

# EIR

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## 1986 in Review

The cultural paradigm  
shift has begun



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## From the Editor

In 1986, the five billionth human being came into the world—an awesome responsibility. On the eve of 1986, *EIR*'s founder Lyndon LaRouche gave a speech entitled, "The end of the Age of Aquarius?" in which he stated: "We must have a change in the cultural paradigm of the United States" (*EIR*, Jan. 10, 1986). He meant that the cultural paradigm shift brought about two decades ago by the ruling culture of the British monarchy—the hedonistic, rock-drugs-sex counter-culture of Aldous Huxley and Aleister Crowley—must be reversed, and that we must return to government based upon scientific and technological progress. More deeply, we must return to the notion that every citizen is "implicitly responsible for the present and future of the entire human race."

In that context, *EIR* called for implementation of the Strategic Defense Initiative, and for launching a "Biological Strategic Defense Initiative," to push out the frontiers of life science, and defend the life of every person on the planet.

Something has started to happen. As 1986 drew to an end, the battle over AIDS in Great Britain itself took on the character of overt cultural conflict between "traditional values" and the "lifestyle" of the moral underworld. Soviet Russia has, as we forecast, become wholly overtaken by the ideology of "Matushka Rus." The Sino-Soviet rapprochement has started to run into trouble, as two blood-and-soil cultures begin to clash. The United States President is considering a Moon-Mars colonization program.

On Dec. 23, we learned that Japan is about to unveil plans for an international research program designed to unearth the biological secrets of how living things work, and use them to develop a new industrial society in the 21st century. Prime Minister Nakasone is likely to formally propose the plans at next June's summit of leading industrial nations. "... We aim to discover and learn the little-known secrets of organic functions—the wisdom of the Creator," said Kat-suniko Umehara, deputy head of the program at the Industrial Science and Technology Agency of the Ministry of International Trade and Industry. Nakasone has compared the plans, called the Human Frontier Science Program, to research for the SDI.

Not only has the cultural warfare LaRouche defined come out in the open; but both sides are, decidedly, fighting.

*Nora Hamerman*

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## Feature



Janice Hart, the "LaRouche Democrat" whose upset victory for statewide office in the Illinois Democratic primary on March 18 sent shock waves around the world, delivered in May on her promise to "roll the tanks down State Street, if necessary" to clean up the drug pushers. Standing next to her in the Chicago parade is Air Force Major (ret.) Robert Patton, who ran for Senate in New Hampshire in 1986 (in uniform).

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## Tragedy, hope, and the emergence of Lyndon LaRouche

by Criton Zoakos

When the year 1986 began, the editors of the *EIR* informed you that they were not in a position to promise a "Happy New Year"—instead, in keeping with our policy of informing rather than edifying our public, we promised a "Tumultuous New Year." We thought it appropriate, then, to dedicate it to St. Augustine, not only because 1986 was the 1,600th anniversary of his conversion to Christianity, but mostly because St. Augustine was a person who wrought, first, hope, and then both beauty and victory out of the debilitating collapse of civilization during the turbulent years of his lifetime.

In retrospect, 1986, the "Year of Saint Augustine," was the most turbulent, and yet, the most hopeful year of the postwar era.

True, the whole world was plunged deeper into economic depression and misery; true, the world strategic and security situation is closer to catastrophe now than ever before; true, the continent of Africa is ravaged by the Four Horsemen of the Apocalypse; true, the economies of Ibero-America, with the exception of Peru, are being obliterated by the Trilateral Commission and the International Monetary Fund; true, the "Chamberlains" and appeasers within the Western Alliance, have come closer than ever before to their objective of breaking up the U.S.-European defense alliance, which for almost two generations has protected Western liberties; true, the economies of Western Europe are suffering from massive unemployment and underemployment of their skilled industrial labor force and bankruptcy and collapse of their farm sectors; true, the once proud economy of the U.S.A. presents a picture of collapse, bankruptcy, foreign indebtedness, and abject misery in which a full one-third of the population subsists below the official poverty level; true, AIDS has emerged worldwide as the worst species-threatening epidemic to ever menace the human race.

These, in broad outline, are the elements composing the tragedy of 1986.

Where the hope has emerged is in the minds of people. The year 1986 has seen a dramatic, massive shift in the moral outlook and cultural orientation of crucial layers of the population in virtually all nations belonging to Western culture—what sociologists have termed a "cultural paradigm shift." Essentially, this shift

is a return to the traditional personal moral orientation toward family, work in the sense of "making something of my life," and patriotism. From the depths of the economic, social, and psychological holocaust of "counterculture," "sexual revolution," and "service economies," millions upon millions of people are emerging, trying to piece together the ruptured threads that give abiding meaning to their lives.

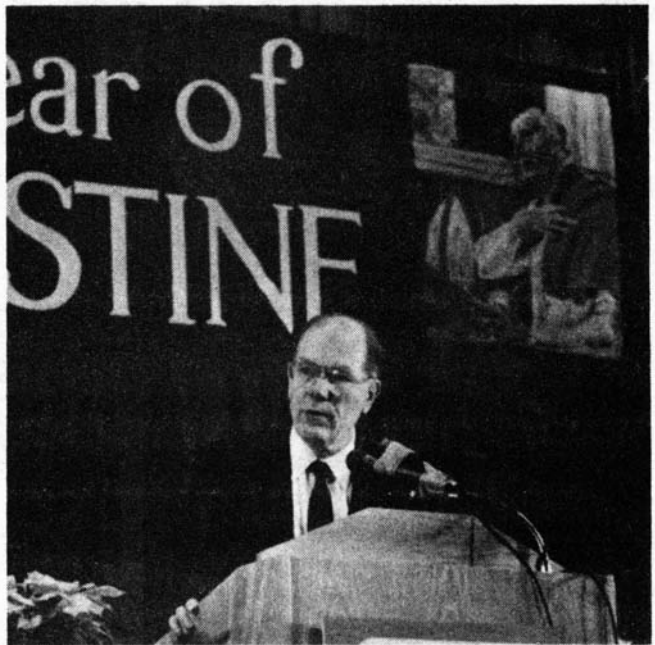
This large-scale transformation in the moral and cultural outlook of the population determines the political processes in the nations of Western culture, in the following way: The ideologies which have guided the ruling economic and political institutions of these nations in recent decades are in direct clash with the emerging cultural paradigm shift of the people. Since the 1969-73 period, Western governments, political parties, and financial organizations, have pursued, under the influence of the Trilateral Commission, Club of Rome, and other similar "elite" think-tanks, policies of counterculture: population control, deindustrialization, "service economy," subversion of the legal status of the nation-state, sexual permissiveness, drugs, rock music, appeasement of the Soviet Union, and strivings toward "one-world government."

All these policies stand in stark contrast with the emerging cultural and moral orientation of the populations which have suffered the consequences of these policies. Either the governing institutions will change their ideological orientation to conform with the cultural paradigm shift, or they will collapse. Should the latter occur, the life-and-death question for Western civilization is whether it will have the genius to build, under conditions of crisis and strategic challenge, new institutions to ensure its survival.

### **The emergence of LaRouche in the U.S.A.**

For the United States in particular, the emergence of the cultural paradigm shift is intimately associated with the emergence of Lyndon H. LaRouche, Jr. as perhaps the most controversial public figure of this century. People will ask whether the underlying moral and cultural shifts in the population caused LaRouche's emergence, or whether LaRouche's emergence caused the cultural shift. The causality at work was somewhat different than implied by posing the question in this way.

The turning point was the March 18 primary election in the state of Illinois, where two LaRouche associates, Janice Hart and Mark Fairchild, won elections within the Democratic Party, against well-heeled candidates supported by the regular party machine. The election platform on which they won, was: 1) Revive heavy "smokestack" industries; 2) Support strong defense and the Strategic Defense Initiative; and 3) Enforce and finance a broad-based public health and economic policy to combat AIDS. With negligible campaign spending, they won large pluralities of the blue-collar, farm, and minorities vote. During the general election in November, though they did not win, their total vote was greater than that received during the primary. Lesson: the LaRouche pro-



gram solidly commands the loyalty of between 18 and 25% of the regular Democratic Party vote. Other local elections around the country demonstrated that this pattern is nationwide—in some instances, voter loyalty to LaRouche shot up to 40% of the Democratic vote and above.

A similar level of agreement of voters with LaRouche policies was demonstrated during the famous California Proposition 64 vote—a referendum for a no-nonsense public health policy to defeat AIDS. The further lesson of the California November vote is that the pro-LaRouche vote (29% of the total number of voters and a much higher percentage of voting registered Democrats), held its own in the face of the most impressive opposition. For months, a most hysterical anti-LaRouche campaign had enveloped the state, conducted by a coalition of notables which included the leadership of both Democratic and Republican parties, the government of the state of California, the entrenched leadership of the state's medical profession, and, above all, the entire gallery of Hollywood's celebrities, public idols, and stars, saturating the media with "Stop LaRouche" exhortations. The pro-LaRouche 29% held up to all this.

Further evaluations of both LaRouche and the public mood were made around the country, in the offices of political machines, party headquarters, and professional polling organizations. The results of each local election in which LaRouche candidates ran, were studied exhaustively. Secret polls upon secret polls were ordered and executed in every part of the country, beginning with the famous "McKeon poll" of the Illinois Democratic Party. The result held up almost everywhere: In the face of the most extensive ever campaign of disinformation, slander, calumny, and intimidation, the pro-LaRouche sentiment keeps holding to between 18 and 25% of the traditional Democratic Party vote.

The LaRouche appeal to traditional Republican voters, especially farmers, small businessmen, and strong-defense advocates, is another strong, and perhaps as extensive base of support for this startling political personality.

Moreover, he is, so far, the only officially registered presidential candidate for 1988.

### **Emergence of LaRouche policies worldwide**

During 1986, the dramatic emergence of LaRouche as an "electable" politician inside the U.S.A., was associated with the emergence, around the world, of certain important policy proposals of his which he had launched over a period of years.

Most notable, and most disconcerting to the Soviet leadership, is the fact that LaRouche's conception of a directed-energy-weapons based anti-missile defense, the Strategic Defense Initiative, is, at the present time, the centerpiece of the strategic posture of the United States and, consequently, of the Western Alliance. A letter sent by President Reagan to Soviet General Secretary Gorbachov on July 25, 1986, and publicized, subsequently in a speech by President Reagan at the United Nations, made it clear that the version of SDI which the Reagan administration is following, is neither Dr. Edward Teller's version, nor Gen. Daniel Graham's "High Frontier," but the specific approach first formulated by LaRouche at an April 1982 seminar in Washington, D.C., and further elaborated in a "Draft Memorandum" on U.S.-Soviet relations in 1984. The LaRouche approach on the SDI has the following unique characteristics: a) a global, four or five layered defense shield, b) based on the appropriate mix of directed energy and particle beams, c) to ensure a 99% kill of all incoming projectiles including "tactical" or "airbreathing" rockets, and, d) an offer to share the same technologies with the Soviet Union so that both superpowers may be afforded the same protection.

This was the original LaRouche conception, and this is what both Defense Secretary Weinberger and President Reagan offered to the Soviet Union repeatedly, both at the various negotiating tables, including Reykjavik, and at other public forums. And precisely this, especially the offer to share these technologies, is what has the Soviet leaders most horrified. It is difficult for the non-specialist to appreciate the extent of discomfort, bordering on murderous rage, that the Soviet leadership has cultivated, within its ranks, against LaRouche, especially in respect to this matter. The essence of the matter lies in the fact that LaRouche's offer to mass introduce into Russian culture the kinds of 21st century technologies—and the concomitant habits of thinking—associated with the SDI, is seen by the Russian leaders as a dire threat to the continuation of their kind of Dostoevskian, *Matushka Rus*, "blood-and-soil" culture. They reject America's generous offer because they do not believe that their kind of culture can assimilate it and survive. They perceive, in LaRouche's offer, the ultimate outflanking envelopment in cultural warfare. Hence the obsessive hostility of the Soviet

media and intelligence services against LaRouche.

When on Feb. 28, 1986, Swedish Prime Minister Olof Palme was assassinated, the Soviet KGB, guided by KGB Gen. Boris Pankin, orchestrated an international disinformation campaign to blame LaRouche for the murder. The *dezinformatsia* campaign began in March and continued till the end of the year, with a major, sensational article in the Soviet Armed Forces daily newspaper, *Krasnaya Zvezda*, which not only demands that Swedish police authorities vigorously investigate LaRouche, but virtually thanks and congratulates the U.S. Department of Justice and FBI for their notorious Oct. 6, 1986 "Great Leesburg Panty Raid" against LaRouche-affiliated organizations' headquarters. During that raid, 400 hundred federal, state, and local officers, armed with Uzi submachine guns, armored personnel carriers, one helicopter, and two fixed-wing aircraft, descended on LaRouche-affiliated offices, in the small, peaceful township of Leesburg, Virginia, the county seat of rural Loudoun County. Locally, the extravaganza had the impact of the Grenada invasion.

The raid had been requested by elements of the Soviet government, as a precondition for the Reykjavik summit. The request had been channeled via Armand Hammer, with the probable complicity of Charles Z. Wick, to the Justice Department's three most notorious "ex-left wingers," Mark Richards, Deputy-Attorney General Stephen Trott, and Assistant-Attorney General William Weld.

The influence of LaRouche policies during 1986, grew not only in the area of superpower security concerns. LaRouche's 1975 proposals for worldwide financial reorganization, specifically debt reorganization and expansion of world industrial production and trade, have gained dramatically during 1986. The Alan García government of Peru has been the first to implement a policy of total defiance of the IMF and the Trilateral Commission and to mobilize its internal resources for survival. As a result, it was the only indebted Third World nation to register an actual increase of national output by over 7% for the year. The policies of Peru are now actively studied, and emulated in varying degrees, by numerous other governments, such as Egypt, India, and Zaire—relative "heavyweights" in the camp of Third World nations.

During 1986, the United States first, and numerous other governments, officially launched a War on Drugs. Though the programs associated with various "Wars on Drugs" are of varying effectiveness, the idea for such a War on Drugs, as well as the name, has been associated with LaRouche since 1977-78.

A more vigorous approach to the War against Terrorism was also seen during 1986, though the existing official programs have a long way to go before they become effective. Important though the British government's break of relations with terrorist Syria was, the most important, though least known, development of the year in the War against Terrorism, was a seminar for military officers and other specialists,



sponsored by Defense Secretary Caspar Weinberger, which was held in January of 1986. The principal idea adopted at that working seminar, was presented by Lt.-Gen. James Galvin, who argued cogently that the only effective policy to counter insurgencies is to introduce industrial and agricultural development throughout the Third World as a matter of long-term policy. Cogently, the general stressed the present day relevance of exporting the model of economic development associated with the American Revolution of 1776. This consensus among senior American military thinkers, though, unfortunately, not yet United States policy, has nevertheless had influence in shaping the prospect of the Middle East Marshall Plan orientation, a LaRouche-originated approach for establishing Middle East peace by sponsoring joint Arab-Israeli development projects—a plan seriously under consideration by influential political circles both in the Israeli and in numerous moderate Arab governments.

### **The issues behind 'Irangate'**

There are serious policy issues of national survival behind "Irangate," which have been masked from the public's attention behind the sensational scandal-mongering of the mass circulation press. These are issues of national security and national economic policy. President Reagan may or may not be guilty of arms sales to Iran and of diversions of funds to the Nicaraguan Contras. He is, however, guilty of a horrible economic policy, hoisted on the administration by White House Chief of Staff Donald Regan and embraced, so far, by the President, which is now seen as jeopardizing the national security of the United States. If Reagan falls, he will not fall for any infractions associated with Iran or the Contras, but for his failure to rapidly reverse course on economic policy.

The story is this: During the second half of 1986, a quiet consensus developed among senior military and military-associated influentials, that the collapse of U.S. heavy industry and technology now poses an immediate threat to national security. The first inklings of such concerns among the military had been registered during a sensational Congressional testimony of Gen. Alton Slay on the subject of the devastating military implications of the collapse of the U.S. machine-tool sector. It appears that before the November elections, this consensus had spread from the military to the traditionally strongly pro-defense conservative Southern Democratic layers. In the November elections, President Reagan, despite his personal popularity, was trounced by the electorate. All professional analysts agreed that the anti-Republican vote was a vote against the economic policies of the Reagan administration. The election produced a Democrat-controlled Congress. All the economic policy-relevant committees of the new Senate are in the hands of conservative Southern Democrats. In the middle of Irangate, little noticed public announcements by the new Speaker of the House, Texas Democrat Jim Wright, by the new Senate Majority Leader, West Virginian Robert Byrd, the new chairman of the Senate

Finance Committee, Texan Lloyd Bentsen, and of the Senate Banking Committee's William Proxmire, revealed that a new, ambitious economic legislative agenda is being organized by these conservative Democrats, for the purpose of revitalizing heavy "smokestack" industries, reviving agriculture, launching a program of education in science and technology, re-training the industrial labor force, and revamping the stock markets and securities industries to penalize speculative activities and encourage productive investment.

Two things are not accidental: The new program of the conservative Southern Democrats, sounds very much like what LaRouche associates Janice Hart and Mark Fairchild were telling the Illinois voters when they carried off their sensational victories. In all its essentials, the 1987 legislative agenda of the conservative Southern Democrats, which enjoys, behind the scenes, the support of leading military figures, is the LaRouche program for an economic revitalization of the U.S.A. To become realized, as Rep. Jim Wright said, virtually echoing LaRouche, it will require the mobilization of national enthusiasm one usually associates with the reaction to Pearl Harbor in 1941 or President Kennedy's crash program to put a man on the Moon.

The second non-accidental thing: both the House and the Senate Select Committees to investigate Irangate are, on balance, controlled by such "conservative Southern Democrats" or allies. The appropriate signals have already been issued, that if Reagan accepts the new, incoming economic agenda, he will be spared further embarrassments emanating from "Irangate." If not, not.

The forces inside the Reagan administration opposing the LaRouche-formulated economic agenda, are the same Trilateral Commission allies who want to kill the SDI, hand western Europe over to the Russians, and also those who are conducting illegal raids and witchhunts against LaRouche and his friends. The Justice Department's center of corruption, around Stephen Trott and William Weld, and White House Chief of Staff Donald Regan, are engaged in an expeditious legal witchhunt, centered around a fabricated "credit-card fraud" case in the U.S. district court in Boston, for the purpose of trying to destroy the 1988 presidential candidacy of Lyndon LaRouche. They fear, as their Soviet friends very much fear, that LaRouche, with his ideas dominating America's legislative agenda and commanding the loyalty of an irreducible 18-25% of the electorate, will be the most formidable presidential candidate in 1988.

This matter will be cleared up during 1987. Either LaRouche, being subjected by his detractors to a trial of slanders and rumors, not unlike the trial suffered by Socrates in 399 B.C., will win and the truth will out, or his corrupt, oligarchical calumniators will win. The moral, strategic, and economic consequences of either of these two outcomes will be weighing heavily on future history. If 1986 was the "Year of Tumult," may we venture the suggestion that 1987 will be the "Year of Truth."

## JANUARY

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- 21 Saudi Arabia launches oil price war against Britain.
- 24 Argentine labor federation holds general strike against IMF.
- 29 LaRouche issues call for an oil import tax to protect American producers.

## FEBRUARY

- 7 Judges strike down the "automatic cuts" provision of Gramm-Rudman.
- 10 IMF cuts Peru off from any further lending from international money markets.
- 27 Swedish stock market collapses by 5%, second-largest drop in its history.
- 28 Brazil announces first wage-price controls since 1964 coup.
- 28 Brazilian President José Sarney unveils his "Cruzado Plan."
- 28 Rise in U.S. unemployment in February was the largest since May 1980.

## MARCH

- 2 London Stock Exchange blackballs Merrill Lynch for "disreputable practices."
- 17 OPEC oil ministers meet on oil price collapse, as oil falls below \$10/barrel.
- 21 Federal Reserve vice-chairman Preston Martin resigns.
- 21 House Armed Services Committee votes to reduce military pensions by 17%.
- 24-30 Peru completes largest drug bust in history.

- 14 France's 1,200-megawatt Superphénix breeder reactor goes on line.
- 23 Reports from Voyager indicate that Uranus has a magnetic field.
- 28 Space Shuttle Challenger explodes, killing the crew.

## 1986: a tumultuous year

- Soviet *International Affairs* journal complains of worsening relations between U.S.S.R. and Sweden.
- 7 Reagan announces economic sanctions against Qaddafi.
- 20 Swedish Navy Commander Hans von Hofstén warns of possible Soviet surprise strike against Sweden.
- 22 Israeli Prime Minister Shimon Peres announces his "Marshall Plan" for Mideast development, in a speech in London.
- 24 U.S. begins naval maneuvers off Libyan coast.
- 27 Prince Charles's former valet admitted to hospital for AIDS.
- 31 South African President Botha announces sweeping reforms in apartheid system.

- 7 Philippines national elections; opposition to President Marcos cries "fraud."
- 11 During a European tour of Argentine trade union leader Alberto Campos, leaders of Italy's largest maritime union join the Schiller Institute Trade Union Commission.
- 12 Five Iranian activists occupy the Peruvian embassy in Copenhagen, to show "solidarity" with Shining Path terrorists.
- 18 German Green party parliamentarian Otto Schily launches investigation of Chancellor Kohl for perjury.
- 21 Joseph Cardinal Ratzinger writes letter to world's bishops denouncing the rise of Satanism.
- 25 Soviet Communist Party's 27th Congress begins.
- 28 Swedish Prime Minister Olof Palme is assassinated.

- 1 Moscow's Georgii Arbatov proclaims that Palme was murdered by "reaction." Disinformation campaign launched to pin the assassination on LaRouche.
- 2 West German Christian Democrats lose majority in Schleswig-Holstein elections.
- 6 New Soviet Central Committee elected, heavily weighted toward the military.
- 12 Spanish voters pass referendum in favor of NATO membership.
- 13 Victor Gunnarsson arrested as suspect in Palme hit. International media campaign tries to link him to LaRouche.
- 14-16 Peru's President García in Argentina.
- 14-17 Libya's Qaddafi hosts conference of 700 terrorists.
- 16 Gaullist RPR party sweeps French elections.
- 19 Victor Gunnarsson released for lack of evidence against him.
- 20 Jacques Chirac named French premier.
- 29 Italian court acquits three Bulgarians and three Turks in 1981 attempt to assassinate the Pope.

- 1 White House says it will extend compliance with unratified SALT II Treaty indefinitely.
- 14 U.S. Attorney in Boston William Weld issues memo inviting DOJ, FBI, and other officials from around the country to meeting to gather evidence against LaRouche, citing inadequacy of Boston grand jury investigation.
- 29 LaRouche delivers State of the Union speech in Washington, D.C., highlighting danger of economic blowout in 1986.

- 4 President delivers State of the Union address, emphasizing the economic "recovery."
- 24 Supreme Court refuses to block extradition to Israel of John Demjanjuk, accused of being a Nazi war criminal.

- 12 Sen. Jesse Helms (R-N.C.) begins hearings on Mexican "corruption."
- 12 Drive launched in California for Proposition 64 referendum to stop AIDS.
- 18 LaRouche Democrats Janice Hart and Mark Fairchild win Illinois primary for secretary of state and Lt. governor.
- 27 Trilateral Commission Executive Director Paul Revay predicts: "Within one month, you won't hear much about LaRouche any more. Illinois was just a slip-up by a local machine."

## APRIL

- 1 Texas Gov. Mark White demands White House action to impose an oil import tax.
- 20 Israeli Supreme Court Justice Moshe Bejski issues report damning heads of major Israeli banks for undermining the economy with corrupt banking practices.
- 22 President Reagan refuses to back oil import tariff, in meeting with governors and state representatives from oil-producing states.
- 23 U.S. Supreme Court hears arguments on constitutionality of Gramm-Rudman.

## MAY

- U.S. multifamily housing starts drop 21.9%.
- Argentina announces that it has begun importing meat, on first anniversary of President Alfonsín's Austral Plan.
- 1 United Steelworkers of America charges that U.S. steel production is insufficient for security emergency.
- 13 U.S. Federal Reserve chairman Volcker demands emergency powers to arrange for banks to take over failing institutions across state lines.

## JUNE

- Japan announces it is world's largest creditor nation.
- U.S. gives WHO \$2 million to combat AIDS.
- USDA reveals that 1/5 of all farmland that changed hands was due to foreclosure.
- 19 U.S. Budget Office warns that 350,000 troops could be lost through Gramm-Rudman.
- 24 Britain gets \$14.3 million in SDI contracts.

- 18 Explosion of Titan 34D rocket creates heavy launch emergency.
- 20 SDI experiment using new guidance technology destroys target at 12,000 feet:

- 3 Delta rocket explodes on launch, fourth launch failure in a row.
- 23 President's National Commission on Space issues its report, "Pioneering the Space Frontier," which calls for colonizing Mars by the year 2015.

- 7 Paris conference of the Fusion Energy Foundation on "The Importance of the Method of Louis Pasteur for Conquering AIDS and other Pandemics."
- 9 Rogers Commission report hits NASA cost-cutting, among reasons for the Challenger disaster.
- 19 NASA cancels Centaur rocket program.

- 2 Terrorists bomb TWA jet, killing four.
- 5 France expels two Libyan diplomats.
- 5 Bombing of the "La Belle" discothèque in West Berlin.
- 6 *EIR* Paris offices bombed by Action Direct spinoff "Black War."
- 10 West Germany expels two Libyan diplomats.
- 12-17 Swedish Prime Minister Carlsson visits Moscow, which demands that Sweden purge pro-Western influences.
- 14 U.S. bombing raid against Libya.
- 17 Emergency meeting of European foreign ministers to discuss Libya bombing.
- 22 OAS holds anti-drug meeting in Brazil in memory of slain Colombian justice minister Rodrigo Lara Bonilla.
- 22-23 Fusion Energy Foundation-Schiller Institute conference in Tokyo: "The Strategic Defense Initiative: Its Strategic, Economic, and Scientific Dimensions."
- 23 South African President Botha abolishes "pass laws."
- 26 Chernobyl nuclear accident in U.S.S.R.

- 1 Founding conference of United Workers Union of South Africa, launched by M.G. Buthelezi in opposition to African National Congress.
- 1 Thai Parliament dissolved.
- 2 Norwegian Conservative Prime Minister Willoch resigns; Labor Party's Gro Brundtland to form new government.
- 4-6 Tokyo summit of top Western industrial nations and Japan; backs IMF surveillance of national economies; pledges cooperation against terrorism.
- 12 Patriots for Germany emerges as new political party, files 100 candidates in Lower Saxony elections.
- 18-19 Riots at Wackersdorf site of nuclear processing facility in Bavaria, West Germany.
- 21 Pro-NATO government sweeps Dutch elections.
- 25 Colombian presidential elections: Virgilio Barco wins by wide margin.
- 30 Punjab police evict Khalistani separatists from Golden Temple in Amritsar.

- 6 Warsaw Pact summit.
- 6 Swedish warships open fire on foreign submarine.
- 7 Anti-nuclear riots at Brokdorf facility in West Germany.
- 14 Panamanian government stops ship *Pia Vesta* with East German arms aboard, believed headed for Peruvian terrorists.
- 15 Elections in Lower Saxony, West Germany.
- 15 Demonstration against French nuclear plant in Cattenom.
- 18 Peru's President García puts down Shining Path prison uprising.
- 20 Attempted assassination of Peru's García.
- 21 Helga Zepp-LaRouche addresses Schiller Institute conference in Mainz-Hechtheim, West Germany: "How Soviet Low Intensity Warfare Targets the West."
- 25 NATO Secretary General Lord Carrington calls latest Soviet arms offers "encouraging."

- 9 LaRouche press conference at Washington, D.C. National Press Club, highlights charge of White House Chief of Staff Don Regan's involvement in Merrill Lynch's drug-money laundering.
- 30 Second English edition of *Dope, Inc.: Boston Bankers and Soviet Commissars*, published by The New Benjamin Franklin House.

- Forty-six senators demand that SDI spending be cut by nearly \$2 billion.
- 5 NBC-TV interviews terrorist fugitive Abu Abbas, refuses to say where he is.
- 17 Teamsters' President Jackie Presser indicted.
- 22 Supporters of California Proposition 64 file 690,000 signatures to put referendum on the ballot.
- 27 Reagan announces U.S. will no longer comply unilaterally with SALT, details Soviet treaty violations.

- 4 Jonathan Israel in U.S. court.
- 9 Supreme Court strikes down protection for handicapped newborns.
- 13-15 Mark Fairchild, Democratic nominee for lieutenant governor in Illinois, is denied entry to the party's convention.
- 25 Proposition 64 certified for California ballot.
- 30 Supreme Court upholds anti-sodomy laws.

**JULY**

Largest-ever U.S. corporate bankruptcy (LTV).  
**7** Malaysia hangs two convicted Australian dope traffickers.  
**7** Supreme Court declares Gramm-Rudman's automatic cuts provision unconstitutional.  
**8** Crude oil prices fall to \$5.50/barrel.  
**22** Dollar plunges to all-time lows.  
**27-29** AIDS sweeping Zambia and will wipe out many, says health ministry official.

**AUGUST**

Pot confiscated in Oklahoma reported to exceed dollar value of wheat crop.  
 USDA magazine shows fall in U.S. beef consumption from 94.4 lbs per capita in 1976 to 79.1 in 1985.  
**5** OPEC agrees to get oil price back to at least \$10/barrel.  
**8** Biggest cocaine bust in U.S. history.  
**13** LaRouche asks death penalty for drug "legalizers."  
**15** IMF declares Peru ineligible for further loans; democratic trade union leaders of continent meet Garcia to express support.

**SEPTEMBER**

Locust infestation reaches disastrous proportions in Africa's Sahel.  
**4** U.S. Office of Foreign Disaster Assistance announces that 4 DC-7 aircraft arrived in Senegal Aug. 31 to spray for locusts.  
**21** European Community agricultural directorate recommends burning 1 million tons of "surplus" food.  
**28-29** IMF Interim Committee admits 1986 debt crisis worse than 1982; demands more sacrifices from debtors.

**Economics**  
**Science & Technology**

**5-6** Paris daily reports that two South African researchers have shown that bedbugs carry AIDS virus.  
**17** Largest-ever U.S. underground nuclear test in Nevada.  
**22** President officially receives and endorses the report of his Space Commission on Mars colonization.

**7** Princeton Plasma Physics Laboratory announces it has achieved 200 million degrees (Celsius) in Tokamak Fusion Test Reactor—the highest temperature ever recorded in a laboratory.  
**23** Prof. Jean-Claude Chermann of Paris Pasteur Institute delivers speech proving that insects in African AIDS belt carry AIDS virus.

**5** U.S. launches Delta rocket from Cape Canaveral with two top-secret satellites as payload.  
**29** Livermore National Laboratory announces breakthrough in technology for acceleration of electron beams.

**International**

Nigeria, Ghana boycott Commonwealth Games over South Africa crisis.  
**1-7** Pope John Paul II visits Colombia, attacks terrorism, drugs, usury.  
**6** Japanese Prime Minister Nakasone wins big in elections.  
**9** Siemens industrialist Karl Heinz Beckurts assassinated in West Germany.  
**9** Explosion rips through offices of elite forces of French police.  
**18** Cardinal Ratzinger arrives in Peru, meets with Garcia.  
**22** Israeli Prime Minister Peres meets with Moroccan King Hassan in Ifrane, in an overture to moderate Arabs.  
**25** Reagan sends letter to Gorbachov; while not made public, it is known to offer cooperation on SDI.  
**26** East Germany recalls ambassador to Peru over *Pia Vesta* affair.  
**27** Elections in Thailand; Prime Minister Prem receives mandate to form a new government.  
**28** Gorbachov Vladivostok address: Soviet Union is an Asian power.

Showdown between British Prime Minister Thatcher and Queen Elizabeth II, over the monarch's assertion of power in foreign policy.  
**3-5** Commonwealth "mini-summit" on South Africa.  
**5** U.S. Ambassador to Germany Richard Burt refuses to rule out U.S. troop withdrawal from Europe.  
**7** Soviet Culture Fund created, including top anti-LaRouche "spooks."  
**7** *Sovetskaya Kultura* attacks LaRouche.  
**12** Peru recalls ambassador from East Germany over *Pia Vesta* affair.  
**15** Peru's President Garcia meets with Schiller Institute trade unionists.  
**22** Arrest of Soviet spy Gennady Zakharov in New York City.  
**25-29** West German Social Democratic Party convention nominates Johannes Rau as candidate for chancellor in 1987.  
**28** Pope issues Pastoral Letter on St. Augustine.  
**30** Arrest of U.S. News and World Report journalist Nicholas Daniloff in Moscow.

Biggest Soviet maneuvers since 1984, simulate invasion of Germany.  
**3** Peru's President Garcia addresses Non-Aligned meeting in Zimbabwe on debt relief, new world economic order.  
**8** Terrorist bombing of Paris Town Hall.  
**9** Japan announces agreement for participation in U.S. SDI program.  
**9** Bombing of West Germany's Federal Bureau of State Security in Cologne. France and Germany agree on coordination in fighting terrorism.  
**12** LaRouche publishes proposal in *EIR* for "Countering the Syrian War Threat Against Israel."  
**12** U.S. Congress approves economic sanctions against South Africa.  
**15** Soviet *New Times* issues attack on LaRouche, "Nazism Without the Swastika."  
**16** European Community adopts economic sanctions against South Africa.  
**24** French Premier Chirac addresses U.N. in appeal to wipe out terrorism.  
**28** Soviets moot reunification of Germany in leaks to German press.

**National**

**15** Sen. Richard Lugar (R-Ind.) vows to defeat Reagan's opposition to South Africa sanctions.  
**15** William Weld nominated to head Justice Department Criminal Division.  
**28** Air Force recommends mothballing \$3.3 billion West Coast Space Shuttle complex.  
**29** Reagan announces new War on Drugs effort.  
**29** Zbigniew Brzezinski demands naval blockade of Nicaragua.

Hollywood stars seek to block California Proposition 64, "stop LaRouche."  
**1** Gerold Yonas, SDI adviser, leaves post.  
**5** Stephen Trott, acting director of Justice Department Criminal Division, lets eight Israelis off the hook in weapons smuggling case.  
**5** ACLU opposes Reagan proposal for drug testing of federal employees.  
**18** Cardinal Ratzinger revokes dissident Fr. Charles Curran's license to teach theology at Catholic University.

White House Chief of Staff Don Regan squashes Senate investigation of AIDS cover-up by Atlanta CDC.  
 Former NSC Adviser Robert McFarlane goes to Iran to clinch arms-for-hostages deal.  
**4** Vatican reduces authority of Seattle Archbishop Raymond Hunthausen.  
**10** White House asks drug testing for certain government employees.  
**11** William Weld confirmed by Senate Judiciary Committee for Justice Dept. post.

## OCTOBER

**16-18** Meeting of 26 Ibero-American and Caribbean countries (SELA) in Lima, Peru, endorses García approach to debt.  
**27** Deregulation of London Stock Market ("the Big Bang")  
**28** Zaire breaks with IMF, along same lines as Peru.  
**30** Surprise resignation of Saudi Oil Minister Zaki Yamani, who had held the post for 24 years.

## NOVEMBER

**6** General Motors announces 29,000 layoffs.  
**14** Wall St. corporate raider Ivan Boesky indicted for "insider trading."  
**15-17** Delegates from 44 trade unions form new Colombian trade union federation (CUT).  
**19** U.S.S.R. passes Law on Individual Labor, permitting limited "free enterprise."  
**19** U.S. Attorney in Miami indicts nine of the world's top drug traffickers.  
**29** Figures released that show Peru has grown by 22.5% in manufactures in a year.

## DECEMBER

Growing demands in U.S. for shift out of "service" economy, from H. Ross Perot, Bobby Ray Inman, Rep. Jim Wright, et al.  
**6-7** Schiller Institute Agriculture Commission meeting in Obensburg, West Germany.  
**9** Egyptian President Mubarak denounces IMF pressures.  
**10** U.S. employment reported up 8 million 1979-84, and all growth occurred in jobs earning less than \$14,000. Nearly 60% of growth in jobs paying less than \$7,000.

