the second millennium of the Christian era.

Russian diplomatic flirting with Brazil, and the Martinov article is a characteristic part of that, seeks to achieve a rapprochement so that Brazil accepts cooperation with the Soviet "uti possidetis" in Africa, which would give it control over strategic minerals. Perhaps here is where the "enigma" of Soviet diplomacy is located and the cause of so much reverence for Theodore Roosevelt's little agent, Rio Branco.

Colombian anti-drug hero gunned down

by the Editors

The former chief of Colombia's anti-narcotics police, Colonel Jaime Ramírez Gómez, was machine-gunned to death while riding with his family Nov. 17. The mafia killed him not only in revenge against the man who personally conducted the biggest cocaine seizure in world history, the 1984 raid on the Tranquilandia cocaine lab which netted 14 tons of pure cocaine and 45 narcotics traffickers.

It also sought to eliminate Colombia's best policeman from the line of command. Ramírez was a quiet doer who never ran public relations campaigns to "improve his image," something common among so many figures today. His service record speaks for itself.

Ramirez was a key liaison with the U.S. Drug Enforcement Administration, and was to testify the day after his murder at an investigatory tribunal on evidence he had personally put together of cocaine kingpin Pablo Escobar's role in the assassination of Colombia's Justice Minister, Rodrigo Lara Bonilla, in 1984. Escobar was indicted in Miami two days after Ramirez' death along with the "Medellin cartel" of the drug mob, on charges of trafficking 58 tons of cocaine into the U.S.

An extraordinary team

Rodrigo Lara Bonilla, as justice minister, and Jaime Ramírez, as the F-2's anti-narcotics chief, made an extraordinary team which accomplished the most valiant and efficient campaign to rescue public morality from under the heel of the narcotics traffickers.

Without vacillating, the two drafted and executed a master plan to extirpate the drug scourge. Their approach was not to reduce the activities of the drug traffickers, but to totally eradicate them. And, to do that, they took on the task of destroying the mafia's logistical infrastructure. This meant using the power of the state to finish off marijuana and coca plantations by the best means: the use of herbicides. It was necessary simultaneously to dismantle the laboratories and places where narcotics were processed and prepared for shipment. It was also vital to end the thugs' transport and communications network by destroying clandestine airports and seizing all those planes suspected of being used in narcotics transport.

While they ran this war to the death against drug traffic,

Lara Bonilla and Jaime Ramírez worked hard on a justice reform proposal designed to arm the state with the legal tools required to overthrow the drug traffickers. Sentences had to be increased, penal codes stripped of all kinds of "legal" loopholes through which the criminals could escape the reach of justice, and international accords such as the extradition treaty with the United States, had to be enforced.

Mobsters camouflaged as ecologists invented spurious arguments against the use of herbicides to kill marijuana. The "respectable" owners of some 200 airplanes, detained for being linked to the drug traffic, moved their great influence to get their suspended flying licenses reinstated.

By murdering Lara in April of 1984 and then offering to pay the foreign debt with narco-dollars, the drug runners and their pet politicians supposed that Colombia would give in to the law of the jungle. The ploy backfired; the population rose up in support of President Belisario Betancur's decision not to accept the drug runners' blackmail.

Since then, the drug financiers have decided to eliminate one by one every opponent of their designs. They hoped Colombians would be overwhelmed with fear. In November 1985, they had the M-19 terrorists seize the Justice Palace and murder judges who had enforced extradition of drug traffickers.

Since shortly before the inauguration of President Virgilio Barco this past August, the drug mafia stepped up both their calls for legalization, and their political assassinations. Surely Colonel Ramírez worried during the days before his assassination whether the new Colombian government would continue the war on drugs. Government agencies advised Barco to ban herbicide use and ordered the planes seized on suspicion of carrying drugs to be returned to their owners.

The way Ramírez's career as a police officer developed says things about the government's posture toward the drug traffic. He expected he would be promoted to brigadier general in early December, after completing the requisite study program. However, according to Colombian press reports, he was to be the only one in his graduating class not promoted this year.

His yearning to serve his country in some position with operational responsibilities, for which he was highly qualified, surely must have made him intensely concerned during the weeks before his death.

There are many questions to be cleared up in the investigation of his assassination. However, in order for his sacrifice not to have been in vain, the battle plan for eradicating drug traffic drawn up by Ramírez and Rodrigo Lara Bonilla must not be abandoned on any front. On the contrary, this war on drugs program must be improved and expanded. The governments of the United States and other countries which have cooperated with Colombia against drugs, must be unequivocal and concrete in their support of this war. That is the best tribute we could render to the memory of Jaime Ramírez Gómez.

May he rest in peace.

Patriarchate renews threat to Pope

The most violent denunciations yet of the papacy, the Filioque doctrine, and the Uniates (Ukrainian Catholics).

The *Journal of the Moscow Patriarchate* (No. 8, 1986) has warned Pope John Paul II to stick to the Vatican II decisions reached on “theological dialogue,” and to stop “engaging in futile attempts to restore the Union in the Ukraine.” Almost the entire August issue of the *JMP* was devoted to the most violent denunciation yet of the papacy, the Filioque doctrine, and the Uniates (Ukrainian Catholics).

The *JMP* articles occur in the context of an anti-papal offensive headed by the Russian Orthodox Metropolitan Filaret of Kiev and the church’s External Affairs Department. Metropolitan Filaret held a private meeting on Oct. 28 with the Pope after the Assisi peace gathering, where according to well-informed sources, Filaret pressured the Pope with degrading “conditions” for visiting the Soviet Union in 1988 for the millennium of the Baptism of Kievan Rus. John Paul II was told he will be *persona non grata* unless he drops his demand for reconstituting the Uniate Church.

Metropolitan Filaret’s article in the *JMP* came straight to the point: “In the course of the almost millennium-long division (East and West) three serious attempts at reunion were made. I mean the unions of Lyons (1274), of Florence (1439) and of Brest (1596). Everybody knows that all of them ended in failure. Instead of Church unity, the Unions—always and everywhere—gave rise to division, enmity and hatred. . . .”

The Kievan Rus Prince Danili Ro-

manovich concluded a union, based on the notion of individual human creativity inherent in the “Filioque doctrine,” with the Roman Catholic Church at the Council of Lyons (1274). The process was ruptured by the decimation of Kievan Rus by the Mongol hordes. Later, the Metropolitan of Kiev, Isidore, signed a Union accord at the Council of Ferrara-Florence (1438-39). This process was aborted once again when Moscow, violently rejecting the *Filioque* because it was in conflict with its autocratic form of the Byzantine Empire, rejected the Union of Florence, and formed the Russian Orthodox Patriarchate, forcing Metropolitan Isidore to flee.

The Brest Union of 1596, forged during the Lithuanian-Polish Commonwealth period, lasted for 350 years until 1946, when the Stalin-dictated Council of Lvov dissolved the Ukrainian Uniate Church and forced the Ukrainian Catholics en masse to return to the “Mother” Russian Orthodox Church.

“The Brest Union,” writes Metropolitan Filaret, “far from restoring Church unity, did violence to the Orthodox conscience. . . . Internal disease that was responsible for the division of the East and West—violation of the purity of ecclesiological teaching—was not cured by the Union. . . .”

Ukrainian Catholics, continues the Metropolitan, were “reunited”—by the Lvov Council of 1946 under Stalin—“with their Mother Church,” after “liberation of the Ukraine by the valorous Red Army from German fas-

cist occupation. . . . In the united family of Soviet nations, there is no national strife between the blood-related (sic) Russian, Ukrainian and Byelorussian peoples.”

“‘The Roman Pope is Worse Than the Crimean Khan’ was the common saying of the time when the Union was in force,” writes Archbishop Makariy of Ivano-Krankovsk in the same issue of the *JMP*, referring to the Brest Union of 1596. “There is something broken, twisted and unnatural in the Union, which cripples us and drains our strength, like, for example, cancer. . . . The Union, since it is a foreign body in the organism of our people, is doomed as such, because a healthy organism always gets rid of a foreign body.”

Methods of conducting propaganda against Catholicism and the Uniate Church are developed, in coordination with the Russian Orthodox Church External Affairs Department, at the Ivan-Franko State University in Lvov and the Institute of Social Sciences of the Ukrainian Academy of Sciences. Anti-Uniate commissions have been set up under regional Party committee auspices. In the Ukraine, district, youth, and regional newspapers devote much space to anti-Catholic propaganda. A Ukrainian TV series “Myth and Reality” attacks the Vatican’s policy to restore the Uniate Church. Two new films recently made in the Ukraine portray the Ukrainian Catholic Church as “hostile” to the Ukrainian people.

One of the most defamatory articles against Pope John Paul II appeared this year in the journal of the Byelorussian Writers Union. The author, A. Bazhko, a former KGB official, now in the Central Committee department of ideology and propaganda, denounced the Pope as a “cunning and dangerous” adversary.

Stories around town

The power-sniffers bet that a "Grand Coalition" is already decided. Their "proof" is the bankers' takeover of Neue Heimat.

With federal elections here on Jan. 25, 1987, bets are naturally being placed in the little town of Bonn on the likely winner. Aged Social Democratic ex-chancellor Willy Brandt tirelessly, but usually metaphorically, campaigns for a "Grand Coalition"—a combination of the largest parties on the landscape, the Social Dems themselves, and the Christian Democrats.

