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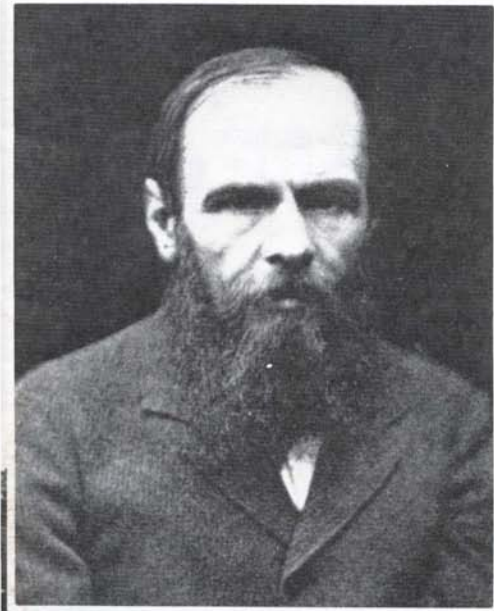
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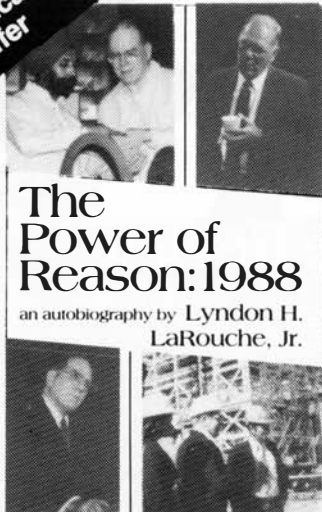
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From the Editor

Rarely has the pace of world events upset the applecart of carefully laid editorial plans in a more delightful way than during the week we were writing this issue.

Brazil's historic statement that it would no longer pay interest on its huge foreign debt at the expense of economic development (page 4), was made on Friday, Feb. 20. *EIR*'s editors immediately recognized in it many of the elements of *EIR* founder Lyndon LaRouche's "Operation Juárez" of 1982, a program for turning a debt moratorium by major Ibero-American debtors, into the springboard for a new era of prosperity.

We had long been prepared for this event. In late 1983, LaRouche had issued a statement on "What Reagan Must Do When Brazil Defaults." Last September, the Schiller Institute published a study elaborating LaRouche's concept of a Common Market for Spanish and Portuguese-speaking America. The Spanish language book has circulated in leading political, economic, and military milieus of the continent, and *EIR* has been serializing that book for English readers (see page 18 for the latest installment).

The developments around Brazil naturally upstaged all other news, but here are some other things you will find inside:

- On Wednesday, Feb. 18, the U.S. Constitution was upheld in a judicial ruling in the state of Virginia, derailing the railroad by Virginia Attorney General Mary Sue Terry that was intended to shut down *EIR* and other publications associated with the political movement of Lyndon LaRouche (see page 58).

- That occurred only days after leaks from the Tower Commission investigating the Iran/Contra affair exposed the invisible parallel government which has been attempting to shut us down since at least 1982, as the *same apparatus* that has been illegally steering the United States into foreign policy disasters in the Middle East, Central America, and Western Europe (pages 54-59).

Of course, our enemies had no intention of stopping their frantic attempts to silence *EIR*. Turn to page 30 to find out one of the major reasons why. This week's cover story is unique in the English language press for exposing the sheer evil that lies behind the Gorbachov "liberalization." We are the sole major, internationally circulated publication not on the Gorbachov bandwagon.

Nora Hamerman

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Brazil, citing the Pope, drops the debt bomb

by Mark Sonnenblick

Citing the Pope, Brazilian President José Sarney proclaimed on Feb. 20: "We are suspending our debt payments. . . . We cannot pay the debt if it means the hunger of the people. . . . A debt paid through misery, surely is an account paid at the price of democracy."

Sarney revealed that he made his courageous decision after a three-hour meeting of the National Security Council, which is composed of the military joint chiefs of staff, as well as the heads of the executive, legislative and judicial branches of government. This military support is a significant deterrent to banker intrigues to overthrow Sarney.

"We do not want any more palliatives or provisional solutions," Sarney insisted in refutation of banker expectations that he would just declare a "technical moratorium" until Brazil's cash-flow problems could be papered over. The President of the country with the largest number of professed Catholics said he would renegotiate the debt only from the moral position recently taken by Pope John Paul II: "Foreign debt must not harm the basic needs of the life of a people." In contrast to former economic czar Delfim Netto's selling Brazil's future for 30 pieces of silver, Sarney stressed, "Brazil now has to prepare itself for the 21st century. . . . We must end the cycle of cheap labor."