**11** LaRouche issues proposal on "Parameters for U.S.-Soviet Talks on AIDS Pandemic."

SDIO announces that funding for directed-energy weapons in 1987 will be 5% less than the 1986 level.  
**7** AIDS researcher Luc Montagnier reveals discovery of new virus, LAV-2.  
**28** *EIR's* Biological Holocaust Task Force announces development of computer model to study the spread of AIDS.

**5** LaRouche writes in *EIR* on "Differences Between LaRouche's and Teller's Role in Creating SDI."

**1** Assassination attempt on Indian Prime Minister Gandhi.  
**3** Gorbachov speech denounces Western "fascists" who do not wear swastikas—Soviet "code" for LaRouche.  
**10** Cardinal Ratzinger issues document condemning homosexuality.  
**10** Assassination of West German foreign ministry official Gerold von Braunmühl.  
**11** Reykjavik summit between Reagan and Gorbachov; discuss "zero option" for nuclear withdrawal from Europe; meetings collapse over disagreement about SDI.  
**24** Britain breaks diplomatic relations with Syria, presents evidence of Syrian role in international terrorism.  
**29** Anti-American riots in South Korea.  
**29** International Committee to Investigate Soviet-Style Human Rights Violations in the United States is formed, in connection with government raid on LaRouche associates.

*Journal of Moscow Patriarchate* attacks Pope for diverging from Vatican II.  
**5** Assaults on NATO nuclear weapons facilities in Britain and West Germany.  
**8** Soviets reported about to complete ABM phased array radar defense at Krasnoyarsk.  
**9** West German Social Democrats lose heavily in Hamburg elections.  
**10** British Prime Minister Thatcher warns against withdrawal of U.S. nuclear weapons from Europe.  
**10** President Reagan extends economic sanctions against Nicaragua.  
**13** West German Christian Democratic parliamentarian Bernard Friedmann calls for German reunification.  
**17** Assassination of Col. Jaime Ramírez Gómez, former chief of Colombian anti-drug police.  
**21** Britain's Prime Minister Thatcher convinces French President Mitterrand to back her in putting AIDS on agenda at Dec. 5 summit of European leaders.  
**28** Colombian Bishops Conference resolves to excommunicate drug traffickers.

**2** Prosecution of Israeli gun-runner Gen. Avraham Bar-Am indefinitely postponed.  
**4** NBC-TV alleges LaRouche link to Palme killing; Stockholm police deny it.  
**5-6** European Community prime ministers resolve joint effort to combat AIDS.  
**8-12** Soviet papers *Pravda*, *Izvestia*, and *Krasnaya Zvezda* report NBC-TV charges against LaRouche.  
**10** European press reports link to Palme of Soviet-linked Emma Rothschild.  
**15** Italy adopts executive order to make AIDS subject to mandatory reporting.  
**17** French government sets up special crisis unit to deal with escalating conflict in Chad.  
**17** Guillermo Cano, publisher of the Colombian daily *El Espectador*, assassinated by mafia hitmen.  
**18** Colombian President Barco orders new crackdown on narcotics traffickers.

**6** Raid by nearly 400 agents on companies in Leesburg, Virginia associated with LaRouche. Ten individuals are indicted, along with companies and political committees.  
**27** Reagan signs omnibus anti-drug bill.  
**29** First Fidelity Bank of New Jersey and LaRouche campaign committees reach settlement of ongoing lawsuits.

**4** Elections bring Democratic majority in Senate and House; key issue is economy.  
**20** California attorney general raids office of supporters of Proposition 64.  
**25** CIA Deputy Director Robert Gates details Soviet SDI build-up, in a speech in San Francisco.  
**25** U.S. Attorney General Meese reveals that profits from illegal arms sales to Iran went to Nicaraguan Contras.  
**28** U.S. scraps SALT II Treaty with deployment of cruise-armed B-52 bomber.

**2** Frank Carlucci named national security adviser, to replace Adm. John Poindexter, who resigned because of his role in Iranian arms deals.  
**2** Attorney-General Meese says he will seek an independent counsel to investigate "Irrigate."  
**3** Defense Secretary Weinberger tells reporters President Reagan was given "bad advice" on Iran arms deals.  
**4** *EIR* press conference exposes Justice Dept. coverup in "Irrigate."

## The depression of 1986: Reality sinks in

by Christopher White

As the year 1986 began, *EIR* like other economic forecasting agencies, issued its projections for the year ahead. As has become customary since 1979, when *EIR* first began to publish such forecasts, in the form of its *Quarterly Report* on the economy, we were proven by the course of events to have been right, while other such agencies, from the Office of Management of the Budget and the Commerce Department, to the Congressional Office of the Budget and the Congressional Research Service, and private agencies, like Data Resources, Inc. and Chase Econometrics, were again proven to have been dead wrong.

For the year that has passed, *EIR* projected a further 15-25% decline in levels of consumption of households' and producers' market baskets, as defined by the physical standards of 1967. Many, at the beginning of the year, were shocked that such a projected estimate would be put into circulation.

As the year ended, some of them, perhaps, have begun to see things differently.

We argued, that monetary and other measures were available to brake the accelerating spiral of depression, and keep the rate of collapse nearer the lower estimate. And, that if such tactics were employed, by the powers that be, then the feared financial collapse, for which conditions have been more than ripe since the second quarter of 1985, could be postponed, once again, into the first and perhaps second quarters of 1987. This at the cost of accelerating the rate of decline of the economy, at the end of 1986, and in early

1987, and worsening the looming financial disaster.

Others, over the course of the year, continued to argue whether the government's projected 6% growth in GNP was an attainable goal or not. Among those others, government officials, whether they believed it or not, continued to play their allotted roles in the absurd theater of what was known as "the greatest surge of sustained economic growth since the end of World War II." They proved themselves, in the process, no more qualified to talk of economic growth than to distinguish healthy from cancerous tissue on the end of their noses. The private conduct of the same officials also proved that they were lying.

*EIR's* estimate was based on the precalculable effects, in accelerating the ongoing decline, and aggravating the chronic monetary mess, of two actions by the federal government and Congress. These were, the Gramm-Rudman-Hollings Deficit Reduction Act of 1985, known everywhere as "Gramm-Rudman," and the President's so-called reform of the revenue system, "tax reform." Officially, Gramm-Rudman was to be the means by which the budget deficit would be brought under control and reduced. Tax reform would be a "revenue-neutral" redistribution of the burden of taxation, lowering claims against individuals and households, increasing claims against business. Unofficially, and in reality, both were completely insane.

When the teeth were taken out of Gramm-Rudman by the Supreme Court on July 7, the damage had already been done. This year, the lunatics who supported the measure will pay

the price for the lies they have told about the size of the budget deficit since the August period. Tax reform was similar. The House version, passed at the end of 1985, was effective as of the beginning of 1986. For all intents and purposes, key features of the bill, the removal of the investment tax credit, elimination of construction and real estate shelters, went into effect right then. The result has been catastrophic already.

Gramm-Rudman and Tax Reform did not, however, cause anything to happen, in and of themselves. They aggravated processes that were underway already, and ensured that the accumulated potentials for a further, deeper slide into depression during the course of 1986 would be realized.

### **A two-phase collapse**

The collapse that occurred took place in two phases. Phase one in the period between May and June showed up in manufacturing-association and also government reporting, beginning July. Leaders in the downward spiral here were the steel industry, the primary-metals sector, construction, especially the commercial construction sector, transportation, and the oil and gas extraction industry. Apart from the construction sector, these all are at the beginning phases of the pipeline of the manufacturing process. Their results, by mid-year, showed declines in the 12-15% range from the year before.

Phase two was unleashed immediately after the Nov. 4 election, when the nation's and world's largest manufacturing corporation announced plans to lay off up to 40,000 workers in the period between 1987 and 1990. GM was joined in such planned cutbacks by General Electric, Westinghouse, Goodyear, Firestone, Corning Glass, even by AT&T. By year's end, it had become clear that the very existence of the core of the greatest concentration of industrial capability on the face of the Earth is now on the line.

The timing of phase two was political. In July and August, the word went out from the White House, and elsewhere, "No disasters till after the election; we can't have an economic collapse in an election year." The people who were pushing, and enforcing that, were also the people who were at the same time extolling "the strongest surge of sustained economic growth since the end of World War II."

That's what the government is still maintaining—in public. In private, a cabinet level interagency task force has been meeting since July with the purpose of both cheapening, and delaying, the bankruptcy of the steel industry as a whole, now slated to be one among many such erupting crises in early 1987. A similar such task force has been meeting on the domestic oil industry, in private. Likewise, over the summer, the government encouraged the automobile industry to adopt its insane sales-incentive programs, to keep up the pretense of the consumer-led boom, by means that ensured the present deepening collapse, known as "restructuring" in

the automobile and related industries.

The tactical lying, adopted as policy since mid-year, is being blown away by the development of the second phase of a downward accelerating depression spiral which we at *EIR* had projected at the beginning of the year.

Phase two of the collapse also blows away the lie that has been the basis of U.S. economic policy since 1982-83, that is, the fraudulent "Great Recovery." The cited "recovery" never happened. Politically, the fraudulent myth of the "recovery" was exploded by the electorate's behavior in the midterm polls. The country's worsening economic ills were the most prominent of the reasons the Republican Party's Senate candidates were sent down to defeat. The GM-led post-electoral manufacturing layoff, retrenchment, and restructuring wave merely confirms for most people that they were indeed right.

### **Reindustrialization**

In this new year, the lies that underpinned the recovery hoax will become the subject of congressional review as the fight is launched in earnest to change the policies that produced the accumulated disasters of the last 25 years or more.

Aspects of this have already been put on the table. H. Ross Perot, Dallas billionaire, and Rep. Jim Wright, the newly elected Speaker of the House for the 100th Congress, have launched broadsides against the destruction of U.S. manufacturing capabilities. Both have insisted that an economy cannot survive for long as a merely service-sector oriented economy. In this, they echo what *EIR* has insisted for years, in opposition to the administration's leading spokesmen, like Donald Regan and Malcolm Baldrige, who have repeatedly affirmed that such matters are irrelevant to economic policymaking.

The same subject has been taken up by the Joint Economic Committee in its latest report on employment. Often have the spokesmen for the Reagan administration intoned that their policies have created more jobs for Americans than at any other time in U.S. history. The Committee did what *EIR* did in its *Quarterly Reports* for the spring and summer of 1985. They simply investigated the jobs that had been created, and what kind of jobs those were. They confirmed what *EIR* has argued repeatedly is the case. Nine out of ten of the jobs created in this employment boom were in the service sector; 9 out of 10 paid less than \$14,000 per year; 6 out of 10 paid less than \$7,000 per year.

This depression-level impoverishment reflects the broader reality of what the "recovery" has done to the work force and population as a whole. *EIR*'s own review of governmental and nongovernmental data established that between 25 and 30% of the workforce-age population of the United States are attempting to survive at relief agency-defined poverty levels, or worse.

The mythology about the "recovery" was significantly

bolstered by the often repeated claims, "More Americans are at work than at any previous time in our history," or, "More jobs have been created than at any other time in our history." In fact, the Reagan administration's job-creation program only helped spread the poverty, as the higher standards of living required by workers in skilled manufacturing and industrial jobs were replaced by the lower standards of part-time clerical and sales staff, typified by the ubiquitous proliferation of dead-end unskilled jobs for city youth, like hamburger-flipping at fast-food stands.

Beneath this, the government has lied consistently about the actual levels of unemployment in the country, documented by *EIR* and city after city across the country, to be between two and three times what the government claims it to be, if what the Bureau of Labor Statistics calls "discouraged workers," and other such categories are included in the count rather than left out.

The reality of deepening depression conditions, demonstrated in the collapse of industrial manufacturing output and consumption, in the gutting of the qualified manufacturing workforce, in the deepening poverty of large sections of the workforce as a whole, is what was known euphemistically as the "recovery."

### ***EIR* stands alone**

It is not that *EIR* and the other forecasting agencies have disagreed on the relative rate of changes in the economy. The actual record, for 1986, as for earlier years, shows that *EIR* and the other forecasting agencies, governmental or nongovernmental, disagree absolutely on the direction in which the economy is going. *EIR* has insisted that the economy is contracting into a depression, at a 2.5% rate of decline over the period 1983-85, accelerating into the 15-25% level in 1986. The others still argue that the economy, as measured by the yardsticks of their beloved Gross National Product, is growing.

These rates of change were defined on the basis of analysis of the composition of market baskets of production and consumption of typical household and producers' goods. Market baskets are composed of final goods output, and the flow of intermediate goods and raw materials into such final goods output. The standard adopted in assessing such changes has been the levels of such production and consumption that prevailed in 1967.

The year 1967 was selected as the reference year for purposes of such comparison because it is the last year in which the U.S. economy as a whole reflected the continuation of previously dominant technological progress in the economy as a whole. Admittedly, even by then, the proportion of the workforce engaged productively had already shifted away from the ratios that prevailed in the early part of the 1950s, when approximately 50% of the workforce was so engaged. However, the level of output, per operative and per capita at

the 1967 level, was adequate to maintain the economy in a technologically progressive mode both in terms of industry's investment requirements and in terms of household consumption.

The market baskets are apportioned for the economy as a whole in the same way one would determine the costs and expenses of a particular enterprise. Part of the economy's output is allocated to what is required to maintain the functioning of the system and its workforce. That part, subtracted from the whole, leaves gross profit. Overhead expenses are subtracted from gross profit to leave the economy's net profit. The ratio of net profit to productive costs is then examined in light of the labor and energy costs of producing the output.

To progress, the labor cost of producing improved and increased market baskets must decline, permitting improved household consumption, together with an expanded capital-goods sector for the economy. The energy throughput of the system, per capita and per hectare, must increase, while the energy cost of producing the market basket output per capita declines. The level of the technology which defines how the economy functions, measured as throughput per unit of cross sectional area of process, must advance.

It is proven in the conception of increasing potential relative population-density of economist and presidential candidate Lyndon LaRouche, that an ordered succession of such technological advances is the necessary causal condition for continued successful advance in the economy as a whole. The proof is adduced from the historical increase of mankind's powers to dominate nature as reflected in the three-order-of-magnitude increase of human population-density over the course of human historical existence. The self-developing characteristic of human economy reflects the similar negentropy of the laws which govern the physical universe as a whole.

Violate those laws, as has been increasingly our practice since the period 1963-67, and the results in economic policy will be disaster. If technology is held stagnant, the energy and labor cost of even a declining market basket will increase, while the raw materials base which supports such activity shrinks relative to the technological capacity to exploit it. Devolution is imposed. History is littered with the corpses of societies that have tolerated the adoption of such an approach.

The crisis that was unleashed when phase two of the collapse of 1986 was unleashed right after the elections, will hopefully establish the climate in which the incompetence of the GNP school of political economy can be junked, in favor of a return to the LaRouche approach, the principles of modernization of the physical economy which were repeatedly employed to make this nation great. Otherwise, the collapse of 1986 may well be seen as the turning point which doomed the United States to second- and third-rate status in the short-run, and helped push Western civilization as a whole deeper into a new barbarism.



# Japan's uneasy role as economic superpower

by David Goldman

A sort of turning point in postwar economic history came with the economic agreement announced Oct. 31 by Japanese Finance Minister Miyazawa and his American counterpart, Treasury Secretary James Baker III. It marked the first time that the U.S. government has asked for economic policy assistance from another government for electoral purposes. As such, the agreement did not amount to much, and has been forgotten in the wake of the dollar's continuing weakness on foreign-exchange markets. But it marked official acknowledgement that Japan, with the world's largest trade surplus, has become a special sort of world superpower.

President Reagan did a favor for Japanese Prime Minister Yasuhiro Nakasone last June, well-informed Tokyo sources explain, by easing pressure on the Japanese trade surplus just before the June elections which returned Nakasone with a strong majority. The prime minister, as well as Finance Minister Miyazawa, wanted to return the favor to Reagan, a valued political ally. The favor came in the form of the Oct. 31 agreement. There is both more and less to this agreement than meets the eye. The government action was the signal for a coordinated move into American markets by Japanese institutions, which had begun to reduce their American presence sharply during the third quarter.

Tokyo policymakers, in informal discussion, formulated the problem as follows: Japan is subsidizing the American economy by shipping a net \$50 billion worth of goods to the United States per year, and investing the proceeds in U.S. securities. The word, "subsidy," would never be used in public, but the fact that America now imports net one-fifth of its total consumption of physical goods can bear no other description.

Tokyo is painfully aware that this cannot last indefinitely. However, policymakers estimate—correctly—that a sudden stop in Japanese financial flows into the United States would produce a shock that would probably bring down the American banking system. The repercussions of this would hurt Japan as well; therefore, the Japanese cannot simply cut off the flow.

Japan's superb trade performance, *EIR* showed in a cover story published Aug. 8, reflects, to an alarming extent, the weakness of the world trading system. Japan's exports to the OECD (industrial nations) rose from 46.3% of exports in 1976, to 56% in 1984, and further since then. Exports to the

U.S.A. alone rose from 23.7% of the total in 1976, to 35.6% in 1984.

At the same time, exports to Japan's natural market, the developing nations, declined sharply as a percentage of the total—from 55% in 1976 to only 44% in 1984, as financial crisis engulfed the Third World.

The United States now produces only 80% of its total physical consumption; the rest is obtained by net imports. Japan's trade surplus derives from that country's role in filling that deficit, in the context of declining overall world trade. American imports rose from \$256 billion in 1980, to \$361 billion in 1985. But total world trade *minus* the \$104 billion increase in U.S. imports was only \$1.663 trillion, *lower* than the supposed nadir of international trade in 1983, when exports fell to \$1.667 trillion. World trade contracted apart from the U.S. deficit, and Japan's exports showed a net 20% swing toward the industrial nations as a result.

## Window-dressing

Through the Oct. 31 agreement, Japan demonstratively cut its discount rate to a postwar low of 3% from 3.5%, a purely symbolic action which could not, by itself, have any impact on foreign-exchange markets. Japanese investors agreed, meanwhile, to continue to throw the proceeds of the country's \$50 billion trade surplus into American securities.

In return, the Americans agreed to sell Japan a big piece of the store, namely, the \$120 billion-per-day market in U.S. Treasury securities. Since then, the Treasury has authorized three Japanese brokerage houses as primary dealers in U.S. Treasury securities.

The U.S. banks and investment houses are facing enormous competitive pressure from the huge Japanese trading houses such as Nomura, Daiwa, and such in the U.S. Treasury market. In what observers characterize as "open warfare," the Japanese are believed moving to use their investments in U.S. government debt to increase their control of the U.S. financial market.

As the largest primary purchasers of U.S. Treasury securities, the Japanese have the leverage to dominate the primary dealerships as well. One wire-service account quotes an unnamed Merrill Lynch executive complaining, "We were always afraid of becoming Nomura-Merrill Lynch."

Neither can they maintain it indefinitely. The objective which Tokyo has set for itself is to gradually reduce the level of net flows to zero over the next 12 months. That implies the same collapse, but at a slower pace.

Japan's dilemma is straightforward: In order to maintain an export market which, as the yen rises, is already declining, it must mortgage its banking system to finance the United States. Any attempt to disengage will produce a disruption. The question remains: Will Japan use its enormous trading and financial power to persuade the United States to change a policy leading to disaster for both nations?

# García shows that breaking with the IMF is very good for business

by Mark Sonnenblick

Two proofs emerged in 1986 that the best thing a developing country can do is break with the International Monetary Fund (IMF):

1) President Alan García's Peru was declared "ineligible" by the formidable IMF Aug. 15. He not only survived its wrath, but led his country to the fastest industrial growth since 1974, in the midst of generalized depression.

2) A study written by the Schiller Institute, *Ibero-American Integration; 100 Million New Jobs by the Year 2000*, proved scientifically that Ibero-America can develop only if it puts aside its \$370 billion foreign debt.

García and the Schiller Institute both showed that there is no excuse for the looting of the region's economic infrastructure and human potentials which is making it into a cauldron of disease and death. Both showed that successful economic policy begins with the fact that the creative and productive potential of expanding populations is the source of all wealth. This is the same precept expressed in moral terms by Joseph Cardinal Ratzinger in November 1985 and increasingly echoed by Catholic bishops throughout Ibero-America.

García offered a simple explanation for his success to the Mexican people, whose nation is on the brink of dissolution, thanks to its rulers' fears of breaking with international usury:

"Peru's population grows 3% annually. We had been growing economically 1 or 2%. That is, always regressing in relation to the population. We have moved onto the scene this year a fundamental element of the economy which had been forgotten: the masses' consumption capacity, generalized social well-being."

He continued with a success story which not even his bitterest enemies deny: "When we took office [on July 28, 1985], inflation was more than 200%; now it is 60% annually. In the second place, the Peruvian currency was rapidly losing its buying power in relation to the dollar. It was devaluing at 250% annually. Incredible. We, by a virtual act of economic will, have preserved the same exchange rate for the past 15 months, without any change, and this seems heretical, absurd, to the monetarists. But there we are; you can see it. As a result of this cutting of inflation, we have achieved an increase in the population's consumption. We have improved

wages; we have kept many products at the same price as last year: bread, oil, flours. And thanks to this, the population could consume more. And, since the population consumes more, industry and the economy came to be reactivated."

Peru is achieving a 7.8% economic growth rate this year—despite the collapse in prices for its exported oil, copper, iron ore, and fishmeal. Manufacturing output was 22.5% higher during the first 10 months than during the previous year, Industry Minister Manuel Romero boasted. This is the best performance in that crucial sector on record.

## Integrate or disintegrate

While planning for another 6% growth in real incomes next year, García is aware that there are severe constraints on what Peru, one of the continent's smaller and poorer countries, can do on its own. "The isolated paths of all our countries lead nowhere." García challenged Mexico like he challenged every country his voice could reach:

"Not even Mexico, which is a bigger and more solid country, needs so much money from abroad. What it needs to do is make its economy produce and its people consume. . . . If we united all the Latin American countries, just think of the enormous sum of demand and social consumption and the productive capacity we would have. But this is a dream of the future. This very day, any of our countries . . . by ordering its economy and applying a new economic theory, could make its society produce and its people consume."

The narco-bankers are aware of García's potential to swing Ibero-America out of their grip. They, and their confederates in Washington, have devoted incredible resources to making sure García's policies are not replicated elsewhere. After García won the minds and hearts of the Argentine people and completely upstaged President Raúl Alfonsín with his joyous honesty during an April visit, all doors were closed to him. A trip to Mexico, rumored since last year, was repeatedly postponed. Only Uruguay and Costa Rica let him visit.

The Schiller Institute study *Ibero-American Integration* fleshed out the economic outline of how to put García's lucid political vision into practice. It starts from the premise that it

is absurd for an "underpopulated continent" to have 25% of its labor force unemployed and a much larger percentage misemployed. It demonstrates that if the region integrates into one economic entity, it could achieve 10% annual growth over the next 15-30 years. By the year 2000, it could have created 100 million additional productive jobs, and could bring its entire population up to living standards comparable to those of Spain today. By 2015, its people could enjoy consumption standards equal to the average of Europe, North America, and Japan today.

The continent would be physically linked through great infrastructure projects and economically through a common market. Everything would be oriented toward multiplying the productivity of the labor force.

*Ibero-American Integration* is dedicated to García and Argentine President Juan Domingo Peron, whose fight for integration still inspires most of the Argentine people. The book, currently being serialized in *EIR*, was presented in nine Ibero-American countries during the September to November 1986 period, and has by now circulated to all leading layers of the continent. It has become an underground manual for all political fighters who know that their government's debt servitude is bringing disaster. Even bankers' think-tanks, which most abhor the book's thesis, will privately admit that it is technically feasible.

Why has Peru not yet been hit by the lawsuits and economic embargoes the *Wall Street Journal*, *Financial Times*, and *Economist* have been predicting all year? While there is no guarantee that total economic warfare won't be unleashed against García's government at any moment, his enemies fear the backlash it would create throughout the continent. Were Peru to fall victim to Teddy Roosevelt's "gunboat diplomacy," every country in the region would be compelled by its own people to offer concrete solidarity. Ibero-American integration would become a fact overnight. The strength of pro-García sentiment is measured by the fact that at every regional meeting, Peru's right to a sovereign debt policy was defended. Even its traditional enemy, Chile, strongly condemned the IMF for blacklisting Peru.

Since even before the debt crisis became apparent in 1982, *EIR* has called that political shockwave a "financial Malvinas." García developed the concept during his visit to Argentina in April. In December, Brazilian President José Sarney tried to kill it by commenting, "A moratorium would be like the Malvinas war, with everybody applauding at first, and then the people would suffer." He was responding to pressures for García-style proposals which erupted for the first time in Brazil in November. They are stronger than ever in Mexican political and labor circles, and just below the surface elsewhere.

Peru, acting unilaterally, has achieved the debt relief which no country has won by playing what García aptly terms the "financial merry-go-round" of taking new loans to pay old debts. The last round of miserable bilateral deals made

by major debtors collapsed in the 1986 depression and have yet to be put back together. Nobody has seen the magical "new money" promised by Treasury Secretary James Baker III in September 1985.

## The Hong Kong route

Those who dare not act like García have turned their ravaged nations into junk yards in which creditors can pick up whatever pieces of industry or labor force they desire at scrap prices.

This phase of the looting process was systematized during 1986 under the title of "capitalization" of debt or conversion of debt into equity. The pioneer was Gen. Augusto Pinochet's Chile, which exchanged \$600 million of its industries for debt paper. But it was overtaken by Brazil, which denationalized, via the stock market, a major share of its \$22 billion Petrobras oil company and several other state companies holding most of its vast mineral reserves. Argentina has put the 13 largest state sector complexes into liquidation, by placing them under the management of the same international asset strippers who sold part of Italy's FIAT to Libya. Argentina is, however, contesting Citibank's demand for 100% on its debt paper. Mexico turned over the flagship of its private industry, the Alfa Group, to 50 foreign banks.

Washington monetarists rejoiced. In a speech to American businessmen Nov. 1, Assistant Secretary of State Elliot Abrams lauded Chile, Mexico, and Argentina for their "structural reforms," which he called a "revolution" toward a "more market economy."

The pathetic overseers of the looting claim they are getting a bargain, since they pay 80% of face value on debts which hot-money houses pick up from banks at 50 or 60% of nominal value. They also boast that the unpayable debt is being turned into foreign investment. Such "investments," however, are those appropriate to this phase of world economic breakdown: tourist complexes to launder narcotics dollars and runaway sweat-shops to exploit the labor force under Hong Kong-style conditions.

Henry Kissinger could not by-pass meddling with the debt. On Feb. 17, while a wave of moratorium fever swept Mexico, he turned up for a "two-hour working session" with President Miguel de la Madrid. At the airport, Henry oozed, "My government is studying how it can best help Mexico." Mexico's negotiators called themselves "tigers" and said they would rip 6% flat interest rates from their creditors. When all was said and done, they got a 1/16th of 1% reduction from what Mexico is paying now.

Alexandre Kafka, the Brazilian IMF executive director who makes the IMF's Third World policy, assured the World Bank annual meeting Sept. 22, "The current international economic conditions will prevent Latin America from emerging from its deep recession, at least until 1991." In 1986, García and the Schiller Institute put on the table the alternative.

# Ibero-American labor seeks joint strategy

by David Ramonet

On Aug. 15, 1986, while the bureaucrats of the International Monetary Fund were putting out the word that Peru had been declared "ineligible," a number of trade union leaders from all over Ibero-America were meeting with President Alan García, to present to him the solidarity and allegiance of the continent's organized labor movement.

The meeting of the union leaders with President Alan García culminated a series of meetings held to discuss convening a Meeting of Latin American Workers, to map out a joint strategy for organized labor in Ibero-America against the International Monetary Fund, against the usurious international banks, and against the drug trade.

The preparatory meeting of the Meeting of Latin American Workers was organized by Peruvian Congressman Luis Negreiros Criado, leader of the Peruvian dockworkers union Sitenapu, and by the president of the Union of Bogota and Cundimarca Workers (Utraboc) Jorge Carrillo, who had just completed his term as Colombia's labor minister and has since been elected the president of the Unified Confederation of Workers (CUT).

Out of the trade unionists' talks, the "Lima Declaration" was produced, which circulated widely among labor leaders of Latin America. It states:

"The President of the Republic of Peru, Dr. Alan García, has had the moral integrity to decisively and responsibly confront the usurious international financial institutions which have caused this crisis. But this struggle cannot be conducted exclusively by the governments; at its head must be the trade union movement, which historically has been a factor in the great economic and social changes benefiting the population in general.

"Therefore, we, democratic labor leaders of Latin America, demand that our countries and all the workers of the region take a united position toward the grave problem of the foreign debt and the International Monetary Fund. . . .

"It is not true that each country has its crisis; in truth, the cause of Latin America's crisis is one and the same; and thus

we must act in concert to solve it. What is at stake is the very existence of nations and democracy. With the reduction of the populations' living standards, the family, the basic cell of society, is disappearing. IMF policies are a blatant rejection of Christianity's basic principles of defense of human dignity."

"The true challenge is to achieve integration," says the declaration. And it stresses, "We workers are the backbone of integration. The labor movement must take on the role of leadership which it has not fully taken up to now." The declaration began to circulate almost immediately among the labor leaders of the continent, encountering a general positive response to the need to convene a meeting of Ibero-America's workers.

It was also the occasion to present the first copies of the book *Ibero-American Integration: 100 Million New Jobs by the Year 2000!* which the Schiller Institute published at the request of the Schiller Institute Trade Union Commission. President García received one of those copies personally from the executive director of the Schiller Institute for Ibero-America, Fernando Quijano Gaitán.

## ICFTU-ORIT supports debt freeze

The impact of the historic meeting of the trade unionists with Peru's President was felt almost immediately. In September, in Buenos Aires, the General Labor Confederation of the Argentine Republic (CGT) held an international labor meeting together with the International Confederation of Free Trade Unions (ICFTU) and its American branch, the Regional Inter-Americana Labor Organization (ORIT in its Spanish acronym), which came out in favor of a moratorium on the foreign debt and sent a message of support to García. This was the first time that the social-democratic bureaucracy of the ICFTU ever signed a document with such demands.

The debt moratorium resolution was the product of an intense debate inside the conference. The ICFTU and ORIT bureaucracy, backed by the European unions and the American Institute for Free Labor Development (the notorious AIFLD), wanted to force the CGT to give its backing to Argentina's President Raúl Alfonsín, using the worn-out blackmail that "to attack the government is to attack democracy." But the Ibero-American delegations managed to impose their will.

The European labor 'crats were left exposed. All they could do was to support the Argentine CGT's position for Ibero-American integration, against the IMF and usury. This strengthened the position of the CGT's secretary-general, Saúl Ubaldini, who is coming forward more and more as the unifying figure for Argentine organized labor.

This was made clear at the *Congreso Normalizador*, held for the purpose of legalizing the CGT (until then it functioned *de facto*, but not *de jure*), where Ubaldini was confirmed as secretary-general. The CGT is, in fact, the only organized

social force in Argentina through which the population has vividly expressed its repudiation of the IMF austerity program, called the "Austral Plan."

### **Colombia's United Workers Confederation**

In Colombia, there has been an explosion of discontent against the so-called "narco-unionists" promoted by AIFLD, a pro-drug outfit which gets its funding from the U.S. State Department and CIA. From July on, at every national meeting of the Union of Workers of Colombia (UTC) and the Confederation of Workers of Colombia (CTC), the leaders of those unions were denounced for their ties to drug traffickers, and for pushing the abolition of the extradition treaty for drug traffickers between Colombia and the United States. Also, these leaders were denounced for having gotten their position with AIFLD financing, to carry out their corrupt actions. Finally, the main federations, like those of the capital and the province of Cundimarca, as well as various of the strongest national unions, dumped those confederations to start a process of trade-union unification.

On Sept. 26, the same day that the international conference in Buenos Aires finished its deliberations, tens of thousands of workers and peasants from all parts of the country marched in the streets of Bogota for the first time in many years. The program for the march was very precise: "For the defense of national sovereignty, no to IMF impositions." "Against terrorism and for the right to life." This was the first mass action of the newborn United Workers Confederation (CUT).

On Nov. 15-16, some 2,000 delegates attended the constituent congress of the CUT, representing 80% of the unionized workers in Colombia. They unanimously elected former Labor Minister Jorge Carrillo as president, and the slate presented by the democratic sector, headed by Carrillo, obtained the majority of votes.

From before its official founding, the CUT had been the target of attacks both from the extreme left and the extreme right, as well as from promoters of the legalization of the drug trade and the abolition of extradition. Carrillo is accused of "divisionism"—when what he did was unify the unions—and of turning over the union movement to communists—when he rescued the leadership of Colombian organized labor for the democratic sector. As the Bogota magazine *Semana* wrote on Nov. 25, "Everything seems to indicate that the guarantee it won't end up in communist hands nor those of the radical left, is precisely the presence of Carrillo and the support offered to it from the democratic sectors."

### **Is AIFLD communist?**

Meanwhile, with what was left of the UTC, AIFLD bankrolled a congress to name as vice-president Mario Valderrama, best known for having traveled some months ago to Miami to intercede for the jailed drug smuggler, Hernán

Botero. Renamed secretary-general was Alfonso Vargas, who had gone to Spain to intercede for another trafficker, Gilberto Rodríguez Orejuela. Valderrama presides over the "Independent Medellín" soccer team, which the late Colombian justice minister, Rodrigo Lara Bonilla, had named as a drug-money laundering conduit. Up to a few weeks ago, Valderrama was vice-president of the team, but the former president died after a gunfight with his rivals.

These are the "unionists" backed by AIFLD, at the same time it is fomenting attacks against the CUT's democratic sector. Many Colombian unionists are asking if the AIFLD wants the labor movement to fall into communist hands.

Nothing new in that. John Ranelagh writes in his book *The Agency. The Rise and Decline of the CIA. From Wild Bill Donovan to William Casey*, that under Allen Dulles the CIA entrusted the creation of AIFLD to individuals "like Tom Braden and Cord Meyer, politically liberal or, like Jay Lovestone, ex-communists."

Moreover, on Nov. 11, the most influential Mexican news commentator, José Luis Mejías, picked up and ran with the extensive documentation *EIR's* Ibero-American editor Dennis Small had presented at a Washington, D.C. press conference two months earlier, showing AIFLD's ties to drug runners. The full AIFLD scandal became the subject of Mejías's front-page column in the major Mexican national daily *Excelsior*.

### **IMF labor 'reforms'**

With the sole exception of Peru, the international banks have imposed genocidal austerity on all Ibero-American governments, to collect the foreign debt. Moreover, during 1986 they started to generalize the practice of introducing more labor reforms in order to institutionalize the IMF's "adjustment" plans, which require finishing off the inalienable rights of labor, as defined by Pope John Paul II in his encyclical *Laborem Exercens*.

In Panama, the World Bank made loans conditional on a series of reforms in the Labor Code, imposed in April. Even so, the IMF and World Bank now insist on reforming the social security system. These reforms affect the least protected sector of the workforce: pensioners, unemployed, and disabled workers.

There are plans to introduce similar changes in Colombia and Costa Rica, and in Argentina, where the government refuses to give the unions to operate facilities like hospitals, recreation centers, etc. (the most important part of social security benefits), a labor conquest which is peculiar to the Argentine labor movement.

The military dictatorship's labor laws continue to rule in Argentina, and while Argentina's Congress is debating a new law, the government refused to form worker-management committees to discuss wage increases—in practice reducing the function of the unions.

# Policy of 'food destocking' leads to famine in whole regions

by Marcia Merry

In 1986, the policy of food "destocking" was implemented in the United States and the European Community as a supposed way to improve income for farmers by eliminating non-existent "surpluses." In terms of its own logic, the policy is insane and immoral: The only reason there appear to be "surpluses" is that both world food trade and national domestic consumption of key commodities—meat and milk—are declining.

The reality is that the world desperately needs this food. But productive farms and farm families themselves are going out of operation on a scale that guarantees drastic decreases in food output in the near future. To propose more "destocking" in 1987 is criminal. Yet, as of December, that perspective was adopted in Brussels on a broad scale. In Washington, new farm bills will be introduced in the incoming session of Congress in January proposing the same policy. The following is a summary picture of the real state of world food supplies, and the need for expanded world food output and an agriculture productivity drive.