The meeting of the minds between the Socis and the Christian Dems comes on two points. Economic storm clouds are gathering, and the Christian Dems know that only the Socis can get the trade unions to agree to the sort of belt-tightening austerity economies they have in mind. Second, the Socis are quite pleased that large sections of the Christian Dems are adopting their own anti-NATO decoupling policies.

No one but a total fool bets on a total gamble, so the power-sniffers are out in force. In the corridors of the various power combinations, the power-sniffers have come on a scent, and their bet is that a "Grand Coalition" is already decided. Their "proof" is the recent bankers' takeover of Neue Heimat. The story we hear makes some sense.

On Oct. 1, a bread baker from West Berlin by the name of Horst Schiesser "bought" the housing-construction conglomerate, Neue Heimat, owned by the German Trade Union Federation (DGB), for the symbolic 1 German mark. Schiesser was supposed to manage the defunct construction firm and take it into the West German equivalent of Chapter 11 bankruptcy, or whatever he wanted. His job was

especially to take the Neue Heimat albatross, indebted to the tune of 17 billion marks, off the back of the DGB and its house bank, Bank für Gemeinwirtschaft.

Six weeks later, a few scandals having washed under the bridges, Social Democratic politicians are shaking in their boots about possible revelations of kickbacks that ended in their pockets, and Schiesser sold Neue Heimat back again, for the symbolic 1 mark. Creditor banks, mostly German, have formed a new holding company to manage Neue Heimat.

The story the power-sniffers tell is this: The banks, on behalf of the Christian Dems, did not want Schiesser, an "outsider," to be able to say, "I want you to give me new money on X, Y, Z rotten mortgages, because I know you (bankers) knew the mortgages were rotten when they were signed in the first place; if you don't give me the money, I'll show your complicity in Neue Heimat's dirty deals before."

After six weeks, the story goes, Deutsche Bank induced the Royal Bank of Canada to slap a 50 million mark arrest on Schiesser, a favor Royal Bank of Canada owed Deutsche Bank, a favor, we are told, which has something to do with raw materials scams in Canada. Schiesser was out-powered, and no longer moving on the "insider" track.

Schiesser was a friend of older trade union federation people—on the inside, he also would have ammunition against Christian Democratic politicians—we hear—who pocketed Neue Heimat kickbacks. And, they did

not want a "wild card" in the game. They will cover their own bad paper among themselves—that's business. With the Royal Bank of Canada playing the trump card against Schiesser, the domestic "establishment" has its hands clean.

Now with the largely Christian Democratic allied banks in a position to be "gentlemanly" on the issue of party-related kickbacks, Willy Brandt is no longer interested in the Social Democrats running a campaign for the "absolute majority," which was Social Democratic chancellor candidate Johannes Rau's platform. So, the word is out: Rau has no chance, Brandt has undercut him. The Neue Heimat deal was icing on the cake.

Word is that the main power among the German banks, Deutsche Bank, also has a basic agreement with Brandt on issues like the creation of a "great European economic zone," i.e., a far stronger orientation of the West German economy to Eastern Europe and the Soviet Union.

The Free Democrats' political power derives from their "pendulum" antics of switching coalition partners whenever it suits their interests: If neither the Christian Dems nor the Social Dems are in an absolute majority position, the Free Democrats are given (or loaned) power by the party willing to pay (politically or however) the most for its own governing power position.

No account of the power-politics equation would be complete without looking at how the power-sniffers see the position of the proto-terrorist, environmentalist Green Party.

At the moment, the Green Party is making huge political profits off of the Neue Heimat collapse and surrounding scandals, and if such wheeling and dealing continues to dominate, will probably make it to 10% or above in the national vote.

Regan crony attacks anti-drug fighter

The White House chief of staff's friend is doing his best to protect the entrenched drug mafia in Sinaloa.

Listen up, friends: in the coming days I am going to get ready to die . . . but whatever it costs, they won't steal the Sinaloa election," said Manuel J. Clouthier, before a group of businessmen on Oct. 7. Clouthier was the candidate for governor of the state of Sinaloa on the insurgent National Action Party (PAN) slate, defeated by the candidate of the ruling Revolutionary Institutional Party (PRI), Francisco Labastida Ochoa.

Clouthier's theatrical declarations are designed to hide the reality of what occurred during the Sinaloa campaign, one of the most important in Mexico, since the center of one of the biggest drug trafficking mafias is located there. In particular, it is the haven of trafficker Miguel Angel Felix Gallardo, who is charged by the U.S. Drug Enforcement Administration with masterminding the murder of U.S. Drug Enforcement Administration agent Enrique Camarena Salazar.

In fact, it is Labastida, the PRI governor-elect, who has been the target of attacks by the dope mafia. At the end of June, Labastida's car was shot full of bullets in front of his house, a clear warning of reprisal against his pledges to combat and banish the state's drug traffic. At the end of July, the plane in which Labastida was traveling with some of his collaborators almost crashed when a motor blew up; only the pilot's skill prevented Labastida and his entourage from getting killed. The case remains unsolved. In mid-September, José Angel Pesca-

dor, the PRI candidate for mayor of Mazatlán, the second largest city in Sinaloa, was leaving one of his electoral rallies when he was warned that unknown armed men were going around asking for him.

On Sept. 14, a former congressman and peasant leader from Sinaloa, Saúl Ríos Beltrán, was seriously wounded in an attempt on his life by drug-mafia-hired gunmen. The event was widely talked about because it was notorious that the outgoing state governor, the corrupt Antonio Toledo Corro, hated Ríos Beltrán.

The foregoing are some of the attacks suffered by PRI candidates identified with Francisco Labastida, without counting the 700 assassinations in the state this year.

In suspicious contrast, Manuel J. Clouthier did not get attacked or threatened *once* by the narcotics mafia. This is not accidental. Manuel Clouthier del Rincón is the head of one of the more powerful landowning families of Sinaloa state, linked to the drug trade. Clouthier's grandfather, Francisco ("Pancho") del Rincón, was a big "capo" of the Sinaloa mafia. In 1973, according to the daily *El Sol de Sinaloa*, the police discovered a warehouse of the VIMSA company, owned by Clouthier, filled with several tons of marijuana.

Clouthier dedicated his campaign to attacking Labastida, although he knew that Labastida was not identified with the corrupt policy of outgoing Governor Toledo Corro. Labastida is

recognized in the state and nationwide as a man dedicated to Mexico's industrial growth, and whose honesty is above reproach. When he held the cabinet portfolio of energy, mines, and semi-public industry, Labastida won enormous respect both in PRI political circles and among the national business community.

On Nov. 1, Clouthier held a demonstration in front of Labastida's private residence and placed a coffin at the door of his home, in flagrant violation of his rights of privacy. On Nov. 2, Clouthier was arrested for 45 minutes for insulting an election official. Previously, on Oct. 30, Clouthier staged a rally before the offices of the U.S. consulate in Mazatlán demanding that the U.S. government grant no more credits to Mexico. The demand was presented by Clouthier's uncle Jorge del Rincón, to the consulate personnel.

Clouthier is trying to weaken Labastida's capability of waging war on the state's entrenched drug mob by calling his election victory into question.

This insolence reflects the fact that he has the backing of important interest groups. One is Donald Regan, White House chief of staff. Their friendship dates from 1982, when Clouthier was chairman of the Mexican "Confederación Patronal" or big industrialists association. That was when President López Portillo decreed the nationalization of the banks, and various bank owners went to ask for help from the U.S. government to force the Mexican government to restore their ownership. One of the most assiduous of these travelers was Clouthier, who met with Don Regan, then U.S. treasury secretary.

That's clear. But does Don Regan know his pal Clouthier is sabotaging efforts to fight the drug traffickers' political power in the state of Sinaloa?

Fragile PMDB victory in Brazil

The government has artificially contained consumer prices under the Cruzado Plan, but the crisis is only postponed.

In the elections of Nov. 15, the heterogeneous PMDB (Brazilian Democratic Movement Party) party—principal support of the José Sarney government—took 23 out of 24 gubernatorial races, the majority of federal congressional seats, and nearly the totality of the Senate. It was the first time in the history of the country that a single party had won such a sweeping victory.

All eyes had focused on the important state of Rio de Janeiro. The outgoing governor of Rio is Leonel Brizola, whose Democratic Workers Party (PDT) is linked to the Socialist International of Willy Brandt. Brizola put up as his replacement candidate, the Gnostic anthropologist Darcy Ribeiro, who was defeated by a wide margin. Despite their electoral rout, the Brizola-Ribeiro duo is far from political retirement. With the Rio elections, Brizola succeeded in setting himself up in direct confrontation to President Sarney, a maneuver which has served to project him as the sole national opposition to the Cruzado Plan, the economic program whose purpose from its inception was to win the elections for the ruling PMDB party.

The government may have managed to artificially contain consumer prices under the Cruzado Plan, but the crisis is only postponed. While prices have remained frozen, the real interest rates for production have exceeded 100%. At the same time, the policy of paying interest on the foreign debt has served to decapitalize the funds for investment in infrastructure, especial-

ly in the energy sector and for industrial expansion.

If this situation is not corrected through a radical reduction in interest payments sent abroad, the economic crisis will worsen the conditions of starvation and epidemic that already imperil the country, and the electoral triumph of the PMDB will vanish, making way for the creation of a fascist movement like that being formed by the Brizola-Ribeiro pair. Despite their electoral defeat, they did manage to garner more than 2 million votes from the desperately poor population that inhabits the innumerable slums surrounding Rio.