Sarney replied to banker rumors that he had simply run out of cash, by insisting moratorium was a political decision, and that Brazil had saved enough cash and oil to survive "several months" of economic warfare.

Almost as he spoke, Argentine Finance Minister Mario Brodersohn announced that unless private banks grant it \$2.15 billion in new loans, "we won't be able to pay interest on the foreign debt. First we need to have 4% internal growth." The erstwhile monetarist declared, "If they give us nonsense, we'll give them nonsense."

The Group of Five (United States, England, France, Japan, and Germany) began an emergency meeting Feb. 20 to decide how to respond to Brazil's action.

Brazil cannot go on paying because the world market has been ruined. Instead of the trade surpluses of over \$1 billion during almost every month from mid-1983 to mid-1986, the surpluses since November have averaged \$150 million. Prices have been driven through the floor by Brazil and others who are told by Washington to "export or die." Of Brazil's two dozen major crops, only tobacco and orange juice had higher prices in 1986 than the year before. As populations have lost the ability to consume, competition has gotten fiercer. Coffee prices, for example, were 24% lower in this January than a year ago. Last week, Brazil attempted to make \$250 million by selling coffee at any price. That knocked the price to \$1.15 a pound, barely half of last year's levels.

Every country is in the same straits. The U.S. Commerce Department reported that the major 20 Latin American nations exported 8.6% less to the United States during 1986 than in 1985 because of price decreases. Their trade surpluses with the United States were 23% lower.

After Brazil and most of the other major Ibero-American debtors were first bankrupted by Federal Reserve chairman Paul Volcker's high interest rates in 1982, Volcker and Donald T. Regan cut a deal with them. If they would play the game by the bankers' rules, the United States would allow them to earn dollars to pay debts by opening up its doors for their cheap exports. The Commerce Department reported that from 1981 to 1985 the region sold 25% more to the United States and bought 30% less. The United States lost productive jobs and covered its trade deficit by becoming the world's largest debtor; but cheap imports held down inflation statistics and Citibank was able to report record earnings. It was

called "the Reagan recovery." Living standards in Ibero-America fell by about 30%, making it a festering source of plagues.

Brazil and banks default together

Brazil's default technically bankrupts every money-center bank in the United States; each has more than its entire capital base tied up in Brazil loans. Since 1982, Brazilian leaders have been aware that they have "the banks over a barrel." But until now, they refused to drop what Lyndon LaRouche first named "the debt bomb." When Brazil stopped paying interest for three months in 1982, economic czar Delfim Netto kept it a dirty secret.

In his 1982 *Operation Juárez* memorandum to Ibero-American governments, LaRouche explained that a "debt bomb" would have to fall on the heads of U.S. policy-makers to force a total overhaul of the international financial system. A new monetary system to finance worldwide technological progress and production had to replace the moribund debt system, he argued.

LaRouche's policy recommendations were rejected then—and now—by the same Washington crew which fixates Ibero-American policy on arming drug-pushing Nicaraguan Contras and the same usurers whose tottering banks are kept solvent by the \$400 billion annual drug traffic.

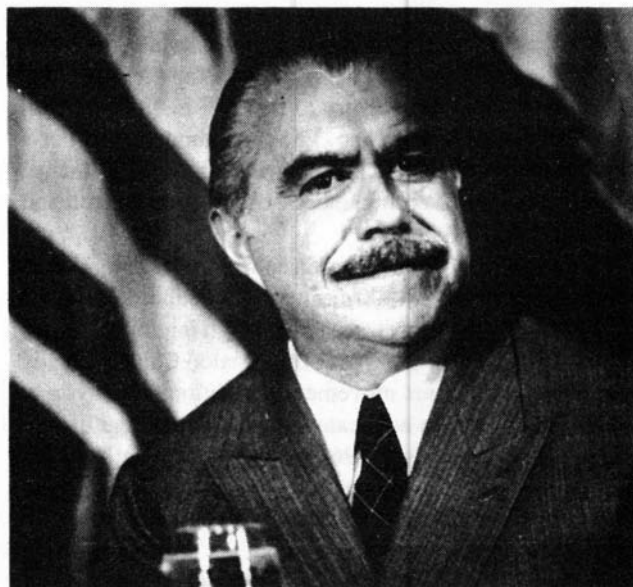
There is more chance now than ever for a unified Ibero-American debt strike. Powerful Brazil has broken the ice. Every country is bankrupt simultaneously, even the ones who sacrificed populations to export like crazy. The old debt deals have unraveled; and the bankrupt private banks are unwilling or unable to dish out the "new money" needed to hold their clients in debt peonage.