Over 1986, famine spread in Africa, took thousands of lives in Indonesia, China, Bangladesh, and other points in Asia, and beset many regions in South America. In the case of Africa, the genocidal food shortages are the result of years of suppressive economic policies imposed by the International Monetary Fund and World Bank, to inhibit development of the infrastructure required for agricultural productivity. The 1986 locust plague, on top of recent drought conditions, is just more deadly proof of the unnecessary destruction of productivity and productive potential on the continent. After growing in the 1960s, African food output per capita has declined for the past 15 years.

In Southeast Asia, famine hit in specific locations as a result of the combination of natural disasters and economic policies that have jeopardized local food output potential. For example, mass-scale logging and deforestation in Indonesia has resulted in flash-flooding, ruining crops. There is a less determined, long-term effect on weather patterns to be reckoned with.

## Supply and need: the global gap

However, before surveying these regions in detail, it is important to understand the global gap in food needs and

food supplies. There is a myth that food is being produced in sufficient quantities worldwide were it only "distributed" properly. While it is true that food is inequitably distributed, it is not true that sufficient quantities of food are being produced relative to per capita needs for a quality diet. The current world population requires triple the food output now produced.

The brutal fact is, the year-end reports about "record crops" and "surpluses" are just propaganda on behalf of the point of view of those favoring depopulation.

According to the estimates of the U.S. Department of Agriculture, about 1.65 billion metric tons of grains were produced in 1986, up fractionally from 1.64 billion tons the year previous. This works out to about 13 bushels of grain per person for the 5 billion people now on Earth.

What is required for a healthy diet, is at least 24 bushels of grain per person—some to be eaten directly as cereals, and the bulk to be fed to livestock to produce the meat, milk, eggs, and similar animal protein foods required. By simple calculation, 3 billion tons of grain should be produced annually. In addition, another billion tons should be produced as both a reserve and to count for necessary stocks-in-pipeline, and for losses due to spoilage, pests, transport, and processing.

Therefore, we are running short about 2.4 billion tons of grain a year. The increase in the carry-over grain stocks that has been occurring temporarily in the last few years, because world food trade is declining, is only a passing phenomenon, and does not constitute a huge grain surplus as it is misrepresented by U.S. media.

According to USDA figures, year-end grain stocks worldwide are about 385 million tons. Last year at this time, there were about 317.5 million tons. Most of the stocks are stored in the United States. Of the world stock of 385 million tons, 225.2 million tons are in the United States. This is nothing compared to immediate food needs around the world, or even compared to the need for increased meat and milk output in the United States.

The two factors contributing to the current pile-up of grain in the United States is the collapse in grain exports, and secondly, the drastic fall in cattle and hog numbers. Over the last few years, the world grain tonnage traded annually has

dropped from 210 million tons to a projected 165 million tons for the current trade year. Most of that decline has been in the U.S. export share.

In the meantime, so many farmers have gone out of production or cut back their output that the national U.S. cattle and hog inventory is at the lowest level in 20 years. This represents a huge loss in domestic utilization of soybeans, corn, and other feedgrains.

## Famine situations

What these figures signify is that the world food supply is being marginalized, relative to real requirements, to the point of guaranteed spread of famine. Each famine situation in 1986 proves the point.

In Southeast Asia, famine resulted when food supplies were knocked out by a drought, or post-drought effects—floods and insects, which hit a zone extending from north of the Indonesian forests, through Thailand, part of Laos, and Guangxi province in China. The change in the weather pattern produced unprecedented typhoons in the Philippines and Vietnam. The lower Brahmaputra River valley flooded, hitting northern Bangladesh. In Indonesia, there was massive flooding on the island of Sumatra.

Only in northeastern Thailand was food aid quickly made available; the government could mobilize stocks because Thailand is a food exporting nation. In the other nations, there is extreme deprivation and starvation.

As of mid-November, Sumatra was devastated. The combination of rains, and land stripped by illegal logging, produced landslides that destroyed entire villages. Up to 20,000 flood victims were stranded. The rate of food relief ran at only 3 tons of rice a day, when 10 tons were needed for survival. The rice and coffee crops were heavily damaged.

In Bangladesh, where famine claimed 24,000 lives in 1974, relief agencies report that 20,000 children are facing severe malnutrition. At least eight people died from hunger in November in the flood region.

However, the most serious situation may be in China. Here, ecological decline is forcing the wholesale movement of peoples in desperate conditions.

From 1979 to 1983, Chinese agricultural output increased markedly after Premier Deng lifted the communal restrictions, and control of land reverted back to the peasants. However, a diversification out of grain and into more profitable specialty crops ensued, including flowers, fruits, and vegetables.

Whereas in 1985, the Chinese press boasted that China had literally run out of storage space for the bin-busting harvest, in October of this year, the Chinese press reports said that millions of rural Chinese are "having trouble feeding themselves."

Severe drought has ruined grain and other crops in 17 of the nation's 29 provinces—many of them the most populated regions. Yao Shaoyu, head of the Ministry of Civil Affairs Relief Bureau, reported that China "needs about 5 million

tons of grain as assistance." The United Nations reports China as a food deficit country.

People have been streaming into the cities, for lack of food in the countryside. This process began at least three years ago, but now has reached catastrophic proportions. For example, police estimate that the number of "temporary residents"—migrants—in Beijing has averaged 660,000 per month since May of this year. Although the official report is that Beijing now has an itinerant population of 1 million, the number is likely far greater. According to *China Daily* Oct. 24, city authorities are tightening their control over the migrants, to prevent an influx of beggars and criminals who "pose a serious threat to social order." Other cities—Shanghai, Canton, and Nanking especially—are in the same situation.

The point to be made is that there is no safety in a "bumper harvest." Health and food supply are assured only by the soundness of the agriculture infrastructure—farm inputs and productivity, storage, shipping, and processing.

Look at Henan province—a leading grainbelt region. This year, grain production dropped by no less than 1 million tons. Next year's prospects are grim because of a shortage of funds, fertilizer, and diesel fuel. In 1983, there was a "record harvest" of 29.04 million tons, but there was not the infrastructure to sustain and build up this output potential further. In 1984, the harvest dropped by 100,000 tons. In 1985, the harvest dropped 1.5 million tons. Henan is southwest of Beijing, which itself is suffering extreme drought. At one point in 1986, there was open discussion of temporarily moving the capital south.

The output statistics for Bangladesh show the same difficulty.

While rice harvests for 1985-86 were up over 1984-85 by 550 thousand tons, imports fell by 650 thousand tons. Therefore, the food actually available to the population fell. During the same time period, both wheat output and wheat imports declined. Therefore, the decrease in total food stocks was precipitous. When the floods hit, there were no stocks for food relief.

This process of marginalization of food supply has proceeded to such an extent in Africa that food shortages exist on a genocidal scale. A report published this fall by the United Nations, whose agencies are ever bent on depopulation, "projects" that food output will continue to decrease in Africa for the next 20 years.

In this context, the plans now being implemented to shut down large percentages of food-output capability in North America and Western Europe are murderous, and consciously so. A report given to the U.S. Department of Agriculture Outlook Conference in December of this year by Professor D. Gale Johnson, co-author of a Trilateral Commission policy document on agriculture, said, "There is no doubt we have too many resources engaged in agriculture in the United States, Japan, and the European Economic Community. Agriculture must be downsized in industrial countries."

# The year the whole world hit the panic button on AIDS

by Warren J. Hamerman

*The author is the director of the EIR Biological Holocaust Task Force.*

During the last few weeks of 1986, major institutions and governments made complete turnaround in their prior evaluations and assessments on the out-of-control spread and threat of AIDS.

What caused the complete turnarounds of major institutions and governments?

There are three fundamental causes: a) the terrifying reality of the uncontrolled spread of the 100% lethal disease—a disease which spread so fast that it literally burst apart the cover-up; b) the global campaign of Lyndon LaRouche, this journal, and our supporters, as epitomized in the Proposition 64 ballot initiative fight in California, to challenge the cover-up head-on; c) our intensive campaign in scientific, military, and government circles for the launching of an Apollo Moon-shot-scale crash program characterized as a Biological Strategic Defense Initiative (BSDI) based upon unleashing the space-age scientific capabilities of optical biophysics.

Before their complete turnarounds, in each of the following instances the policy positions which the institutions belatedly came to, had been the long-standing and unique scientific evaluations of *Executive Intelligence Review's* Biological Holocaust Task Force:

1) World Health Organization (WHO) director general Dr. Halfdan Mahler confessed at the United Nations that the WHO had irresponsibly “grossly underestimated” the threat of AIDS, and he forecast a minimum 100 million infected worldwide within the next five years, without accounting for any AIDS case take-off in Ibero-America and Asia. In his remarkable confessional press conference on Nov. 19, Mahler used the scientific term “pandemic” to characterize AIDS—the very same term previously applied to AIDS only by *EIR*. The WHO head had cited as one of the major causal factors in his turnaround, the strong criticism of the WHO from the press for not doing enough against AIDS. It was *EIR* which had single-handedly led and coordinated a global campaign against the WHO cover-up of the true dimensions of AIDS.

2) The prime ministers of the 12 nations of the European Community (EC) under Margaret Thatcher’s leadership declared a European-wide “war on AIDS” at their Dec. 11-12 meeting. Earlier in the year the governments of Western Europe were following the mistaken policy lead of the United States in trying to avoid the true dimensions of the threat because appropriate actions were “cost prohibitive.” Characterizations of the threat as being as threatening to Europe as the 14th-century Black Death, in a context previously unique to *EIR*, were used by the EC prime ministers.

3) The U.S. National Academy of Sciences/Institute of Medicine in late October issued a report warning of an AIDS “catastrophe” unless a minimum \$2 billion annual basic research and public health budget were deployed against the AIDS crisis. In a section of the report on “Future Research Needs,” they stressed that despite all of the molecular biology success in characterizing the AIDS virus, science still is in the dark about the causality of the basic biological processes of the virus and disease. Previously, *EIR* had been alone in calling for a \$2-3 billion annual program and had been ridiculed for proposing such an “unrealistic” and “cost prohibitive” program.

4) Leading medical and public health authorities such as Jonathan Mann, head of the World Health Organization AIDS Task Force, issued statements late in the year warning that the situation in Africa and Latin America was completely out of control. At the beginning of 1986 such officials were denying that there was any widespread AIDS crisis in Ibero-America at all and promoting the myth that AIDS was not as important in Africa and elsewhere in the tropics as the more traditional so-called developing-sector diseases.

5) A special scientific panel investigating the Centers for Disease Control (CDC) in December admitted that there was a crisis in morale, a “little tampering” with experiments, and some misreporting in the CDC’s discredited AIDS program. Previously, *EIR* had led and coordinated an aggressive campaign to expose the CDC cover-up and collective malfeasance on AIDS.

6) Leading scientists from France and South Africa conducted ground-breaking experiments pointing to the possible



role of biting insects in carrying the AIDS virus in Tropical areas. As 1986 began, only *EIR* and Drs. Mark Whiteside and Caroline MacLeod of the Miami-based Tropical Institute of Medicine had been on record discussing the role of biting insects in "mechanically transmitting" AIDS in the year-round insect-breeding Tropical areas.

7) The Soviet Union, which had maintained a hard "propaganda line" that AIDS was a disease of the "degenerate West" which did not threaten Soviet society, late in the year began to send out "concerned signals" to the West that they were worried, unprepared to deal with the AIDS spread in the East, and sought cooperation with the West. Some high-ranking Soviet medical and scientific officials denounced the Soviet's cruder "lines" which have been the stock-in-trade of Soviet military, KGB, and state officials since the fall of 1985, namely that AIDS had been biomanufactured in a U.S. military-CIA laboratory such as Fort Detrick and then unleashed by the U.S. military-intelligence complex on its own population.

8) Leading scientists from the Pasteur Institute (France), Karolinska Institutet (Sweden), Harvard University (U.S.A.), and the National Institutes of Health (U.S.A.) announced the discovery of a growing retrovirus pool composed of viral mutants related to AIDS. In the *EIR* Task Force's legendary 1974 published study on the causal relationship between economic breakdown and the generation of renewed "classic" pandemic diseases along with the generation of uniquely new "species-threatening" pandemic diseases, *EIR* had precisely forecast all the qualitative and quantitative features of such a development. Although the 1974 study did not use the word "AIDS," nonetheless, the forecast a dozen years ago mapped the precise geographic areas and disease syndrome features of a "mutating species-threatening pandemic" in terms of a mathematical singularity associated with a "phase shift" into a biospheric condition then characterized as a "biological-ecological holocaust."

9) Leading officials of the CDC, WHO, and various government health and medical institutions shifted their positions completely during 1986 as to who was "at risk" for getting AIDS. As 1986 began, but for *EIR* and one or two courageous lonely scientific voices crying in the wilderness such as Dr. John Seale of England or Drs. Whiteside and MacLeod of Florida, the official "line" of medical, health, and scientific authorities was that only limited "risk groups" had to worry about AIDS. As 1986 closes, authority after authority has changed position and is now warning that AIDS has "broken out" of the restricted "risk groups" such as homosexuals and drug addicts and is a total threat to the general population.

Although not representing a "turnaround" per se, I would have to underscore as one of the "mega-events" of 1986 on breaking the AIDS cover-up, the dramatic intervention of two religious institutions.

In late October, Cardinal Ratzinger dispatched a special letter, approved by the Pope, to all bishops, in which he stated that the Church will not bend to the immoral policy

whims of the militant homosexual activist organizations. Ratzinger condemned homosexual activity as an "intrinsic evil." In addition to the Vatican statement, another organized religious institution took a bold move to defend traditional values and Natural Law.

The Union of Orthodox Rabbis of the United States and Canada, the oldest rabbinical organization in North America, which represents over 500 rabbis and heads of Jewish seminaries, publicly endorsed Proposition 64. Rabbi Hirsch Ginsberg, the executive director of the Union, enunciated a fundamental truth of Natural Law by stating: "Moral conduct and good health go hand in hand."

### Major policies still on the table

One year ago, in December 1985, at a conference of an international scientific-philosophic association in Herndon, Virginia, we presented a policy package which was later published in expanded form on Feb. 15, 1986 under the title, "An emergency war plan to fight AIDS and other pandemics." Throughout 1986, White House Chief of Staff Don Regan, Dr. James Mason of the discredited Atlanta CDC, and others, have fiercely blocked the adoption of these policies on the grounds that they were "cost prohibitive."

The principal elements of the December 1985 policy package, which remain on the table as the *only* comprehensive war plan to deal with AIDS, must be fully adopted in 1987:

- A model public health legislative program to simply apply existing traditional public health statutes to AIDS was proposed in the form of the soon-to-become-famous California Proposition 64. In December 1985, California Secretary of State March Fong Eu, in fact, had cleared for circulation the ballot initiative of the Prevent AIDS Now Initiative Committee (PANIC) demanding that AIDS be declared a "communicable and contagious" disease.

- A detailed proposal for a multibillion-dollar interdisciplinary crash scientific research program launched as a "companion" to the Strategic Defense Initiative program and, hence, proposed as a "Biological SDI" or BSDI, featuring the encouragement of areas of basic research generally characterized as the domains of optical biophysics or nonlinear biological spectroscopy. In fact, the *EIR* "1985 in Review" issue (Jan. 3, 1986) presented a summary of the proposal by this author under the title, "For a 'Strategic Defense Initiative' against AIDS and other pandemics."

- A concrete program to reverse the "forcing conditions" for disease spread in the Tropical areas of Africa, Ibero-America, and Asia which result directly from the economic breakdown conditions imposed upon those areas by the brutal austerity conditionalities of the International Monetary Fund (IMF) and other supranational banking institutions and conglomerates.

- A 12-point emergency War Plan including: 1) Declaration of War on AIDS by the President; 2) universal screening; 3) an Apollo Moonshot crash biomedical research effort;

4) full state-of-the-art medical treatment for victims; 5) universal "classic" public health measures; 6) all-out war on drugs; 7) restoration of the West's biodefense system which the Kissinger 1972 biological protocols destroyed; 8) upgrading the nutritional intake of populations; 9) worldwide mosquito and vermin eradication programs; 10) emergency upgrading of collapsed sanitation, housing, and water systems; 11) activation of the National Disaster Medical System (NDMS); 12) U.S. withdrawal from the World Health Organization because of their gross underestimation and cover-up (now publicly admitted by their director) of the dimensions of AIDS, particularly in Tropical areas.

One feature of the earlier proposal was elaborated in depth later in 1986 by Lyndon H. LaRouche, Jr., "Parameters for U.S.-Soviet Talks on AIDS Pandemic," and released in Washington, D.C. on Oct. 11, 1986, the day the Iceland "pre-summit" opened. This was published in the Feature section of *EIR* shortly thereafter (Oct. 24, 1986, Vol. 13, No. 42).

In November we released the results of a unique epidemiological AIDS study by our task force—the first computer study ever designed specifically to chart the spread of a slow-acting (lentivirus) pandemic. The model, commissioned by economist LaRouche, will revolutionize the field of epidemiology because it uniquely takes into account the nonlinear mathematical interplay between the fast track and slow track transmission routes of AIDS, with both coupled multiple co-factors and coupled multiple co-infections.

Despite the widespread turnaround among key institutions and the overall change in climate on the AIDS question, nonetheless the critical policy steps proposed at the end of 1985 have not been moved on. Why?

At the beginning of 1986, Lyndon LaRouche identified what he termed the "three leading motives" for the cover-up of the AIDS danger by agencies of the U.S. government. These "motives" are still the operative factor in blocking effective U.S. participation in a War on AIDS. In his analysis, entitled "Why the Reagan administration has tolerated the CDC cover-up of the AIDS pandemic," Lyndon LaRouche identified the "three leading motives" in the following terms:

"1) Both homosexuals and drug-users are powerful and very well organized political lobbies. The 'gay' lobby represents about 4-5% of the U.S. population, and U.S. cocaine users, alone, are estimated at approximately a level of 20 million. The drug-traffic takes out of the U.S. economy nearly \$400 billion annually, much of this laundered back into U.S. financial institutions; the drug lobby is a very wealthy and very powerful element of the Liberal Eastern Establishment's grip on both major political parties.

"2) If the Reagan administration admits the fact, that AIDS is roaring out of control among non-homosexual and non-drug-user victims along the states of the Atlantic and

Caribbean coasts, the administration would be forced to admit that AIDS is being spread by deteriorating economic conditions among a large and growing portion of the U.S. population. This means between \$1 and \$2 billion annually for AIDS research funded by the federal government, and also means that the administration must make drastic changes in its current monetary and economic policies overall.

"3) So far, the Reagan administration is covering up the fact, that U.S. government policy on AIDS is dictated by the Soviet government, through Soviet control over the infectious-diseases bureaucracy of the World Health Organization (WHO). Just as the U.S. government honors the 'arms control' agreements established by former National Security Adviser Henry A. Kissinger, the United States also honors a 'biological research' agreement with the Soviet government, negotiated during the 1969-72 Kissinger period. . . ."

### **Tasks for 1987: the Pasteur project**

While the world hit the panic button in 1986, the three "leading motives" preventing effective action are still at play.

Thus, there remain two interrelated policy questions which head the agenda for 1987:

1) How will the world economy be reorganized to facilitate the implementation of the vital emergency policies proposed in the 1985 *EIR* package, without which mankind is doomed?

2) What type of political phase change will be necessary to topple the intransigence of Washington?

These policy questions are only resolvable from the standpoint of unleashing science.

At all costs we must ensure that early in 1987 the crash scientific policy package we have proposed—"The Pasteur Project"—gets launched.

Louis Pasteur (1822-95) is the father of optical biophysics through his groundbreaking discovery that optical activity, caused by molecular dissymmetry, is the unique geometric characteristic of living processes. Pasteur, trained as a physicist with a rich background in geometry, established that living processes can be studied, analyzed, and "signed" by their optical activity or "rotatory power of polarized light." In short, he approached science from the standpoint of a universal method and therefore made fundamental discoveries in the areas where biology, physics, chemistry, and medicine meet.

We desperately need a revival of such "classic" scientific method today.

Pasteur's method of geometric nonlinear biological spectroscopy—most evident in his ground-breaking early studies on molecular dissymmetry and fermentation—stands in refreshing contrast to the otherwise completely pragmatic and reductionist orientation pervasive in biochemistry and molecular biology today.

Therefore, we have proposed that the Biological SDI

should be configured in such a way as to encourage and nurture the areas of research variously known as *optical biophysics* or *nonlinear biological spectroscopy*, the intrinsic method of the groundbreaking approach of Pasteur. Optical biophysics is the study of the interaction of living substances with light—understood as electromagnetic radiation in the broadest sense—over the entire range of wavelengths from gamma-rays and x-rays to radio waves.

Today, these areas not only already provide and promise to give even more wonderful diagnostic and therapeutic methodologies to biology and medicine, but they also unlock the basic intrinsic means by which living processes are “tuned.” Not only is there *intercellular* communication through “bioluminescence” or photon emissions, but the *intracellular* events from healthy mitosis to abnormal virus infection may well be ordered through coherent low-level biophoton radiation.

Furthermore, we insist that no research effort to tackle AIDS has a chance to succeed unless it promotes the broadest-based tackling of the scientific problems on the *international* and interdisciplinary level. As the Pasteur Institute’s Jean-Claude Chermann emphasized, in an exclusive interview to *EIR* (Oct. 24, 1986, Vol. 13 No. 42), we must create more and more scientific groups or research teams to become involved in productive experiments.

Critical scientific capabilities exist from Indian biophysics, Japanese life science, and Israeli basic biology to West German, French, and British biomedical research. It is especially important to create such working scientific groups in

tropical-belt nations. It should be especially recognized that the Soviet Union has extensive and field-leading classified and secret research programs through extensive radiation studies in non-conventional biophysics areas; they have studied electromagnetic radiation phase shifts in biological systems under viral attack, for example.

The program should be scientifically interfaced with the SDI laser and other energy-beam defense programs so as to create a process of maximum reverberation of ideas between research breakthroughs on “new physical principles” in the areas of the SDI, plasma physics, and astrophysics, on the one hand, and the biomedical sciences on the other.

From studying the experience of recent crash scientific projects—such as the Apollo Moonshot program of the 1960s and the Manhattan Project of World War II—it is clear that at the start of the program, we lack a sufficient quantity of trained scientists necessary to complete the program. Therefore, we must initiate a crash effort to upgrade basic scientific education to *create and bring on-line more scientists* who will be necessary to complete the program.

In short, we must accomplish so many basic scientific breakthroughs in such a concentrated period of time, that we have no choice but to consciously foster a full-scale “scientific renaissance.” This is the “ulterior motive” behind the *Pasteur Project*.

While nothing short of a full-scale Apollo Moonshot crash research program with a \$2-3 billion annual budget dedicated to basic research alone, can advance our biological and medical knowledge about AIDS fast enough to provide mankind with the necessary scientific options to deal with this “species-threatening” disease, we need not embark on such an effort with grimness and despair. Happily, such a crash space-age research effort will increase our biological knowledge base in many fundamental areas. As a result, we will not only be able to conquer AIDS, and other specific diseases, but we will also gain important knowledge to significantly slow down the aging process thereby increasing the human life-span to well over 100 years, make significant progress toward conquering cancer, and acquire the basic biomedical knowledge necessary to maintain healthy and productive human colonies in space, and even create new biospheres on otherwise barren planets.

In 1987, we stand faced with an extraordinarily stark challenge. Either we back science to conquer a disease which is truly species-threatening, or we are condemned to be vanquished by it. We need not witness the virtual extinction of human civilization.

Science, if backed, shall rise to the challenge and we shall make an immense number of wonderful discoveries about how to defeat particular diseases and prolong and enrich life. If actions begin in 1987, we could, in our own lifetimes, be witness to the greatest scientific renaissance in the history of mankind.



## Biological science at the crossroads

by John Grauerholz, M.D.

AIDS (Acquired Immunodeficiency Syndrome) has produced a crisis in biological science every bit the equal of its impact as the major lethal epidemic of the last half of the 20th century, and possibly of all time. This crisis is hinted at in the introductory paragraphs of the sixth chapter of the National Academy of Sciences report *Confronting AIDS*. This chapter, entitled "Future Research Needs," begins with the following statements:

"In the brief period since the first descriptions of HIV and its unambiguous identification as the cause of AIDS, a tremendous amount has been learned about the genetic structure and transmission of the virus. Much less is known, however, about how it initiates infection, how it maintains infection, and what determines the progression and diversity of the resulting illness.

"Research has been very effective in discovering the routes of viral transmission, enabling public health and education programs to be designed that incorporate increasingly accurate and specific information. Research has also been particularly effective in elucidating the complete genomic structure of the virus, allowing definition of many, if not all, of the virus's genes.

"Such insights, however impressive, are only the beginning of what promises to be a long and difficult path toward effective therapeutic interventions to minimize or eliminate the debilitating effects of HIV infection and toward eliminating the spread of the virus by safe and effective vaccines."

Leaving aside the issue of the systematic cover-up of the role of environmental factors in the transmission of HIV infection, and the fact that "public health and education programs—that incorporate increasingly accurate and specific information" have been singularly ineffective in stopping the spread of this pandemic, which according to the director-general of the World Health Organization will infect over

100 million people in the next five years, there is another issue that transcends mere bureaucratic venality. This relates to the first paragraph quoted above and is emphasized by the subsequent statements that, in spite of knowing the entire genomic structure of the virus, we know very little about how it causes disease in living human beings.

### Problem of modern molecular biology

The crux of this problem lies in the essential nature of modern molecular biology as a scientific discipline. The ability to know every nucleotide in the genetic material of the AIDS virus, or more correctly AIDS viruses, and yet not know how it actually functions in a living system is exemplary of the more general issue involved. That issue is the current concept of DNA as simply a computer tape carrying linear data bits which are capable of being read and analyzed according to the precepts of information theory.

The basic tenet of this theory is that information is transmitted in a one-way path from DNA to RNA to protein. Once information is translated into protein it cannot return and the only way the DNA code can be changed is by random point mutations in the DNA base sequence. The process of producing new DNA from pre-existing DNA is known as replication and is done by enzymes known as DNA polymerases. The sequence of nucleotide bases in the DNA molecule serves as a template for the synthesis of a complementary RNA by a process called transcription. The DNA-dependent RNA polymerases which catalyze this reaction are called transcriptases. The messenger RNA thus formed is then used as a template for the synthesis of proteins by a process known as translation. Thus, DNA is transcribed into RNA which is in turn translated into protein.

The model is that of a computer tape from which code sequences are read and then translated into proteins, more specifically into enzymes, which then automatically catalyze all the reactions necessary to create living organisms. The gene is thus defined as a sequence of DNA bases which coded for a single enzyme. This is also known as the "one gene, one enzyme" theory. A number of early experiments appeared to confirm this idea, and it became "the central dogma of molecular biology" that information is irreversibly transmitted from DNA to RNA to protein.

Not surprisingly, the AIDS virus belongs to a group of viruses whose mechanism of reproduction first shook the foundations of the central dogma. These viruses, the retroviruses, were demonstrated to have RNA as their genetic material; however, unlike other RNA viruses which simply reproduced by replicating RNA copies, the retroviruses synthesized a DNA copy of their RNA genomes, known as a provirus, which then in turn served as a template to synthesize new virus RNA. This provirus DNA could then integrate into the nuclear DNA of the host cell and become an inherited cellular gene!

The scientists who discovered this phenomenon, such as

Howard Temin (who shared the Nobel prize with Renato Dulbecco and David Baltimore), claimed to have overthrown the central dogma since they had demonstrated that information could flow from RNA to DNA. However, they were, and are, still enmeshed in the information theory paradigm as exemplified by the description of the RNA dependent DNA polymerase by which the retroviruses synthesized the proviral DNA as a "reverse transcriptase."

Since that time it has been discovered that this phenomenon of RNA-dependent DNA synthesis is not unique to the so-called retro (from reverse) viruses but is quite common throughout the biosphere. Viruses such as Hepatitis-B, which is a DNA virus, can synthesize RNA which is then "reverse transcribed" into DNA which can be inserted into the genetic material of a host cell. These viruses are called pararetroviruses. In addition, there are segments of DNA which show a similar organization to retrovirus DNA (retrotransposons) and other DNA sequences which indicate that they have been transcribed from an RNA template (retrotranscripts). These sequences of integrated DNA copies of RNA make up over 10% of the genetic material of mice and men.

The real significance of these findings is that the linear information-theory computer code model of DNA function is totally inadequate to deal with these phenomena. Putting all the terminology of translation and transcription aside, we now have evidence that DNA is not a static molecule which only changes by random point mutations over the lifetime of a single organism, but that changes in cell DNA occur in the normal course of tissue function. In this regard, it is noteworthy that most of the retroviruses which have been studied, in animal and man, arise from and infect cells of the immune system, especially lymphocytes and macrophages. Self-induced genetic change appears to play a role in such processes as synthesis of new immunoglobulins (antibodies) by lymphocytes. This is directly relevant to the question of the human AIDS retroviruses, which characteristically attack the immune system and the nervous system:

### A different way to look at DNA

If instead of looking at DNA as a computer tape, we study it as a harmonic oscillator which absorbs low energy photons and re-emits them coherently at a shorter wavelength, i.e., as a biological laser, then we can begin to approach a number of problems which are inexplicable by the computer tape model, or even its later, more sophisticated variants. The work of Dr. Fritz Popp of Kaiserslautern University in Germany, indicates that the effect of various carcinogenic chemicals is a function of their optical activity and that carcinogenesis is a result of efforts by the cell to eliminate or counteract these optical properties. In other words, in order to function as a biological laser, DNA, and probably RNA as well, needs to maintain long-range coherence of optical activity. This long-range coherence is based on resonant harmonic structures, and if these are disturbed, then the DNA

seeks to regain its harmonic coherence by elimination or addition of what are essentially discords.

There is evidence for this thesis in the large number of repetitive sequences in human DNA, up to a thousand or more copies in some cases, which code for no protein but function as so-called regulatory sequences. In both mice and humans, some of these repetitive sequences show evidence of having been transcribed from RNA, i.e., they are retrotranscripts.

The regulatory function is most probably that of maintaining long-range coherence in the DNA molecule by stabilizing standing waves in the molecule. The amplification of these genetic sequences, up to 1,000 or more copies per genome, is much more consistent with such a harmonic resonance function, than with the idea that they function as on-off switches for gene expression. As a result, changes in these sequences would have a much more global effect on cell function by altering the harmonic characteristics of the DNA molecule. Some of these repeated sequences apparently can recombine with exogenous retroviruses and thus provide another mechanism for alteration of both cellular and viral DNA.

What is evident is that retroviruses represent singularities in the life process, which is itself a singular phenomenon. The real Achilles heel of current biological science is that the statistical information theory model, based on the second law of thermodynamics, is by its nature incapable of dealing with singular events which it by necessity regards as highly improbable. To quote Jacques Monod in *Chance and Necessity*: "Life appeared on earth; what *before the event*, were the chances that this would occur? The present structure of the biosphere far from excludes the possibility that the decisive event occurred *only once*. Which would mean that its *a priori* probability was virtually zero.—The universe was not pregnant with life nor the biosphere with man. Our number came up in the Monte Carlo game. Is it any wonder if, like the person who has just made a million at the casino, we feel strange and a little unreal?"

This radical rejection of causality permeates molecular biology and is the basis of the paradox of knowing the entire genetic structure of the AIDS virus but not understanding how it causes disease in the living host. On the more banal level it assists such people as CDC bureaucrats and the leadership of the California Medical Association in denying the existence of non-sexual, non-needle transmitted AIDS, in spite of the existence of documented cases, and in denying the relevance of cofactors in the development of the disease. On a larger scale, it enables organizations, such as the World Bank and International Monetary Fund, to pursue economic policies which create the conditions for the outbreak of pandemic diseases. Finally, it has created an epistemological *cul-de-sac*, from which biological science must emerge if it is going to deal with the crisis of AIDS and the longer term issues of cancer and aging.

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## America's future in defense and space

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*By the EIR Science and Technology editorial staff: Marsha Freeman, Robert Gallagher, Charles Stevens, and Carol White.*

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Recently, Speaker of the House Jim Wright (D-Tex.) echoed the words of Lyndon H. LaRouche, by setting an economic recovery agenda for the United States which would emphasize development of higher productivities through investment in advanced technologies. As experience has repeatedly demonstrated, for example, in the Second World War and in the aftermath of the Apollo program, the space and defense industries are key motors of development in the economy.

In this period, the President's Strategic Defense Initiative and the colonization of space represent the kind of goals which alone can do that job. Each in its own right is necessary, but without such catalysts it is doubtful that the present economic downswing could be reversed. Of course, neither program exists in a vacuum. Without a radical shift in U.S. economic policy neither the SDI nor a credible space program will be possible. And regardless of what Congress may decide, the Soviet Union is conducting a rigorous military program of which principal components are their own SDI and space efforts.

This past year began on the grim note of the Jan. 28 Shuttle explosion; however, its end gives cause for optimism. On the policy level, the report to the President of the National Commission on Space—still to be formally approved by President Reagan—posed the colonization of Mars and the industrialization of the Moon, as the major task before us for the first half of the 20th century.

As a practical political matter, the Strategic Defense Initiative is now acknowledged as the centerpiece of U.S. and Soviet military strategy. While at the Reykjavik summit, President Reagan came dangerously close to capitulating to Soviet maneuvers designed to decouple the United States from Europe, his refusal to compromise the SDI signified that the SDI is irreversible. For the first time, it is also now

widely recognized that Soviet claims to oppose the SDI cynically disguise the fact that they have had a vigorous anti-ballistic-missile defense program for more than two decades. Compared to the \$3.2 billion DoD expenditure on the SDI in the fiscal year 1987 budget of the United States, it is estimated that the Soviets have consistently spent in the range of \$15 to \$20 billion on all forms of strategic nuclear defenses (apart from anti-aircraft and civil defense) *since 1970*.

The fight to defeat Soviet maneuvers to decouple the United States from Europe, ably seconded by treasonous members of the United States Congress, is being vigorously countered by the NATO defense ministers, and a positive sign of the success of that opposition is the fact that the United States has officially broken with its *de facto* compliance with the SALT II "treaty." In justification of this, *EIR's* contention that the Soviets have systematically violated both the SALT I and SALT II treaties, has been confirmed by Defense Secretary Weinberger, who reported to a meeting of the American Legislative Exchange Council on Dec. 11, that the Soviets have extensively deployed two new missile systems: the SS-X-24 and SS-25.

*De facto* noncompliance with the SALT II treaty by the United States, however, presumes adequate financing of the defense of the Western Alliance. One of the casualties of "Reaganomics" has been the defense budget, which has been ruthlessly cut this past year. Now, we learn that the Pentagon has scaled down its initial request for appropriation for the next fiscal year, below that of this past year. Last year's defense budget was cut so drastically that less money was allocated to DoD-sponsored SDI research on directed energy weapons than in the previous year. For the budget for fiscal year 1988, the DoD has announced an initial request of \$312 billion, \$7 billion less than they requested at the start of this

## OLD YALTA



past year's budget process. This lower figure represents a modest correction for inflation, but otherwise would keep the allocation fixed in real-dollar terms at the present \$290 billion level. Such "fiscal realism" will undermine U.S. ability to resist Soviet aggression and will in the end have a result similar to that of continued compliance with the SALT II treaty: to wit, Soviet military hegemony.