The threat they represent was made evident during the closing event of the Ribeiro campaign, attended by 500,000 persons blindly mobilized by a political machine whose nucleus is a 50,000-strong army of employees of the group that controls the illegal game of *Bicho* (lottery), and which has been closely allied to the Brizola governorship from the outset.

The *Bicho*-Brizola alliance was firmed up with the building of the "Sambódromo" boondoggle, the Samba Stadium whose only parallel is the Roman Colosseum, and which was built under Darcy Ribeiro's direction. The Sambódromo was planned by the Nazi-communist architect Oscar Niemeyer, with the objective of institutionalizing the obscene samba schools, which year after year parade in the Carnival bachanalias, into a fascist mass movement under the pressures of an aggravated economic crisis.

The criminal roots of Darcy Ri-

beiro are more than proven by the fact that he is the Bulgarian connection in Brazil, an essential part of the Bulgarian network of arms and drugs trafficking that supplies terrorist movements worldwide and was accused of involvement in the plot to kill Pope John Paul II. In this context, it is perhaps no surprise that the support rally held for Ribeiro's candidacy by the *bicheros* flaunted the presence of the Syrian consul in Rio de Janeiro—at the very moment when international condemnation was raining upon the Assad regime in Syria for providing a base of support for international terrorism.

Another of the insidious forces that backed Ribeiro's candidacy was the American Institute for Free Labor Development (AIFLD), through its agent in the Brazilian trade union movement, Valdir Vicente, a Rio metalworkers trade union official. AIFLD has been charged by trade union leaders in Colombia, Peru, and other Ibero-American countries with links both to the cocaine-marijuana trafficking networks and also to the gnostic networks which created the narco-terrorist M-19 in Colombia.

With such allies, it should come as no surprise to anyone that Ribeiro is an open advocate of drug consumption, of homosexuality, of euthanasia . . . even of cannibalism! In a 1981 interview, republished two days before the Nov. 15 elections by the daily *O Globo*, Ribeiro noted that old age imposes a limit on life at age 60, and proposed a timely "endo-cannibalistic death . . . so that, with each person that dies, we do what the Indians did, extracting the water, reducing the body to powder . . . then mixing the powder with flour and eating it."

Of course, inconsistent with his own ideas, Ribeiro campaigned despite having personally exceeded that "age limit."

The Kra Canal keeps moving forward

And a group of Japanese industrialists appears determined to become involved.

Signs of approval of the Kra Canal project have been reportedly given by Prime Minister Prem Tinsulanonda of Thailand. No official discussion of the project has yet taken place at the cabinet level, but there reigns an atmosphere favoring the implementation of the project.

Prem is known for being cautious and noncommittal. His showing any sign of approval for a project as controversial as the Kra Canal indicates a generally favorable inclination on the government level toward the infrastructure project. It is believed that the Royal Thai Navy will back the project.

Prem's hometown happens to be Songkhla, the port/university town in the south, most discussed as the suitable site for expansion into an Asia-port, should route 5A be chosen for the canal's construction.

Songkhla Asia-port will be able to serve 12 nations in the region and have the potential of attracting up to 10% of all cargo traffic. When compared to Rotterdam, the largest port in Europe, which generates almost 50% of the gross national product of the Netherlands, Songkhla is in a superior geographic position. It is situated in the center of over 1.2 billion people, who are collectively generating an export-import account of approximately \$200 billion.

In the meantime, the reassembled parliamentary commission on the Kra Canal has met several times since the last general elections to draw up recommendations. These recommendations will be submitted to the govern-

ment. The parliamentary commission is chaired by a member of the Rassadorn Party, a small but influential party with a base in the Thai military. Dr. Uwe Henke v. Parpart, director of research at the Fusion Energy Foundation (FEF), has been invited to give an updated report on the economic and financial feasibility of the project on Dec. 3.

Last year, under the previous Prem government, Pakdee Tanapura, chief representative of the Fusion Energy Foundation in Bangkok, was called upon by the Thai parliament to provide information on the scope of the Kra Canal project and its potential impact on the Thai economy. Three years of persistent campaigning around this great project by the Bangkok offices of the FEF and *EIR* have opened the doors to a new era of optimism in Thailand and the countries of the Pacific and Indian Ocean basins.

Reverberations from the Bangkok conference on the Kra Canal organized by the Chulalongkorn University's Social Research Institute and its engineering department Nov. 7-9 were both nationwide and international.

Following the conference, a Kra Canal Commission was created in the office of the university chancellor, Dr. Boonrod Binson. Dr. Boonrod is an executive member of the Chow Foundation founded by K.Y. Chow, the Thai-Chinese oil businessman who attempted to push through the Kra Canal in the early 1970s. Chow financed a preliminary feasibility study which was carried out by TAMS Corp. of New York. Dr. Boonrod was one of

the Thai technical advisers of the TAMS study.

Dr. Boonrod is pulling together a committee of sages to act as an executive body whose main task would be to promote the project within Thailand. Many prominent people are being asked to join and among them, the FEF's Dr. Uwe Henke v. Parpart.

Japan has been increasingly forced by the world economic collapse and America's "Jap-bashing" protectionist attitude to turn inward. Over the past couple of years, a group of Japanese zaibatsu (industrialists) under the name of Japan Project-Industry Council or JAPIC initiated the idea of riding out the world economic crisis by launching more than 20 domestic infrastructure projects such as the Kensai International Airport, in an attempt to keep Japanese construction companies afloat and working.

However, since Japan is dependent on other countries as markets for finished products as well as for raw materials, the focus on domestic development can only work temporarily. It would not ensure Japan a way out of the world economic depression in the long run.

With the Kra Canal project moving convincingly forward, the Global Infrastructure Fund group of industries (the GIF club around Dr. Masaki Nakijima of the Mitsubishi Research Institute) has gained in esteem in the eyes of the Nakasone government. The Thai great infrastructure project is giving hope to Japan, the land of the rising sun, once again, that perhaps she still has a leading role to play in the development of the Third World. The GIF club is being encouraged to pursue the study of 15 super infrastructure projects in Asia, Latin America, and Africa, and the Kra Canal in Thailand ranks high on its list.

A new boost for regional cooperation

The second summit of the South Asian Association for Regional Cooperation made solid gains.

The process of regional cooperation in south Asia, where broad and ancient cultural commonalities are overlaid with bitter modern-day animosities and political cultures, can not be expected to yield quick breakthroughs.

Nevertheless, real, if slow, progress has been made, as indicated by the final communiqué of the second heads-of-state summit of the year-old South Asian Association for Regional Cooperation (SAARC) in Bangalore on Nov. 16-17, and a series of administrative decisions and extracurricular bilateral consultations.

The problems of terrorism and drug trafficking, put on the agenda at the first summit at Dacca, were addressed head-on. So far, political obstacles prevent anything more than a general condemnation of terrorism. This, with an avowal not to organize, aid, or assist "acts of civil strife or terrorist acts in another state," as per the U.N.'s formulation.

Given the current strains between India and Sri Lanka and India and Pakistan, respectively, it is significant that bilateral contacts inched forward in this delicate area. Intense exchanges with Sri Lanka's President Junius Jayewardene and his party on settling the island's ethnic crisis are showing promise. Less dramatically, a new schedule for moving Indo-Pakistani relations forward, including an early December secretary-level meeting on illegal border crossings, smuggling, and terrorism, was announced.

Broader, more practical progress

was made on drugs, and an anti-drug strategy was given priority going into the summit. The technical committee on drug trafficking and drug abuse was formally established, and three recommendations adopted. These called for establishment of a regional committee—to be headed by Pakistan, where the problem is most severe—to deal with the subject, establishment for a regional center for research and training in prevention, treatment, and rehabilitation of drug addicts, and setting up a regional drug-testing laboratory.

To give force to the cooperative impulse, a permanent secretary will be set up in Kathmandu—also designated as the site of the next summit—in January. Bangladeshi diplomat Abul Ahasan will be the first secretary general and, as with the SAARC chairmanship that passed to Rajiv Gandhi in Bangalore, the position will rotate alphabetically. The secretary will facilitate the shift from workshops and seminars and other academic discussions to concrete projects and institutions in the areas identified for action, including, agriculture, health and population, meteorology, postal services, rural development, science and technology, sports and culture, telecommunications, transportation, and, recently added, women in development, and drug trafficking.

On the immediate agenda for 1987 are two projects—establishment of a Regional Neurological Research center (RNR) in India and an agricultural information center (AIC) in Dacca. A

number of additional proposals found a favorable consensus, joint programs for radio and television, promotion of tourism, establishment of a regional documentation center, and an exchange program for volunteers working in agriculture and foreign students.

India's conviction that joint action must be undertaken in core economic areas of trade, industry, energy, money, and finance, was echoed by others; in particular, Bangladesh put on the table a proposal for establishment of a regional investment institution to generate capital for production, infrastructure, and technology buildup in the region.

But if interregional economic cooperation is temporarily stalled by Pakistani reticence, there was complete unanimity of views on the urgency of the international economic crisis. Nearly one-third of the final communiqué was devoted to the fact that "the world economy continues in the throes of crisis, with particularly harsh and severe consequences for the economies and development processes and aspirations of the developing countries."

The conclusion of a SAARC ministerial meeting on international economic issues in Islamabad, detailing the negative factors behind the "exceptionally negative external economic environment" were endorsed. Significantly, the difference between promise and performance in advanced sector economies was highlighted, along with depressed commodity prices, rising protectionism, lower exports and export earnings, net outflow of resources of developing countries, and aggravated debt crises.