Mexico, promised \$12 billion in September 1985, is kept dangling days away from default by short-term "bridge loans" which lead to nothing. This makes the backroom brawl over presidential succession ever more volatile. Peru's President Alan García, the first President with the courage to protect his country from the world economic collapse, will walk into this powder keg March 23, according to unconfirmed reports. García, who brought over 8% economic growth to his nation last year, could swing the political balance in Mexico.

Once Brazil moved, **Argentina** had to follow. Its government is squeezed between a Peronist labor movement which demands García's policies and the April visit of the Pope. Its President, Raúl Alfonsín, could not be seen as continuing to crawl when neighbor Brazil stood up.

Venezuelan Finance Minister Manuel Azpurua threatened creditors Dec. 29 with a debt moratorium should they refuse to ease debt terms. This should have been automatic under a contingency clause in the debt deal signed a year ago, given the drop in oil income from \$13.3 billion in 1985 to \$8 billion last year. A third of Venezuela's 1987 budget will be wasted on interest.

Ecuador, bankrupt, ceased interest payments in January. Its case proved once again that anyone who plays by the



President Sarney: "Foreign debt must not harm the basic needs of the people."

bankers' rules will lose.

Brazil spent months quietly and patiently asking its creditors for token interest rate reductions and for \$4-6 billion to cover this year's balance-of-payments hole. Any lingering doubts about how creditors would respond to its request for "flexible" conditions were dispelled on Feb. 13 by Vernon Walters, the U.S. ambassador to the United Nations. Walters—supposedly a "friend" of Brazil—gave a categorical "no." In a Worldnet interview via satellite to Brazilian journalists Feb. 13, Walters asserted, "The United States believes in the work [to be] performed by intelligent men to reschedule the debt [so that] its payment does not harm the population. But the money was loaned and must be paid."

The creditors' committee has refused even to talk, until Brazil surrenders itself once again to genocidal austerity under the direct control of the International Monetary Fund. Every U.S. banker and official mouthpiece, including U.S. ambassador Harry Shlaudeman, ordered Brazil to the IMF. On Feb. 20, Sarney ruled out "recession, unemployment, and social crisis which would bring political instability in its train."

Hitler—or Operation Juárez?

The bankers are plotting to destabilize Sarney and to overthrow Finance Minister Dilson Funaro, the parliamentary leader of Sarney's Brazilian Democratic Movement Party, Luiz Henrique, revealed hours before the historic speech. Brazilians listening to Vernon Walters's fluent Portuguese recalled his role in encouraging the Brazilian military to topple an inflation-ridden democratic government in 1964, and replace it with a 20-year military dictatorship.

Once again, the apparat which is openly fighting for fas-

cist solutions to the crisis is amplifying hysteria about inflation and “lack of leadership.” A prime example is Delfim Netto, who handed the country to the IMF in 1983. Delfim told the Rio daily *O Globo* Feb. 12 a story about how Hitler’s central bank president Hjalmar Schacht dumped a finance minister who wanted cash to meet the Christmas payroll and went on to “stop inflation.”

The shocktroops for a Hitlerian coup are being mobilized. A demonstration of 25,000 farmers who came to Brasilia Feb. 12 for legitimate protests against high interest rates and low parity prices was taken over by Ronaldo Caiado, an ally of the gnostic religious movement, Tradition, Family, and Property. TFP, which advocates a return to the age of feudalism, led mass rallies in 1964 calling for a coup. Another agent of the rotten Braganza and Thurn und Taxis feudal family interests in Brazil called for the new constitution to replace the President with a monarch.

Invidious comparisons between President José Sarney and Chilean President Salvador Allende fill the liberal press. Allende was overthrown in 1973, with the help of the TFP and Harry Shlaudeman, now U.S. ambassador to Brazil. But the vast majority of citizens voted against austerity in the Nov. 15 elections. The PMDB politicians they elected, the Church, and the powerful conservative nationalist sector of Brazil’s military can be depended upon to fight the “treason” Sarney named on Feb. 20.