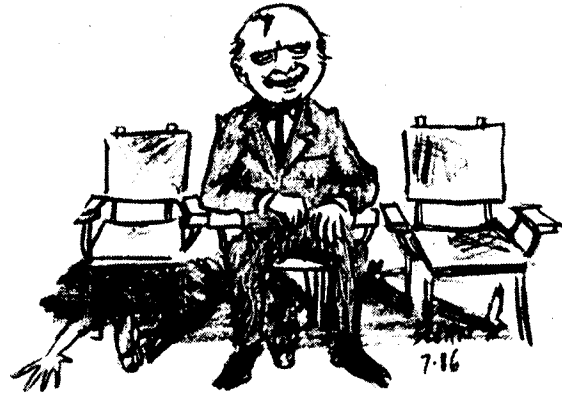
### America's allies come on board

A series of agreements have been completed between the United States and its European allies, and another with Japan. The Federal Republic of Germany has signed an agreement with the Defense Department for the involvement of West German companies in the development of the SDI. Research contracts have been awarded to several firms in Britain, West Germany, Italy, and France. While contracts offered by the Strategic Defense Initiative Organization, so far, amount only to tens of millions dollars, for studies on both strategic defense of the U.S. and how to defend Europe against Soviet short-range ballistic nuclear missiles, it is the principle rather than the amount which is critical. It is now established [and will be reported on in full in January of 1987 as a Science-and-Technology feature] that a "tactical" defense initiative for Europe will prove easier and cheaper to deploy than the strategic defense initiative. It is estimated that Japanese cooperation on the SDI will reduce the time needed for development of an SDI capability by two years.

### Soviet dissimulation admitted

What *EIR* has been documenting for years, for example, in the 1985 special report, *Global Showdown: The Soviet Imperial War Plan for 1988*, is now being widely acknowledged: The Soviets have an advanced ABM capability of their own. They have an operational ABM system around Moscow (allowed by treaty agreement) which protects all of western Russia and which they are presently extending to the whole of Russia, in violation of Kissinger's ABM treaty. Not

## NEW YALTA



only have they consistently violated the SALT II treaty, but they have a ring of nine phased-array ABM battle management radar stations in the U.S.S.R., such as the well known Krasnoyarsk radar; their only purpose can be for detecting and tracking ballistic missiles as part of a nationwide ABM system.

Headlines in major news media in early December brought to the attention of a broad general public the Pentagon estimate that the Soviets will be able to mount an ABM defense around the country within six months. U.S. intelligence has also discovered construction of three new ABM battle management phased-array radars in northern and western Russia.

*EIR* first reported the news on the Soviet ABM system now grabbing the headlines on May 3, 1983 and Feb. 7, 1984. *EIR* then wrote that the Soviets are stockpiling ABM anti-missile-missile interceptors of the same types now based around Moscow with mobile ABM radars for integration with the network of ABM battle management phased-array radars still under construction. *EIR*'s Feb. 7, 1984 issue put forward precisely the evaluation that intelligence analysts are now being forced to accept. The principal change in the Soviet ABM system since then, has been the addition of five phased-array radars, either complete or under construction, and platoons of missile batteries.

Two of these were discovered in August of 1986, but news of this was suppressed by Secretary of State Shultz's State Department as part of their drive to force through an arms-control agreement with the Soviets. These radars were located, one near Skrunda on the Lithuanian border, and the other near Mukacheva on the Czech border. On Nov. 10, U.S. intelligence confirmed another huge new Soviet radar on the Polish border, near the town of Baranovichi. Discovery of the three construction sites was officially confirmed by Defense Secretary Weinberger Dec. 11.

Conservative news media, politicians, and strategic analysts are now echoing *EIR*'s warnings of 1983 and 1984, repeated in 1985's *Global Showdown* report, that the Rus-

sians have already deployed a partially effective nationwide ABM system and are upgrading that into a complete nationwide ballistic missile defense system. They have tested new surface-to-air missiles in an AMB mode, using their sophisticated air-defense radars. They are also developing the capability to produce components of an ABM system, which would reduce construction time for individual ABM sites from years to months.

While the ABM system now in use in Russia employs anti-missile missiles armed with nuclear warheads (as opposed to Danny Graham's peacenik "non-nuclear" kinetic energy weapon concept), the Soviets are considered by some to be as much as five years in advance of the United States in developing x-ray laser systems. Their directed-energy program is led by Yevgenii Velikhov, a vice-president of the Soviet Academy of Sciences and deputy director of the Kurchatov Atomic Energy Institute. U.S. reconnaissance satellites have located two large laser facilities being constructed on mountaintops near the Soviet border with Afghanistan.

On May 9 of this year, Dr. Edward Teller testified before the Senate Defense Appropriations subcommittee. At that time, he confirmed the warning by SDI Director Lt.-Gen. James Abrahamson that the Soviet Union is anywhere from two to five years ahead of the United States in x-ray laser development. At that time, Teller requested that an additional \$200 million be added to the SDI program to finance tests of the x-ray laser. Despite the so-called Soviet moratorium on nuclear bomb testing, it is well established that the kind of explosions necessary for purposes of testing the x-ray laser are easily masked in the large underground tunnels used for that purpose by the Soviets. The United States uses simple vertical bore holes for underground nuclear explosions. The use by the Soviets of extensive, evacuated tunnels indicates that they are carrying out actual weapons-simulation tests. According to Abrahamson, U.S. intelligence data indicates that Soviet underground tests of x-ray lasers took place at least as early as 1982.

The May 12, 1986 issue of the weekly *Tech Trends* reported on U.S. intelligence to the effect that the Russians are carrying out "an energetic developmental program for nuclear-pumped x-ray laser devices. . . . The effort . . . involves tens of thousands of scientists, engineers, and technicians, according to the Defense Department and intelligence community officials. . . . Space-based sensors have observed numerous tests at the Degalin x-ray laser test site [near the Ural mountains] with as many as 40 trailers containing diagnostic equipment with line of sight from the surface to the x-ray test area underground."

### The Soviet SDI

The emerging Soviet ABM system is based on two types of ballistic-missile interceptors. Both of these are antimissile-missile type systems with nuclear or high-explosive warheads. It is not known whether the Russians have yet integrated directed-energy weapons into their emerging nation-

TABLE 1  
Emerging Soviet ABM system

Missile type	Defends against	Coverage	When deployed
"Galosh"	ICBM; SLBM	Western Russia	1964*
SA-5	Bombers; ICBM	Nationwide	1967*
SA-10	Low-alt. bomber cruise, Pershing	Nationwide	1980
SA-11	Pershing; bombers	Nationwide	1985
SA-12	Pershing II; SLBM ICBM; cruise	Western Russia	1985
ABM-X-3	ICBM; SLBM	Mobile**	198?

\* The Galosh and Gammon systems have gone through multiple upgrades, the most recent being the complete replacement of the missiles in the Galosh system from 1979 to 1985.

\*\* Nationwide potential

wide ABM system, although the pulsed laser at Sary Shagan is a likely candidate.

The first category of interceptor is that of the ABM missiles stationed around Moscow which protect the entirety of western Soviet Russia. These missiles were designed solely for an ABM purpose and include the long-range SH-04 "Galosh" exoatmospheric interceptor, and the short range hypersonic endoatmospheric interceptor, the SH-08. Together they provide a layered defense for western Russia.

It is the SH-04 and SH-08 missile systems in a mobile mode, that the Russians have been producing at a rapid rate since at least 1982 or 1983, and stockpiling with the mobile ABM-X-3 radars in warehouses around the country. It is these systems that are expected to be deployed once the network of ABM battle management phased-array radars is complete. The ABM-X-3 radar system is composed of the Flat Twin tracking radar and the Pawnshop missile guidance radar.

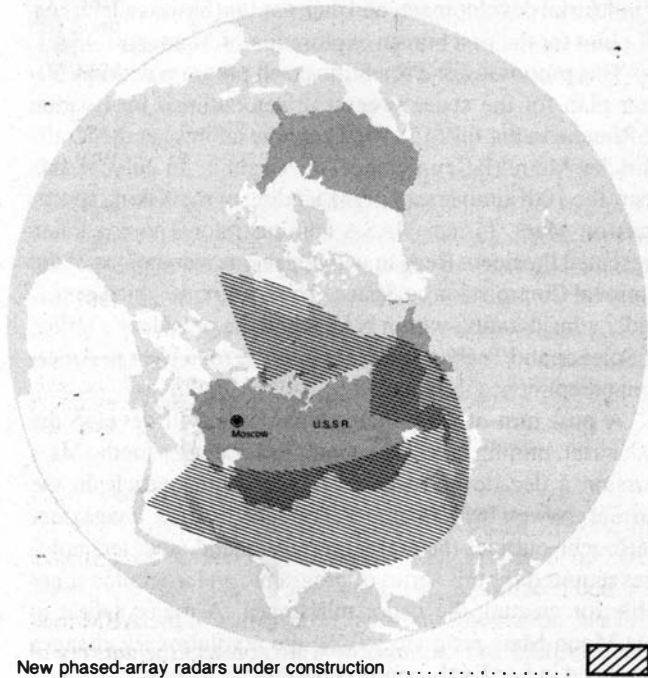
The second type of missile system integrated in the Soviet ABM network is dual-purpose anti-aircraft and anti-missile systems which, in a treasonous concession to the Russians, Henry Kissinger excluded from coverage by the 1972 ABM Treaty (see *EIR*, May 3, 1983). While the system based in Moscow can take out any American ballistic missile, these dual-purpose systems can defend against tactical ballistic missiles such as the Pershing II, submarine-launched ballistic missiles, and some of our intercontinental ballistic missiles, such as the Minuteman II.

The SA-10, SA-11, and SA-12 are newer surface-to-air missile systems which each have a defense capability against cruise missiles and the Pershing tactical ballistic missile. Such systems are permitted under the 1972 ABM Treaty. However, a system that is capable against tactical ballistic missiles, such as the Pershing, is also capable against sub-



FIGURE 1

**Coverage of ballistic missile detection and tracking systems in U.S.S.R.**



Source: Soviet Military Power 1985.

marine-launched ballistic missiles, because both types are intermediate-range ballistic missiles and their trajectories are similar. As of 1984, there were 520 SA-10 missile-launchers with 4 missiles each, deployed around the Soviet Union. At the then-reported production rate, the Soviets would have about 800 of these systems deployed around the country at this date. Early in December, it was reported that new mobile SA-10 installations had been discovered in both eastern and western Russia. In both areas, they will defend against ground-launched and air-launched cruise missiles and submarine-launched ballistic missiles.

There are approximately 2,000 SA-5 "Gammon" dual-purpose missiles deployed around the Soviet Union. According to many analysts, this so-called anti-aircraft system is also capable against the U.S. Minuteman II ICBM. It was this system that Kissinger "overlooked" in the course of the negotiations leading up to the 1972 ABM Treaty.

The SA-5 missile is reported to be modeled on the U.S. Nike-Zeus ABM missile developed in the 1960s. The SA-5 has a 160-mile range, and can climb to an altitude of 100,000 feet.

The accompanying map from the 1985 edition of Defense Secretary Weinberger's *Soviet Military Power*, shows the area of coverage of Soviet ABM phased-array radars known to exist or be under construction at that time. The areas are

marked with hatch marks in big sweeps around Soviet Russia but there is one gap which runs from the Kola peninsula in northwestern Russia all the way around to the west and south at the Caspian Sea. This gap is now being filled by the three phased-array radars detected under construction in the past few months.

Before it was acknowledged that the three new Soviet radars were under construction, *Jane's Defense Weekly* in November discussed the dangers posed by the Soviet ABM battle-management radar under construction at Krasnoyarsk, the radar that is in clearest violation of the ABM Treaty. Warning that the Soviets could have a functioning ABM defense system deployed no more than six months from now, *Jane's* wrote in November:

"Krasnoyarsk will close the gap on the Soviets' map forming an arc of radar coverage from the Kola peninsula in the northwest around Siberia to the Caucasus in the southwest. . . . Mobile radars . . . can link Krasnoyarsk with other command and control centers and a network of 5 other large phase-array radars. . . ."

"If Krasnoyarsk does come up as a command and control radar and the Soviets continue to develop the boosters in a mobile capacity [the SH-04 and SH-08] then the U.S.S.R. will be in a position—experts say within six months after Krasnoyarsk becomes operational—to put up an ABM ring around the country. . . ."

"American strategists . . . will have to assume . . . a worst case situation. They presume that the Soviets are not likely to be looking for a full-scale return strike from the U.S.A. If the Soviets preempt, they will only see in return a broken back attack from the U.S.A.—mostly sea-launched ballistic missiles. Because of their speed and re-entry angle, these are an easier target for the U.S.S.R.'s defensive missiles than ICBMs. They are not as big and cannot carry as many penetration aids.

"And here, says the U.S.A., is the crunch. Some U.S. analysts seriously think that the U.S.S.R., with the Krasnoyarsk command and control system operational, might estimate that they have enough edge to take a retaliatory response, that is, to take the damage that would follow their first strike."

**The status of the U.S. SDI research**

Significant results have been achieved in the development of free electron laser technology at Lawrence Livermore Laboratory, Los Alamos National Laboratory and Stanford University. Both Los Alamos and Stanford demonstrated in the past several months the achievement of a very high efficiency of recovering energy from an electron beam, after it has been used to generate coherent radiation in a free electron laser. This development promises to increase the efficiency of free electron lasers. Los Alamos reported recovery of 70% of the beam energy, and Stanford reported recovery of 90%.

The past year also saw the SDIO conduct two impressive space-based tests of strategic defense technology. In the first

test, a small rocket, fired from a testing range in Alaska, carried experimental equipment into the upper reaches of the atmosphere to investigate whether artificial auroras, created by Soviet directed-energy technology, could serve as a screen for descending Soviet reentry vehicles attacking the United States. Soviet work in the production of artificial auroras from electron beams injected into the ionosphere from small rockets that carried the beam equipment into these upper regions of the atmosphere, was reported in *EIR* April 24, 1984.

Second, the SDIO conducted a successful test of command, control, and computer software, and conducted some ground-breaking spectroscopic measurements of the radiation and shape of plumes of the hot gases emitted from ballistic missiles as they left the atmosphere and traveled into space. The test, which also included the first successful launching of a Delta rocket following the string of launch incidents crippling the U.S. space program, reportedly gathered critical data for the detection and location of missile boosters enveloped within their own rocket plumes as they boost into space.

In his May 9, testimony before the Senate, Dr. Teller announced that experiments done by the Lawrence Livermore Laboratory, have confirmed that the nuclear explosive powered x-ray laser, whose principle "is established," can be designed to send a beam a thousand miles with a spread of no more than five feet. This degree of focusing, which is thousands of times better than SDI critics claimed to be physically possible, means that a single x-ray laser device could destroy upwards of tens of thousands of nuclear warheads and missiles at any stage of their trajectory.

In early 1986, Los Alamos National Laboratory announced that the first stage of its Trailmaster electrical pulsed-power program had been successfully completed. According to the program manager, Dr. Charles Fenstermacher, this new technology will provide an extremely economical, quickly assembled, and highly versatile means of experimentally exploring a wide range of high-energy-dense processes, such as ignition of thermonuclear fusion reactions, creation of laboratory x-ray lasers, and laboratory-scale simulation of nuclear weapons effects.

On May 9, Los Alamos reported another major new development, which would allow them to realize the shorter wavelength gamma-ray laser, a device which has a potential, directed-energy firepower millions of times greater than the x-ray laser. This was the completion of the first of a series of crucial series of experiments that can lead to the world's first nuclear laser.

### **The future of the U.S. space program**

May 25 of this year marked the 25th anniversary of President Kennedy's announcement that America was going to "send a man to the Moon, and return him safely to Earth," by the end of the 1960s. The lunar mission, however, was not the goal. The reason to go to the Moon was to establish

the preeminence of the United States in space—the Apollo Program was the way Kennedy chose to do that.

The only way to achieve that goal of preeminence in space, is for this nation to return to the Moon for the purpose of industrial development, and then use that base as a jumping off point for the first human exploration of Mars.

This proposal, for a scientific crash program within a 50-year plan for the space program, was outlined by Lyndon LaRouche in his July 15, 1985 keynote address at the Krafft Ehricke Memorial conference in Virginia. In July of this year, the 10th anniversary of the landing of the Viking spacecraft on Mars, former NASA administrator Thomas Paine presented President Reagan with the recommendations of the National Commission on Space. This program, which is now under consideration within NASA and the president's Office of Science and Technology Policy, is the road back to American preeminence in space.

A post turn-of-the-century lunar base will develop the industrial, mining, and life-support technologies for the Mars mission a decade or so later. In his feature article in the current November/December issue of *Fusion* magazine, LaRouche outlines the major propulsion and other technologies required for this series of programs, and a detailed timetable for meeting the major milestones. A major aspect to this Moon-Mars program will be the revolutionary changes produced in our Earth-bound economy.

### **Again the budget**

The United States today is in the midst of losing that preeminence, to the Soviet Union, the coordinated efforts of the Western Europeans, and Japan. In August the American Institute of Aeronautics and Astronautics (AIAA) held a two-day workshop to review the status of the space program. In their Aug. 13 report on that workshop, the participants state: "The present course is a status-quo caretaker path with no potential growth." They state that there is "a fundamental inconsistency in attempting to achieve a U.S. preeminence in space under present budget policies," and that the budget must be doubled.

The AIAA members stated that the "ambitious long-term goals established by the National Commission on Space, and the space infrastructure developments required to achieve them are not compatible with the present administration view that NASA budgets should remain at best approximately constant. . . . The nation has a clear choice—provide the necessary funding or redefine our goals."

The President has, as yet, made no move to implement the recommendations for the Moon-Mars mission. NASA continues to limp along at a budget level which is still less than 50% of what is required for a healthy space program, while even the next-step space station, which is a prerequisite for going anywhere in space, is being "redesigned" to keep it "within cost."

There is still time to salvage the outstanding space science and technology that this nation developed over the past 25

years. But there is not much time.

The explosion of the Space Shuttle orbiter *Challenger* on Jan. 28, with its crew of seven and the first teacher in space aboard, left an indelible picture in the minds of most people around the world. The first crew of cosmonauts to launch after the disaster, carried a photograph of the *Challenger* crew with them, on their first trip to the Mir space station, which became operational early this year.

After *Challenger*, came the explosion of an Air Force Titan rocket on April 18 seconds after launch, followed by the failure of a NASA Delta rocket, which grounded the entire U.S. space program. The succession of disasters to the U.S. and Western European space programs throughout the year, has raised the still unanswered question: Was there deliberate sabotage of the Western space program? Necessarily, the most difficult, and unfortunately the most public investigation of this string of mishaps, was that of the Shuttle accident.

### The true sabotage

Led by former Secretary of State William Rogers, the investigation never focused on the most fundamental sabotage of the program—a systematic erosion of the funding of the National Space and Aeronautics Administration, at a time of escalating demands for performance. The narrow, short-term criterion of supposed cost-effectiveness was used to undermine the real mission of the U.S. space effort. The sabotage of the Shuttle Program began within days of its announcement in 1972, when the same cast of characters wrecking President Reagan's policies today, such as George Shultz, slashed the NASA budget by nearly a half billion dollars.

The question of who was ultimately responsible for the decision to launch the Shuttle under unfavorable weather conditions has never been adequately addressed, although rumors circulating at the time ascribed it to pressure from Donald Regan upon Graham. How interested the commission was in finding out what actually happened may be indicated by the fact that neither just-ousted NASA administrator James Beggs, who had supervised 24 successful Shuttle launches, nor the man who probably made the decision to launch, Graham, were ever called to testify by the commission.

The other open question is the role of the Justice Department, and, in particular, of Stephen Trott, then in charge of the Criminal Division, in an attempt to railroad former chief administrator Beggs out of that agency and into a jail cell. Trott was personally responsible for forcing through prosecution of Beggs in the flimsy General Dynamics case, despite the advice of those in his department directly responsible for investigating the case.

Prior to the surfacing of indictments against Beggs, Graham had been placed as second-in-command under Beggs, despite strenuous opposition from within NASA. Graham was obviously not competent to undertake the responsibilities of number-two man, far less lead the U.S. space effort. The

forcing through of his appointment was little less than deliberate sabotage of the program in Washington.

### When the Shuttle flies again

The Space Shuttle is now scheduled to resume flights in early 1988, a slow schedule determined by the pace of funding. The backlog of payloads has forced a beneficial reassessment of national launch policy. Expendable rockets will now be reintroduced for use by the military, industry, and also NASA. This will provide a needed in-depth launch capability, and will take the pressure off the Shuttle to be all things to all users. There are also indications that the former policy of making the Shuttle "operational and cost-effective" will now be revised.

For eight months, the space agency and the nation eagerly awaited a decision from the White House to replace the lost *Challenger*. That decision, which should have been made within 24 hours of the accident, was the object of administration in-fighting for months, with the Office of Management of the Budget and Donald Regan insisting that there was no need, and no money, for the replacement orbiter. Other government agencies saw the disarray in White House space policy as an opportunity to push their own pet projects within the administration.

This lack of leadership is now threatening to create a situation where NASA cannot "recover" from the accident and have the Shuttle flying on schedule. Veteran astronaut John Young, the commander of the first Shuttle flight in 1981, stated on Dec. 13 that he thought the agency is "running short of money" in fixing the Shuttle. After the 1967 Apollo launch-pad fire, Young reported, nearly 1,700 changes had to be made, but the program was only down 18 months. Now, about 50 or 60 changes are "required for the flight of the orbiter," Young stated, but the progress is slower.

NASA Administrator James Fletcher stated the first week in December that NASA's budget picture for next year was "a mess." Though the space agency ended up with a budget authorization of over \$10 billion for FY87, which is an increase of over 30% from fiscal year 1986, all of that increase was to cover the projected costs of recovering from the accident and building a replacement orbiter.

In the midst of negotiations with the Office of Management and Budget for FY88, Fletcher stated Dec. 8, "The President wants us to follow the Gramm-Rudman rules." Fletcher said that he does not "feel confident at all" that NASA will be allowed to stay at the \$10 billion level next year.

Even with no new starts on space science projects or other needed future missions, Fletcher reported that the budget that the OMB is recommending endangers the 1991 date to fly a replacement orbiter. "Technically, certainly we can do it. . . . It's already been delayed by Congress, and the President took a long time to make up his mind whether he wanted a fourth orbiter, so we've already lost some ground. So, I'd say it's iffy."

## LaRouche candidates' electoral breakout shocks Establishment

by Patricia Salisbury

"Politics as usual" came to an end in the United States, when Janice Hart, the nominee of the Democratic Party for secretary of state of Illinois, flew to West Germany in the middle of the Illinois election campaign, to work with the Patriots for Germany, a new party opposing the destruction of the Western alliance. Hart told her constituents, and an astonished press corps, that it was her concern for the United States and for Illinois that led her to travel to Europe, to express the commitment of U.S. patriots to the alliance, and to aid those who were fighting Soviet-directed irregular warfare.

On March 18, Hart and Mark Fairchild, leaders of the political movement being built around the 1988 presidential candidacy of Lyndon LaRouche, won the Illinois Democratic Party's nomination for secretary of state and lieutenant governor. The slate they headed polled 1,167,000 votes throughout the state, in what the astonished media called the "political upset of the century." Yet more astute political observers were not so surprised. Michael McKeon, a pollster for the Democratic Party, had warned the Democratic National Committee as far back as June 1985, that the LaRouche candidates were getting "a big core vote." "LaRouche knows how to connect with the population," he said. "They are not in Disneyland the way Washington, D.C. is."

### 'Sticking it to Washington'

In an address before a packed audience at the National Press Club in Washington on April 9, LaRouche said that the voters of Illinois, fed up with lies from the government about the "recovery," ignored the party bosses and the news media, and voted for the only candidates who were making any sense. "They don't believe you!" he told the press. "You have not been doing your job. And what happened in Illinois, and what is going to continue to happen, will demonstrate that the forgotten majority of voters in this country represent reality, and have asked me and my associates to stick it to you, to force you to recognize reality."

LaRouche hit hard at the drug lobby and its protectors in Washington and in the media. In a statement that made headlines around the world, he called for



White House Chief of Staff Don Regan—formerly of Merrill Lynch—to be jailed for his role in drug-money laundering.

LaRouche particularly ripped the media's role in slandering him—a slander campaign which would reach staggering proportions in the months ahead. "The news media begin to believe their own lies," he said, "lies which originated with the drug lobby. . . . These lies—"Nazi," "anti-Semite," and so forth and so on—repeated by the news media, have intoxicated the news media into believing its own lies, and trying to explain how the voters would behave in response to a person as characterized by these lies. But the voters don't believe you!"

The core 15 to 25% vote for LaRouche's policies, combined with the growing protest vote of a majority of the electorate, reflect a fundamental and irreversible change in American politics. The period in which political results could be orchestrated through media "perception games" has ended. Fed up with economic depression, cultural depravity, the threat of an AIDS pandemic, the electorate turned to "the politics of reality," LaRouche said.

The truth of these assertions was borne out in November, when the Republican Party lost control of the Senate, because the administration refused to break with the failed economic policies of Don Regan.

### The Illinois primary

The LaRouche movement's victories in Illinois were achieved by candidates who spent a grand total of under \$1,000. Yet, they won against a hostile media and against

one of the most powerful Democratic Party organizations in the country. The slate they defeated was headed by big name politico Adlai Stevenson, the former U.S. senator. Secretary of state candidate Janice Hart defeated Aurelia Pucinski, the daughter of former congressman Roman Pucinski, a powerful Chicago alderman. These victories were won through aggressive campaigning in the streets, door to door discussions, and a growing readership for publications—like *EIR*—detailing policies to reverse the economic depression, and to create a cultural renaissance to replace the drug-rock counterculture.

The candidates broke all the "rules of the game," as laid down by the party hacks. They charged both their Democratic Party opponents and Republican Gov. Jim Thompson with economic illiteracy. They called for the repeal of the Gramm-Rudman-Hollings legislation, exposing its destructive effects on the industry and farm sectors which had once made Illinois a hub of production, and its genocidal consequences for the elderly and minorities. A brief dramatic occupation of the Chicago Federal Reserve headquarters by candidates and supporters dramatized opposition to the policies of the International Monetary Fund and the World Bank.

Candidates also campaigned for emergency public-health measures to stop the spread of AIDS—an issue that was forced to international prominence when LaRouche supporters in California succeeded in putting Proposition 64 on the ballot there. A commitment to a "War On Drugs" was expressed by the now-famous pledge of secretary of state nominee Janice Hart to "roll tanks down State Street"—Chicago's drug-pushing no-man's land. Hart was to do exactly this—in a parade before the November election. The campaign sponsored concerts featuring the music of Mozart and Beethoven, throughout the wards of Chicago and the downstate farm communities.

Illinois was the first of the 1986 primaries, and it established LaRouche as the frontrunner for the 1988 presidential nomination of a transformed Democratic Party. Henceforth, the policy issues raised by LaRouche would set the agenda for the political process in the United States. Around the world, citizens and political commentators watched in amazement, as the hapless Adlai Stevenson stumbled from one self-destructive blunder to the next, in his feverish effort to defeat LaRouche and associates. Immediately after the primary, he resigned as the candidate for governor of the Democratic Party, and announced that he would form a third-party ticket.

The Democratic Party national leadership attempted to dismiss the Illinois breakout as a "fluke"—but devoted huge sums necessary to prevent further LaRouche victories. The party leadership and the Anti-Defamation League of B'nai B'rith spent tens of millions of dollars to keep LaRouche candidates off the ballot, and to slander them

*Continued on page 38*

## What makes *EIR* unique

As this 1986 review issue of *Executive Intelligence Review* goes to press, five of our journalists are being detained without bail in prison on charges of "conspiracy to obstruct justice." The five individuals, Edward Spannaus, *EIR*'s Law editor, Counterintelligence editors Paul Goldstein and Jeffrey Steinberg, war on drugs analyst Michele Steinberg, and the editor of *EIR*'s law-enforcement newsletter *Investigative Leads*, Robert Greenberg, are charged with the "crime" of having politically organized against the corruption of the U.S. Justice Department and other branches of the federal government.

In his haste to get rid of the publication which can nail *him* for obstruction of justice in "Irangate," William Weld, head of the Criminal Division of the Justice Department, is ripping up the First Amendment to the U.S. Constitution.

At a detention hearing held for Greenberg and Spannaus in Boston on Dec. 18-19, the government presented no "affirmative acts" whatsoever that would justify restricting the freedom of the defendants. The Justice Department could not have been more blatant about the political character of its prosecution of the *EIR* journalists, than it was during Assistant U.S. Attorney John Markham's argument on Dec. 18.

Markham argued that the political campaign by associates of *EIR* founder Lyndon LaRouche against bankers'



family heir William Weld—over Weld's softness on money-laundering banks, to his attacks on the defense industry, to his confirmation as head of the Criminal Division—itsself amounted to "obstruction of justice." Markham claimed that issuing leaflets, holding demonstrations, and insulting Weld constituted "intimidation." He cited the anti-Weld lyrics to "Jingle Bells" which LaRouche supporters had sung during a Boston demonstration one year ago!

Mr. Spannaus and Mr. Greenberg, as of this writing, are imprisoned without bail in Massachusetts. Mr. Goldstein, and Mr. and Mrs. Steinberg (who were held for 40 days in jail) have been granted a "work release" arrangement by which they are allowed to leave their jail cells in Loudoun County, Virginia to work, for only 12 hours a day. In the meantime, as is well known, big-time drug pushers and individuals charged with violent crimes are routinely released on bail.

Ours are not just correspondents. Subscribers are, in a sense, reading first-hand accounts of an ongoing war, by the individuals engaged in the combat. These are not "news coverage" in the sense of a *New York Times* cub's fantasy-land of "objective" reportage, but intelligence reports on enemy operations, on the impact of our own operations, and estimates of what the probable outcome of the war indicates our program during "peace" must be.

- In July 1984, the wife of one of our Bogota bureau heads, anti-drug leader Patricia Londoño, was kidnaped and tortured by the drug mafia, and released two weeks later only after an international campaign of exposure.

- After the Feb. 28, 1986 assassination of Swedish Premier Olof Palme, a KGB-directed disinformation campaign attempted to pin the blame on associates of La-



Rouche. Even after that charge had been discredited by Swedish police, *EIR*'s Stockholm correspondents were subjected to arbitrary and lengthy interrogation for months.

● On April 6, *EIR*'s Paris offices were bombed, in explosions which worked in a manner authorities described as designed to produce the maximum fatalities. (No one was hurt.) An organization linked to Qaddafi took credit.

● In May and June, the battlefield shifted to Germany, where *EIR* endorsed candidates of the "Patriots for Germany" in Lower Saxony. We, and those candidates, came under weeks of terrorist attack by violent elements of the Soviet-controlled Green Party, and "peace" and "environmentalist" movements, leaders of whom police believe are undercover Soviet special forces.

Who are the *EIR* journalists William Weld wants held without bail? *Edward Spannaus* and *Robert Greenberg* have fought long and hard to expose the policy of secret shipments of U.S. arms to Iran, and the officials in the U.S. government responsible for carrying out and covering up the policy. They uncovered the story behind "Irangate," back during the Carter era, and tracked it through Henry Kissinger's apparatus at the NSC and elsewhere. There is an ongoing federal court case today, *Edward Spannaus v. U.S. Department of Justice*, with the potential to expose the whole sordid story of the FBI's cover-up in the notorious "Hashemi case," in which FBI and DoJ officials acted to protect Iranian gun-runner Cyrus Hashemi, after he sued *EIR* for exposing him as the Carter administration's "connection" to Khomeini. Mr. Spannaus has written numerous articles in *EIR* on the Hashemi case and other issues of law, particularly relating to the U.S. Constitution.

Lower left: Michele Steinberg. Above, left to right: Paul Goldstein, Ed Spannaus, Bob Greenberg, and Jeff Steinberg.

Mr. Greenberg, besides articles on the war on drugs and terrorism, wrote for *EIR* this year on the impact of Gramm-Rudman budget cuts on the military—another target of Weld's political vendettas.

*Jeffrey Steinberg* wrote a cover story in *EIR* published last May 9, on the U.S. connections to Israeli gun-running to Iranian terrorists. That feature exposed many of the elements which are now being brought to light in "Irangate." Mr. Steinberg, co-author of the best-seller *Dope, Inc.*, this year wrote exposés in *EIR* of narco-terrorism in Guatemala and Syria's role as the center of world terrorism. His wife, *Michele Steinberg*, former president of the National Anti-Drug Coalition, is known to *EIR* readers as a regular writer on international drug-running and terrorism, particularly on the drug money-laundering apparatus. She took the point in the campaign to stop Weld's promotion in the Justice Department last August, because of his ties to the money-laundering Boston banks.

*Paul Goldstein* is known especially for his articles on the Ariel Sharon "Israeli mafia," a key factor in the dirty networks exposed in "Irangate," and for exposing the sordid role of the State Department in destroying America's allies in Asia.

Why does *EIR* cost subscribers \$8 per issue? Every Justice Department, FBI, and NSC figure involved in the Leesburg raid is now, not coincidentally, facing charges in connection with the so-called Irangate investigations—on the basis of information originally developed by *EIR*.

This is war. War costs.

Continued from page 35

when they qualified. National figures such as New York Sen. Patrick Moynihan joined Stevenson in making the presence of LaRouche supporters on the slate, the only issue of every election campaign.

Nonetheless, the movement grew. In 1986, the bipartisan National Democratic Policy Committee endorsed 957 candidates for public office in 31 states; 157 candidates for Congress, 14 for U.S. Senate, six for governor, 10 for other statewide offices. Over 50 NDPC candidates ran for state legislature and over 700 NDPC candidates sought party positions. Election results in the primaries showed that in almost every state in which NDPC-backed candidates ran, they polled 20 to 40% of the vote. A combination of media slanders and vote fraud kept the candidates from winning any seats, but their vote grew, particularly among workers, formerly productive workers, farmers, and aspiring minorities.

The net effect of the DNC hysteria was to depress voter turnout in the primaries to record lows. For example, in Texas, where the Democratic Party chairman sent a letter opposing the LaRouche candidates to every Democratic voter in the state, an incredible 5.9% of the eligible voters turned out in the primary.

Meanwhile, the LaRouche movement was preparing a second political shock. LaRouche supporters in California, with the help of church, community, and labor groups, had quietly collected 700,000 signatures to place Proposition 64 on the November ballot, an initiative to apply standard public health measures to the AIDS disease. The initiative drew an official 1,991,672 votes—29%—despite the tens of million of dollars spent by the “gay rights” lobby and Hollywood mafia, and the opposition of almost every leading member of California’s medical establishment.

As 1987 begins, the agenda is set for transforming the American political scene further, along the lines which the 1986 LaRouche candidacies have drawn.



'Now, you take good care of them—a lot of 'em have been disappearing lately.'

# Leesburg raid criminality of

by the Editors

No sooner had the 1985-86 New Year's tumult died down than FBI director William Webster launched a broadside attack against President Reagan for the chief executive's Jan. 2, 1986 declaration that Soviet-sponsored narco-terrorism represented "the most insidious and dangerous threats" to the security of the Western Hemisphere. In an exclusive interview with Ronald J. Ostrow published in the Feb. 13, 1986 edition of the *Los Angeles Times*, Webster incredibly declared, "Words like 'narcoterrorism' tend to exacerbate the realities as we know them. I also do not believe that the hard evidence links the two, that we're in a situation where the terrorists have become drug dealers or the drug dealers have become terrorists."

Six days later, Adler Barrimore Seal, the Drug Enforcement Administration's chief witness against the narco-terrorist Medellín, Colombia cocaine cartel and its collaborators inside the Nicaraguan Sandinista government, was assassinated by a professional Colombian hit team in Baton Rouge, Louisiana. Seal's attorney angrily charged that Seal had been set up for assassination by a corrupt federal judge who stripped Seal of his security at the point that federal authorities had received hard evidence of a \$1 million bounty on Seal's head, issued by Jorge Ochoa, Pablo Escobar Gaviria, and Carlos Lehder Rivas, the latter being the "Colombian connection" to the Havana-based Robert Vesco.

These early 1986 events set the dominant features of Justice Department, Federal Bureau of Investigation, and federal court behavior throughout the year. The year 1986 would see the federal judicial apparatus emerge publicly as a center of lawlessness and a power-base from which the U.S. branch of the international dope lobby would assert its influence into and against the Reagan administration.

When, on April 30, the editors of *Executive Intelligence Review* issued an enlarged second edition of the 1978 best-selling book *Dope, Inc.* under the new subtitle *Boston Bankers and Soviet Commissars*, the authors prefaced the updated version with a lengthy introductory chapter detailing the degree to which *Dope, Inc.* had penetrated the Halls of Justice—right under Attorney-General Edwin Meese's nose.