The leaders called for international monetary reform through a conference on money and finance, and vowed to coordinate national efforts over the next few years.

International Intelligence

Soviets hail missiles' accuracy

Soviet strategic missiles have "grown decisively" in "accuracy and effectiveness," boasted Gen. Vladimir Vishenkov, chief of staff of the Soviet Strategic Rocket Forces. Vishenkov, in an article released by TASS Nov. 18, praised the "high level of preparedness" of the Strategic Rocket Forces.

He added: "The reliability of the technology, the accuracy, and their effectiveness in destroying targets has decisively increased."

Vishenkov cites the program of the Communist Party for its emphasis: "Everything will be done to exclude the forces of imperialism from attaining strategic superiority."

Gandhi designates García honored guest

Indian Prime Minister Rajiv Gandhi invited Peru's Alan García to be an "honored guest" at India's Republic Day on Jan. 26, *El Peruano* reported Nov. 16. In a warm letter of invitation, Gandhi told García:

"I have enjoyed reading your speeches and writings which you so kindly gave me in Harare. They have permitted me to have a vision of the new Peru, combining the best of its culture in the things provided by the modern civilized world . . . a Peru which radiates a message of freedom and justice."

Gandhi also reported that India is proposing that the Non-Aligned Movement create an "African Fund," to finance "urgently needed projects" in the "front-line states" bordering on South Africa.

French billionaire seeks unilateral disarmament

France's newspaper of record, *Le Monde*, gave a half-page to "red billionaire" Jean-Baptiste Doumeng, to call for unilateral

French nuclear disarmament and a unilateral French military pullout from Africa.

The page-two op-ed is ostensibly centered around a Doumeng proposal for increasing employment and wages in France, but, the financing of the proposal would include the following:

- "Liquidate all nuclear weapons, for these serve neither for deterrence nor, in case of misfortune, for national protection. They are an idiocy of a military and political character directed against the Soviet Union. . . . I am persuaded that there is no military risk of war nor of invasion from the Soviets for France. Multiple declarations, from the Soviet authorities, and as reflected in the declarations of the highest French authorities, corroborate this point of view. Finally, the stopping of French atomic arms would launch a policy of nuclear disarmament in the world, in relation to the Soviet Union and the United States."

- "Suppress all interventions of a military character by France in Africa, the Middle East, or elsewhere. It is a question of bringing an end to all the agreements for military aid, because France has, certainly, other means than arms to justify its civilization toward the countries of the Third World, on the cultural as well as the economic plane. The French army should be reinforced only to assure the security of our country."

Buthelezi, in U.S., attacks sanctions

Chief Mangosuthu Gatsha Buthelezi, the leader of 7 million Zulus and chief minister of Kwazulu/Natal, said on "CBS Morning News" Nov. 20 that Americans "have a right to express their abhorrence to apartheid," but insisted that economic sanctions are ineffective to induce change and "hurt black people more."

"Each time [you] put the questions of sanctions against South Africa before my people, they reject it," he said. "So as a democrat, I get my cue from those I represent, you see, with whom I consult."

The White House has announced that

Buthelezi will hold meetings Nov. 24 with Reagan, Bush, and Shultz. He was in New York Nov. 19, and will be visiting Texas, Florida, and California, as well as Washington, D.C. where he will address the National Press Club.

Pope arrives in Bangladesh

In the first stop on a two-week trip through Asia, the Pacific, Australia, New Zealand, and the Indian Ocean, Pope John Paul II arrived in Bangladesh Nov. 20. He will go from Bangladesh through Singapore and the Pacific island state of Fiji, to New Zealand and Australia, before returning via the Seychelles in the Indian Ocean.

Islamic fundamentalists in Bangladesh have created a tense situation for that nation's 180,000 Roman Catholics. Christians are now allowed to preach and propagate their faith, Father Jyoti Gomes of the Christian Communication Center in Dacca said, but "I don't know what will happen when Bangladesh becomes an Islamic Republic."

The Muslim population is celebrating the birth of Muhammad the week of the Pope's visit, so the Pope will not enter the city center. He will not celebrate Mass in Dacca's big national stadium, but rather in the army stadium, in the well-guarded military area.

Gorbachov's number-two hails nuclear-free zone

The Soviet Union's chief ideologist and Gorbachov's right-hand man on the Politburo, Yegor Ligachov, announced a "four-phase" plan for a northern European "nuclear-free zone" at a press conference Nov. 13 in Helsinki. Ligachov announced that phases one and two were already implemented by Moscow:

- 1) The Soviet Union has removed all "medium-range missiles" (i.e., land-based missiles with greater than 1,000-km range) from the Kola Peninsula.

Briefly

2) The Soviet Union has removed "a large part" of its short-range (i.e., land-based missiles with up to 1,000-km range), involving "several battalions with short-range missiles" from the Leningrad and Baltic Military Districts. Ligachov did not say where the "removed" missile battalions are.

Moscow is ready to "remove all submarines with ballistic missiles" from the Baltic Sea, Ligachov said, if NATO agrees to keep Scandinavia and the Baltic Sea nuclear-free.

This proposal costs Moscow nothing, as it conforms to a 1983 Soviet military plan to replace all ballistic-missile submarines in the Baltic with cruise-missile-carrying submarines.

The fourth point was an offer to limit the size of Soviet military maneuvers in the region, if NATO would do likewise.

Scandinavian diplomats said the following day that Ligachov's announcement that the Soviets have withdrawn medium-range missiles from the Kola Peninsula had come at a time when governments' sympathy for the nuclear-free zone project was growing in the area, particularly in Norway.

Patriot design ad to shake West Germany

"It Smells of Treason" is the headline of a hardhitting ad which the Patriots for Germany will soon publish in German newspapers nationally. The ad should effectively break the "conspiracy of silence" imposed on the activities of the Patriots, who are now in the final phase of signature collecting to be placed on the ballot for national elections Jan. 27.

The ad simply states: "We are determined to prevent that part of our Fatherland which is still free from falling into Moscow's hands. . . . We are firmly convinced, that the majority of our citizens are ready to fight for our freedom, if they are told the truth."

The patriots have directed friends internationally to mobilize around these German elections, to guarantee that the Patriots' campaign strikes a deep chord within pa-

triotic forces in all Western European nations, whose very existence is threatened by Moscow's attack on Germany as well.

"The Federal Republic of Germany and our freedom are in the gravest danger. Those developments of which we Patriots have warned for over one year have come to pass: The Soviet Union has come dangerously close to realizing its chief goal, to extend its hegemony over West Germany and thus over Western Europe as a whole," the ad reads.

"The decoupling of western Europe from the U.S.A. is now being heatedly discussed behind the scenes and on both sides of the Atlantic. The 'Zero-Solution' in Reykjavik testifies to this, because it means the withdrawal of American medium-range missiles. At the same time, a debate is raging over the withdrawal of U.S. troops from Europe to cut costs. . . .

"Christian Democratic parliament deputy Friedmann has proposed, without prompting any protests, that the Federal Republic leave the Alliance and move for a nebulous 'reunification' just like the 'Stalin note' Moscow proposal in 1952. His 'reason'? According to him, the defense of the Federal Republic can no longer be financed! The majority of the state princes of the Christian Democrats support this proposal secretly, and only intend to let the cat out of the bag 'after the elections.'"

Soviet subs believed in Norwegian waters

Norway is convinced that Soviet submarines operating from their base in the Kola peninsula are staging regular forays into Norwegian waters. "We do not know what their specific aim is," Maj.-Gen. Dagfinn Danielsen, Commander Allied Land Forces, North Norway, told a group of journalists recently.

"It could be to see where our surveillance equipment is placed. They could be checking out navigation conditions. They could be working out the chances of bringing in 'spetsnaz' [special forces] in wartime. It might even be for them to get deep water fixes to fire missiles with greater accuracy."

● **GREECE**, for the first time in history, has been visited by a Soviet Black Sea fleet commander. Soviet fleet visits to Greek ports are not exactly a novelty, but, this time around, the squadron is commanded by Vice-Admiral Mikhail Khronopoulo, the commander of the Soviet Black Sea Fleet since the spring of 1985.

● **CYRUS HASHEMI'S** body may be exhumed. William Kunstler, lawyer for Nico Minardos, one of 19 defendants in a plot to illegally ship U.S. arms to Iran, is seeking to have the body of Hashemi exhumed, saying there is a "strong possibility" he was murdered. Hashemi sued *EIR* for reporting his role in covert arms shipments, and then dropped the case. Before his death he emerged as a key figure in the present U.S. scandal over Iranian arms shipments.

● **NATO**, to the surprise of Norway's socialist government, will hold a new multinational naval task-force maneuver off Northern Norway late in November. The task-force, consisting of seven destroyers, is in a constant state of battle readiness.

● **NATO'S** General Assembly in Istanbul Nov. 17 refused to elect the left-wing Social Democrat Lasse Budtz of Denmark chairman of its parliamentary group. This is the first time in NATO history that the person nominated was not elected. The Dutch conservative Ton Vrinkind was chosen.

● **U.S. ARMY** Chief of Staff Gen. John Wickham arrived in Peking Nov. 16 in the latest in a series of high-level military exchanges between the two nations. Wickham is the first U.S. Army Chief of Staff to visit communist China. He told reporters that his trip aimed at furthering the "good relations" between the two countries' militaries and getting a first-hand look at the world's largest army, with more than 3 million troops.