President Sarney’s Address

‘Time for a definitive solution to the debt’

The following is an unofficial EIR translation of the speech by Brazilian President José Sarney, broadcast on radio and television at 8:30 p.m. on Feb. 20, 1987.

Brazilians, good evening:

It is with with great emotion that I speak to the nation to say that, after hearing from the National Security Council—which is made up of all the ministers of state, the president of the Supreme Federal Tribunal, the presidents of the House and Senate, the head of the Chiefs of Staff of the Armed Forces—after hearing from the National Security Council

which I convoked, I have taken a decision of grave importance in the history of contemporary Brazil. I wish to announce that the country is suspending payment on the interest of its foreign debt.

I must confess that it was not easy to take a decision of this magnitude. This is, above all, a position of courage, a position of someone who has faith in our Brazil. We are going to negotiate a solution for amortizing our debts within parameters which do not compromise national development. A solution which avoids the political instability which inevitably will follow recession, unemployment, and social crisis.

But, I must tell you that this is not a position of confrontation. Brazil is not a confrontationist country. Brazil is the eighth-largest economy of the Western world; it does not want to be an autarchic economy, outside the international community. We desire just negotiations; we have a free market economy—competitive, dynamic, modern, and with the right to grow.

We made a great effort to activate our foreign commerce, but we could not do it at the cost of a recessive policy, whose only object would be to generate significant trade balances, forgetting the unpostponeable interests of the nation.

Brazil has no desire to deceive anyone, but believes it should have special payment conditions. At the negotiating table, we will state the conditions which do not compromise the objectives of national growth. For reasons of sovereignty and national security, our reserves must be preserved. From the beginning of my government, I established that this would be our approach, to maintain a limit, and I set a limit. Now I have come to the moment of decision. I want to make it clear that we have made our decision in full awareness.

Brazil today has sufficient reserves to meet import needs for several months. Our liquid and available reserves, I can assure the nation, are \$3.962 billion. It is not customary for countries to reveal the amount of their reserves, but I want to make them transparent tonight, precisely to avoid mistaken interpretations by those who do not believe in our country. The situation is totally different from that of 1982. At that time, there was a de facto limitation. Why? Because Brazil did not have the reserves to honor its commitments; it did not even have sufficient currency to finance essential imports. We were left at the mercy of the creditors, who imposed their conditions, and we were in no condition to resist.

Brazil had to resort to the Monetary Fund under circumstances that are well known. Today this is not the case. We have sufficient resources, and with the measures taken now, we preserve our foreign exchange, strengthening our negotiating position. What we do not want are palliative or short-term solutions. The measures we are now taking demonstrate this government’s determination to create the conditions for a definitive solution to the debt question. A lasting solution, which is the outcome of a just and broad understanding, which will create stability.

Pope John Paul II was very clear when he spoke recently of this matter. He said that the problem of the foreign debt is also an ethical problem. That is, a moral problem. Indebtedness must not harm the basic living needs of a people.

We will negotiate from a position of autonomy, and with a clear sense of long-term objectives.

Now, I wish to respond to a question which must be in the minds of all Brazilians. Why have our financial reserves dropped? When I assumed government, in March, 1985, they were \$7.8 billion. In 1984, the previous year, until my assumption of the presidency of the republic, \$9 billion in new money entered Brazil.

In 1985 and '86, the two years of my government—we did not gain a single dollar of liquidity. On the contrary, during these two years, we had a loss of \$1.4 billion; our exports fell more than 10% in 1986. Nearly \$3.3 billion less. Why? Because the internal market grew; we imported food and other necessary goods for our supplies. But, on the other hand, the prices of our principal products and manufactured goods fell in foreign markets, a tendency which has been occurring for a long time.

Now, another fact for the Brazilian people. In the last five years, Brazil paid \$55.8 billion in interest alone. I repeat, we cannot pay the debt with the hunger of the people!

At the United Nations, I warned two years ago . . . that, crushed by the weight of the enormous foreign debt, the countries of Latin America are enduring serious difficulties, whose internal repercussions translate into recession, unemployment, and inflation, an increase of misery and violence. I also asserted that the debt, undoubtedly because of its high social and economic costs, will be paid at the expense of our freedom if maintained in the current situation, because a debt paid through misery, surely is an account paid at the price of democracy.