# exposes the FBI and DOJ

That chapter focused particularly on the case of William Weld, then the U.S. Attorney in Boston.

The product of an Eastern Establishment family that earned its fortune in the 19th century as junior partners in the British East India Company's lucrative opium trade in the Far East, Weld briefly drew public fire in early 1985 for covering up a \$1.2 billion drug-money laundering operation run between Boston's biggest and most prestigious financial institution, the First Bank of Boston, and *Crédit Suisse*, a bank notorious—even by Swiss standards—as a hot-money laundry.

Weld is also linked directly to White House Chief of Staff Donald Regan. As part of the program that brought the traditional drug-money laundering bank, the Hongkong and Shanghai, into the United States (it purchased Marine Midland), the Federal Reserve Board pushed through arrangements eliminating "audit transparency" for foreign financial institutions doing business inside the United States. Regan, the chief executive officer for Merrill Lynch, used this change in the law to set up a three-way partnership among Merrill Lynch, *Crédit Suisse*, and the international financial house White Weld. The key White Weld official, until his death, was David Weld, the father of Harvard-trained U.S. Attorney Weld. This arrangement became the pivot of the largest single money-laundering operation in the U.S.A., a major channel for laundering drug-money.

When a U.S. Treasury investigation led to the indictment of the Bank of Boston for \$1.2 billion of illegal money it had laundered, chiefly through the channels of White Weld and *Crédit Suisse*, Boston U.S. Attorney Weld smothered all but one count of the massive indictment, and let Bank of Boston off with a slap-on-the-wrist fine of \$500,000. Had Weld not suppressed criminal indictments of responsible bank officials, a continued investigation would have led directly to the doorstep of Donald Regan. Highly reliable sources add that, of their personal knowledge, Donald Regan and William Weld are very close.

As *Dope, Inc.* documented, Weld was guilty of obstruction of justice and conflict of interest, in that the Weld family trust and the family investment house, White Weld Securi-

ties, were both heavily tied into *Crédit Suisse*—not to mention Weld's personal cozy relationship with the First Bank of Boston, whose directors helped fund his 1978 unsuccessful campaign for Massachusetts state attorney-general.

Weld and his patrons answered the charges leveled in *Dope, Inc.* on Oct. 6, 1986 by sending a veritable army of federal, state, and local police into the small Virginia town of Leesburg. Armed with search warrants for two buildings housing offices of *EIR* and several other companies associated with Lyndon LaRouche, arrest warrants for three LaRouche associates including *EIR* writers and *Dope, Inc.* authors Jeffrey and Michele Steinberg, and enough military hardware (including helicopters, surveillance planes, and at least one armored personnel carrier) to seize half of Managua, 400 law-enforcement officers occupied the town for two days. A contingent of over 100 agents, all heavily armed, encircled the private estate where Lyndon and Helga Zepp-LaRouche were staying, until federal officials ordered them off midway through the second day of siege.

After holding the Steinbergs for 72 hours on a single-count charge of conspiracy to obstruct justice, a federal magistrate in Alexandria, Virginia ordered the couple held without bail pending a trial that would not begin until the spring of 1987 at the earliest. The Steinbergs were incarcerated for 40 days before being partially released on a 12-hour-per-day work release agreement along with Paul Goldstein, who was also accused of conspiracy to obstruct justice. While murderers and drug traffickers are released on bail, "Weld's Law" to this day holds the Steinbergs and Goldstein under overnight detention. As this year-end issue of *EIR* goes to press, three other LaRouche associates, Edward Spannaus, Robert Greenberg, and John Scialdone are being held in prison in Boston on the same charges.

All told, a 25-month Boston federal grand jury looking into charges of credit card fraud by a string of companies and political associations handed down indictments against a dozen individuals and four organizations totaling \$58,000 (out of a total of over \$6 million raised by two 1984 LaRouche campaign committees), and obstruction of justice charges against a number of individuals.

Sources close to the Department of Justice in Washington, D.C. have stated categorically that the Leesburg raid was executed under the political direction of White House chief of staff Donald T. Regan and carried out by Weld, who, in early September, moved up to the position of Assistant Attorney-General in charge of the Criminal Division.

Regan, the former chairman of Merrill Lynch, and Weld were reportedly encouraged to launch the overkill raid and dubious indictments by top Soviet officials who were anxious to see LaRouche "eliminated" from the political landscape in Washington prior to the Reagan-Gorbachov summit in Reykjavik, Iceland. The top leadership of the Democratic Party was anxious to see LaRouche publicly dragged through the mud prior to the November general elections.

Whatever the precise correlation of forces that joined to

endorse the blatantly unconstitutional Regan-Weld move, the Oct. 6 Leesburg raid signaled more than any other event of 1986 the extent to which large segments of the Justice Department had been captured by a lawless cabal linked to big-time organized crime and to other forces out to make their peace with Moscow—on Soviet terms of surrender.

### A Commsymp cell

William Weld's road to Washington and the post as America's chief criminal justice officer had its rocky moments. In late August, Warren Hamerman, chairman of the National Democratic Policy Committee, had testified before the Senate Judiciary Committee in opposition to the Weld nomination and forced a temporary delay in the confirmation of Weld, as well as Stephen Trott, the nominee to the post of Deputy Attorney-General. In those hearings, both Trott and Weld had testified that they would place special DOJ and FBI attention on corruption inside the defense industry, a buzz phrase for a witch-hunt against America's last bastion of high-technology industry, the Strategic Defense Initiative.

A subsequent *EIR* investigation into the backgrounds of Weld and Trott unearthed a mini-commsymp underground inside the Justice Department:

- Trott had worked his way through Harvard Law School through a folk singing career with The Highwaymen, an early 1960s group managed by a former Communist Party operative who simultaneously managed CPUSA fellow travelers such as the Weavers, Woody Guthrie, and Pete Seeger. Trott went on to a 15-year career as a protégé of California liberal Democrat John van de Kamp, a Hollywood organized-crime-tainted figure.

- Weld and his wife Susan Roosevelt, great granddaughter of the late President Teddy Roosevelt, on deeper inquiry, emerged as raving Sinophiles, reportedly involved in a film project with the Chinese Peoples Liberation Army (PLA) canonizing the career of Maoist Norman Bethune. Weld had earlier been an \$18,000 investor in the Boston-area radical sheet *The Real Paper*, a hotbed of deserter activism linked to suspected Soviet agent Emma Rothschild.

The Weld-Trott emergence in late summer augmented an already heavy environment of dubious radical elements at Justice, including a nest of holdovers from the Kennedy era and such more recent arrivals as Mark Richard, an assistant in the Criminal Division who maintains official liaison to the Soviet KGB and the Israeli Mossad through the "Nazi-hunting" Office of Special Investigations.

### Turnabout

Even as this criminal underground buried within the Justice apparatus was surfacing throughout 1986, other elements within the department were carrying out an admirable effort to seriously cut into the "criminal international," including the notorious "Israeli connection." As 1986 ends, these two elements inside the department are on a collision course.

The year 1986 began with the Jonathan Jay Pollard prosecution, initiated by U.S. Attorney for Washington, D.C. DiGenova, still fresh in public memory. Pollard, a protégé of the Ariel Sharon/"Dirty" Rafi Eytan Israeli mafia faction, pleaded guilty to spying on the United States and passing defense secrets to Israel. This publication subsequently issued a special report charging that Pollard's information ultimately found its way—through the Sharon-Eytan circles—into the hands of the KGB.

In April 1986, yet another element of the Israeli underground was targeted—this time by U.S. Attorney Giuliani in the Southern District of New York. Seventeen people, including retired Israeli General Avraham Bar-Am, were indicted for attempting to sell nearly \$2 billion in American arms to the government of Ayatollah Khomeini. Giuliani simultaneously brought cases against several other key components of the Israeli mafia apparatus by indicting prominent New York City Democratic Party politicians and fundraisers, and demonstrating that several large Israeli fundraising committees and religious schools were being used for real estate tax-evasion schemes and political kickbacks to close allies of Gov. Mario Cuomo and Mayor Ed Koch.

In the final weeks of 1986, these scandals finally blew up directly in the face of the Weld-Webster apparatus: "Irongate" hit the headlines.

First, FBI Executive Associate Director Oliver Revell, a central figure in the FBI's cover-up of both the Israeli connection and the longstanding activities of Iranian terrorists inside the United States dating back to the July 1980 assassination of anti-Khomeini activist Ali Akbar Tabatabai, was forced to publicly remove himself from the "Irongate" investigation. Nominally, the reason was that Revell was personally linked to National Security Council staffer Lt. Col. Oliver North. However, Revell's removal came within hours of *EIR*'s release of government documents showing Revell's hand in the continuing cover-up of the Tabatabai murder.

Next, a string of daily newspapers pointed accusing fingers at both William Weld and Stephen Trott for their roles in obstructing federal investigations into illegal aspects of the arming of the Nicaraguan Contras and the funneling of arms to Khomeini through the Israeli pipeline. *EIR* has received reports that Weld's family ties to Crédit Suisse may emerge prominently in the Senate, House, and Special Prosecutors' probes of the suspected illegal diversion of arms-sale profits through the Swiss bank.

*EIR* editorially urged Attorney-General Edwin Meese to dig deeper and reconsider his nominations of Weld and Trott before the pair came up for Senate confirmation. That advice was ignored. Now, as we move into 1987, the Attorney-General is presented with yet another opportunity to cleanse his ranks of corrupt elements. While the outcome is unpredictable, Meese and President Reagan's response to this opportunity will certainly be one of big news developments of the New Year.

# Soviets reveal their fear of LaRouche

by Luba George

The year 1986 was not the first time the Soviet Union had attacked Lyndon LaRouche. However, the attacks on LaRouche the Soviets did publish—let alone those they caused to be published in the West—represented a qualitative escalation, and contained a new tone of desperation. They might be said to have transcended the realm of slander, moving into open demands that contaminated authorities in the United States and Western Europe do something to “disappear” LaRouche.

A review of the articles makes obvious that Moscow’s top priority is to, by any means, stop LaRouche. From the text of these slanders emerges the unmistakable fact that Moscow views LaRouche as a serious and powerful contender for the U.S. presidency, and, again correctly, as a very influential policymaker nationally and internationally.

In the Soviet cultural paper *Sovetskaya Kultura* on Aug. 7, front-page, the Soviets for the first time ran the “financial fraud” slander made popular by elements of the U.S. Justice Department. The article, entitled “About a Fraud,” urges the Justice Department and FBI to investigate LaRouche on the basis of alleged “fraud.” Moscow then demanded LaRouche’s head in the following passage: “All this wouldn’t be worth mentioning, were it not for one interesting detail. In recent years, Lyndon LaRouche, has wanted to assume the role of a political leader to revive America. He even ran as a candidate for President of the United States, and he has not abandoned this idea. . . . [emphasis added].”

The *Sovetskaya Kultura* attack coincided with the establishment of the Soviet Culture Fund, at the behest of Soviet first lady Raisa Gorbachova, to export “Russian spiritual values and culture.” Membership in the Culture Fund included top-ranking KGB-GRU officials of the “cultural” world, *Sovetskaya Kultura* chief editor E. Belyayev, Soviet propaganda chief Aleksander Yakovlev, and ideological leader Yegor Ligachov—those responsible for the “get LaRouche” effort.

On Sept. 15, *Novoye Vremya* (*New Times*), which appears in 11 languages on all continents, carried a six-page slander spread against Lyndon LaRouche and his associates under the headline “Nazis Without Swastikas.” The article,

citing Soviet U.S. assets Dennis King, Ramsey Clark, et al., to attack LaRouche, also listed LaRouche’s presidential campaign demands: LaRouche “proposed that the entire U.S. population be screened for AIDS. LaRouche and his followers call for severe punishment for drug pushers. They promise that if they get into the government they will set up tribunals all over the country to try ‘traitors’ of all kinds. . . . It is a well-known fact that LaRouche believes it essential to increase the nuclear might of the United States. He is all for SDI, with emphasis on the nuclear component deployed in outer space.”

The article featured an interview with Soviet “spymaster” Ernst Henry on the subject of LaRouche. Henry was functioned as a dean of the small, select circle of top-level KGB “LaRouche-watchers” in Moscow. His function includes assisting in drafting and phrasing slanders against LaRouche. In his interview, Henry explained the Soviet method of diagnosing fascism: “The first and most important feature is anti-communism. . . . In my opinion, those who operate without the swastika are more dangerous.”

Henry and his comrades’ attacks on LaRouche came from the very top. Soviet leader Gorbachov, on Oct. 3 at a ceremony unveiling a monument to the late Nazi-Communist Ernst Thaelmann, echoed verbatim the theme of the *New Times* article. Gorbachov said: “Far more dangerous are those Nazis who, while having no swastika,” embody the “hidden virus of militarism and the aggressive nature of fascism,” and who “by a certain combination of circumstances . . . could cause the outbreak of a horrible epidemic.”

On Sept. 30, *Sovetskaya Kultura* again ran a slander demanding LaRouche’s head on a platter, under the title “Provocateur Aspires to Become President.” The article started with lies about LaRouche’s finances, and then demanded that the Internal Revenue Service investigate LaRouche. Again, it stated the real Soviet fear: “LaRouche and his followers are extreme supporters of the ‘Star Wars’ program of the Reagan administration. . . . LaRouche himself has already declared he is running for President in 1988. In a word, Lyndon LaRouche is clearly undergoing right now a great period of growth. . . .”

One week after this article, the U.S. Justice Department launched the biggest police raid in American history against offices of associates of LaRouche in Leesburg, Virginia, charging “financial fraud.”

Also not long before that raid, on Sept. 23, the Soviet Union printed a wild slander of LaRouche for purely internal consumption. The article appeared in the Byelorussian Youth Newspaper *Znamya Yunosti* (*Banner of Youth*) and was described by Western observers as “unprecedented” and “highly irregular.” Calling LaRouche “neo-Nazi” and “ultra-right,” it again came to the point: LaRouche is again “a U.S. presidential candidate. How come that each time LaRouche runs in the primary elections there are more resources at his disposal?”

## The Soviets pursue their war plan for 1988

by Konstantin George

In July 1985, *EIR* published a ground-breaking Special Report, *Global Showdown: The Russian Imperial War Plan for 1988*. The report documented Soviet strides toward strategic superiority over the West, coupled with a first-generation laser-based ABM system buttressed by conventional ABM defenses, giving the Soviets a first-strike capability. As stated in the report, the fulfillment of these two programs would enable Moscow to threaten—and, if necessary, wage—global war, while only suffering “acceptable losses.”

In November 1986, U.S. intelligence reports published by *Jane's Defence Weekly*, drawn from the portions of a CIA study made public by Deputy Director Robert Gates, revealed that the Soviet ABM defense command and control radar center at Krasnoyarsk in Siberia, north of Mongolia, was nearing completion. This will be linked to other Soviet ABM command and control centers and a recently constructed network of five large phased-array radars, giving Russia a complete ABM early-warning system running from the Kola Peninsula in the extreme northwest of Russia, eastward through northern Russia and Siberia, through Krasnoyarsk into Central Asia and the Caucasus.

The implications of Krasnoyarsk's completion are enormous, as President Reagan has repeatedly insisted in citing Soviet violations of the 1972 ABM Treaty. The Soviet ABM radar capability is linked both to the Soviet SDI program and to the world's only operational ABM missile system—the 100 Galosh launchers and Gazelle high acceleration endoatmospheric interceptors protecting Moscow. There should be no complacency over the apparent “Moscow only” deployment of the Galosh system. Hidden stockpiles of Galosh missiles could suddenly appear in operational form all over Russia, in conjunction with the deployment of ground-based

laser defense and dual-purpose (anti-missile/anti-aircraft) SA-10s and SA-12s.

The completion of the Krasnoyarsk ABM command thus implies a Soviet strategic blackmail capability against the West. True, Moscow will either launch or threaten to launch global war only when it is convinced it can do so and suffer merely “acceptable losses”—losses roughly on the scale of the 20 million Russians lost in World War II. This means, concretely, that once Moscow is certain that, between the devastation wrought to Western offensive capabilities by its nuclear and chemical first strike, and the destruction of remaining airborne missiles comprising the American retaliatory strike, it has reached the level of “acceptable losses,” then, global war can be risked.

Short of war, the threat of a Russian strike would be credible enough to intimidate America's partners into abandoning the Western Alliance for ties to Moscow. Russia could undertake limited wars on the European continent, to seize such strategic pieces of real estate as northern Norway, Berlin, and the Turkish Straits, or launch a “surgical strike” against West German territory. With “acceptable losses” ensured by the Soviet ABM capability, would Washington dare risk nuclear war over West Berlin, northern Norway, or the Turkish Straits?

The devastating implications of Krasnoyarsk ought to awaken Western leaders to the need for a *crash* Western SDI and Tactical Defense Initiative effort.

### Moscow's European targets of opportunity

*EIR's Global Showdown* also underscored the primacy of surprise attack in Moscow's war-fighting doctrine. The past year has seen a dramatic increase in Russian *blitzkrieg* capa-

bility facing West Germany and the Northern and Southern Flanks of NATO. On the Northern Flank, in mid-April, the Soviet armed forces staged a military exercise which was the first full-scale dress rehearsal for the invasion and seizure of northern Norway. In August, in the Odessa region of the Black Sea, in a distinct "message" to Turkey, the Soviet Union conducted the largest airborne exercises in years.

On East German soil, Soviet forces, operating alone, held large offensive maneuvers in early September, yet another Russian rehearsal of a *blitzkrieg* against West Germany. The Soviet forces stationed in East Germany are now not only fully war-ready in terms of hardware, armor, supplies, aircraft, and missiles, but are joined by elite air assault brigades (*spetsnaz*), whose mission would be to seize or destroy key command, logistics, transportation, and communications centers far behind NATO lines in the first hours of war. On Oct. 1, with the completion of the rail ferry between the East German port of Mukran and the Soviet port of Klaipeda (Memel), the Soviet forces in East Germany are no longer dependent on lines of supply running through Poland.

Soviet blackmail is already a factor in Western Europe. This year witnessed an escalating Soviet campaign to decouple the United States and Western Europe. Through a combination of plotting with anti-Western forces in the West, and manipulating those terrorized at the prospect of a reduction of U.S. troop strength and missiles in Germany, Moscow began to play a "German reunification" card. The 1952 "Stalin Note" has been re-activated in back-channel discussions with West Germans.

## Toward the Indian Ocean

It was exactly one year ago that two little-noted developments signaled that Moscow, from its base in Afghanistan, was gearing up to "go for the kill" against Pakistan, and thus bring the Russian Empire to the shores of the Indian Ocean. In December 1985, the Soviet media openly endorsed Pathan separatist uprisings in Pakistan's Northwest Frontier Province and the cause of Baluchi "freedom fighters" in southwest Pakistan. That same month, a certain Najibullah, Afghan KGB head and an ethnic Pathan, was promoted to Central Committee Secretary—the position received in April 1982 by Yuri Andropov, a few months before he became the Kremlin boss. In April, Najibullah was installed to head the Kabul puppet regime, under the ideological banner of a "Greater Afghanistan," including the cited provinces of Pakistan.

Since then, Moscow's Pathan assets have ignited the most serious disorders ever to hit Pakistan, as witnessed in the ongoing violence in the port of Karachi. Nor has the Soviet Union missed an opportunity to worsen tensions between India and Pakistan, by repeatedly accusing Pakistan of responsibility for Sikh terrorism and for the attempts on the life of Indian Premier Rajiv Gandhi.

Next door to Pakistan, in Iran, the Soviet Union signed comprehensive trade and "economic cooperation" deals with the mullahs in December. Soviet "technicians" by the thou-

## Moscow blames Palme murder on LaRouche

by Göran Haglund

Although the killer who gunned down Swedish Premier Olof Palme on Feb. 28 hasn't been caught in the largest Swedish police hunt ever, the curious efforts of Soviet media and Western assets to cover up the tracks of the assassin may reveal more about the murder than would the arrest of the gunman himself. Like the thief crying "Catch the thief!" pointing his finger at somebody else, the Kremlin is glowing red from screeching of an imaginary "connection" to the Palme murder of U.S. presidential candidate and *EIR* founder Lyndon H. LaRouche, Jr.

On Dec. 12, the official organ of the Red Army, *Krasnaya Zvezda*, ran a prominent page 3 article blaming LaRouche for the murder. The Soviet military daily cited as its "evidence" U.S. news reports that the FBI raid on the offices of LaRouche's associates in Leesburg, Va. had turned up "documents in which all details are reported about the circumstances of Palme's murder."

Incidentally, those detailed documents were already published in October as an *EIR* Special Report entitled, *A Classical KGB disinformation Campaign: Who killed Olof Palme?*—a report featured in last week's *EIR*.

Although the author of the *Krasnaya Zvezda* article was given as "O. Vakulovski," such a byline has never before appeared in the Soviet military daily. Sources report the real author to be a certain Nikolai Vukolov, accredited as the correspondent in Stockholm for both *Krasnaya Zvezda* and the Soviet official news agency TASS.

A disinformation specialist of Soviet military intelligence (GRU), Vukolov already co-authored an infamous attack on LaRouche's "connection" to the Palme murder in No. 36 (September 1986) of the Soviet intelligence weekly *New Times*, an attack inspired by aging Soviet spy-master and disinformation specialist Semyonov Rostovsky, also known as "Ernst Henry." Vukolov also accompanied Soviet Central Committee propaganda chief Aleksandr Yakovlev to Iceland, in Secretary-General Mikhail Gorbachov's entourage at the summit meeting.

On Dec. 8, both the Soviet Communist Party daily *Pravda* and government organ *Izvestia* had run similar attacks on LaRouche. All the three major Soviet dailies were referring to a Dec. 4 NBC-TV broadcast as their source, which broadcast was based in turn on leaks pro-

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vided by the FBI and corrupt sources in the U.S. court system. But neither the NBC, nor the Soviet press ever mentioned that the allegations in the broadcast of a "LaRouche connection" to the Palme murder were promptly denied by Leif Hallberg, the spokesman of the Swedish police investigation.

The Kremlin's propaganda mouthpieces were in fact calling the shots in the FBI and Justice Department's escalating political harassment of LaRouche. This was indicated by the three new indictments issued on Dec. 16 by the Boston grand jury initiated by Justice Department Criminal Division head William Weld, to persecute campaign committees and other associations affiliated with LaRouche (see page 26).

Not only were the new indictments issued within days of the Kremlin's most recent media explosion against LaRouche, but Assistant U.S. Attorney John Markham, who argued for the grand jury indictments in court, is reportedly the source of the NBC-TV lies about a "LaRouche connection" to the Palme murder cited by the Soviet press, by his making available documents seized in the Leesburg raid containing journalists' notes on the Palme murder investigation.

This interplay between the Kremlin and its witting or useful fools in the West is a recurring theme of the *EIR Special Report* on the Palme murder. As documented in the report, typically, the Soviets' first have their trusted Western assets float a lie designed to divert attention from the tracks pointing to Moscow's own involvement in the murder, and then those same lies are replayed in Soviet media, citing "authoritative Western sources."

Hours after Palme was killed, Georgii Arbatov, Soviet Central Committee member and head of the Moscow-based U.S.-Canada Institute, dictated the Soviet disinformation line, including a coded but unmistakable reference to LaRouche's associates in Sweden. Within days, Western media assets of the KGB's *dezinformatsia* apparatus were busy zooming in on this fraudulent "LaRouche connection." This occurred with the aid of complicit elements of the Swedish government and the large police task force investigating the Palme murder, under the leadership of Stockholm Police Chief Hans Holmér.

A jurist by profession, Holmér's ascent within the Swedish police has been promoted by the Social Democratic leftist party machine, to which he owes his loyalty. The murder investigation ran by Holmér as a bureaucratic tyranny quickly provoked fierce resistance from among experienced layers of the police and court system. The smell of a politically motivated cover-up began to become undeniable, as public attacks on Holmér's role and calls for him to resign were issued more frequently.

sands soon will be entering Iran. In Iranian Baluchistan, on the Arabian Gulf, Soviet military facilities have been established.

The fraud of the "withdrawals" of Soviet forces from Afghanistan aside, 1986 saw the greatest number and intensity of Red Army offensives against rebel-held regions of Afghanistan. If it were possible, 1986 was the most brutal of the seven brutal years of Red Army occupation.

## Great Russian chauvinism

We are now but one year away from 1988, the 1,000th anniversary of the Byzantine model "Christianization" of the Russian Empire. In preparation for that magical/mystical date, a rebirth of Great Russian chauvinism has been spawned under the tutelage of Raisa Gorbachova. In August, under her guidance, a Soviet Culture Fund was launched. The core promoters, besides Raisa, included, Andrei Belyayev, the new editor-in-chief of *Sovetskaya Kultura*—a leader in Soviet attacks against LaRouche—the newly installed culture minister, Vassili Zakharov, an agitprop specialist from the Central Committee's Propaganda Department; Zakharov's boss, Alexander Yakovlev, head of the Central Committee's Propaganda Department; Archbishop Pitirim, head of the Moscow Patriarchate's publishing house—whose *Journal of the Moscow Patriarchate* published the slogan: "The Third Millennium Shall Be Slavonic"; and the old "godfather" of the ultra-chauvinist "Russian Party," 79-year-old Dmitri Likhachov, was been appointed chairman of the Soviet Culture Fund 10-person presidium—which includes Raisa Gorbachova.

Choosing Likhachov was natural. In 1946, at celebrations for the 800th anniversary of Moscow, he wrote that Russia had inherited its historical mission and imperial franchise as the "Third Rome" from Byzantium.

Since the fund's creation, the stamp of Great Russian chauvinism has been manifest in all areas of Soviet life. In early September, Gorbachov, in a speech in the Krasnodar region of Russia, urged all Soviet citizens to read the works of Fyodor Dostoevsky, whom he and Raisa "often" read. Dostoevsky, of course, is the model of a racist, Great Russian anti-Semite—the model of a 20th-century Nazi.

In 1985, soon after Gorbachov came to power, during a visit to Kiev, he told the Ukrainian audience that the Soviet Union and Russia "are the same."

That point was made in mid-December when Gorbachov and his number-two man, Yegor Ligachov, made a Russian, Gennadi Kolbin, the new first secretary of Kazakhstan, replacing a Kazakh who had ruled there since 1964. At one stroke, the unwritten rule since the end of the Stalin era, whereby each republic's party organization is headed by a figure from the ethnic group of that republic, has been overturned.

If the implications of the Krasnoyarsk are not grasped in the West, then Gorbachov's next quip might be that Russia and the world "are the same."

# From the shores of Tripoli... to Damascus

by Thierry Lalevée and Michele Steinberg

The terrorist year 1986 began four days earlier, on Dec. 27, 1985, when two hit teams of the Abu Nidal organization perpetrated one of the most savage massacres ever at the Rome and Vienna airports. Similar massacres occurred months later, at the Karachi airport and at Istanbul's oldest synagogue. For several weeks in February and March 1986, and again in September, Paris won the dubious title of "Beirut on the Seine," as bombs exploded indiscriminately in shopping centers, cafés, and restaurants. If a few hostages were released by their terrorist kidnappers in Lebanon, as many were seized.

Not since the early 1970s, when George Habash's PFLP was hijacking and blowing up planes at will, did the Western world face such a terrorist challenge. Even so, 1986 could not be compared to 16 years earlier. In the last 18 months, any pretense at unleashing terrorism in support of a particular cause has been dropped. The Rome, Vienna, Karachi, Istanbul, and other massacres were not perpetrated on behalf of "the Palestinian cause." Terrorism's aim was the destabilization of Western society. In that sense, these were a follow-up to the October 1983 kamikaze mission by Shi'ite terrorists which killed hundreds of American and French soldiers in Lebanon. And one aim was achieved: By 1985, all foreign troops but the French—chief target of 1986 terrorism—had withdrawn from Beirut. By November 1986, the remaining French presence within UNIFIL had been withdrawn. With France, the United States, and Britain weakening under the terrorist assault in the Middle East, the terrorists felt free to increase direct actions in Europe.

As much as the myth of terrorism having a "sociological cause" has vanished, so has the myth of independent terrorist organizations. In all cases, states and their intelligence services have been involved, and the daring investigator even found that behind these states and services stands the Warsaw Pact countries and the "Department of Active Measures" of the Soviet KGB.

It was by investigating such sponsorship that Western intelligence services began to disentangle the web of the terrorist spider. First, such groups as Abu Nidal's were linked to the Lebanese Armed Revolutionary Faction (FARL) of George Ibrahim Abdallah, which sponsored the French terror wave. From the FARL, they were led into the "national" terrorists around "Direct Action," and their European friends, the Red Brigades, the Red Army Faction, and the IRA, not forgetting the Basque ETA. The same safe-houses, the same arms caches, the same logistical network, and more often than not, the same bank account at Crédit Suisse in Zurich.

## The terrorists get a bloody nose

Countless cynics are now heard commenting that the American strike against Libya was "theater," because secret negotiations with Teheran were under way at the same time that Tripoli was bombed. Maybe Qaddafi knew, as of April 15, that Washington—through Israeli intermediaries—was talking with his good friends in Iran, but such knowledge didn't help much when the bombs began falling.

The raid has to be seen as one crucial step in the fight against international terrorism and its sponsors. One might compare how a population feels when one deals with terrorists, as in "Irangate," compared to the great hope that spread throughout the citizenry of the United States, Europe, and the Middle East as the first news came in that Tripoli was being bombarded. Premier Chirac was right to tell the *Washington Times* that one quick operation and "barking" were not enough. A broader operation was needed. Six months after the operation, that comment is still accurate. No doubt it will be put to the test in early 1987 as the crisis around the latest Libyan aggression against Chad widens.

In Qaddafi's primitive state of mind, he was bombarded and narrowly escaped. That was clearly enough for him to lie low for more than six months. It awakened him to how few friends he really had. The screams of "murder" were loudest in Moscow, which understood the raid as a slap in the Kremlin's face. For Qaddafi, who dreams of being an Arab leader, Moscow's support was little consolation when Arab capitals remained silent. It underscored his status of satrap.

Qaddafi's buddy, Syria's Hafez al Assad, had the same experience six months later. Because his country is geographically closer to the Soviet Union, and he has signed a defense treaty, he has been spared military retaliation for his actions. Nonetheless, Assad must sometimes wonder to what extent the Soviets will back him, and whether Moscow is not plotting against him, too. For Assad's personal pride as the "Bismarck of the Middle East," to use Kissinger's phrase, being branded an international terrorist was a deep insult—but, it was true. The decision of the British government on Oct. 24 to break diplomatic relations came as a shock. Assad's bluff was being called. And as in Qaddafi's case, no Arab country followed Damascus's call to break diplomatic relations with Britain.

As the year ends, another component in the international terror wave—the Israeli factor—is being exposed. For over a decade, a corrupt, international mafia-run faction in Israel, around Ariel Sharon, has built up “assets” in Arab terrorist groups, to deploy at strategic moments when a major military move by Israel—like the bombing of an Iraqi nuclear reactor, and the 1982 invasion of Lebanon—is desired.

### Sharon’s ‘Splinter Factor’

Disclosures in the United States and Israel, about Israel’s role, since 1979, in arming Iran, and maintaining “assets” in Iranian intelligence such as arms broker Manucher Ghorbanifar, may make a major contribution to the war against terrorism. It is now openly on the table that Ariel Sharon pushed the arming of Iran, despite the clear facts that Shi’ite terrorists backed by Iran had killed American marines and French soldiers, and Israeli soldiers and citizens in Lebanon.

Sharon, then Israeli defense minister, had set in motion the new “Black September” carried out by the likes of Abu Nidal and the FARL, with his invasion of Lebanon in 1982. And just as Sharon pushed the policy for Israel to force a bloody prolonging of the Persian Gulf war by arming Iran, Sharon in 1981 had made a deal with Syrian Rifat Assad to use the civil war in Lebanon as a bloodletting that would wipe Lebanon off the map as a unified nation, and splinter the Palestinian leadership into anti-Arafat terrorist cells that could be deployed by Syria and Israel.

Earlier this year, with the confession and guilty plea of Israeli spy Jonathan Jay Pollard in the United States, a key player in Sharon’s “terror against terror” war, Rafael “Dirty Rafi” Eytan, was uncovered as controller of espionage and terrorism—against the United States. Eytan, who ran the retaliation murders of Palestinians throughout Europe for the 1972 killings of Israeli athletes at the Munich Olympics, was exposed in the Pollard case as the spymaster who recruited, paid, and issued orders to Pollard. Eytan gathered sensitive information on moderate Arab countries, friendly or allied to the United States, which was passed along to the fundamentalist crazies like Iran—which itself threatened the leaders of moderate Arab countries.

In April 1986, *EIR* issued two reports: *Moscow’s Secret Weapon: Ariel Sharon and the Israeli Mafia*, and *Moscow’s Satrap: The Case of Muammar Qaddafi*, which together provide all details necessary to identify the top controllers of international terrorism in the Middle East and Europe.

No one has the illusion that Libya and Syria have been neutralized, or that Sharon’s “divide and conquer” strategy, carried out on Moscow’s behalf, is ended. In fact, a new terror wave, perhaps bloodier than 1986, is expected. However, drawing the lessons of the anti-Libyan and anti-Syrian operations of 1986 shows the way to go. The year 1987 has to be the one in which Qaddafi, Assad, and Khomeini become mere historical curiosities, and their backers are thrown out of every Western government.

## The year of irregular warfare

by Lena Mletzko

The past year will be remembered for the densest, most brutal terrorist deployments against the two pivotal countries of the Western Alliance in Europe: West Germany and France. Although the strategic motive of these events—clearly located in Moscow—can hardly be overlooked, the political elites in Western Europe responded inadequately to the potentially lethal assault.

It is the unique merit of *EIR* to have clearly identified and analyzed the command and control structure of these developments as part of the Soviet strategy to undermine Western defense by moral and material subversion, i.e., irregular warfare. *EIR* put out a series of in-depth *Special Reports* in several languages to establish this analysis among military and political elites. *EIR* editors also brought out the new edition of Prof. Friedrich von der Heydte’s classic, *Modern Irregular Warfare*.

The concept of “irregular warfare” as a strategic, coordinated deployment of the enemy in a yet-undeclared war is not only the key to competently understanding the situation. It is also the precondition for any defense. The question of how to identify the enemy has therefore prompted the most intense faction fights, which surfaced in September in France between interior and defense ministry spokesmen—who wanted to clearly expose Syria’s control over international terrorism—and spokesmen of the foreign ministry, who favored the usual cover-up.

*EIR* was the forum chosen by Jean Rochet, former head of the internal French counterespionage agency, DST, to warn that “détente” is a cover for Soviet war against the West. Gen. (ret.) Revault d’Allonnes, renowned French resistance fighter, stated at a seminar in Mainz on Sept. 27: “The Free World is not in a crisis . . . the Free World is faced with war. There is a will to destroy and subdue us. If we do not realize or do not want to realize that this will exists, then we are doomed.” He was seconded by Gen. (ret.) F. W. Grünwald, vice-president of the Patriots for Germany.

### Assassinations, civil war, sabotage

Between March and early April, bombs went off in Paris and West Berlin, leaving two dead and many injured in Paris, and at West Berlin’s La Belle nightclub, 3 dead and 230 injured, most of them American soldiers.

The murder of Swedish Premier Olof Palme on Feb. 28 began a series of political assassinations. Most were aimed



at pivotal figures in what Moscow calls the "military-industrial complex," many directly involved in cooperating with the U.S. Strategic Defense Initiative. On April 15 the French Direct Action tried to kill the vice-president of the French employers association. The West German Red Army Faction followed with the precisely executed murder of Karl Heinz Beckurts, a leading Siemens manager, on July 9. In September, a barrage of bombings in Paris caused 11 deaths and injured nearly 200. On Oct. 10, the RAF killed Dr. Gerold von Braunmühl of the West German foreign ministry, and on Nov. 17, Direct Action terrorists killed Georges Besse, director of Renault, in Paris. An attempt against former French Justice Minister Alain Peyrefitte failed on Dec. 15.