Fiascos set administration into full factional war

by Webster Tarpley

At the Reykjavik summit in early October, the world peered over President Reagan's shoulder into the abyss of Soviet world domination—until the President's commitment to the Strategic Defense Initiative pulled the planet back from the precipice. Then came the Republican loss of the Senate, followed at once by harbingers of final collapse of the decimated United States economy. Then came the scandal around the arms deliveries to Iran.

As the Thanksgiving holiday approaches, whatever stability the Reagan administration had managed to conserve has been swept away by some of the most intense factional and intelligence warfare ever seen on the Potomac. At stake is the chance to impart new direction to a government now a derelict, dead in the water—and thereby to ensure the survival of the Western alliance.

Contending for control are, on the one hand, George Shultz and the State Department, Don Regan and his minions in the White House staff, and the National Security Council staff under John Poindexter, joined by such figures as Charles Wick and his silent partner, Armand Hammer. Such persons are the public front-men for the Eastern Liberal Establishment, which otherwise acts through such permanent fixtures as Henry Kissinger and Zbigniew Brzezinski. These circles have held the upper hand over the recent past, but that fact is itself their greatest vulnerability, since they are responsible for the recent series of administration fiascos, from Danilof to Reykjavik to the Senate and Iran.

George Shultz surpasses even the late John Foster Dulles in sanctimonious hypocrisy. The State Department has been speeding arms shipments to Iran since back in the Carter era. Now the Secretary intones that he was not consulted, and resorts to his favorite trick of threatening to resign. Don Regan cuts the figure of the harebrained schemer, the bungler, the flake. Institutions seeking to survive often seek to do so by sacrificing scapegoats, and seldom were there more deserving candidates for such sacrifice than Shultz, Regan, and Poindexter.

The Dostoevskian scholar Rep. Jim Wright (D-Tex.), soon to become Speaker of the House, Sen. Patrick Leahy (D-Vt.), and most of the Washington press corps may delude themselves that a new presidential Watergate is in the offing, and it is expected that CIA Director William Casey, deeply immersed in the Iran quagmire, will be mauled behind closed doors by the House and Senate Intelligence Committees, which will be interrogating Poindexter at the White House, also on the Iranian mess. But every Washington faction has been up to its neck for years in arms shipments to Iran and indecent flirtations with ostensibly moderate mullahs. It will therefore prove difficult for the aspiring Watergaters to saddle the President with the sole guilt.

A patriotic faction now seeking to wrest the levers of the policy machinery from this marplot trio of Shultz-Regan-Poindexter has as its central figure Defense Secretary Caspar Weinberger—the man who, according to the *Washington Post*, inscribed a July 1985 CIA memorandum recommending arms sales to Teheran for a rapprochement with moderate mullahs with the prophetic words, "This is absurd."

The two cardinal points of Weinberger's position are a determination to save the Strategic Defense Initiative from Sam Nunn's congressional budget-cutters, plus a resolve to maintain the unity of the two pillars of the Western alliance, the United States and the allies in Western Europe. To prevail, Weinberger needs to add a third point—a strategy of economic mobilization for peace through strength.

Weinberger does not have the loyalty of the Pentagon as a whole, but he is supported by the Joint Chiefs of Staff under their chairman, Adm. William Crowe. Crowe will testify before the House Armed Services Committee, where he is expected to argue that the formula broached by the U.S. side at Reykjavik—a 100% cut in ICBMs over 10 years—is too rapid and too extreme. Crowe will argue that the President was wretchedly advised by Shultz and Don Regan, and especially by Poindexter, at a summit to which Weinberger and Crowe himself had not been invited. Crowe is reported to

have been so shocked at the news of U.S. arms deliveries to Iran, that he cross-examined officers on his own staff to determine if they had withheld knowledge of the shipments from him.

Weinberger shares the views that have been put forward since Reykjavik by the SACEUR, NATO Supreme Commander Gen. Bernard Rogers, as well as by Rogers's deputy, West German Gen. Hans-Joachim Mack (see article, pp. 42-43). Rogers and Mack have engaged in a courageous and hard-hitting campaign to discredit the "zero option" for intermediate-range nuclear forces in Europe, pointing to the overwhelming Soviet conventional superiority as well as to the Soviet deployment of hundreds of shorter range ballistic missiles (of the classes SS-22, SS-23, and SS-21) in advanced positions in their Eastern European satellites.

Rogers and Mack have also been portraying the suicidal consequences of any reduction of U.S. troop strength in central Europe. Weinberger's position has also been buttressed by the visits to Washington of British Prime Minister Margaret Thatcher and German Defense Minister Manfred Wörner, both of whom came to persuade President Reagan to revoke the arms control proposals he had entertained at Reykjavik.

Europeans voice their concern

Urgent European concern was expressed with public discretion, and carefully avoided any open criticism of the President, but it was evident enough to those reading between the lines. Mrs. Thatcher used the occasion of the annual dinner held by the Lord Mayor of London to send a discreet signal that she was less than enthralled by the zero option, and that what is needed is nuclear deterrence in Europe. After a Saturday meeting with the President at Camp David, Thatcher presented a press conference at the British Embassy in Washington with an "agreed text" detailing her discussions with Reagan. That statement gave priority to:

- an INF agreement, with restraints on shorter range systems;
- a 50% cut over five years in U.S. and Soviet strategic offensive weapons; and
- a ban on chemical weapons.

Thatcher added that "effective verification would be an essential element." She also stressed agreement "to press ahead with the SDI research program which is permitted by the ABM treaty," up to the point of feasibility, as she added. The agreed statement also announced linkage of nuclear weapon cuts to "conventional disparities." With that communiqué, a number of tentative steps had been taken back from the Reykjavik precipice: The zero option for Europe had disappeared, yielding place to a concern with shorter-range nuclear ballistic systems. The total elimination of ICBMs over 10 years had been whittled down to 50% over 5 years. Chemical weapons, an area of devastating Soviet

capabilities that had not even been brought up at Reykjavik, were now firmly on the agenda. Verification, a constant theme of Weinberger's pre-summit speeches, was once again prominent. The vital question of Soviet conventional preponderance, obscured at Reykjavik, received the due attention. The President was backing away from the precipice to which his other faction of advisers had led him.

President Reagan spoke to a Washington audience on Nov. 18, and summed up these adjusted priorities as follows: "fifty percent reductions in strategic offensive weapons, sweeping reductions in intermediate-range missiles, a ban on chemical weapons, addressing conventional force imbalances." Public remarks by Wörner tended in the same direction, and he commented that his brief meeting with the President and longer sessions with Weinberger had allayed some of his concerns. Wörner said that "Cap has given me his word" on the need to include Soviet short range missiles in all negotiations. Wörner was also adamant that Europe cannot get along without the full present complement of U.S. ground troops.

A related focus of factional conflict is the insistence of Shultz and the State Department on continued observance of the weapons limits stipulated in the unratified, expired, and violated SALT II accord, which the President solemnly repudiated back in May. According to Evans and Novak, Shultz teamed with Poindexter and the latter's NSC deputy Alton Keel to prevent the arming of the 131st B-52 bomber with cruise missiles under the absurd pretext that exceeding the SALT limit would be an insult to Thatcher. Sam Nunn (D-Ga.), the incoming chairman of the Senate Armed Services Committee, has proposed that the administration be placed in a kind of receivership, subject to the dictates of a kind of committee of public safety he calls the "wise men." These would oversee the substance of foreign policy decisions as well as the way those decisions are made. This idea is not original with Nunn, but Nunn is the most explicit as to just who these wise men might be: James Rodney Schlesinger, Henry Kissinger, Brent Scowcroft, Richard Allen, Jeane Kirkpatrick, and Zbigniew Brzezinski are all on his list.

Nunn, the arch-decoupler, is also most explicit on the connection between budget austerity and the slide towards decoupling: "The Senate will not dictate the budget, the budget will dictate to the Senate . . . the budget will control the Senate more than any other single factor." More traditional Southern Democrats who are slated to take over committee chairmanships in the 100th Congress—like John Stennis (Miss.) at Appropriations, Ernest Hollings (S.C.) at Commerce, and Lloyd Bentsen (Tex.) at Finance—may be less willing than Nunn to follow that logic to its extreme conclusions. But the President and Weinberger cannot lead the country and the alliance out of the crisis without an effective economic program, and Lyndon LaRouche is the only one who has one.

Carter, Yazdi, and the Iranian deal

by Our Special Correspondent

On Dec. 13, 1978 four U.S. citizens and government officials held a meeting at Dominique's restaurant on Pennsylvania Avenue, four blocks from the White House, and set forth a dramatic new United States policy which has remained in place since that time. Central to fashioning this new policy was the State Department's Iran and Mideast expert, Henry Precht. Precht held this meeting that outlined the Carter administration's policy toward Iran with one of Ayatollah Khomeini's closest allies, Dr. Ibrahim Yazdi.

Dr. Yazdi, a naturalized U.S. citizen—according to a leaked State Department document, recruited to the Central Intelligence Agency—attended the meeting along with Prof. Marvin Zonis and Robert Hirschman. Zonis had been one of the key Carter administration advisers on Iran working out of the University of Chicago. This meeting came two days after President Carter gave his now famous and highly publicized speech supporting the Shah of Iran, which was more akin to a “kiss of death.”