I meditated, I evaluated the consequences, because measures of this nature, naturally, imply risks. But I could find nothing, absolutely nothing, which structurally proved an insurmountable obstacle for Brazil. We have no reason to fear any catastrophe. Now, we must have a sense of time. Brazil has to prepare itself for the 21st century, and for this, it needs a clear and coherent path to travel. . . .

Now, I know that everyone has one more question for the President. What about the future? The first step, is the decision which I am announcing: the suspension of payment of interest on the debt, in order to negotiate solutions which do not compromise our economic growth. Second, we must put into effect a severe containment program, implement a consistent program for stabilizing the economy, consolidating our growth and maintaining essential jobs. . . .

Now, I must say that in order that Brazil and its people not suffer what it cannot withstand, the unity of all Brazilians in this struggle is necessary, so that together we see that this is the hour of responsible patriotism. [We will tolerate] no treason against the country on the pretext of criticizing the

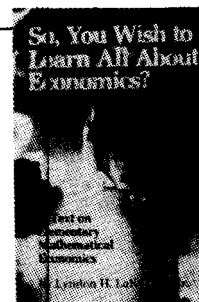
government, which has just inherited this debt from the past, and which will pay it, but without mortgaging its future generations. Brazil has made its decision, and I believe it has the unanimous support of its people, who for a long time have hoped for a stronger stand on the question of solving the foreign debt.

We need to sit down at the negotiating tables abroad, as a government supported by its people.

Second, [we need] national understanding to defeat inflation, to leave recession behind, to maintain the level of employment to reestablish confidence, so that investments return, and to maintain the real buying power of our workers. In short, to end the cycle of cheap labor power which functions as an irritant. To achieve such ambitious goals, the measure we have taken today is necessary, within the context of our economy policy. Its purpose is principally to improve the lives of our people.

I call upon politicians, workers, businessmen, labor, and capital, the active forces of the nation, liberal professionals, students, churches, the people as a whole, Brazilians all, to aid Brazil at this moment, to aid Brazil in this hour. A grave hour, but one which will be surpassed through our work, our dignity, and our unity. Unity! This is the watchword for today, because the future is ours.

For my part, I ask you: Have confidence. Thank you; thank you. May God bless us. Good night.



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EIR sparks national debate on AIDS epidemic in Italy

by Muriel Mirak

As the AIDS pandemic sweeps through Europe, institutions are beginning to realize that an effective effort to block its course must include not only public health measures of screening and quarantine, but a moral, cultural renewal as well. This is in essence the conclusion reached by a large gathering of scientists, medical personnel, politicians, and religious leaders who met at the Hotel Universo in Rome, Italy on Feb. 12. Organized jointly by the Fusion Energy Foundation and *EIR*, the conference issued both a series of political directives for scientific research and governmental action, and a challenge to society to rediscover and abide by the moral laws governing our universe.

That the pandemic is currently out of control, became clear as Dr. Jonathan Tennenbaum of the FEF and Dr. John Seale of the London Royal Society of Medicine spelled out the facts and figures regarding the spread of the fatal virus. Using the only computer simulation of the pandemic thus far developed, Tennenbaum illustrated the process by which AIDS, initially spread by "fast-track" methods among so-called risk groups, slowly moves from this reservoir of infection into the population as a whole. It is this disconcerting aspect of the AIDS phenomenon which has discredited those theories according to which the sickness can be transmitted only by dirty needles or sex. Recent statistics released by U.S. health authorities show that urban centers are being overrun by AIDS, and, unless current trends are reversed, in Tennenbaum's estimation, a full 80% of the U.S. population will be either infected, sick, or dead by the year 2015.

The "risk groups" themselves, in Dr. Seale's view, are fast reaching saturation with the virus. Condom use cannot put a halt to the alarming contagion, according to Seale, an expert in venereal diseases, for the simple reason that AIDS is not a sexually transmitted disease, but rather a blood-transmitted disease. The reason the plain truth on AIDS is

not common knowledge, lies in the fact that a de facto "secret society" of covert homosexuals, among medical professionals and politicians, has deliberately suppressed information and fudged scientific data. The most urgent task, in this British scientist's opinion, is therefore to break through the information control, in order to prevent a "national or international catastrophe," in which "every citizen's life is at stake," from playing itself out to the tragic end.