Meanwhile, West German police had to combat civil war riots against high-technology projects in Wackersdorf, during May, and in June against the nuclear plant in Brokdorf. These battles were coordinated and logistically organized in a paramilitary fashion and with the explicit support of communist networks and the Green Party. Dozens of cities were ransacked by violent "demonstrations" causing billions of marks of damage. Here, members of the Green Party played a key role.

In December, hundreds of thousands of students tried to out-riot May 1968 in Paris, with communist and Trotskyist organizations as the backbone of the riots. Members of the terrorist Direct Action and even the German Red Army Faction and the Italian Red Brigades were reportedly spotted among the violent provocateurs.

Every single day of 1986, at least three terrorist strikes occurred against the transport, industrial, military, and energy infrastructure of West Germany. The sabotage of 150 high-voltage electricity towers alone, caused damage of more than 30 million deutschemarks. Meanwhile, the public was terrorized daily, first by a series of "accidents" in nuclear power plants that conveniently occurred after the Chernobyl disaster, then by numerous "accidents" in the chemical industry in November and December.

After a leading figure of the West German Liberal Party, FDP, was killed on Oct. 10, Bonn Economics Minister Martin Bangemann, himself an FDPer, stated that the terrorists have "enforced war" on the Federal Republic of Germany. Interior Minister Friedrich Zimmermann said in October: "The third-generation terrorists have declared war on the Federal Republic of Germany." Nevertheless, the steps to shape police and security institutions according to their vital tasks are still missing, except certain moves to beef up anti-terrorism laws, and even those minor steps were resisted by a united front of Social Democrats, the entire Green party, and the "liberal" lobby.

As long as Foreign Minister Hans-Dietrich Genscher (FDP) is in office, irregular warfare against West Germany, America's most crucial ally in Europe, meets open flanks. As recently as Dec. 13, Genscher stated at a public meeting in Düsseldorf: "There is no proof whatsoever of Soviet involvement in terrorism."

## In Defense Policy and as a Military Phenomenon

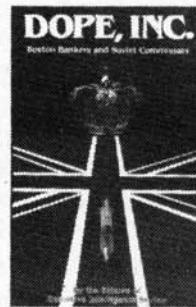
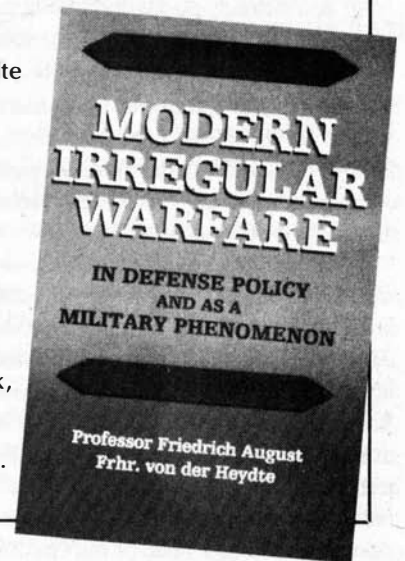
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# New movement, Patriots for Germany, leads resistance to Sovietization

by Rainer Apel

In West Germany, the year's end marks the beginning of the "hot phase" of the national campaign for election of parliament on Jan. 25. If the opinion polls don't lie, Christian Democratic (CDU) Chancellor Helmut Kohl may be re-elected for a second term.

Another Kohl government in Bonn won't be stable, however, because the traditional conservative currents in the CDU no longer have a say in the party. Many of the Christian Democrats entering the new parliament will belong to the faction of Christian liberals, which conservatives in Germany call the "Moscow Faction." The new CDU parliamentary group will be much more susceptible to Soviet pressure, helpless against Western trends to decouple the Atlantic Alliance. Rumors even have it that there is a plot afoot to have Chancellor Kohl, a relic of the "traditional CDU," removed mid-term, to replace him with a proponent of the CDU's "Moscow Faction."

The consolidation of this "Moscow Faction" inside the CDU, and the emergence of the Patriots for Germany, the political party campaigning for the traditional Western values sacrificed by the CDU, are the two most salient features of political change in West Germany during 1986. Never since the founding of this second republic in Germany in 1949, has there been such a clear distinction between the "Soviet" and the "American" party.

At stake is a decision to remain in the Western camp and in NATO, in the alliance with the United States, or the alternate decision to cut loose from the Americans and seek a decoupled future within the Soviet sphere of influence. The first, pro-Western road to the future is what the Patriots for Germany fight for, the second road is chosen by all the other political parties of the country. Hence, the Jan. 25, 1987 elections are a watershed: Much will depend on the political impact the Patriots' campaign will have on the election as a whole, as well as on the vote turnout for the Patriots' candidates and slates.

Very early in 1986, there were unmistakable signs of a profound change inside the Christian Democrats. The signing of a so-called "German-American cooperation agreement on SDI" a few days before Easter documented the case. In spite of abundant information on the Soviet build-up of anti-missile capabilities, which the Pentagon and its experts had for-

warded to the Bonn government over more than 30 months, Kohl was not willing to sign a substantive cooperation treaty with the Reagan government.

Instead of making SDI a defense issue, the chancellor stuck to his policy of "peace with ever-fewer weapons" and decided to treat SDI as a "project with interesting aspects for future civilian technologies." German participation in the project was kept as tiny and unofficial as possible, and the accord signed with the United States was defined as a "framework agreement" on the level of a "memorandum of understanding."

The helter-skelter in Bonn on SDI documented that the pro-American faction still remaining in the CDU, while expelled from the other parties long ago, was now on its way out. Many Germans still committed to the alliance with the United States and to a strong defense began to turn their backs on the CDU and Chancellor Kohl.

This was the political hour of the new movement, Patriots for Germany, founded in autumn 1985. In the five months after its founding, the Patriots had addressed the issues in a series of ads in several national newspapers, meeting broad and positive response. The CDU's failure to win the struggle with its liberal coalition partner in Bonn, the Free Democrats of Foreign Minister Hans-Dietrich Genscher, and the failure of the pro-SDI current in the CDU to win over the anti-SDI current, were among the developments which led the Patriots to decide to run as a new party in the next elections.

## Lower Saxony elections

The first testing-ground for the new party was the state election campaign in Lower Saxony. In only two months, from the end of March to May 12, the Patriots organized a membership base, nominated a candidate, and collected campaign funds in every one of the 100 election districts of the State of Lower Saxony. The dynamism of the newly founded party took the established parties by surprise, especially the CDU. The new party met special attention also because it was cooperating with the National Democratic Policy Committee (NDPC)—the "LaRouche wing of the American Democratic Party," which had become prominent in the German media after its first striking victory in the Illinois primaries.

The Patriots met strong assent among farmers, engineers, shop-owners, military people, and all those strata of the electorate whose values had been betrayed by the CDU and the other political parties. This provoked, naturally, a fierce campaign of harassment from the "established parties," including the activation of corrupted editors in the press of Lower Saxony, who organized an almost total blackout of coverage on the Patriots toward the end of the campaign.

But the 0.3% of the vote which the Patriots received sufficed to deliver a warning message especially to the Christian Democrats. The Bavarian state section of the CDU, the Christian Social Union (CSU), warned a few days after June 15 that a repetition of the Patriots' success in Lower Saxony in the Bavarian state elections on Oct. 12 had to be "prevented at all costs." The Bonn correspondent of the *New York Times*, James Markham, wrote that with the 0.3% of the Patriots on June 15, the ideas of the NDPC had made it into the political landscape of West Germany. Markham's headline on page one of the *International Herald Tribune* read: "LaRouche has a foot in the door in Germany."

On Aug. 3, an initiating committee was founded in Rudesheim on the Rhine to set up the Patriots as a national party, electing Helga Zepp-LaRouche as national chairman and Brig.-Gen. (ret.) Friedrich W. Grünewald as vice-chairman. The gathering of 100 delegates from all over West Germany resolved to set up local chapters and nominate candidates in as many of the 248 election districts as possible in the short time left until the start of the national election campaign.

The founding convention was already inspired by the firm commitment to fight the increasing trend inside the CDU to accommodate to the "withdrawalists" of the Gramm-Rudman current around Sam Nunn and Bill Roth in the United States, and seductive offers from the Soviet side to say goodbye to U.S. military presence in Germany and strike a "historic deal" with Moscow. The term "Moscow Faction in the CDU" was coined and massively used in the political organizing of the Patriots.

### **Patriots fight CDU 'Moscow Faction'**

That "Moscow Faction," which also extended into the slightly more conservative CSU of Bavaria, made itself heard nationally at the end of September, when the conservative press began circulating rumors that Soviet ruler Gorbachov was considering offering reunification to the Germans on the condition that the West Germans made themselves "more independent" of the United States. This rumor was also nurtured by Foreign Minister Genscher, who had, after his July trip to Moscow, begun a personal campaign around the pro-Soviet notion of a "common home of Europe from the Atlantic to the Urals."

By late September—two weeks before the Reykjavik summit—an almost undifferentiated chorus of pro-Soviet arms control proposals was forming among all the established parties in the Bonn parliament, ranging from the extreme "left" Green Party and the Social Democrats to the liberal

Free Democrats and most of the prominent spokesmen of the Christian Democrats. Gorbachov's game was quite visibly to lure Reagan into a summit agreement unfavorable to Europe, and rally the Europeans, with the West Germans in the first place, into his gambit.

This coup did not work, because Reagan refused, at Reykjavik, to make the concessions on SDI Gorbachov had wanted. Irony had it that just during the Reykjavik weekend, the Patriots held their national campaign convention, with more than 100 candidates for the 1987 campaign attending and debating how to stop the Sovietization of politics in West Germany. The convention in Worms found itself in the middle of stepped up public activities of the CDU's "Moscow Faction," which tried to exploit the post-summit confusion about the official U.S. position on the "zero option" on nuclear missiles in Europe. It could not have been more obvious why the Patriots' effort was so vital for the survival of West Germany as a Western country than during this party convention in Worms on Oct. 12.

The "Moscow Faction" made itself heard again all over West Germany in early November. Bernhard Friedmann, a prominent representative of the CDU in the budgetary commission of the Bonn parliament, called on Chancellor Kohl to "make the reunification of Germany a topic on the next summit agenda" between Reagan and Gorbachov. Friedmann said that the "zero option" meant Soviet predominance in Europe in the sphere of conventional and nuclear short-range military capabilities. He also stated that there was "no majority for more defense in the West," so that only a "historic deal with Moscow," based on economic cooperation with the Soviet economy, could render West Germany safe from the Red Army. Under the regime of Gramm-Rudman, Friedmann slyly added, any hope that the United States would maintain its military commitments to Europe and West Germany was in vain.

Friedmann is close to Lothar Späth, the pro-Soviet CDU governor of the West German state of Baden-Württemberg, said to be the "Moscow Faction's" choice for the mid-term replacement to Chancellor Kohl in 1988-89. Späth is the apparent choice also of Gorbachov, who signed an economic contract with two Baden-Württemberg industrial companies on Nov. 19 totaling about \$250 million.

Chancellor Kohl's remarks to *Newsweek* magazine, which likened Gorbachov to Nazi propagandist Josef Goebbels, were taken as a welcome pretext by Gorbachov to tell the chancellor to accept the rule of his own CDU's "Moscow Faction." Gorbachov's message to Kohl is that he may be re-elected, but only as a pawn in the hands of the "Moscow Faction," and only until the date will be chosen for his "mid-term replacement." Except for the efforts of the Patriots for Germany, the country's loss as an ally for the West would appear certain. The Patriots began the hot phase of this election campaign by nationally distributing a million flyers, headlined: "No to the Empire of Evil." The flyer shows Gorbachov, with Josef Stalin watching from the background.

# Chirac faces uphill battle for 1988

by Philip S. Golub

France inherited a strong presidency under the Fifth Republic of the late Charles de Gaulle, but after five years of foreign policy and domestic calamities under President François Mitterrand, the legislative elections last March brought in the leader of the opposition, Jacques Chirac, as prime minister, and with him, two parallel and contending centers of power and intelligence. One is ruled by Mitterrand at the Elysé Palace and his wing of the Socialist Party; the other by Chirac, the head of the RPR (neo-Gaullist) party.

The bitter internal struggle of recent weeks has made prospects for the 1988 presidential elections uncertain.

Forcibly attached to a motley group of center-right parties assembled in the UDF (Union of French Democracy), Premier Chirac and his RPR are caught between the permanent and sometimes insidious pressures of Socialist President Mitterrand, on the one hand, and the UDF centrists, on the other. Raymond Barre, a longstanding Trilateral Commissioner and honorary president of the Geneva Association of World Insurance Companies, nominally leads the latter group. The student demonstrations and violence of November-December made it clear that despite sometimes conflicting interests, the Barrists and Mitterrandists at least share a strong passion to bar the road to a Chirac presidency in 1988.

The contacts between the Barre crowd and President Mitterrand's Socialists have gone so far that leading RPR officials privately expressed concern over a "systematic destabilization campaign" against the premier and his interior minister, Charles Pasqua.

French security experts believe it no accident that France since March has become, with the Federal Republic of West Germany, the privileged target of irregular warfare (see page 49). France was victimized in September by one of the bloodiest bombing sprees in recent history, run by the Soviet and Syrian intelligence-linked FAREL. Then the French military attaché in Beirut was murdered. The "Levantine" edge of this effort, though, has to be interpreted in the larger framework of 1) Libyan and Warsaw Pact-led intelligence operations against French military presence in the Pacific; 2) Cuban-Libyan and East German operations against the European Space Agency's Ariane launching pad installation in French Guyana; and 3) continuing subversion by Libyan and Soviet

proxy forces in north and sub-Saharan Africa.

During the Socialists' undivided rule in 1981-86, these external pressures existed, but the appearance of stability was bought at the price of serious losses of prestige and power on the world level.

## Achievements in defense, foreign policy

The threat that France might reaffirm a strong defense and policy role in these sensitive areas of the globe is the real reason for the destabilization. In spite of routine misunderstandings, U.S.-French relations under Chirac have been the best in decades. The new government and the French defense establishment have pushed forward a bold military procurement program which, in time, will give France a nuclear retaliatory capability much larger than the present *force de dissuasion*, with an expanded and modernized MIRVed submarine ballistic missile fleet and mobile ICBM launchers.

Research is ongoing as part of both a European Tactical Defense Initiative and as an SDI-related effort. The medium-to long-term effects of these programs will be to enhance NATO security and that of the West's developing-sector allies. The Chirac government is also aware of the perils facing the friends of France and the West in northern Africa, sub-Saharan Africa, and the near East. The December visit of Egyptian President Hosni Mubarak to Paris is a good indicator of overall French intent: Stabilize the economies of Western-oriented governments in the developing sector, enhance their defense, and avoid the spread of fundamentalism.

In his sibylline fashion, President Mitterrand has exploited the political and economic splits in the government coalition, to impose short-term priorities on the government where long-term designs are required.

Yet, deep divisions also exist within the Socialist Party of France, exemplified by the violent power struggle that led to Defense Minister Hernu's ouster during the Greenpeace affair of 1985. The nationalist, pro-defense elements of the Socialist Party, largely removed from power under the Fabius government that ruled just before Chirac, more naturally gravitate toward the RPR than toward their radical colleagues.

If Mitterrand does not run in 1988, the Socialist Party will be shaken up. The radical left-wing currents of the Socialists led by ex-interior minister Joxe and party chairman Jospin will not, without Mitterrand, be able to hold the party together. Rumors abound already that some elements around Michel Rocard—a constant competitor of Mitterrand—would rather live with Chirac than die in obscurity within the Socialist Party.

Nor would the Union of French Democracy survive united a process of reforming of French political life. The RPR, solidly unified and implanted throughout the country, would emerge as the single most powerful force in the country. The question remains: Can Chirac emerge out of this complex crisis to win in 1988?

# The 'Year of St. Augustine' readies the Church for its biggest battles

by Vivian Freyre Zoakos

Few would disagree that 1986 was a dramatic, hallmark year in the life of the Catholic Church. For some, such as the Gnostics, or self-proclaimed "radical liberals," in the American Church and elsewhere, this fact has inspired more gnashing of teeth than rejoicing. But for the editors of *Executive Intelligence Review*, who have always placed themselves squarely in the Augustinian tradition, the decisive actions taken by Pope John Paul II, in conjunction with Joseph Cardinal Ratzinger (in particular) this past year, are of enormous global cultural and strategic significance.

One appropriate way to characterize what has occurred is that the Vatican lived up to its pronouncement of 1986 as "The Year of St. Augustine."

The close of 1985 saw the Church poised to initiate a transformation of its internal life, and its relationship to the temporal affairs around it. The Extraordinary Synod, held from Nov. 25 to Dec. 8 in Rome, set forward the principles of that coming transformation. These were outlined in the Synod's *Relatio Finalis*.

## The indivisibility of truth

First and foremost was the emphasis on the fact that truth is not "divisible," and that Church teaching is grounded in a unified tradition. Second, this treatment of Ecclesial truth circumscribed the way in which the subject of "collegiality," i.e., the relationship between bishops and the Pope, is to be understood. As the *Relatio Finalis* put it, there exists no collegial relationship among the bishops without the Pope:

"No distinction can be made between the Roman Pontiff and the Bishops, considered collectively, but [only] between the Roman Pontiff alone and the Roman Pontiff together with the bishops . . . because the college [of bishops] exists with its 'head' and never without it. . . . *Pluriformity must be distinguished from pluralism* [emphasis added]."

Finally, the entirety of the proceedings of the Extraordinary Synod, as *EIR* reported in its 1985 year-end review, already made clear that the Pope and Cardinal Ratzinger were preparing to intervene into the foremost global strategic problem of today: the question of economic policy.

## The 'American Heresy'

The first two points already presaged the dramatic events later to occur in the United States. The Pope and Ratzinger's repeated, polemical interventions into the core of the Amer-

ican Catholic Church, including the disciplining of at least one entire religious order, leading theologians, archbishops, and the American Church's moral teaching, are all premised on the Synod's emphasis on the unity of truth, and its reemphasis on the powers and the primacy of the Pope. In fact, the Vatican's intervention into the U.S. Church in 1986 demonstrated beyond any doubt that the evaluation of the Extraordinary Synod presented by this magazine was correct. The same American and Latin American liberation theologians who last December tried to portray the Synod as their victory, are now justly eating their words.

It is not accidental that the national Church first singled out for the Vatican's housecleaning was that of the United States. The fact that this choice was made proves the seriousness of John Paul and Ratzinger's intent.

Writing on the side of the opposition, in the Sept. 15 issue of the *Washington Post*, Chicago Church historian Martin F. Marty said: "Rome is threatening to do grave damage to the richest, and most powerful Catholic Church in the world. . . . The process of Catholic assimilation into the mainstream of American life has become so advanced, that on virtually all topics . . . surveys now show Catholics holding views almost identical to those of their non-Catholic fellow citizens."

Although Marty is exaggerating his position, with respect to the laity, it certainly can be said that the majority of the American Church *hierarchy* have indeed come to echo the teachings of degenerate American popular culture. This "richest" and "most powerful" Church has become the engine for the transformation of Catholicism into a pluralist, Gnostic cult. The cultural mores of what Lyndon LaRouche has called "that fading, collapsing, rotting superpower we call the United States" are at the opposite end of the spectrum from the Christian principles on which this nation was founded. As Cardinal Ratzinger put it, in his 1985 book *The Ratzinger Report*, what is not grasped today is that the authentic Christian is now distinctly in the minority in society. To the pluralist ideology rampant today, Ratzinger counterposes "truth, [which] cannot be created through ballots."

## The foreign debt

Over and above its well-publicized American interventions, the Vatican is now positioning itself to carry through on the attacks against the Malthusian, "free market" economic policies which both the Pope and Ratzinger began to target

the end of 1985. By so doing, the Catholic Church is intervening into the core of the international strategic fight today. As Ratzinger told a Rome seminar that took place Nov. 19, 1985, the unpayable international debt burden is a problem as explosive, and potentially as dangerous to human survival, as the threat of thermonuclear confrontation. This was the same seminar in which Ratzinger issued his devastating attack against the "immorality" of "free market" economic ideology, and the legacy of Adam Smith, which he charged with responsibility for the mess of the international economy and financial system today.

The concluding *Pastoral Message* issued by the Synod thus promised that the Church must and would involve itself in the "international debt situation." Even before the *Message* was issued, the Pope was telling Ibero-American heads of state in December to unify their continent as a precondition for coming to grips with its destructive indebtedness. In July of this year, during his historic trip to Colombia, the Pope questioned whether it is just for the world's poorest and most underdeveloped countries to be crippled by a foreign debt that totaled \$970 billion in 1985. He made similar statements during his visits with political leaders in Peru, Ecuador, and Venezuela.

His efforts were echoed by the Latin American Episcopal Conference, which maintained Nov. 15 that "the Latin American debt cannot be paid" at current schedules, and proposed to investigate alternatives to the rule of the International Monetary Fund. The Bishops contended that another way to deal with the debt must be found, unlike the IMF methods which merely serve to create greater impoverishment.

This activity is culminating in the encyclical or pastoral letter which, it was announced Oct. 1, the Pope has commissioned for sometime in the immediate future. The Italian monthly *Trenta Giorni* reported that John Paul had ordered the Vatican to prepare a document examining the moral aspects of the Third World's massive foreign debt. This was later confirmed, on Dec. 11, by Cardinal Cegare of the Justice and Peace commission. Cegare told a Vatican news conference that such an encyclical or pastoral letter would be issued shortly, and that it would be "in the wake of *Populorum Progressio*." This was the 1967 encyclical of Pope Paul VI which had called for the creation of a new international monetary and economic order, in which the IMF would be supplanted by a new international lending institution committed to the development—and not the impoverishment—of the Third World.

### The dignity of man

Speaking the same day, the Pope himself confirmed that he categorically opposes "any policy which contradicts the fundamental dignity and human rights of each person, or group of persons," seeing such a policy as "one which must be rejected." Concerning the debt now suffocating the developing sector, John Paul stated: "The foreign debt of the developing sector must be looked at with new eyes. . . ." Ech-

oing *Populorum*, which coined the phrase that "development is the new word for freedom," John Paul added: "Development is a question of men. Man is the subject of true development, and the aim of true development is man."

Making the same anti-IMF point as the Latin American bishops, the Pope went on to say that one must reject programs which, under the mask of "aid, force communities . . . to accept contraception and abortion as the price for development."

### From 1967 to 1987

All of this is sufficient indication that the coming encyc-

## A papal intervention in Ibero-America

by Valerie Rush

Pope John Paul II's week-long visit to Colombia in July 1986 represented a stunning strategic intervention into the affairs of the Western hemisphere and beyond, an intervention as powerful in the political arena as in the spiritual. Specifically, by openly endorsing the peace efforts of then Colombian President Belisario Betancur on both the domestic front and through the regional Contadora Group peace initiative in Central America, the Pope not only boosted those regional forces committed to the economic development of Central America but, equally important, threw a roadblock into the path of the would-be geopolitical puppetmasters of "Irangate" fame, for whom Central America has served too long as a private preserve.

By pleading for a new international order in which "man is the subject and not the object of economics and politics," John Paul II resurrected the universal standards of morality so eloquently outlined by his predecessor, Paul VI, in his 1967 encyclical, *Populorum Progressio*. The Pope went on to give those principles concrete form by denouncing "the new and more subtle form of slavery" that has emerged in this century, the narcotics trade, and in demanding the establishment of "a new order of priorities" in which the right to development is not sacrificed to usury. "What remains clear . . . is the urgency of Latin American solidarity to mutually contribute to our development, and to change unjust relations with the affluent countries, such as the external debt, which has become the eternal debt. . . ."

lical or pastoral will define economic policy as a major point of Vatican activity and intervention for the coming year.

What is different between today and 1967, when *Populorum Progressio* was issued, lies not in any particular fault in that exemplary document. Pope Paul's encyclical not only laid out a generic moral policy respecting economics, it went even as far as to discuss the concrete institutional shape which a re-ordered world economic system could take. What was lacking in 1967 was not so much program, as it was a proven willingness to fight for that program.

Consequently, in one of the most ironic aberrations of recent Catholic history, *Populorum Progressio* was seized

by the liberation theologians as, practically, their "founding document." They could do that, because the Vatican at that time was unwilling to launch the internal housecleaning which it so dramatically began in 1986. Without neutralizing, and exposing, its own heretics, the papacy left these same people free to take even the best papal pronouncements and twist them to their wicked designs.

However, 1986, the Year of St. Augustine, has proven conclusively that this is unlikely to happen again. 1987 promises to be a year in which even more productive battles will be waged, both inside the Church, and with respect to the lay world around it.

The Pope's address to Colombia's business leaders emphasized the "practicality" of moral economic practice: "The greatest wealth, the best capital of a country, is its people. . . . Consequently, the center of reference of your economic activity must always be an interest in all human beings."

But he did not fail to present the concept of the *Filioque* as the ultimate criterion of humanity: "Each time you meet a fellow citizen who is poor or in need, if you look at him truly with the eyes of faith, you will see in him the image of God; you will see Christ; you will see a temple of the Holy Spirit, and you will realize that what you have done unto him you have done unto Christ Himself."

### **The 'politics' of human dignity**

Pope John Paul II encapsulated in his intense seven-day visit to Colombia the process launched earlier at the December 1985 Extraordinary Synod in Rome—that is, the crusade for economic and political ethics to guarantee the dignity of man. When Ibero-American bishops and cardinals met in Peru on Jan. 17, 1986, to discuss implementation of the Synod, the theme of economic and political morality was already on the table. Colombian Cardinal López Trujillo spoke from the Lima meeting on the need for genuine dialogue between rich and poor nations to avoid fulfillment of the law of "Social Darwinism, in which only the powerful survive."

The final document of a Venezuelan bishops' conference held earlier that month was more explicit, calling on the Lusinchi government to use the nation's oil resources to promote economic development, "instead of succumbing to pressures to pay the foreign debt." The Chilean bishops' council in May proposed that all Ibero-American Presidents form a continental common market and monetary system, to try to isolate the continent from an international financial system "which is inefficient and unjust for it and for the Third World."

The general secretary of the Latin American Episcopal Conference (CELAM), Colombian Bishop Darío Castrillón, told the press on July 9, immediately following the Pope's departure: "For us, the debt is no longer debt, but has become misery, something central to our concerns. . . . We cannot establish the security of capital on the insecurity of man." One month later, the Mexican archbishop of Monterrey, Adolfo Suárez Rivera, denounced "the foreign debt that is drowning the country. . . . Priority areas are ignored and the maximum burden falls on the weakest."

In November, CELAM met and issued a document on "The gap between rich and poor in Latin America," which insists that, under its current terms, the continent's foreign debt simply "cannot be paid." The document also argues that the International Monetary Fund's austerity strategy could not be universally applied to the debtor nations, since it tends to undermine the very productivity which enables countries to pay their debts.

The Colombian Bishops Conference on Nov. 29, picked up the Pope's July challenge by issuing a document threatening the excommunication of drug traffickers for the "terrible evil" they have wrought in society, and hinting at the same for those who follow in their footsteps. And, on Dec. 3, the Argentine church took the giant step of publicly formalizing its alliance with that country's labor movement in its fight to recapture national economic sovereignty. Pastoral Commission president Monsignor Italo Di Stefano met with CGT labor federation head Saul Ubaldini for two hours, after which he explicitly pledged the support of the Church to the CGT's economic demands—including moratorium on the country's \$50 billion foreign debt.

The participation of the Ibero-American Church in the fight for economic justice can be expected to continue through April of next year, when Pope John Paul II will be releasing a long-awaited papal document on Third World debt. The Pope will then travel again to Ibero-America.

# Fighting drugs in 1986: a cultural war with uncertain outcome

by Michele Steinberg

As the year closes, a team of Western intelligence analysts has just completed studies on the involvement of the Soviet Union in international narcotics traffic. It is becoming common knowledge among government and law-enforcement agencies, that flooding the West with drugs targeting youth has been part of the Soviet strategic military gameplan since the 1960s—just as the Soviets sponsor terrorism as irregular warfare. In the latest *Journal of Defense and Diplomacy*, elaborating on sporadic references by government officials since 1982, when incontrovertible proof showed Soviet, Bulgarian, and Cuban support for Ibero-America's narco-terrorists, U.S. defense analyst Dr. Joseph Douglass wrote:

"It is important to recognize that the Soviet Union has had a hand in the growth of international drug trafficking. There is considerable data, which has gone unreported, that sets forth the origins of Soviet interests, formation of their strategy and management of satellite intelligence services for employing drugs as a political weapon against the West."

On Dec. 19, the Paris newspaper, *L'Express*, printed an eight-page dossier by Britain's Brian Crozier, who was with Douglass on a team that interviewed East bloc defectors on the Soviet intelligence services' role in the drug trade.

This information is not new to readers of *Dope, Inc.: Boston Bankers and Soviet Commissars*, the single most authoritative work on the international drug trade, written by an *EIR* investigative team. The publication of the second edition of that book on April 30, 1986, was one of the milestones of the war on drugs. As *EIR* as repeatedly stressed since 1978, when we coined the term "Dope, Inc." and the first edition of *Dope, Inc.* was released, the war on drugs is a *cultural war*, against the drug and rock culture. The drug cult of hedonism, rampant in the West, has served as a strategic weapon in the Soviets' arsenal now for several decades.

Even on the law-enforcement level, detailed accounts of how the Soviets run the opium trade from the occupied zones of Afghanistan, emerged after Dutch authorities seized a Soviet ship, the *Captain Tomson*, in the Rotterdam harbor in May. In July, Italian anti-Mafia prosecutor, Ricardo Boccia, at a meeting with U.S. Attorney General Ed Meese, identified for the first time the *Captain Tomson* as a Soviet vessel, and

elaborated little-known details of official KGB documents, provided by a former high-ranking official of the Bulgarian secret service, that boasted of intentions to "destabilize Western society through . . . the narcotics trade."

## Western collaborators protected

But while one flank of the strategic war on drugs is being exposed, the year ends with a disaster on another front: money laundering. There has been a virtual moratorium on prosecution of the international bankers who have collaborated with Moscow's drug war.

In January 1986, *EIR* completed a study of how the U.S. Justice Department lets U.S. banks laundering drug money off the hook by imposing minimal fines instead of vigorous criminal prosecution. The major banks include Chase Manhattan, Manufacturers Hanover, Chemical Bank, and Bank of America, to name a few. In 1985, U.S. government agencies had up to 170 of the major U.S. banks under investigation for money laundering. But in 1986, not a single national bank has been fingered for the drug money laundering in which they routinely engage. And the legislation that would make money laundering a criminal offense, has died on the vine without sponsorship from the Reagan White House. In fact, as President and Mrs. Reagan announced their personal commitment to the war on drugs with a legislative package in October, mention of fighting money laundering was conspicuously absent.

Instead, the model for non-prosecution became the infamous Bank of Boston case, where then U.S. Attorney William Weld, who himself has family financial ties to *Crédit Suisse*, negotiated a mere \$500,000 fine for the Bank of Boston for failing to report more than \$1.22 billion in cash transfers with Switzerland.

The compromise in the war on drugs by the U.S. government is directly related to the continued, but now threatened, tenure of White House Chief of Staff Don Regan, whose Merrill Lynch, the company for which he was the chief executive officer for more than 20 years, laundered millions to Switzerland for Sicilian heroin traffickers, and went unprosecuted. Recent revelations show that Regan was also in-



volved in approving the use of contaminated Israeli mafia networks for delivery of arms to terrorist Iran, and that the Justice Department and FBI had quashed and stalled investigations into drug running by the U.S.-funded Nicaraguan Contra forces.

### **Factional warfare**

Yet, there is good evidence that the dossiers compiled by *EIR* on the Western players in the Soviet drug traffic, have not gone unused by patriotic forces in the United States and other countries, like Israel. During 1986, some of the most significant blows to the international financial cartel that runs drug-money laundering have been made, but have been made "on the side," so to speak, instead of as the declared central feature of the war on drugs.

In spring 1986, a Commission of Inquiry under Supreme Court Justice Moshe Bejski, an independent investigative body commissioned under the government of Israeli Premier Shimon Peres, issued a report accusing Israeli banks, including the Israeli Discount Bank, Bank Leumi, and Bank Hapoalim, of engaging in massive financial irregularities, stock manipulation, and fraud. The report of the commission recommended that several Israeli banking luminaries, including Raphael Recanati, chairman of the board of IDB, and Ernst Japhet, chairman of the board of Bank Leumi, resign from positions of authority in those banks. Without stating so, the Bejski Commission was attacking the heart of the Israeli mafia—that faction of Israeli intelligence and "elite" including Edgar Bronfman, Armand Hammer, and the "Millionaire's Club" that lined up behind the effort to give citizenship and safe-haven to mobster Meyer Lansky in the early 1970s. The failed Lansky Plan (furious opposition by press and citizens caused him to be denied citizenship) was intended to turn Israel into a Mediterranean Hong Kong, a free-zone center of drug-money operations. Despite Lansky's absence, the London-Swiss-Wall Street financial cartel linked to the drug trade established a virtual stranglehold on the Israeli economy.

The Bejski Commission report echoed a special *EIR* study on the Israeli mafia three years earlier which stated: "The nature of the Israeli economy is typified by its banking. Fully 90% of Israeli banking is controlled by merely three banks—Bank Hapoalim, the Israeli Discount Bank, and Bank Leumi. All three of these banks can be readily demonstrated to be controlled by British narcotics interests, such as Jardine Matheson, which publicly ran Britain's opium trade in the Far East for several centuries.

"An astounding 60 to 70% of Israeli official exports has historically been in arms and diamonds. Both items are an integral part of the international black economy and commonly used means of exchange for the narcotics trade."

At the same time, a series of prosecutions brought by U.S. Attorney in New York, Rudolph Giuliani, hit at other elements of this Western drug apparatus. Giuliani success-

fully prosecuted American businessman Victor Posner for tax evasion. Posner, long rumored to have been the replacement for Meyer Lansky in organized crime, was somewhat mysterious, having once been investigated by U.S. intelligence as having gotten his "seed money" from the KGB. In November, Giuliani nailed Ivan Boesky for insider trading, fining him \$100 million. Not only is Boesky the holder of the lion's share of Wall Street's "junk bond" trade—well known among money laundering insiders as a fertile ground for moving drug money, but he also plays a significant role in the Israeli arms trade, having arranged the financing for arms companies involving Jacob Nimrodi, the top Israeli mafia figure and intelligence agent who delivered arms to Iran, before, during, and since the deliveries involved in Irangate.

### **National security issue**

Despite the fact that agents of influence of the Soviet narcotics strategy continue to try to protect their assets like Don Regan, the drug plague became clearly defined as a "national security" problem.

At a press conference in Houston, Texas on June 7, Vice-President George Bush announced President Reagan had signed an April 8 National Security Decision Directive which said that "international drug trade is a national security concern."

The specifics of the Reagan directive were virtually identical to a proposal for a hemispheric war on drugs, issued by Lyndon H. LaRouche, Jr. at an *EIR*-sponsored press conference in Mexico City in March 1985, particularly in the demand that U.S. military technology and trained military personnel play an expanded role in the war against production of drugs. Reagan's directive also clearly defined the importance of "narco-terrorism," stating, "It is the policy of the U.S., working in cooperation with other nations, to halt the production and flow of illicit narcotics, reduce the ability of insurgent and terrorist groups to use drug trafficking to support their activities, and strengthen the ability of individual governments to confront and defeat this threat."

By July 18, the first news surfaced that implementation of the April 8 directive was under way in Bolivia, code-named, "Operation Blast Furnace," where a joint operation involving the Bolivian government, 160 U.S. Army troops, and 15 DEA agents providing technical services and six U.S. Army Black Hawk helicopters, launched a concerted attack on the high technology laboratories and warehouses of the cocaine mafia.

But even as the U.S. military was engaging in serious and effective military actions against drugs, government studies showed that the United States itself had become one of the largest producers of marijuana, and one of the largest refiners of coca paste. And with the liberal media and drug lobby screaming that a U.S. "Blast Furnace" would violate civil rights, drug consumption continues to be at the highest level ever in the United States.

## War on drugs: a bloody toll

by Valerie Rush

The year just concluded was perhaps the bloodiest in the history of Ibero-America's battle against Dope, Inc., but in many ways it was also the most hopeful. Several new nations on the continent entered the war alongside embattled Peru and Colombia, as the national security ramifications of the illegal drug trade finally dawned on them. Others at least began to sit up and take notice. Regional collaboration against the drug mafia—albeit on a still limited scale—was launched.