The purpose of the secret Precht-Yazdi meeting was to have Precht brief him on the real U.S. policy for the “fall of the Shah.” Zonis underscored to Yazdi that the President faced a serious problem, in that the President could not openly support the Islamic Revolution and the potential criticism Carter would receive if he

publicly or directly supported a “fundamentalist religious revolution.” Both Precht and Zonis conveyed Carter's deep understanding for the Islamic revolution. It was on the basis of this discussion at Dominique's restaurant that U.S. “back-door policy” was set and has continued up through the present Reagan administration.

Ibrahim Yazdi, considered the most important contact for Khomeini in the United States, was born in 1931 and became one of the first members of the Islamic Society of University Students created during the Mossadegh era as the first fundamentalist student organization. Studying to become a pharmacist, like two of his brothers, at Teheran University Yazdi met Mehdi Barzagan, Ayatollah Telegani, and Muhammed Nagshab (who later became one of the founders of the Mujahedeen) After receiving his university degree, he went to the United States to work for a “drug production company” that had CIA ties in Iran. By 1962, Yazdi had joined the inner circle of Khomeini and followed him into exile. During this period, he received an offer of a job at the American University of Beirut, where he contacted the leading Shi'ite ayatol-

lah, Imam Mussa Sader.

Leaving Beirut, Yazdi traveled to Iraq, where Khomeini resided in exile, to put forward plans whereby Yazdi became the ayatollah's personal representative in the United States. Upon his return to the United States in 1966, Yazdi began to establish the Muslim Student Associations, modeled on the Islamic Society of University Students. In 1973, Yazdi became a U.S. citizen.

By 1978, operating on behalf of Khomeini and the banker's faction of the CIA, Yazdi traveled to London, Paris, and Rome to evaluate the situation. Khomeini had been kicked out of Iraq and needed a new residence. At the time Yazdi was arranging Khomeini's travel to Paris, the ayatollah changed his mind about going to Paris and instead sought Kuwait as a refuge. Yazdi personally intervened with Khomeini and changed his mind—a minute too late, since the ayatollah had been arrested by the Iraqi authorities. Yazdi along with other U.S. officials contacted the Canadian government to get the Canadian embassy in Baghdad to intercede on behalf of the United States, which had no representation there. The success of the intervention enabled Khomeini to leave Baghdad for Paris.

During the next two years, Yazdi played a seminal role in shaping the composition and policy of the opposition National Front, and convinced Khomeini and his son that he could control Barzagan and its leading members. Having received the blessing of Khomeini to serve as Barzagan's deputy, Yazdi, upon the successful overthrow of the Shah of Iran, became the first foreign minister under the new regime. It was only with the hostage crisis, when the U.S. embassy was seized by members of the Revolutionary Guards, that Yazdi resigned his position in order to preserve his special status as the U.S.-Khomeini back channel.

When the Iran-Iraq war erupted in June 1980, this back channel went into action. Barzagan, hoping for a “second revolution” (which is the exact term utilized by the Israelis to convince the United States to continue to ship arms to Iran), formed an alternative “moderate” government to Prime Minister Rajai, whose government lacked the technical expertise to govern without complete and utter chaos. Although the Barzagan “dream” was never fulfilled, Khomeini and the leading fanatical fundamentalist clergy led by Beheshti, Rafsanjani, and Montazeri found the Barzagan forces useful as a back channel.

Over the last six years, U.S. policy has been to provide arms to Iran in the hope of bringing Barzagan, Yazdi, Sadegh Tabatabai, Ali Ardalan, Ali Akbar Moinefar, Hussein Bani-Sadr, and several other so-called U.S. assets to power in Iran. Anytime the United States cuts off the arms shipments, this list of people announces its opposition to the Iran-Iraq war, denounce terrorism, and publicizes its opposition activities through the official and tightly controlled Iranian press as a means of drawing U.S. administration support. Then, as now, the game goes on, except this time with Ronald Reagan as President, not Jimmy Carter.

State Department documents on Yazdi

The following memo to State Department files was written by department Middle East expert Henry Precht on Dec. 13, 1978, prior to the overthrow of the Shah by Ayatollah Khomeini.

DEPARTMENT OF STATE

SECRET-SENSITIVE December 13, 1978
MEMORANDUM TO THE FILES
FROM: NEA/IRN, Henry Precht
SUBJECT: Conversation with Dr. Ibrahim Yazdi, Adviser to Khomeini, December 12, 1978, at Dominique's Restaurant

I had dinner with Robert Hirschman of WETA and Dr. Yazdi and for a short time Marvin Zonis at Hirschman's invitation. Yazdi, an American citizen, was on his way to spend a day in Houston where he is in cancer research. He has known Khomeini since the early 1960's. Yazdi is a reserved, exceedingly calm, but very persistent idealist. I believe he is intelligent and honest with himself. The following paragraphs summarize the main points in our conversation:

—The President's December 12 statement: Yazdi
(Deleted)

banks, movie theaters, hotels, etc.? Yazdi said Khomeini had not called for such actions and that some were the work of SAVAK. He acknowledged that it was not possible to control strictly their followers in Iran and that

(Deleted)

On parting, we agreed that neither of us would acknowledge that there had been any official contact between Khomeini and the U. S. Government.

cc: D - Mr. Christopher
P - Mr. Newsom
NEA - Mr. Saunders
CIA - Mr. Ames
NSC - Captain Sick
Ambassador Sullivan

Drafted: NEA/IRN:HPrecht:amp
12/13/78 - ext:20313
(Deleted)

The following advisory on how to handle questions about Yazdi from the press was sent from the State Department to the embassy in Teheran on June 23, 1979.

NNNNVV ESA905BRA839
RR RUQMHR
DE RUEHC #1960 1741232

23 Jun 79

ZNY CCCCC ZZH
R 230919Z JUN 79
FM SECSTATE WASHDC
TO AMEMBASSY TEHRAN 3140
BT
CONFIDENTIAL STATE 161960
E.O. 12065 GDS 6/20/79 (PRECHT, HENRY)
TAGS: IR
SUBJECT: PRESS GUIDANCE

1. (C - ENTIRE TEXT).
2. FOLLOWING CONTINGENCY GUIDANCE HAS BEEN APPROVED.

Q. IS EBRAHIM YAZDI A U.S. CITIZEN?

A. WE CANNOT CONFIRM THAT HE IS A U.S. CITIZEN.

Q. DOES HE NOW HAVE OR HAS HE EVER HELD A U.S. PASSPORT?

A. STATE DEPARTMENT PASSPORT FILES ARE CONFIDENTIAL AND PROTECTED BY THE PRIVACY ACT. WE CANNOT, THEREFOR, CONFIRM OR DENY REPORTS OF ANY INFORMATION IN THESE FILES.

Q. IF DR. YAZDI IS AN AMERICAN CITIZEN, CAN HE RETAIN HIS U.S. CITIZENSHIP AND PASSPORT IF HE IS CONSIDERED AN IRANIAN CITIZEN UNDER IRANIAN LAW?

A. ALTHOUGH THE U.S. DOES NOT ENCOURAGE DUAL CITIZENSHIP AS A MATTER OF POLICY, IT DOES ACCEPT ITS EXISTENCE IN INDIVIDUAL CASES AS A MATTER OF FACT RESULTING FROM THE CONFLICTING LAWS OF OTHER COUNTRIES WHICH CANNOT BE CONTROLLED BY THE U.S. THUS, SOME U.S. CITIZENS MAY POSSESS ANOTHER NATIONALITY AS A RESULT OF THOSE CONFLICTING LAWS.

Q. IF IN FACT DR. YAZDI IS A U.S. CITIZEN, HAS HE LOST HIS U.S. CITIZENSHIP BY ANY ACTIONS-HE HAS TAKEN? IF SO, IS THE STATE DEPARTMENT IN THE PROCESS OF REVOKING HIS CITIZENSHIP?

A. AS I INDICATED PREVIOUSLY, IF WE HAD AN INFORMATION ON THIS QUESTION, IT WOULD BE PROTECTED BY THE PRIVACY ACT.

VANCE
BT
#1960

Bishops' pastoral letter on economy attacks IMF, embraces zero growth

by Kathleen Klenetsky

America's Roman Catholic bishops have given their approval to a pastoral letter on the economy whose principal themes differ in only the smallest degree from the zero-growth prescriptions of the Club of Rome. Entitled *Economic Justice for All: Catholic Social Teaching and the U.S. Economy*, the pastoral, representing nearly six years of work, was endorsed by the bishops Nov. 14, by a near-unanimous 225-9 vote, at the conclusion of the annual National Conference of Catholic Bishops in Washington.

The bishops also approved a follow-up plan, aimed at popularizing the document among America's 52 million Catholics. The plan includes recommendations for creating an *ad hoc* committee, to be staffed by the U.S. Catholic Conference, to monitor and coordinate implementation of the pastoral letter; and a national conference in January 1987 to discuss implementation.

The document was drafted by a five-man committee headed by Rembert Weakland, the former abbot primate of the Benedictines, the order which is committed to returning the world to feudalism. Currently serving as Archbishop of Milwaukee, Weakland is the highest-ranking U.S. hierarch to have attacked the Vatican for its disciplining of Fr. Charles Curran and Seattle Archbishop Raymond Hunthausen, who have openly broken with Church teachings on homosexuality, abortion, and other moral issues.

Weakland has also castigated Joseph Cardinal Ratzinger, Prefect of the Vatican's Sacred Congregation for the Doctrine of the Faith for being a "Platonist" and "idealist." As the economic pastoral demonstrates, that does indeed define the dividing point between Weakland and his fellow "American heretics," and those, such as Pope John Paul II and Ratzinger, who uphold Augustinian Christianity. After reading the pastoral, one is left thinking that if Ratzinger is an idealist, Weakland must be the exact opposite.