Dope, Inc., unfortunately, continues to have the upper hand, thanks to the unresolved debt crisis afflicting all the nations on the continent, crippling their security capabilities as surely as their potential for economic and social progress.

### The 'Condor' attacks

However, a look at the vanguard anti-drug successes of a nation as poverty-stricken as Peru, whose nationalist President Alan García has drawn the enmity of the international creditor community for his debt stance, makes clear how close the victory could be with a serious commitment of funds and technology to do the job right.

President García, like any good general, knows that one's tanks cannot turn back in mid-field. Thus, in 1986 he escalated the highly effective "Operation Condor" begun during the previous year. In the first three months of 1986, police conducted several anti-drug blitzes of the cocaine centers of the country, capturing over 28 tons of semi-processed cocaine paste, blowing up over a dozen laboratory complexes and 80 decanting pits, and destroying at least three clandestine airports.

In at least one of the Condor raids, the U.S. State Department paid for the gas used by the raiding helicopters, at \$500 an hour. Peruvian Vice-Minister of the Interior Agustín Mantilla suggested that U.S. national security could gain more from investing in Peru's anti-drug efforts than from financing the drug-running Contra mercenaries.

In August, under "Condor IV," the Peruvian government made history by deploying Air Force fighter bombers against traffickers' hideouts in the Amazon, and on Dec. 8, "Condor V" was launched. In the first 24 hours of assault, 730 kilos

of cocaine paste were seized. The raids continued throughout the month, and the results have yet to be tallied.

"Operation Blast Furnace," in which U.S. troops participated for the first time in a tri-national (Bolivia/U.S./Colombia) effort, gave testimony to the determination of the Bolivian government to call a halt to the years-long reign of the drug mob in that country. With the November withdrawal of U.S. soldiers from Bolivian territory, the Paz Estenssoro administration remained on the offensive, and most recently ordered the purging of corrupt elements within the police force as well as the creation of a new highly deployable anti-drug commando unit.

The Dominican Republic, which has long served as a compliant "bridge" for drug-smuggling between South America and the United States, has similarly cried "Enough!" On Dec. 13, the Dominican military did not hesitate to shoot down a suspicious aircraft which refused to heed its warnings to land. The airplane was sighted by recently installed radar equipment provided by the United States, and it turned out to be carrying \$6 million worth of cocaine. Dominican leaders are now asking the United States for more radar and sonar equipment.

It is in Colombia that the war against drugs has taken its most dramatic turn. As the fiercely anti-drug President Belisario Betancur entered his last six months in office, the drug mob in that country launched a blackmail campaign of vast dimensions. Building on the terror sown by the narco-terrorist assault on the Supreme Court in November of 1985, the traffickers escalated. Recalcitrant judges, independent journalists, patriotic soldiers, and honest politicians fell to mafia bullets.

When President Virgilio Barco was inaugurated in August, Dope, Inc. made its bid for power under the assumption that it could control the noncommittal administration. "Citizens above suspicion" were activated to pressure for legalization of drugs, and demanded a tax amnesty that would launder billions of drug dollars into the Colombian economy.

The Colombia-U.S. extradition treaty, a "sword of Damocles" over the heads of the cocaine kingpins, remained the key obstacle. And that's where the drug mob miscalculated, for when the mettle of President Barco was tested on the matter, they lost. A Supreme Court challenge to the extradition treaty resulted in Barco's reaffirmation of the treaty in December 1986. The orgy of revenge blood-letting that followed appears to have strengthened the resolve of the government and, as important, of the population to stand firm against the mob, and emergency powers have already been granted for prosecuting a serious anti-drug effort.

The world's citizens have reason to mourn the loss of such heroes as Col. Jaime Ramírez Gómez, who orchestrated the war against drugs in the Andean region, and the thousands of others who gave their lives in honorable battle with Dope, Inc. 1987 promises to be no less bloody, but through a genuine hemispheric commitment to win, victory can be had.

# Will Irangate block Gorbachov's march thru Ibero-America?

by Gretchen Small

Until the Iran-Contras affair broke open in November, 1986 was set to enter the history books as the year the United States handed over Central America, Mexico, and the Caribbean—its own southern flank—to the Soviet Union, all under the label of “fighting communism.”

The Soviet Union made unprecedented inroads into Spanish- and Portuguese-speaking America in 1986. It wove closer diplomatic and economic ties with the largest countries, even as Soviet-directed narco-terrorism spread throughout the continent. As the year closed, Soviet officials prepared for Communist Party Secretary Mikhail Gorbachov's trip to Ibero-America in early 1987, a trip they expect will establish the Soviet Union as a major player in Western Hemisphere affairs.

Irangate disrupted the sell-out of Central America, just short of disaster. Now, unraveling before the public eye is the international underworld through which Iranian mullahs, Israeli gun- and drug-runners, Vesco's dope money empire, and Henry Kissinger's mafia within the United States establishment, ran their dirty deals against nation-states around the globe. But the details of who-sold-what-to-whom through which secret Swiss bank account, merely provide the “pay-check” trail on what boils down to a simple policy of the United States bombing its friends, and financing its enemies.

What conclusion can history draw of the group of U.S. officials and advisers, who:

- promoted communist uprisings and civil war in two countries decisive for battling Soviet influence in the area, Panama and Mexico, and called that “democracy”?

- declared the military in Ibero-America the primary threat to democracy, and applied pressure to weaken these military institutions, even as these institutions tried to battle growing narco-terrorist insurgencies?

- armed a band of mercenaries, led by recruits from the Lansky-Vesco organized crime syndicate and advised by terrorists in U.S. pay, and told the American public these mercenaries, the Contras, could defeat the Nicaraguan Sandinista army?

From the perspective of our southern neighbors, the United States had gone insane. Church and government leaders warned that the Contras, while no military threat to the Nicaraguan army, provide the Sandinistas with an excuse to tighten their dictatorship. “It is urgent and essential that the

Nicaraguan people, free of foreign interference or ideologies, find a way out of the situation of conflict that our country is experiencing,” Nicaragua's Cardinal Miguel Obando y Bravo wrote in a May 12 column in the *Washington Post*. He decried that the “East-West conflict has made of our country a disposable card, a pawn in the game between the superpowers.”

## Nation-builders lose out

As 1986 opened, a military grouping within the Reagan administration had proposed an alternative to the Contras strategy. At a January “Conference on Low Intensity Warfare,” held at the National War College at Fort McNair, Defense Secretary Caspar Weinberger and Gen. John Galvin, commander of the U.S. Southern Command, argued that to defeat the Soviets' irregular warfare, the United States must return to the military principles upon which it was founded.

“We must assist in the business of building and, by doing so, of providing the nation's people with a stake in their future,” Weinberger urged. U.S. diplomacy, economic leverage, technology, and military capabilities must be unified behind such a “nation-building” strategy, he argued. The military can and should participate in “civic action” projects, such as “construction and restoration of infrastructure, the assisting of others in the improvement of their own lives . . . by restoring land, building roads, digging wells, or helping to provide medical and educational services,” Weinberger said.

“Absent such a strategy, the use of military assets alone will be reckless, wasteful, and unfair,” the defense secretary warned. He noted, too, that the United States cannot win the war by adopting the enemy's tactics. “To pursue terrorism we cannot commit acts of revenge that may kill innocent people who had nothing to do with the terrorism,” he said. The warning was ignored by those who hired Cuban exile Luis Posada Carriles to direct the Contras—the man accused of masterminding the bombing of a Cubana Airlines plane in 1976, which killed all 73 aboard.

## Mercenaries over militaries

The advocates of the Contra strategy admit their goal is to keep the United States from adopting a winning nation-building strategy. Assistant Secretary of State Elliot Abrams

has argued repeatedly that Nicaragua cannot be contained "through a combination of economic, political, and military support for its neighbors, and a diplomatic and economic quarantine of Nicaragua itself," the *Baltimore Sun* reported on Dec. 5.

Syndicated columnist Cord Meyer used the same formulation to defend the Contra strategy, in a Dec. 18 column in the *Washington Times*. Congress must be convinced, he argued, that no alternative to aiding the Contras exists: "A policy of containment [of Nicaragua] which . . . relies on building up the strengths of Honduras, Costa Rica, El Salvador, and Guatemala is almost certainly doomed."

Cord Meyer, who headed the World Federalist Association for years, is one of a nest of communist sympathizers within the CIA which Allen Dulles protected, centered around the narcotics-linked American Institute for Free Labor Development. The fact that Cord Meyer boosts the Contras shows whose interests the policy really serves.

The same people arguing for the arming of new irregular forces in Central America as the answer to the Sandinista threat, led the campaign to weaken, or destroy, the military institutions of Ibero-America. "Enlargement of military forces to protect democratic institutions can threaten those very institutions, when the military dwarfs civilian institutions and assumes some of their functions," Abrams charged in a June 13 speech to the Inter-American Defense College.

Abrams' attack on the military took up a policy outlined in April by the liberal Trilateral Commission crowd. The 1986 *Report of the Inter-American Dialogue*, produced by 60 U.S. and Ibero-American policymakers including such Trilateral luminaries as McGeorge Bundy, Robert McNamara, Cyrus Vance, and Elliot Richardson, called for 1) legalizing narcotics; 2) formalizing the Soviet Union's right to a voice in Western Hemisphere affairs; 3) building a "democratic network" with sufficient power to counter "communists and the military," which are put on equal footing. The report announced that the Dialogue would soon create a task force, which would draw up strategies to reduce military participation in "civilian" matters.

### **Panama and Mexico on the hit list**

Panama's Defense Forces took the brunt of the anti-military campaign. Under the direction of the Don Regan-Poin-dexter gang, with back-up by the "bankers' CIA," the United States demanded that the Defense Forces be dismantled, and their commander, Gen. Manuel Noriega, be purged, and perhaps eliminated physically. Noriega won the Establishment's enmity as the most outspoken proponent within the Central American military establishment of the "nation-building" military doctrine.

Sen. Jesse Helms (R-N.C.) took the lead in the campaign, calling hearings of the Western Hemisphere Subcommittee; at which administration officials could testify. Were these officials blind to the dangers of disrupting Panama's military?

"Despite the Panama Canal's importance to the United States as a strategic and commercial gateway between the two oceans, relations with Panama will not return to normal until internal changes take place," officials told the *Washington Times* in February.

On Feb. 28, *EIR* founder Lyndon H. LaRouche, Jr. attempted to bring Washington to its senses. "Why does Helms think Nazis will democratize Panama?" LaRouche asked in an open letter to Helms, published in *EIR*. LaRouche named the agencies controlling the "Get Panama" campaign: Ariel Sharon's networks, the Bolshevik "Trust" networks for which Helms aide Jon Speller works, the Cuban exile terrorist network built up by the old Lansky machine—the networks today caught in the Iran-Contras scandal.

In June, *EIR* issued a *White Paper on the Panama Crisis: Who's Out to Destabilize the U.S. Ally, and Why*. "If allowed to continue, the destabilization campaign of Helms and the Liberals, will hand the Panama Canal over to Soviet-directed narco-terrorists—without the Soviets having to spend the cost of a bullet," the *White Paper* warned. "The principal figures in the 'democratic opposition' movement which Helms and the State Department are attempting to bring to power, are neither 'honest' nor democratic, but rather frontmen working for the drug mafia." *EIR*'s book, also issued in Spanish, circulated throughout U.S. and Ibero-American policymaking circles.

Soviet-linked assets within the U.S. intelligence establishment panicked, claiming a "Noriega-LaRouche axis" had been formed. Expressing their fear, columnist Georgie Anne Geyer warned on June 19 that unless LaRouche and Noriega are eliminated, decades of Establishment control over Caribbean policy might be wiped out.

Coordinated step by step with the war on Panama was a "get Mexico" campaign. Here, too, Senator Helms took the lead. Denouncing "corruption and the power structure of Mexico," Helms called Mexico "a grave security risk to the U.S." In May, Senate Western Hemisphere subcommittee hearings into Mexico began. Again, high-level government witnesses testified. U.S. Customs Commissioner William Von Raab charged that "corruption is so pervasive, that one has to assume every Mexican official is corrupt unless proven otherwise," but announced that the United States could not provide proof of its charges, until he received a "list of non-corrupt Mexican officials."

The sheer cynicism of the campaign, carried out in the name of "fighting drugs," came close to destroying more than a decade of close anti-narcotics cooperation between Mexico and the United States. Who were these officials promoting as "honest democrats" in Mexico? Such friends of Donald Regan as Manuel Clouthier, ex-candidate of the National Action Party for governor of Sinaloa, who brags that the PAN and the communists have begun "the final stage of emancipation" of Mexico, and in whose warehouse police found several tons of marijuana in 1973.

# Britain's 'Palacegate' brawl brings challenge to liberal 1960s values

by Mark Burdman

The most profound political intervention made in Great Britain in the end-of-year political season, was a declaration by the number two of the Church of England, Bishop of London Dr. Graham Leonard, criticizing the Church of England itself and other leading influentials in Britain, for having been "mesmerized" by 1960s-style "permissiveness" and for having tolerated the moral degradation of the United Kingdom.

Dr. Leonard's statement, run full-page in the *Daily Mail* Dec. 13 under the title, "AIDS, Promiscuity, and Moral Cowardice," summed up the real issue in the U.K. in 1986, a year in which Britain underwent its deepest constitutional, moral, and cultural crises in four decades.

Dr. Leonard, a co-thinker of British conservative circles close to Prime Minister Margaret Thatcher, has been a factional foe, on numerous issues, of Robert Runcie, Archbishop of Canterbury, an ultra-liberal favorite of Queen Elizabeth II and the "brain-trust" at Buckingham Palace. So, when Dr. Leonard wrote, "The Church of England has let the people down," and, "We were mesmerized by the Sixties, church and people alike, and we are now reaping the fruit of the extreme permissiveness of the Sixties when people thought you did what you like and somebody else would pick up the consequences," many Britons must have seen the political fights of the past year portrayed in sharp relief.

Dr. Leonard wrote, "AIDS will also, I believe, bring the Church of England to its senses. . . . At least we can use it as a focal point for good, although at great human sacrifice. . . . There is a fundamental distinction between good and evil, between right and wrong." The message seemed to be that 1987 should be the year, in which the values of the "Permissive Society," introduced by the Harold Wilson-Roy Jenkins regime of 1964-70, will be rolled back.

Since the Wilson-Jenkins Permissive Society regime was patronized by the Queen and the palace brain trust, the other message is that 1987 will likely be the year in which the policy fights involving palace, parliament, and prime minister, will come to a head.

The year 1986 often made Britons think of 1936. It was in that year that King Edward VIII abdicated, the last British

monarch to do so.

In 1986, a war broke out between 10 Downing Street and the palace. It had been simmering for some time, if only because of the regular "New Age" pronouncements from the heir to the throne, Prince Charles, on such matters as the plight of Britain's inner cities, the state of the economy, and so on. It reached a higher level of tension when Mrs. Thatcher brought Britain into cooperation with the United States during the American military operation against Libya in April.

Then, in mid-July, it exploded.

The *Sunday Times* of London leaked unusually frank comments made by Buckingham Palace Press Secretary Sir Michael Shea, expressing Her Majesty's disfavor with Mrs. Thatcher on a number of issues, ranging from southern Africa, Libya, and attitudes on "arms control" and relations with the Soviet Union, to matters pertaining to the plight of the unemployed and Britain's miners' strike. Her Majesty, Sir Michael pointed out, was sympathetic to views of the political left.

The palace next deployed its assets in the Commonwealth, during Commonwealth "mini-summit" meetings in London in August, to confront Mrs. Thatcher over her refusal to implement sanctions against South Africa.

## ***EIR's* role in the fight**

Soon, *EIR* became a protagonist in the saga. *EIR* founder Lyndon LaRouche wrote in a July 25 article, "Is Queen Elizabeth II Sinking?" that the Queen's reported statements criticizing Mrs. Thatcher on various issues, "are only the tip of the iceberg." LaRouche pinpointed a "growing resentment" within the British Establishment "against the Royal Household's increasingly pro-socialist, and pro-Soviet connections and leanings, as visible increasingly since the Harold Wilson government of the 1960s. . . . Since the Wilson government of the 1960s, the monarchy's circles have played a leading role in promoting accommodations to Moscow which seem to many insiders as a replay of Neville Chamberlain's appeasement of Hitler." British Establishment influentials were particularly aghast, he noted, about the pros-

pect of the pro-Soviet Prince Charles assuming the throne at some point in the future.

More fundamental yet, LaRouche stressed, is that these appeasement arrangements were being mediated through "the radical, pro-Soviet changes in the doctrine of the Anglican Church, as introduced under the prominent sponsorship of Archbishop Runcie." These changes violated the Act of Settlement of 1701, which binds the Windsor monarchs, as Sovereigns of the Church of England, to uphold the articles of Anglican Christianity. As long as the Queen's man, Runcie, carries out such changes, the very legitimacy of the House of Windsor would have to be challenged.

Indeed, the "LaRouche factor" in Britain became more and more controversial. The British Broadcasting Corporation, in a July television feature, highlighted LaRouche as an American figure of controversy, particularly on AIDS. Between Nov. 4 and 10, LaRouche was the subject of significant features in the Fabian Society's *New Statesman*, the *Times* of London, and the *Daily Express*, the first two quasi-objective and the latter violently hysterical and hostile.

### Royal AIDS

To paraphrase Dr. Leonard, it was the issue of AIDS that began, especially in the last quarter of the year, to "bring people to their senses." It has forced a re-thinking of the predominant cultural paradigms which have ruled Britain.

In a Dec. 11 statement, James Anderton, chief constable of Greater Manchester and president of the Association of British Police Chiefs, a former Methodist lay preacher who has been in the process of converting to Roman Catholicism, declared to an AIDS seminar for British police officers that the chief factor in the spread of AIDS was moral degeneracy among people "swirling around in a human cesspit of their own making," "obnoxious sexual practices," and "our increasingly degenerate conduct as a human race." Within 48 hours of his statement, Anderton's office in Manchester had received more than 1,000 calls, close to 100% of them expressing total agreement.

The causal connection between moral degradation and the AIDS calamity cannot help but draw attention to the strange occurrences around Buckingham Palace. The Oct. 4 death from AIDS of Prince Charles' valet, Stephen Barry, several months after the death from AIDS of palace aide Lord Avon, drew ironic comments from Fleet Street about the rampant homosexuality inside the palace.

This intersected another line of investigation: the circle of friends of Princess Margaret. In September, British tabloids began to reveal details of past cocaine parties at her Kensington Palace, which occurred while her sister, the Queen, was present. Other attention was drawn to Margaret's old flame, the Duke of Marlborough, whose son, the Marquis of Blandford, was tried during 1986 for his involvement in a cocaine-trafficking ring, and who was revealed, in the course of the court proceedings, to have spent vast sums on his own cocaine habit.

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## Southern Africa

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# Fight for economic independence begins

by Thierry Lalevée

The riots which began in northern Zambia on Dec. 11 received far less international coverage than those which have happened over the year in South Africa. However, both have the same roots—the collapsing economies of the region and the drive of the International Monetary Fund (IMF) to impose total dictatorship over a weakened continent.

Zambia, like Zaire, has been following the IMF prescriptions. When President Kaunda decided on Dec. 11 to increase the price of basic commodities by 200%, the core of Zambia's industrial center, the miners, went on a general revolt. After several days of rioting, the arrest of hundreds of miners, and the death of many, Kaunda was forced to back down and withdraw the measure. An editorial of the *Financial Times*, entitled "Warning Signals from Africa," admitted he had no choice: The African countries could not be expected to implement the full measures advocated by the IMF, "unless additional resources are being provided."

As Kaunda knows, the riots have put into question much more than his embarrassed relationship with the IMF. They are questioning the development strategy of the entire region, especially the front-line states. Most are accepting IMF demands as they believe that such behavior will reinforce their calls to Western nations to impose a full economic boycott on South Africa. Most have publicly announced such a break. Zambia's riots were the result. Are they ready to sacrifice their population for such chimeras?

The only display of seriousness and sanity which should serve as a model to these countries, has been advanced by Zaire's President Mobutu whose country was branded, only a few weeks ago, as the model of what an African country could become by implementing IMF measures. In a major speech in front of the central committee of the ruling party on Oct. 30, President Mobutu made no bones on what he thought this had done to the country: utter destruction. "A country cannot sacrifice everything just to pay its external debts," he warned. "We will not alienate our sovereignty and independence." Following the example of Peru, he then announced that Zaire from now on would restrict its debt repayment to 10% of the value of its exports.

Again, an embarrassed international silence followed

Mobutu's announcement. Given Zaire's crucial political role in central and southern Africa, it could not simply be boycotted; negotiations had to take place. Nonetheless, Zaire is now showing the way in Africa. Which other countries will follow?

It is a safe guess that such issues will come to the fore in South Africa itself by 1987. They have been already at the root of the policies advocated by the only sizable and reasonable movement of opposition to apartheid led by Kwazulu Chief Minister Buthelezi of the Inkatha movement. Doing away with the cheap and criminal demagoguery of those who are advocating the destruction of the country and of its population through full economic sanctions, Buthelezi recently toured the United States to campaign against them. "Sanctions are being imposed at a terrible cost to the victims of Apartheid themselves," he told an assembly at Boston University on Nov. 17.

In fact, the process of the whole year made clear that economic sanctions as advocated by the Soviet Union, its client states and gullible Western forces, has a double aim: to strengthen the apartheid system by throwing hundreds of thousands of primarily black workers into total misery, which will increase the potential for a radical blow-out in the entire region. Moscow has no other goals, and knows that as Mozambique, Zimbabwe, Zambia, and other countries are manipulated into cutting their own throats, the region will slide into its orbit.

In that regard, the Soviet Union did score a few successes in Europe and through the American Congress, and with a few radicals of the Jesse Jackson kind who are more concerned about the 1988 elections than Africa's actual plight. It succeeded, too, in creating a climate of legitimacy for the Soviet-run African National Congress. Thanks to the extreme right wing in South Africa which opposed President P.W. Botha's reform programs, Moscow scored a point there, too.

However, Buthelezi's trip to the United States in the fall, and his experimental attempt to impose a non-apartheid solution in the Kwazululand territory indicate the trend for the next year. The 1.3 million members of Inkatha are now fully mobilized for their rights as they see them. Unless Botha goes a step further in his proposed constitutional reform, he may just become a spectator as the main battles will be between Inkatha and the ANC. This will determine what Buthelezi termed the "plight of the responsible black leaders in South Africa. It is insufficiently realized that there is a life and death struggle taking place which is, bluntly put, a power struggle. . . . The ANC arrogates to itself the right to plan the struggle, to conduct the struggle, etc. It is hungry for power. For the ANC, the primary means of liberation must be violence . . . necklacing, butchering by mobs, hand grenades thrown into black houses. I have now told my people that enough is enough. I have now said that we are prepared to die for what we believe. . . . I reiterate again that it requires a very powerful force to moderate the kind of violence which is spiraling upward in South Africa. . . ."

## The end of an era: the fall of Marcos

by Paul Goldstein

Of all the strategic developments in Asia in 1986, none are comparable to the transformation of the Philippines and none has such potentially disastrous consequences for the United States and its allies in the Pacific. As an eyewitness to the fall of Marcos, I can report that the "democratic rise" of Corazon Aquino, the U.S. news media's characterization, belies the actual story of who put Aquino into power, and how.

Since the February coup, the insurgency led by the New People's Army has consolidated its grip on 20% of the country and improved its position in the key urban areas. The economy is deteriorating rapidly. Unemployment is at a record 60-70%, while the "corruption rate," bad under Marcos, is now worse. In economic policy, Aquino and her controllers are leading the Philippines into the status of an International Monetary Fund "colony."

Marcos was overthrown because of economic policy and the Philippines' geostrategic position. The news media and the Congress, along with a variety of U.S. think tanks, perpetrated the myth that the "victory of Cory Aquino" was a victory for democracy. But "People's Power," the slogan of the "liberation theology" Catholic Church under Cardinal Jaime Sin, was mere political cover for a naked military coup directed by the U.S. State Department. While Defense Minister Juan Ponce Enrile and sometimes chief-of-staff Fidel Ramos had complex motives, they were mere participants in a U.S. operation.

Filipino nationalists could only recall how the brutal Spanish colonialists and their priesthood kept Filipinos in a state of subservience.

### The basis for the February coup

Historically, the Philippines were the model of the U.S. commitment to development of backward peoples. U.S. rule over the Philippines sought to demonstrate to the world that it were not only possible to raise a backward people to sovereign status, but also a moral necessity. This had been General Douglas MacArthur's commitment and an outlook shared by President Franklin Roosevelt.

The postwar U.S. shift away from MacArthur's outlook toward support of neo-colonialism, especially during the period of the Vietnam War, placed the now-sovereign Philippines in a difficult position. The Philippines came to reflect the best and the worst of American political culture. On the

one hand, the Philippines became an extension of U.S. military operations in Southeast Asia. On the other, as Marcos emerged as the strongman, he built up his political machine as a Chicago-style patronage system that partially broke up the "oligarchic land system" that had dominated the Philippines for several hundred years. However, he did not succeed in eliminating the financial and political underpinnings of the oligarchic system, but was forced into a compromise that portended his demise.

The families, Lopez, Aquino, Laurel, Cojuangco, and others, were not only opposed to Marcos, but were aligned with the international financial networks that controlled the Philippines' insurance and banking companies. These families, many of whom were Japanese collaborators during World War II (including the Aquinos), are backers of Sin's "Theology of Liberation," and in some cases, actively supported the New People's Army. Mrs. Aquino's husband, Benigno, killed in 1983, utilized his brother "Butz" as a liaison to the NPA. The families' conceived of the NPA as the Church did—a needed armed force against Marcos's military. Through this relationship, for example, the present "cease-fire" was arranged.

The central foreign financial interest in the Philippines was the C.V. Starr group, dominating the insurance and banking groups. Today's successor to C.V. Starr is Maurice [Hank] Greenberg's American International Group and related companies. His influence over U.S. policy toward the Philippines is augmented by a personal friendship with CIA director William Casey.

Despite such interests, Marcos's attempts to industrialize and develop the Philippines led to a certain amount of improvement in the real economy during the 1970s. However, by 1979-80, when the Carter administration's Paul Volcker pushed interest rates up to 20%, Marcos made a fatal mistake. Instead of shifting toward a South Korean industrialization model, he stupidly clung to the austerity prescription handed to him by the IMF and commercial bank controllers of Prime Minister Cesar Virata and Central Bank governor José B. Fernandez. By the time of the coup, unemployment and underemployment stood at 50%.

### **Weapon: the media**

In Washington, a decision had been taken for a coup by mid-1985. There followed a barrage of psychological warfare unprecedented in scope, creating a climate in Washington in which stupid and opportunistic politicians in the Congress fell into line with those complicit in the plot, calling for Marcos's "democratic" ouster. On the scenes in the Philippines, I saw something almost unimaginable to the average citizen: The media became the single most important instrument of the banker's coup.

Marcos seemed to hold his own, until the interview he gave to ABC's Ted Koppel. He announced a "snap election." Enormous pressure had been placed on him by President

Reagan and his personal envoy, Sen. Paul Laxalt, who informed him that no U.S. aid would be forthcoming unless he permitted elections. It was December 1985, when the opposition was essentially demoralized. Had Marcos not gone ahead with the elections, he could have survived.

However, Marcos knew that he would win the election—and he believed that he still had a deal with his friend, President Reagan. He called the election. The U.S. news media responded with a wild wave of lying that vote-fraud would be used to return Marcos to power. Rep. Stephen Solarz and others set in motion an "anti-vote-fraud" campaign inside the Philippines led by Cardinal Sin. With this in full-swing, the military faction aligned with Enrile and Ramos, around the Reform Officers group called the RAM, with backing from nearly all factions of the U.S. intelligence and military community, saw the critical opportunity for a coup. All the elements had been in place since July 1985.

The elections were held, Marcos won (in fact), the U.S. press and the opposition said that Aquino won, and a "democratic" coup was set in motion. But Marcos and chief of staff Fabian Ver had unearthed the operation and were prepared to suppress it. However, from inside Malacanang Palace, news of the planned suppression reached Enrile and then Ramos, who, with U.S. assistance, moved the coup forces into Camp Anguinaldo.

When the small group of officers around Enrile and Ramos made this move, Cardinal Sin mobilized the population in and around Manila to back them. Through Radio Veritas—financially supported by the U.S. government, as State Department official Michael Armacost admitted—marching orders to the Church legions and the population were issued. Then, President Reagan withdrew support. The rest is history.

### **A new Nicaragua**

At the time, *EIR* founder Lyndon H. LaRouche, Jr., issued an analysis which labeled the Philippines a "new Nicaragua." Unless certain U.S. and Filipino forces were to move against "Bankers' CIA" and IMF policy, Aquino could be only a transition into chaos. The NPA and Jesuit-controlled forces in the army would win. Subic Bay and Clark Field would be lost, effecting U.S. "controlled disengagement" from the Pacific Rim.

Nearly a year later, that has proven accurate. The cease-fire has allowed the NPA to further its urban infiltration—3,000 NPA cadre now operate in Manila's slums, recruiting for the next phase of civil war.

Although U.S. intervention removed Defense Minister Enrile, to prevent a coup against Mrs. Aquino, the military stays restless. The economic situation continues to deteriorate. Perhaps the new defense minister, Rafael Iletto, and nationalist civilian elements could unite around a "Peruvian solution" to the foreign debt, forming a new coalition for development. Otherwise, a new Nicaragua is inevitable.



# Asia fights the policy of 'constructive disengagement'

by Linda de Hoyos

In January of 1985, Henry Kissinger traveled to Bangkok, Thailand, to meet with official and private leaders of Thai policy making. One of his main purposes, as related by a leading technocrat of the Thai National Economic and Social Development Board, was to assure that the great project for a Kra Canal in southern Thailand—a project revived by the *EIR* and the Fusion Energy Foundation in 1983—would be put “back in the graveyard.” Kissinger did not succeed. In the intervening two years, despite devaluations of the Thai currency imposed by Kissinger’s Wharton Schooled friends in government and despite attempted coups and destabilizations, a growing consensus is emerging in Thailand for the construction of the Kra Canal.

As Thailand’s leading daily, the *Bangkok Post*, stated in an editorial on Dec. 18, 1986 entitled “The Kra Canal: More than a Good Idea”: “Interest in building a major waterway connecting the Andaman Sea and the Gulf of Thailand on the narrow strip of the Kra Isthmus was revived last week. It gained added impetus when [Army Chief of Staff] General Chaovalit voiced his support for it. . . . The reality is that the waterway would definitely benefit Thailand and if properly managed would also be of great use to Malaysia and Singapore. . . . Where prosperity reigns, experience has proven it would automatically solve any social problems that might exist. Indeed, the Kra Canal would firmly establish Thailand on the world map. Like the Suez and Panama waterways, ours would have at least as much economic and political significance, and possibly more. With the era of the Pacific just around the corner, a bold and far-reaching decision must be taken.”

The *Bangkok Post* endorsement of the Kra Canal Project reflects the consensus emerging from the government of Prime Minister Prem Tinsulanond, Thailand’s financial community, and the military. Thailand, surveying the combined economic, military, and social pressures on the Southeast Asian nations, has determined, as Gen. Saiyud Kerdpol (ret.) stated in a Thai television interview Dec. 17: “If we are prosperous economically, that is our national security.”

This has been the secret of the strength of the countries

of the Association of Southeast Asian Nations (ASEAN), and the construction of the Kra Canal was first proposed as a major feature of the U.S.-sponsored SEATO (Southeast Asian Treaty Organization) in the 1950s. But with this exception, throughout Asia, this fundamental principle has been repudiated in American foreign policy, with disastrous results.

## Case in point: the Philippines

In 1986, the deterioration of this sister republic of the United States represents the future not only of the ASEAN countries, but of all of Asia, if the basic principle stated by General Kerdpol is not revived and acted upon with boldness and determination. In February, the United States directed a military coup against its longstanding friend and ally, President Ferdinand Marcos. *EIR* had exposed the coup in August of 1985, thereby delaying the process. But by February, two and a half weeks after hastily called national elections, Marcos was overthrown by a combination of a U.S.-directed coup led by Army Chief of Staff Fidel Ramos and Defense Minister Juan Ponce Enrile, and Aquino’s controller, the Theology of Liberation Ayatollah, Cardinal Jaime Sin. According to the hacks at the State Department, the removal of the corrupt Marcos regime would mollify the 16,000-strong communist insurgent New People’s Army and “the rebels would come down from the hills.” The last nine months have proven this to be a delusion, as *EIR* alone among the U.S. press warned.

As implied by General Saiyud’s statement of the necessity for development as the key to national security, the primary cause for the insurgency has been the deteriorating Philippine economy. The United States, in the Philippines as in the rest of the underdeveloped sector, backed up International Monetary Fund conditionalities. In the 1970s and early 1980s, the Philippines qualified as a Newly Industrialized Country (NIC in World Bank parlance). From 1984-86, under IMF conditions, the Philippines fell backwards into negative growth rates and the economy collapsed to levels not seen since 1946, after four years of Japanese occupation. Throughout the provinces and in the barrios of Manila, malnutrition among children is as high as 70%.

Ferdinand Marcos fell because he rejected the warnings of American statesman Lyndon LaRouche, that repudiation of the IMF and embarking upon an emergency national economic development program was the only possible way his government and his nation might survive. Despite his own admonishments that his downfall would lead to disintegration and the NPA takeover of his country, until the last moments of his tenure at Malacanang Palace, Marcos clung to the illusion that President Ronald Reagan would not let his government fall.

No matter what the public statements coming from neighboring Asian governments, the U.S. conduct toward the Philippines in 1986 is viewed as one of the most blatant displays of interference in the internal political affairs of a friendly nation. Washington publicly warned Marcos on Feb. 22 that if he attempted to defend himself and his government against the military coup then in progress, the United States would cut all military aid to Manila. This was but the public manifestation of U.S. diplomatic manhandling of the crisis in the Philippines. From Washington, the crisis was managed by the "208 Committee," including State Department Asian hands Undersecretary of State Michael Armacost and Research and Policy Planning Chief Morton Abramowitz, whose antics in Bangkok had brought down another friend of the United States in 1980, Gen. Kriangsak Chamonan.

The replacement of Ferdinand Marcos with Corazon Aquino, the first lady of the Spanish and Chinese-originated oligarchical families that were at war with Marcos for over a decade, has ushered anti-American, pro-NPA elements right into Malacanang Palace, in an untenable alliance with the Philippine Armed Forces. The economic-financial establishment, however, remains exactly the same as it was under Marcos. IMF-imposed José Fernandez was immediately reappointed Aquino's central bank chief, to serve with new Finance Minister Jaime Ongpin of Benguet Mining. Both are linked to Dope, Inc.'s Maurice Greenberg and Phil-Am Life. While Aquino rests her case on the "power of the people" and "democracy," the economic destruction of the population continues, as if no change had ever occurred at Malacanang. The tenure of Ongpin and Fernandez, as the *Wall Street Journal* indicated in an editorial Dec. 12, is the guarantee of Washington's continued support for Aquino.

This full support continues, despite the fact that the NPA's escalating military strength has revealed the reality of the Aquino regime—a transitory phase in the Philippines' takeover by the NPA and its disintegration into ethnically defined fiefdoms at war with each other.

Washington quashed the effort of Defense Minister Enrile (now replaced by Gen. Rafael Iletto) to take power and permit the armed forces to bring the country under control. Enrile was deemed too prone to independence. As Marcos was before him, Enrile was informed by U.S. Ambassador Stephen Bosworth, a Kissinger protégé, that if he attempted a coup against Aquino, he would find himself and the Phil-

ippines "cut loose" from the United States. Special Envoy Philip Habib, who had conducted Reagan's "fact-finding mission" in February, secretly arrived in Manila Dec. 12 to underscore the point.

As Ray Cline, of the CIA and the Georgetown Center for Strategic and International Studies who was also in Manila in early December, defined it, the U.S. policy toward its allies in Asia is "*constructive disengagement*."