Befitting its author, who has spoken at anti-nuclear demonstrations sponsored by the Nazi-communist Green Party of West Germany, the pastoral calls at the outset for development of a "new ecological ethic that will help shape a future that is both just and sustainable." This idiocy could have been taken verbatim from any Club of Rome document.

It reiterates the Club of Rome version of *Genesis*, which interprets God's injunction to man to have "dominion" over nature, as meaning that they should be "stewards"—the implication being that man should not unnecessarily "exploit" nature through unbridled industrial progress.

In its section on agriculture, it blames the decline in farm prices on farmers' investment in high-technology equipment and methods (which have permitted U.S. agriculture to become so productive that it could feed the world), and calls for eliminating government policies, such as the investment tax credit, which "allowed farmers to cultivate many more acres."

And it calls for converting large portions of the U.S. defense machine into civilian production, claiming, falsely, that military spending is an absolute loss to the economy.

One saving grace

Although permeated by this anti-growth bias, the document departs significantly from the two earlier drafts in one important respect: its treatment of the international debt crisis and its effect on Third World nations. Not only had previous versions refused to criticize the International Monetary Fund, whose "conditionalities" policies have brought killing austerity to millions of Third World inhabitants; but author Weakland had actually defended the IMF's activities on numerous occasions.

That pro-genocidalism represented a view of economic policy totally at odds with that of Pope John Paul II, who has spoken out passionately on the need to alleviate the debt burden now crushing the developing nations. The campaign by the Pope and Ratzinger to find a just solution to the debt crisis reached a new peak last November, during the Extraordinary Synod and attendant events, when Ratzinger denounced the immorality of both Soviet and Adam Smith's doctrines of political economy, and insisted that there must be morality in economics.

In an interview on the pastoral two years ago, Weakland stated that Pope John Paul II's views "shouldn't color discussion" of the document. But, as it developed, the Pontiff personally intervened to ensure that the letter's pro-IMF stance

was dropped.

Archbishop Malone, outgoing NCCB president, revealed during the bishops' conference, that the Pope had instructed the Weakland committee to meet with Ibero-American bishops on the debt issue. Forced to heed the Pope's instructions, Weakland convened a meeting last April, which ultimately led to the inclusion in the pastoral's final version of its only decent section, "The U.S. Economy and the Developing Nations: Complexity, Challenge, and Choices," which deals with the debt crisis.

Starting off with the assertion that the Bretton Woods system initiated in 1944 now "seems incapable, without basic changes, of helping the debtor countries—which had no part in its creation—manage their increasingly untenable debt situation effectively and equitably," the pastoral calls for a series of dramatic steps to resolve the emergency.

The debt crisis "goes beyond the system," the letter states. "It affects people. It afflicts and oppresses large numbers of people who are already severely disadvantaged. That is the scandal: It is the poorest people who suffer most from the austerity measures required when a country seeks the IMF 'seal of approval'. . . . Ways must be found to meet the immediate emergency—moratorium on payments, conversion of some dollar-denominated debt into local-currency debt, creditors' accepting a share of the burden by partially writing down selected loans, capitalizing interest or perhaps outright cancellation," particularly for very poor nations, like those in sub-Saharan Africa.

The pastoral also demands that institutions like the IMF "be reformed or replaced," since they are "neither representative nor capable of dealing adequately with current problems. . . ."

Zero growth

These creditable aspects of the section are undermined to a certain extent by other references, which doubtlessly reflect Weakland's (as opposed to the Pope's) input. Perhaps the most egregious example is paragraph 282, which, though modified to a certain extent on the floor by Archbishop Levada of Portland, who worked until recently at the Vatican with Cardinal Ratzinger, nevertheless remains outrageously no-growth.

The paragraph states that, "Hunger is often linked with the problem of population growth, as effect to cause." This was amended by Archbishop Levada to read: "Hunger is often seen as being linked to population growth."

It continues: "While this relationship is sometimes presented in oversimplified fashion, we cannot fail to recognize that the earth's resources are finite and that population tends to grow exponentially. Our concern, however, must be as much for the quality of human life as for the number of human lives." This sentence was also modified, but only very slightly. "Whether the world can provide a truly human life for twice as many people or more as now live in it (many of

whose lives are sadly deficient today) is a matter of urgent concern that cannot be ignored."

Such recommendations run antithetical to the concerns of Pope John Paul II, who has repeatedly upheld the dignity and sacredness of all human life. The notion of "quality of human life" can be traced back directly to the hard-core ideologues of the euthanasia lobby, who have argued—with greater and greater success—that those who allegedly can't live a "human life"—the retarded, the comatose, the severely handicapped—would be better off dead. The U.S. Catholic bishops have apparently decided to extend that death sentence to millions in the Third World whose lack of "quality" in their lives, is directly caused by the IMF's policies.

The document's fatal flaw is its failure to address the question of increasing production; at its best, it talks only of redistributing existing wealth, and allowing more "workers co-participation." There is no discussion whatsoever of the potential which science and technology hold for raising the output of real wealth.

The pastoral is an excellent example of how you must necessarily embrace austerity and population control, if you approach the world's economic problems from any basis other than increasing industrial and agricultural output.

This is most apparent in the document's section on the U.S. agricultural crisis, which actually recommends that U.S. farmers stop using capital-intensive methods, because this has encouraged large-scale agriculture. The document actually blames the financial disaster which has overtaken the U.S. farm sector on farmers' investment in high technology!

At one point in this section, the pastoral stipulates, "The United States is unlikely to recapture its former share of the world food and fiber trade. It may also be unwise policy to rely too heavily upon exports as a solution to U.S. farm problems. Producing for these overseas markets may strain our natural resource base. . . ."

What does that translate into? In terms of U.S. farmers, the bishops are effectively recommending that those who manage to stay in business not worry about trying to feed the Third World. And to the Third World, the bishops are effectively saying, you must starve, because we don't like technology.

The pervasive anti-science theme of the document is directly linked to its embrace of corporatist doctrines, specifically, the notion of "subsidiarity," which is referenced numerous times throughout the document. This concept, a revival of feudalist notions developed by German Jesuits in the 19th century, and popularized recently by "small-is-beautiful" ideologue E.F. Schumacher, maintains that all human activity is most efficiently and effectively practiced at the least complex level (i.e., tribes are more "human" than nations). As Weakland himself openly acknowledged at a Nov. 10 press conference, "subsidiarity" experienced a tremendous revival during the 1920s and 1930s in Italy—i.e., the period in which the fascist Mussolini reigned.

National News

CDC statistics on AIDS called 'nonsense'

The AIDS estimates of the Centers for Disease Control are "absolute nonsense," a Houston doctor says. Dr. Peter Mansell, medical director of Houston's Institute for Immunological Disorders AIDS hospital, told an Austin conference that CDC's claim that only 1.5 million people are infected with the HTLV-III virus is "absolute nonsense," and probably 3-4 million people have been infected.

Mansell said his studies show that people who test positive for AIDS antibodies, but were not thought to be infected with the virus, usually *are* infected.

"There has been a lot of . . . loose talk," said Mansell. "'Oh well, you've got an antibody but you may not be infected.' The truth is, you've got an antibody and you are infected."

Mansell spoke at a Nov. 13 conference called by Texas Health Commissioner Dr. Robert Bernstein, to consider public health, social, and legislative issues raised by AIDS.

Kangaroo justice for LaRouche activist

A "LaRouche Democrat" and former congressional candidate, Gardell Morehead, has been given a 30-day suspended sentence and fined \$200 by a jury in Dallas, Texas, stemming from his "disruption" of a Jesse Jackson speech at a national convention of the Delta Sigma Theta Sorority on Aug. 6, 1985.

Morehead attacked Jackson for supporting the International Monetary Fund's policies in Africa and urged him to support Peruvian President Alan García's fight against usury. He was arrested and charged with "disrupting" the meeting, a class B misdemeanor in Texas.

When Morehead's trial began in Dallas

Nov. 18, however, it immediately became clear that both the judge, John McCall, and the prosecutor wanted Morehead convicted and a jail sentence imposed, despite the constitutional issue of free speech involved.

Judge McCall would not let Morehead's attorney bring up any first amendment arguments. The prosecution made an issue of Gardell's affiliation with LaRouche and his past history of civil rights activism in Dallas.

The District Attorney's office did not initially seem intent on pressing the case, but coinciding with intensified financial warfare against LaRouche-related organizations, it took steps to prosecute the case to the full extent of the law.

Judge McCall told the jury that this was a criminal offense, not a civil offense. When asked if that meant that anyone in Texas who stands up in a meeting and heckles a speaker has committed a criminal offense, the judge said "yes."

At one point, Morehead's attorney was forced to read from the dictionary to inform the judge of the difference in meanings between the words "interrupt" and "disrupt." "Apparently the judge thinks the U.S. Constitution has no place in the state of Texas."

Former White House aide describes crisis

Edward J. Rollins, former White House political director, who left his job soon after Donald Regan became chief of staff, said in the Nov. 19 *Christian Science Monitor* that there is now a "siege mentality" at the White House. He described the Iranian guns-for-hostages deal as the "most serious" crisis of the Reagan presidency.

Donald Regan is in an "unparalleled position" of strength, Rollins said. "He's not just a strong chief of staff; he today is the principal adviser and in many instances maybe the only adviser to the President."

Rollins said the Iranian affair is part of a second-term pattern of limiting who sees the President that has isolated him from the kinds

of advise and wide-ranging dialogue he must have to make decisions. He suggests that the way Mr. Regan has structured the White House ought to be reevaluated.

Reagan needs Brzezinski, says Washington Times

The Nov. 17 *Washington Times* editorializes that President Reagan lacks a strategy, and that the policy of trading arms for hostages with Iran "ignored the basic elements of strategic thinking, which is why it ended by subverting American credibility and influence."

The Reverend Moon-controlled *Times*, having described the policy of Carter national security adviser Zbigniew Brzezinski as Reagan's own, then offers an answer:

"Mr. Reagan's dabbling in the warm waters of the Indian Ocean cannot conceal the shortsighted thinking that lured his administration into this terrible imbroglio. And the disquieting truth about this President, often so astute, is that his most critical need—a strategic thinker in the mold of a Kissinger or a Brzezinski—remains unattended and, evidently, unperceived."

SDI directed-energy funding cut sharply

The Strategic Defense Initiative Organization (SDIO) has announced that funding for directed energy weapons in the next year will be half of what the agency planned, now that it has distributed the \$1.6 billion cut in the SDI program mandated by Congress.

SDIO had requested \$1.6 billion for directed energy weapons development and will now spend only \$800 million, 5% lower than last year's spending level.

Funding for directed energy weapons is the only SDI technology area that does not increase over 1986 spending levels, as a result of the budget cuts just announced by the

Briefly

SDIO. Funding for kinetic energy weapons increases 23% from \$596 million last year, to \$736 million this year. Funding for systems, concepts, and battle management research increases 69% from \$227 million last year to \$384 million.

Funding for a multi-megawatt free electron laser to be constructed at White Sands missile test range has been cut from a request of \$350 million for this year, to \$158 million, according to SDI sources. The device is powered by a radio frequency linear accelerator designed by Los Alamos National Laboratory, and is to be used for testing laser propagation through the atmosphere. As a result of the cuts, the device will not be ready by the early 1990s, as planned, SDI sources report.

LaRouches issues release on SDI

Democratic presidential candidate Lyndon H. LaRouche, Jr. issued a memorandum Nov. 20 stating why he is in favor of President Reagan's Strategic Defense Initiative, but also, why he differs with the President's philosophy, and with the philosophy of Republicans generally, when it comes to the implications of the SDI.

LaRouche is broadly credited with being the "intellectual author" of SDI.

He reported: "During 1981, I reported to our government the feasibility of a five-year program to develop and deploy a U.S. strategic ballistic missile defense. . . . During the following months, I worked to elaborate my proposal into the form of a package. . . .

" . . . During the autumn of 1982, Dr. Edward Teller picked up the theme. Then, by a process not altogether known to me, the President adopted the policy, and announced this on March 23, 1983.

"Since I am outside government, as well as a key initiator of the SDI policy, I am free to discuss the key issues of SDI in a way that no person in government, or working under government contract, is able to do. . . .

Since I am free to speak openly to a degree those other experts are not, I remain so far one of the most important sources of information for the average citizen.

"Admittedly, since I am a Democrat, I see the SDI somewhat differently than the average Republican does. The reason I am a Democrat, rather than a Republican, is chiefly a matter of economic policy. . . .

"Although many Republicans might agree with me on the military questions, Republicans generally do not place the stress I do on the importance of SDI for the average family's material well-being, as well as security from nuclear attack."

Nunn wants the draft again

"It was a mistake to abolish the draft," the *Wall Street Journal* quotes Sen. Sam Nunn (D-Ga.) in its Nov. 17 edition. The *Journal* notes that Nunn, as chairman of the Senate Armed Services Committee, will play some significant part in defense policy over the next two years.

The paper also quotes Gary Hart as saying a military draft "may be the biggest issue of the 1980s." The *Journal* goes on to say that some Democrats view an endorsement of national conscription as one way to shake the politically damaging perception that their party is weak on defense.

"The administration, in persisting with the all-volunteer force, hasn't built a responsive public to our national security needs," the *Journal* quotes Rep. Dave McCurdy of Oklahoma, who is helping draft a defense platform for the Democratic Party. "We have to involve people, not for hire, but out of service," McCurdy says.

There is more than perception games involved in Nunn's conscription advocacy. Nunn is a leading advocate of withdrawing U.S. troops from Europe, as part of Henry Kissinger's "New Yalta" policy of embroiling conventionally strengthened U.S. forces in "one, two, many Vietnams" in Central and South America.

● **STEVEN TROTT**, now Assistant Attorney-General of the United States, during the mid-1960s was a member of the popular folk music group, "The Highwaymen," along with John Denver, currently of est and scientology. This placed Trott in the circles of Pete Seeger's communist-folk song networks. Seeger's manager Harry Levanthal of NY's Sanga Music says he owns the copyright for "Michael Row Your Boat Ashore," one of the hit songs of "The Highwaymen."

● **CHUCK MANATT**, former Democratic National chairman, is expected to be named chairman of Gary Hart's presidential exploratory committee, to be unveiled later this month, says the *Washington Post* Nov. 18. The *Post* says Hart, who is \$2 million in debt from 1984, sorely needs Manatt's fund-raising connections.

● **ZBIGNIEW BRZEZINSKI**, appearing on CBS Morning News Nov. 20, called for a "shakeup" of the Reagan administration. The former Carter national security adviser, referring to the scandal around Iranian arms shipments—his own policy of the Carter years—suggested that Don Regan be given a lower profile, and the President should "make certain that the chief of staff does not intrude so much" into his affairs.

● **EIR** will submit testimony to the Senate Intelligence Committee on U.S. policy toward Iran. The testimony, which will be accepted Nov. 24, will be prepared by Editor-in-Chief Criton Zoakos and Counterintelligence editor Paul Goldstein.

● **ARIZONA** was the receiving point in a "cocaine shuttle" run from South America through Mexico, says the *Wall Street Journal* in Nov. 20's second in a series which is trying to pin the blame for drug traffic on Mexican government officials.

Editorial

WHO admits AIDS pandemic

EIR predicted that not long after the Nov. 4 vote in California on Proposition 64, the same health authorities and other prominent figures who had frantically opposed that measure would admit they had been wrong, that AIDS was spreading out of control, and that urgent measures must be taken. Proposition 64 simply called for classifying AIDS as a dangerous communicable disease, to which classical public-health measures should be applied, and for which a crash research program must be put into motion.

Now, just 15 days after Proposition 64 was defeated at the polls, on Nov. 19 the director of the World Health Organization has made the belated admission, that AIDS is threatening to become a *pandemic*, the term that *EIR* and the supporters of Proposition 64 alone dared to use until a month ago.

In an extraordinary press conference at the United Nations, Dr. Halfdan Mahler, the Danish director general of the World Health Organization (WHO), called AIDS "a health disaster of pandemic proportions" and predicted that there would conservatively be 100 million infected with the disease within five years. Heretofore, the WHO has been leading a global disinformation campaign to downplay the threat of AIDS, in coordination with the now collapsing and discredited Centers for Disease Control (CDC) in the United States.

Last year, at a press conference in Zambia, Dr. Mahler said that people should keep AIDS in perspective to other diseases and not overplay its threat. At his U.N. press conference, however, Dr. Mahler admitted that he had not had "a feeling for what was brewing with regard to AIDS." "We stand nakedly in front of a very serious pandemic as mortal as any pandemic there ever has been," he said. "I don't know of any greater killer than AIDS, not to speak of its psychological, social, and economic maiming." Dr. Mahler made an unusually candid admission that he had not taken the disease seriously enough. "Everything is getting worse and worse in AIDS and all of us have been underestimating it, and I in particular," he said.

Dr. Mahler said several factors changed his attitude and led him to push his organization to begin an AIDS

program. One was pressure from governments of the world, along with a growing awareness that the "industrialized countries and developing countries are in the same boat" with respect to AIDS. Another was criticism from news organizations that WHO had not done enough. To our knowledge, the only news organizations that have made that criticism have been *EIR* and associated publications.

A third reason was his appraisal of newer data. He referenced the discovery of new AIDS-virus type variants in Africa.

Dr. Mahler chided many countries for lacking "political guts" to face the reality of AIDS and for "everyone wishfully believing AIDS won't penetrate" their borders because "things are different here."

Warren Hamerman, director of *EIR's* Biological Holocaust Task Force, said in a press release issued on Nov. 22, "On behalf of the Task Force and its initiator, Lyndon H. LaRouche, Jr., I welcome the essentially accurate report of Dr. Mahler. We regret deeply that the new assessment of the WHO was not circulated prior to the vote on California Proposition 64. Nonetheless, Dr. Mahler's statement is extremely useful and to be commended. We have been severe critics of the previous disarming misinformation emanating from the WHO and, in particular, its Soviet-directed Communicable Diseases Division. Nonetheless, we now welcome the turnaround in its perspective.

"Perhaps, now, governments will be compelled to drop their excuses that a research and public health crash program against AIDS is 'cost prohibitive.' Perhaps, now, governments will begin to act with necessary vigor and energy. We need nothing less than a worldwide Apollo moonshot crash research program, combined with emergency public health efforts in the Tropics. Some of us, who have intensively studied the nature of this new type of disease threat for over a dozen years, have been proven not to have been exaggerating the danger of what we warned would be a 'biological holocaust.' We are eager to collaborate with any individuals or agencies which now see the reality of the global threat.' "

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.