The U.S. orchestrated removal of Marcos, the campaigns to similarly destabilize the Chun Doo Hwan government in the Republic of Korea and the Suharto government in Indonesia (where "208 Committee"'s Paul Wolfowitz is now installed as U.S. ambassador) are part of the final realization of the Kissinger Guam Doctrine of 1969 for the strategic retreat of the United States from the Pacific Basin.

In its campaign to overthrow Marcos, the State Department was able to gain the consensus of the intelligence community, including the Pentagon. Although Defense Secretary Caspar Weinberger has stated his unequivocal defense commitment to U.S. allies in Asia—from Pakistan to Japan—the policy of disengagement for the purposes of the New Yalta deal with the Soviet Union, continues to be policy at the State Department and its allies in the "invisible government." This is the underlying policy commitment behind the demands in all the U.S. press—whether liberal or "conservative"—that the United States should prepare to remove its strategic military bases from the Philippines if that's what it would take to force Marcos out. The myth was perpetrated in the pages of the press that U.S. defense needs for the region could be easily serviced from some other location, perhaps Palau or Guam or Hawaii. The fact that this would cede the strategic waterway of the South China Sea to the Soviet Pacific Fleet now positioned at Cam Ranh Bay in Vietnam was not discussed. From the standpoint of the strategic positioning of the United States and its allies, the policy of "constructive disengagement" is a disaster.

For the victim-ally, as the case of the Philippines proves, the policy of "constructive disengagement" continues to be a contradiction in terms.

### **The Vladivostok doctrine**

Against this backdrop of the United States' demonstrated lack of commitment to its allies with the "February Revolution" in Manila, enter Soviet General Secretary Mikhail Gorbachov. Gorbachov chose Vladivostok in Siberia to deliver his first answer to President Reagan's July reaffirmation of his administration's commitment to the Strategic Defense Initiative.

Gorbachov, taking off from the 27th Congress of the Soviet party in February, expanded on the theme that Russia is an "Asian power." Gorbachov's speech would become known as the "Vladivostok doctrine." First and foremost, the Soviet party chief announced the Kremlin's commitment to a Sino-Soviet rapprochement, although his blandishments on

overcoming the "three obstacles" to full ties defined by the People's Republic of China—removal of Soviet troops from Afghanistan, removal of Soviet troops and missiles from the Sino-Soviet border, and removal of Vietnamese troops from Kampuchea—have so far come to naught.

But the Sino-Soviet rapprochement, Gorbachov indicated, is to be but one piece of an overall "Asian Collective Security" arrangement, that would involve the U.S.S.R., the P.R.C., and the United States in a grand design to maintain top-down imperial control over the smaller nations of this vast continent. The cover for this operation is the creation of "nuclear-free zones"—including on the Korean peninsula—and other "confidence-building measures." Diplomatically, the Soviets have met with little success, with the exception of the South Pacific, where the Social Democratic governments of Australia and New Zealand have done the Soviets' work for them.

In India, Gorbachov received the equivalent of stern rebukes from the Indian press for the Soviet presence in Afghanistan—an unprecedented occurrence in Indo-Soviet relations. Unimpressed with Gorbachov diplomacy, Indian Prime Minister Rajiv Gandhi reaffirmed India's commitment to non-alignment, and rejected the offers of a leading role in organizing the "Asian Collective Security Pact." Although the Indian government sees eye to eye with the Soviet Union on its opposition to the Strategic Defense Initiative, Mr. Gandhi made clear, on bilateral issues, there is growing discontent in New Delhi.

The Soviet presence in Afghanistan is creating a serious problem in Pakistan, and hence a serious problem for India. Privately, leading Indian officials will concur that despite their own problems with the government of Pakistani President Zia ul-Haq, particularly over Pakistan's aid to Sikh terrorists in Indian Punjab, the territorial integrity of Pakistan is seen as India's own front line of defense against the encroaching Russian empire. Soviet efforts to force the disintegration of Pakistan, with Soviet-sponsored separatist insurgencies in Baluchistan, Sind, and the Northwest Frontier Province, are not viewed with favor in New Delhi.

In Thailand, as in other Asean countries, the Soviets have attempted to take advantage of the vacuum created by U.S. unreliability. Increased trade has been one form of bait. While the United States has put a brake on agricultural and industrial imports from Thailand, the Soviets have offered to buy Thai rice and other products and also held their first major Soviet trade exhibition in Bangkok this November. Moscow is also attempting to make itself the key arbiter in the Indochina conflict, placing pressure on Vietnam to come to terms with China over the future of Kampuchea.

However, the Thais, as in Malaysia and Indonesia, are not fooled by Soviet overtures. Support and aid for the domestic communist parties, it is known, continue to come from Moscow. More dangerous, under Moscow's direction, the communist parties in the region are carrying out a "dual

strategy" as put forward by Philippines Communist Party founder Jose Ma Sison, who was released in February from eight years' imprisonment by the Aquino government. In the Philippines, armed struggle is to be carried out in parallel with communist penetration of the existing political structures. In the Philippines, the ceasefire negotiated with the NPA has given the insurgency, which is active in two-thirds of the country's provinces and controls one-fourth of the country, a new-found respectability. The participation in the NPA and allied fronts in the upcoming February referendum for the draft constitution could be a crucial factor in the outcome of the vote.

In Thailand, General Chaovalit warned in November that the communists, who have emerged from jungle-fighting under a government amnesty program, have concentrated on penetrating the political parties. Up to 23 former members of the Communist Party of Thailand are now in Parliament, he warned. The former CPT members concentrate on organizing labor and anti-industrial upsurges. In July, the CPT, in combination with environmentalists with ties to the World Wildlife Fund, organized riots that resulted in the total destruction of a tantalum production plant on the island of Phuket.

The Soviet perspective is a Sino-Soviet condominium over the Asian continent, with subsidiary control exerted by partners from the West. Therefore, from Pakistan through India, through Southeast Asia, and into South Korea, insurgent networks enjoy protection and aid from all three sources, in the battle against the integrity of the targeted country and government.

The poles of opposition to the scenarios of destruction for the Asian rim countries are:

**India.** Prime Minister Rajiv Gandhi has invited Peruvian President Alan García to be the guest of honor for Republic Day on Jan. 26, in a reaffirmation of India's role in the fight for the sovereignty and rights of all nations against the International Monetary Fund;

**Thailand.** Faced with a deepening economic crisis, the leaders of Thailand, the only country of Asia that managed to avoid colonialization in the 19th century aside from Japan, are turning to the Kra Canal project as the pathway into full industrialization;

**Japan.** In the last year, Japan's leaders have concentrated on acquiring the financial and economic leverage to force through policies of development as the alternative to deflationary global economic collapse. The underlying policy is straightforward: Japan and the advanced sector countries can only save their own economies by developing and industrializing the economies of the underdeveloped sector, as Japanese support for the construction of the Kra Canal and a second Panama Canal indicates.

It is from these locations that actions on behalf of national political and economic sovereignty have been taken, by which the strategic disaster portended by the deterioration of the Philippines might be averted.

## The Iran-Contra affair: end of the Kissinger system

by Webster G. Tarpley

In order to gain immortality, the great hero of the ancient world Hercules was called upon to perform a series of extraordinary feats for his cousin Eurystheus. For various reasons, the most celebrated of the 12 labors Hercules carried out has been the cleansing of the stables of King Augeas of the Epeans in Elis, where 3,000 oxen had been penned for 30 years, thereby creating a considerable stink. The genius of Hercules, of course, was to clean up that accumulated mess without having to plunge his own hands into the filth. This he accomplished by diverting the river Alpheus, which scoured the Augean stables clean in less than a day. Hercules, in the process, had not so much as soiled his little finger.

The problem today in Washington is of similar proportions. The productive exploitation of the Irangate crisis requires the dismantling and cleaning out of a policy and a policy apparatus that date back to January 1969, when Henry Kissinger began his tenure at the National Security Council. Although the roots of the current crisis reach back to the Truman administration, it is above all a series of institutional arrangements, implemented by Kissinger and then carried forward through the Carter and Reagan years, which must now be demolished as a matter of national survival. No such elegant solution as that devised by Hercules is in sight: The work will be messy.

The Malthusian outlook shared by Kissinger and his alter ego Brzezinski is premised on the pessimistic thesis of inevitable Soviet world domination. The Yalta lines of demarcation, they argue, must be redrawn to reflect U.S. decadence and Soviet military supremacy, consigning Western Europe,

the Middle East, North Africa, and the Mediterranean basin, plus much of Asia, to the Soviets.

Brzezinski's version of the New Yalta emphasizes a kind of scorched-earth policy toward the areas to be vacated by the United States, with the pestilence of Shi'ite obscurantist fundamentalism being used to destroy pro-industrial nation-states in the Arab and Islamic worlds. The "China card" buncombe called for China to fill part of the vacuum the United States would leave behind in the Far East.

The insane Kissinger-Brzezinski doctrine includes the corollary of creating a chimerical "Israeli superpower" ranging from the Euphrates to the Congo, with vital interests in Central America and the Far East: truly a global superpower. Israeli influence was to be mediated not so much by diplomacy as by arms sales, with Israeli arms merchants directly controlling more than one-third of all world arms traffic.

How could the tiny resources of Israel support such grandiose designs? Only through U.S. subsidy, granted with such a vengeance that Gen. George Brown of the Joint Chiefs of Staff was moved 10 years ago to describe Israel as "a burden."

In such circles as the Jewish Institute for National Security Affairs (JINSA), all this was taken to the radical extreme that the United States must have no allies in the world, except for Israel. The NATO alliance, in this view, is a useless relic that must be abandoned. The United States must never cease augmenting its aid to Israel . . . for the vast power of Israel is the only hope for saving the United States from the Soviets.

The ultimate in such lunatic logic was the idea that key

attributes of U.S. sovereignty, including covert operations and intelligence gathering, could only be maintained by Israel. Everything that has become known under the heading of Irangate, and far more that has not, is coherent with this underlying doctrine. When we recall that one of the two dominant factions in Israel, the one associated with Gen. Ariel Sharon, is a strategic ally of the Soviet Union, and a sincere admirer of Ayatollah Khomeini, the extent of the U.S. predicament on the eve of Irangate can be appreciated.

This is the policy that Kissinger institutionalized in the mastodontic Washington bureaucracy, during the interval 1969-77, when he was in power, but also thereafter. It is a truism in Washington that every time a post is vacated in the State Department, the Pentagon, the NSC, and other key branches of the Executive, Kissinger is on the scene with a replacement. As the Reaganite loyalists were burned out in factional warfare, or were enticed by the perspective of fast bucks in the private sector, Kissinger was always there, building his networks of careers dependent on him.

### **The 'Kissinger structures'**

The most concentrated distillation of this Kissinger system of government came to reside in the Old Executive Office Building, the old State-War-Navy Building in the White House compound, the seat of the NSC. Under Kissinger, the NSC usurped the role lawfully reserved for the cabinet. In Kissinger's notorious series of "end runs" around other agencies, the NSC became the chief executive arm of the government. The NSC became the headquarters for coups d'état, destabilizations, and sundry stabs in the back.

The most typical operative cog in this system is the 208 Committee, an engine of treason quartered in a room of the Old Executive Office Building. Here, for example during the first months of 1986, an interagency task force met to supervise the overthrow of President Ferdinand Marcos of the Philippines. The participants were generally of sub-cabinet rank, from deputy secretary to assistant secretary: Abrams and Wolfowitz of the State Department Mossad cell, their superior Armacost, Armitage of the Pentagon, Claire George of CIA, and Poindexter. At the service of this interdepartmental consensus stood the 208 list, a series of assets, covert operations capabilities, and agents of influence across the world, almost all of them really controlled by foreign powers, especially Israel. The 208 Committee had, of course, to pay attention to the wishes of the President, but primarily for purposes of self-protection. The players owe their careers to the Kissinger-Brzezinski establishment.

At the Georgetown CSIS conference back in June, it became clear that the Eastern Liberal Establishment intended to destroy all vestiges of morality and will in President Reagan by subjecting him to a merciless pounding in a series of concurrent crises in economics and strategy, to the point of extorting Reagan's despairing assent to the New Yalta some-

time in the spring of 1987.

So, by the autumn of 1986, the ultimate triumph of this Kissinger system seemed foreordained, as the battered hulk of the Reagan administration lurched from one debacle to the next. The last serious internal revolt against the Kissinger order had taken place back in 1982, when Adm. Bobby Inman of the CIA had taken exception to the late Lord Louis Mountbatten's networks at the British Admiralty leaking U.S. secrets to the Soviets, and protested the arrangements with General Sharon set up by Secretary of State Haig and his sidekick, Michael Ledeen. But Admiral Inman had then departed the CIA.

The Irangate affair has brought a watershed in power relations around Washington. The proponents of an impossible status quo presided over by the familiar faces of the Trilateral Commission (Shultz, Don Regan, Kissinger) have been significantly weakened. The faction seeking the all-out Watergate of the President (Jimmy Carter, Sen. Sam Nunn (D-Ga.), Rep. Stephen Solarz (D-N.Y.), and much of the media) is hampered by its own past and present sponsorship of the pro-Khomeini policy that President Reagan foolishly adopted.

This leaves the way clear for decisive victories for a patriotic faction favorable to a strong and successful conclusion of the Reagan presidency, above all through a transformation of administration economic policy—a faction whose necessary program has been provided by Democratic presidential candidate Lyndon LaRouche. The leading voice of this outlook within the administration has been Defense Secretary Caspar Weinberger, who proceeds from the advantage of having been the only top official to have condemned the attempted rapprochement with the Khomeinians as "absurd" and based on "very bad advice." Weinberger's clout has been much enhanced by the advent of his former deputy Frank Carlucci as the chief of the NSC staff. Others tending in this direction include senior military figures in the Joint Chiefs of Staff and the NATO command, such as Gen. Bernard Rogers. Attorney-General Ed Meese might tend to support this grouping, if he were sufficiently intelligent, and the same can be said of Vice-President George Bush.

The progress of factional warfare in the various agencies of the executive branch can be summed up as follows:

- **The White House:** The most imperative next step for advancing the necessary cleanup is the ousting of Chief of Staff Don Regan. Regan, the Wall Street drug-money laundering technician, must pay the price for the abortive Reykjavik summit, for the loss of the Senate in the November elections, for the policy of doing nothing about AIDS while covering up the spread of the pandemic, and for the economic depression. Don Regan's big lie of an economic recovery has generated more rage against the White House than any other single factor. Don Regan, given his autocratic management style, can be certified as knowing all about the Iran-Contra

scam. Nancy Reagan senses Don Regan's treachery, and his exclusion from the Reagans' New Year's celebration in Palm Springs, California, is hopefully a harbinger of his early ouster. Accepting Don Regan's resignation would be the biggest favor the President could do himself, and a very promising signal concerning the President's mental state.

● **National Security Council:** A far-reaching, and perhaps total purge of the 180 officials of the NSC staff is now being carried out by a transition team directed by the new NSC chief, Frank Carlucci. Carlucci is a former top official of the CIA who served as Caspar Weinberger's deputy in the first Reagan administration. He has also been a diplomat. Carlucci has been given a bad press by the pro-Kissinger media. The reason is that the invariant of Carlucci's career has been his unremitting opposition to Kissinger and Kissinger's system. Carlucci's deputy will be Gen. Colin Powell, an outspoken opponent of decoupling Western Europe from the United States who presently commands an army corps near Frankfurt, Germany. Powell is one of the highest-ranking black officers in the Army. Carlucci will also be joined by long-time associate Col. Grant Green.

Several key firings have already been announced, including those of acting NSC director Alton Keel and Howard Teicher of the pro-Mossad tendency. The State Department is taking care of its own by giving Keel the post of NATO ambassador in Brussels, where he will replace departing Kissinger clone David Abshire. Also leaving NSC will be Jack Matlock, a theoretician of the crumbling Soviet empire, who wants to replace Kissinger-man Arthur Hartman in the Moscow embassy. The replacement for Matlock is Fritz Ermarth, who made a reputation at the CIA during the Carter years as an opponent of SALT II.

Carlucci's watchword must be thoroughness. Until only yesterday, the NSC was home to the likes of "consultant" Ledeen, who had been brought in by McFarlane. Kissinger-sponsored types like Peter Rodman should be ushered out. The Carlucci NSC must be ready to tip the balance against the State Department in looming battles over SDI, strategic arms, and Soviet aggression.

● **CIA:** By supporting the "moderate mullah" thesis, Director William Casey, the old friend of Leo Cherne, showed once again that he embodies the subordination of U.S. intelligence to foreign powers, especially Israel. Because of his most unfortunate performance before the congressional committees, Casey's ouster has become urgent. His present illness may not allow him to continue in office in any case. Along with Casey must go an entire entrenched CIA faction, associated with names like Colby and Shackley. Replacements can be found along the same Pentagon-CIA institutional interface typified by Carlucci.

● **State Department:** George Shultz's performance at the recent NATO foreign ministers' meeting, where he attempted to wreck everything accomplished by Weinberger one week before, leaves no doubt that the Tartuffe of Foggy

Bottom will never be a "team player" and must be jettisoned. Shultz should not be spared because of considerations of institutional perception. Augean labors of the type that must be carried out at the State Department are sometimes distasteful, but they must be faced.

● **Department of Justice:** As *EIR* has stressed, this is the heart of the Irangate cover-up, stretching back over many years. Stephen Trott's order to suspend an FBI probe of Southern Air Transport on national security grounds involving sensitive hostage negotiations in the Middle East shows that he knew of the Contra-Iran connection long before it was announced by Meese on Nov. 25. William Weld stopped the appointment of a special prosecutor to investigate U.S. Ambassador to Switzerland Faith Whittlesey, as the Public Integrity division of the department had recommended. Now, the Swiss press says that Whittlesey helped Oliver North set up his Swiss bank accounts. Both Trott and Weld are pressuring New York U.S. Attorney Rudolph Giuliani to let former Israeli General Bar-Am, a close friend of Ariel Sharon, off the hook. Weld's business ties to the Boston *Real Paper* link him to Emma Rothschild, and thus perhaps to the assassination of Olof Palme and certainly to KGB disinformation campaigns on that affair. Trott, Weld, and Oliver Revell should be the first target for the investigation to be conducted by independent counsel Walsh, and by the new Senate and House Select Committees.

Nothing of enduring value can come out of Irangate without one further ingredient: the informed will of Ronald Reagan. Up to now, the President has displayed a streak of Irish stubbornness, refusing to admit that his whole Iran policy is a Carteresque monstrosity, and refusing to repudiate his pragmatic deals and rotten compromises. If he should persist in defending Regan and Shultz, or cling to the fetish of the "magic of the marketplace," there is an abyss yawning for him not too far down the road that will make Watergate seem quite mild.

Reality will intrude on the President in the form of Soviet Marshal Ogarkov's resolve to be ready to unleash World War III, if necessary, between January and June 1989. The Soviets are preparing to break out of the ABM treaty with a nationwide anti-missile defense: They have the radars, and soon will have lasers. The SS-24s and SS-25s are rolling off the assembly lines. To survive, the United States will need to accelerate both SDI and Weinberger's MX deployment targets. That will in turn require a clean break with Gramm-Rudman and Don Regan's deficit-reduction guidelines, and a national defense emergency mobilization of the kind LaRouche has proposed. A great interagency and congressional battle on this whole policy question will dominate the first weeks and months of 1987, shaping the State of the Union address, the budget, and the whole direction of the country and the alliance. Beyond that, the next two years must be a transition away from the failed policies of the last two decades, and toward a LaRouche presidency.

# The new Congress and economic recovery

by Kathleen Klenetsky

When the 100th Congress of the United States convenes Jan. 6, it will face some of the biggest challenges in U.S. history. Chief among them is the fact that the U.S. economy is gripped by a depression far more serious than the one which devastated the country during the 1930s.

How the Democrats, who now control both houses of Congress, respond to the challenge—whether they insist on spending their time, as they have for the past several years, slashing the defense budget and taking the Soviet position on arms-control against President Reagan, or decide, instead, to live up to their legacy as the party of FDR and enact the measures necessary to reverse the economic collapse—will significantly influence what becomes of the United States over the coming few years.

The new Congress has already been given an unmistakable mandate to reverse the economic mess. As even many Democratic Party officials admit, the party's victory in the November elections, particularly in the Senate races, had a lot more to do with voters' outrage at the Reagan administration's big lie that there is a recovery going on, than it did with any outpouring of support for Democrats. How Democrats will react to that message is the key question on the table.

One encouraging factor is that many of the key committees will be chaired by Democrats of the "moderate-conservative" stripe, people whose economic orientation is more in the direction of FDR's than the Carter-Mondale no-growth ideology. This is especially true on the Senate side, where the "free enterprise" Republicans are giving way to people who believe that government does have a positive role to play in economic development. Sens. John Stennis (Miss.), who'll take over the powerful Appropriations Committee, Quentin Burdick (N.D.), incoming chair of the Public Works Committee, Bennett Johnston (La.) at Energy, Ernest Hollings (S.C.) at Commerce, and Lloyd Bentsen (Tex.) at Finance, fall into this category.

The most promising indication so far that at least some Democratic legislators may be moving in the right direction has come from Rep. Jim Wright, the incoming Speaker of the House. In a speech to the Democratic Leadership Council in Williamsburg, Virginia in early December, the Texas Democrat warned that the United States is losing its industrial

base so rapidly that it is reverting to the status of, as he put it, an undeveloped, colonial power. "Failure to deal with this crisis—to idle away precious time expecting it to correct itself—could doom future generations of Americans to a steadily declining standard of living and eventual status as poor inhabitants of a once rich land," Wright said. "I for one am not prepared to participate in the industrial and economic decline of this nation, nor to concede that our legacy must be confined to that of a service economy which produces little. . . . Defeatism is not our nature, and failure is not our destiny."

Wright has already stated that one of his main priorities will be to do away with the budget-reduction targets of the lunatic Gramm-Rudman-Hollings bill, which is definitely a step down the road toward economic sanity.

Wright's Williamsburg speech reflects the growing awareness in some influential political circles that the dramatic shift in the U.S. economy away from basic industry into the so-called service economy has resulted in disaster.

Concern over the erosion of the U.S. industrial base was at the heart of a report released recently by the congressional Joint Economic Committee. Called *The Growth in Poverty: 1979-85*, the study documents that over half the new jobs created in the United States since 1979 pay less than \$7,000 a year, and puts the blame for this hideous decline in wages squarely on the shift into the service economy.

Other leading Democrats are also sounding the need for sharp changes in economic policy. Sen. Lawton Chiles (D-Fla.), who will take over the chairmanship of the powerful Senate Budget Committee, intends to put "much, much more focus on growth initiatives" in the area of science, technology, and education, according to a spokesman.

Sen. Bentsen, incoming head of the Senate Finance Committee, has announced that he intends to put trade at the top of his legislative agenda—a commitment shared by most of his fellow Democrats. Key here will be whether the rabid protectionists gain control of the debate, or whether the real roots of America's declining competitiveness, namely, its failure to encourage its industrial sector through tax and credit incentives and greater emphasis on research and development, will be addressed.

Bentsen told UPI recently that he will press ahead with a trade bill that takes a "positive approach to trade." Managers of U.S. companies must adjust to increasing foreign competition by looking beyond quarterly horizons designed to satisfy stockholders and focus on long-term goals by investing in research and development, with a special emphasis on upgrading science and engineering education.

Even Sen. William Proxmire (D-Wisc.), who will once again chair the Senate Banking Committee, has announced that he wants to take a long, hard look at the securities industry, with a view toward clamping down on the takeover mania that has resulted in massive downsizing of productive capability, and layoffs of hundreds of thousands.

## A panorama of 1986 interviews

by Mary Lou Pearl

Throughout 1986, *EIR* interviewed leading figures in science, religion, politics, medicine, and business. Presented below are excerpts and summaries from some of those interviews. (The dates in parentheses indicate the issue in which the interview appeared.)

### The battle for SDI and Western Europe

A former British prime minister, (1963-64) **Lord Home of the Hirsil**, told *EIR* that the U.S. Strategic Defense Initiative (Jan. 17) "could be the answer to a European defense," and warned that the Russians "will try to detach Europe from the United States."

Later in the year, when Britain was rocked by reports that the Queen disagreed with her prime minister on a whole series of issues, including South Africa, Libya, the coal strike, and social policies, *EIR* spoke to Conservative Member of Parliament **Anthony Beaumont-Dark** on the crisis. He stated: "We live under a constitutional monarchy where the monarch always *has* to accept the views of the government of the day. . . . The monarch is not there to put forward their own views to the public."

Several prominent figures on the European continent talked to *EIR* about European cooperation with the SDI. **Gen. García Conde Cenal**, former chief of staff of the Spanish Air Force (July 18) believes that the defense of West Germany is the duty of all Europeans. He is convinced that "cooperation with the United States on the SDI would be useful not only in military but in scientific, economic, and development aspects."

But **Yuri Dubinin**, the Soviet ambassador to the United States (Oct. 24), stated that there can be no arms-control agreement separate from the SDI, in an interview granted immediately after the Reykjavik meeting.

In West Germany, **Karl Heinz Derbfuss** and **Robert Gräper**, of the newly formed political party Patriots for

Germany (May 23), running for office in Lower Saxony, explaining why the new party was necessary: because the Christian Democrats had abandoned the middle class and their own founding program.

**Helga Zepp-LaRouche**, a co-founder of the Patriots for Germany (June 6), stressed, "The Patriots movement has become a true republican movement of a similar spirit to the time of the American Revolution."

As Soviet-inspired "irregular warfare" escalated in France and West Germany, **Jean Rochet**, ex-director of the French counterespionage agency, DST (Oct. 31), gave *EIR* an exclusive interview. He is convinced that the Soviet Union is the prime instigator of escalating incidents of terrorism throughout Europe. "If we fail to recognize this as a 'form of war,' we will never develop the appropriate will and means to fight it."

### AIDS

**Gus Sermos**, then public health adviser for the Centers for Disease Control, assigned to Florida (Feb. 21), reported the lack of surveillance of AIDS cases in Florida: "For that kind of medical disinterest and irresponsibility by public health officials, there's absolutely no excuse."

**Professor G. Leigheb**, head of the Dermatology Department, Main Hospital, Novara, Italy (Sept. 5), said, "We cannot exclude the possibility of AIDS being transmitted by insects, especially mosquitoes." A greater effort, more resources and funds are needed to deal with this important problem.

After the Pasteur Research Team, the Department of Oncogene Virology announced in August that insects from Africa were found to be infected by the HIV virus in their genome, *EIR* interviewed the team's director, **Dr. Jean-Claude Chermann** (Oct. 24), in Paris, on the need to gear up a vast AIDS research effort.



**Dr. Mário Barreto Correa Lima**, of the University of Rio de Janeiro, Brazil (Dec. 12), warned that "The already low nutrition and health levels make Brazilians susceptible to the AIDS virus." The citizens' health must be "the highest objective of the state"—over foreign debt payment because health is "worth more than ordinary economic goods."

**John Cardinal O'Connor** (Nov. 21) of New York is "not against" measures similar to Proposition 64 (the Nov. 4 California ballot initiative to apply standard public-health measures to AIDS) if it were worded in such a fashion that "clearly the thrust would be to protect people against malicious discrimination, and yet at the same time, very rationally provided guidelines or statutes to protect the community."

## Human rights

Following the Oct. 6-7 raid on offices of Lyndon LaRouche's associates in Leesburg, Virginia, a call went out to form an International Commission to Investigate Human Rights Violations in the United States. *EIR* interviewed some prominent sponsors of that call: **S.C. Birla** (Nov. 14), an advocate to the Indian Supreme Court, stated: "Public opinion should be mobilized against the violations of human rights and for the rule of law. A regular working board of inquiry is needed." Swedish attorney **Lennart Hane** (Nov. 21), warned of the danger of "applying Soviet legal methods to Western legal practice," reporting that in Sweden the legal "culture geographers subjugate family values to the state."

Attorney and Peronist Party leader **Juan Gabriel La-baké**, (May 2), charged that the government of Argentina has conspired to keep former Argentine President Isabel Perón "penniless and therefore politically powerless" in order to leave the Peronist Party "with no ideological or programmatic unity."

A key human rights issue that came up throughout the year was euthanasia. We interviewed **Dr. Karsten Vilmar** (April 18), president, West German Medical Association, who denounced the active euthanasia practiced in that country for economic reasons: "... The thing to fear is, where does it stop?"

## The sinking economy

**Gov. Mark White** (D-Tex.) (March 21) called on Washington to impose an oil import tariff, to be adjusted according to the price of oil, to keep prices stable. He would like to see the United States increase its industrial output: "I don't want to see us turn into a nation of people who, all we do is shine each others' shoes."

**Edward M. Kennedy** (retired), former secretary and legislation director of the National Farmers Union, research director for the United Mine Workers, Maryland probate judge (Oct. 31), deplores the present federal food programs as unconstitutional and immoral.

**Archbishop Philip Hannan** of New Orleans (Nov. 21)

criticized the Pastoral Letter on the economy issued by the American Bishops at their conference in November, for its neglect of science and technology: "... only one way to go ... with science and increased production ... we need more people to consume the food. It's not that we don't have enough food ... the tide is moving [among Bishops] to abandon the anti-science, anti-military prejudice."

## The crisis in Africa

Much attention during the year was focused on the issue of apartheid in South Africa and the imposition of punitive sanctions—while the continent was dying as a result of AIDS and devastating insect infestation. Our interviews addressed these realities from a standpoint that rebuked the hypocrisy of the liberal press:

**Mangosuthu Buthelezi**, Chief Minister of KwaZulu, chairman of the South African Black Alliance, and president of Inkatha, the major black liberation movement (June 6). "Whites need blacks as much as blacks need whites, in fact, we are interdependent. So that economic interdependence can be used in negotiations to convert it into political interdependence. ... The free enterprise system is as evil as apartheid itself." Those who propose sanctions "wish to destroy the economy; apartheid is not the issue."

**Dr. Oscar Dhlomo**, KwaZulu minister of education and culture, Secretary-General of Inkatha (June 6). "Foreign investment and economic development in Africa [will be] useful tools in the post-apartheid struggle. ... Blacks will suffer the most as a result of disinvestment."

**Dr. Peet Strydom**, chief economist of Sankorp, a large, Afrikaaner-based financial conglomerate (Aug. 1): "The growth of the manufacturing economy represents important leverage against apartheid. ... [Sanctions] dismantle the economy, which has always been opposed to apartheid."

**Sir Leslie Smith**, chairman, British Industry Committee on South Africa (BICSA) (Aug. 15), formed in 1986: South Africa needs a "positive approach, the sanctions approach is negative. ... The biggest pressure available to bring to bear on the Afrikaaners, to end apartheid, is to encourage the growth of the black middle class. ... South Africa's economic growth is the engine for the entire region. ... [Its] effects would spill over automatically to the front-line states."

*EIR* exposed bureaucratic opposition to the large-scale measures needed to stop the locust plague, in interviews with **Julia Taft**, Director, U.S. Office for Disaster Assistance (Sept. 5), and **Rafink Skaf** of the United Nations Food and Agriculture Organization (Sept. 26). In contrast, **George Cavin**, retired Department of Agriculture entomologist (Oct. 3), urged large-scale spraying efforts. **M. Falilou Kane**, Senegal's ambassador to Washington (Oct. 24), (Senegal was the only country to request and receive assistance for large-scale insect eradication using large planes) stated: "We did not accept the advice of some experts saying we did not

need big planes, what we needed was spraying on the ground or spraying with small planes. . . . So for us, it is really a big success."

### Third World debt

Peruvian President Alan García's success with his "10% solution" to the crushing foreign debt was debated by many debtor countries:

President-elect of Guatemala **Vinicio Cerezo** (Jan. 10) promised to search for rational payment schemes for the debt. Those proposed by Alan García of Peru "could be a starting point. . . . We would support a position on this question if taken jointly by all the Latin American countries."

**Vishwanath Pratap Singh**, India's Finance Minister (Jan. 10): "The debt position of a large number of developing countries has become grave. . . . international action must immediately be taken . . . to improve the prospects of flows of real resources and free access to markets of industrial countries."

**Jorge Carrillo Rojas**, then Colombia's Labor Minister (March 28), asked: "Why not design financial institutions that take into account the important precept that man comes first," not "the defense of usury and its institutions?"

From Italy, **Hon. Publio Fiore**, Christian Democratic member of Parliament (March 21) called for a club of politicians of the United States, Europe, and developing sector countries to oppose the International Monetary Fund, "to give an immediate, real hope, to the developing countries."

### Mideast 'Marshall Plan'

Israeli Prime Minister Shimon Peres's "Marshall Plan" for the Mideast was explained by **Gad Ya'acobi**, Economic Planning Minister for Israel (April 11 and June 20): "The general idea is that the Mideast will be more developed from the economic point of view" and the increased standard of living will mean "people will therefore have more to lose as a result of war . . . which will help establish a peaceful environment in the Mideast." We must get the United States, Canada, the EC countries, and Japan to initiate and carry out an "overall economic development program to accelerate the development process in industry, education, training, irrigation, technology, and Research and Development."

**Arnnon Gafny**, former governor of the Bank of Israel (June 20), said, "I would like to see the funds which can support bigger projects; this is why I suggested the mobilization of at least \$30 billion for 10 years. . . ." **Yitzhak Artzi**, member of the Knesset, Independent Liberal Party (June 27) said the Plan would improve the climate between Israel and the Arab countries "to reach a situation where two countries technically in a state of war are cooperating." **Meir Pa'il**, Knesset member (June 27): "I can envision Israel as a United States of the Middle East."

Peres's moves won approval from **Hanna Siniora**, editor-in-chief of the Palestinian daily *Al Fajr* (Aug. 8), who

called the prime minister's summit with King Hassan of Morocco "a bold step" which "provides mobility after six months in which there had been no action at all."

### Science and Technology

The *Science & Technology* section, inaugurated in fall 1985, introduced many discoveries to *EIR*'s readers in the words of their pioneers. A sampling:

**Dr. B.A. Soldano**, Professor of Physics at Furman University and former research fellow at Goddard Space Center (Jan. 31), collected a series of empirical results to challenge accepted physics on the equivalence of gravitational and inertial mass.

**Thomas O. Paine**, former administrator of NASA and head of the National Commission on Space (June 20), which released its report on May 23, recommended a manned return to the Moon by 2005 and a manned Mars landing by 2015. "We need a much stronger, more vigorous NASA. . . . It's going to take us a good five years of intensive technological development and that means you can't be sitting around debating Gramm-Rudman."

**Dr. George Baldwin** of the Los Alamos National Laboratory talked about advances in gamma-ray lasers since 1961 (Oct. 31). **Dr. Dale Meade**, in charge of Tokamak Fusion Test Reactor (TFTR) experiments at Princeton Plasma Physics Laboratory (Nov. 21), said, "TFTR brings us closer to fusion as a practical energy source. . . . [it] will shut down at the end of September 1986. If we had the money, it would not!"

Also interviewed were: **Dr. Charles Fenstermacher**, director of Los Alamos National Laboratory's Trailmaster program (April 18), which will help drive x-ray lasers and fusion reactors; **Birch Holt** of Lawrence Livermore National Laboratory (July 25), the principal investigator of self-propagating high-temperature synthesis in ceramics with applications in nuclear reactors; **Dr. John Cox**, president of Future Tech Industries in Gainesville, Florida (Nov. 14) on a system for food irradiation using x-rays, which will be a particular boon to developing countries.

### Cultural warfare

**Mrs. Elisabeth Furtwängler**, widow of the late great German conductor, paid tribute to Wilhelm Furtwängler on the 100th anniversary of his birth (Jan. 24).

**Gen. Chavalet Yodmani**, Thailand's secretary-general of the Office of the Narcotics Control Board (Oct. 31), described his country's war on drugs and stated: "The big mafia behind the scenes is American. We are happy to see the United States take the lead in the war on drugs on a large scale."

**Carl Oglesby**, 1960s Students for a Democratic Society (SDS) leader (May 16), states that LaRouche has never been a Marxist. LaRouche "has been very consistent over the years . . . he is a Platonist, I am an Aristotelian."

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