The challenge to science and government

Just how, then, can mankind defend itself from what the Italian press has dubbed "the plague of the year 2000?" Universal testing, followed by isolation of carriers, is the minimum requirement of governments, according to the scientists convened in Rome; simultaneously, governments must launch a crash program in optical biophysics research, comparable to the effort being launched to develop space-based beam-weapon systems. Only such a "biological SDI" can force through the fundamental conceptual breakthroughs required to comprehend the very nature of the AIDS virus, and thence, to develop a cure and vaccine. In this context, laboratory research and clinical treatment developed by Dr. Bruno Brandimarte of Rome University, opened up new vistas on possible approaches to combatting AIDS, as well as cancer. Dr. Brandimarte presented evidence showing that the rate of healthy cell growth can be deliberately accelerated or slowed down through the application of magnetic fields, and showed how human tissue had been regenerated through this treatment.

Thus, the avenues of approach on the theoretical scientific plane are clearly defined; whether governments choose to pursue them or not is the political question which will decide the life or death of the human species. Lyndon LaRouche minced no words, in presenting his views to the audience: "If

governments do not act, this will lead to a process whereby populations, particularly in more violence-prone Protestant countries, will respond with irrationality." And those governments which "are not willing to defend their own populations from the threat of extinction" will have demonstrated their moral incapacity to survive. "And they will not survive," he said. The reasons behind political inaction in the face of the pandemic, are to be sought in budgetary considerations and in appeasement of the so-called gay lobby. Just as neo-Malthusian policies are at the origin of the collapsed living standards which have aided the spread of AIDS, so today, neo-Malthusian economic thinking is dictating cost-cutting measures in medical care, which leave the AIDS carriers and victims virtually abandoned. "Governments say they cannot afford to help the sick," LaRouche scorned; "they say they cannot offend the homosexuals and the drug users. But we have to care for them." Despite the awfulness of the looming catastrophe, LaRouche declared himself "optimistic," much in the same way that a commander must be optimistic about winning a war.

Not all governments have remained totally passive in the face of the pandemic. Italy, which hosted the conference, has indeed done more than most, in at least declaring AIDS to be a reportable disease, and conducting testing, albeit on a limited scale. Furthermore, as Christian Democratic Senator Vincenzo Carollo pointed out in his remarks to the conference, the Italian government has taken significant strides in providing outright gifts of funds to developing-sector countries, in an effort to industrialize these countries. "Since poverty spread throughout the Third World is one of the prime causes of illness and death," the senator said, "the only remedy can be sought in the elimination of poverty, which can only be achieved through industrial development."

Natural law and the morality of culture

Senator Carollo located his development perspective in the context of the recent document issued by the Vatican, on the problem of Third World debt. More than any government in the world, it has, in fact, been the Catholic Church which has spoken out against the ravages of this new pestilence and against its underlying causes in an unjust, usurious world monetary-economic system. Following up the November 1985 Vatican symposium dedicated to the morality of economics, which blasted the theories of Adam Smith "free-market" economists as "immoral," the Church has recently issued a paper on debt, which specifies that moral imperatives reject bankers' looting resources of developing countries necessary for their own industrialization (see *EIR*, Feb. 6, 1987, pp. 4-6). In relation to the AIDS pandemic nurtured by underdevelopment and misery, the Church put out a paper in November 1986, on the eve of the Proposition 64 referendum on AIDS policy in California, which condemned homosexuality as contrary to natural law. And, on the occasion of the Rome

conference, the Church has elaborated its approach to AIDS further, addressing the questions of public health measures from a theological standpoint.

Don Dario Composta, scholar of the Pontifical University "Urbaniana," began unequivocally, that treating the question of morality in the face of the AIDS pandemic "is not a question only of an appeal to individual conscience faced with the certainty of death, but also a commitment to preserve humanity from extermination." Saint Augustine and Thomas Aquinas teach us that human life is "the first of all human values," and that morality is founded on the imperative to "conserve being (life), propagating it, and progressing socially, culturally, and morally." This applies not only to the individual, but to the species as a whole. "It follows that, faced with the threat of the extermination of humanity, certain norms derive from the very value and nature of human life." This means that "it is urgent that individuals and states take all precautions to prevent the spread of the illness."

In specifying concrete proposals to stop AIDS, Don Dario differentiated among the healthy, those testing seropositive, and those with full-fledged AIDS symptoms. The healthy should follow the teachings of Pope John Paul II, who in several public statements from 1981 to 1984, stressed the importance of temperance and continence. "If his words had been heeded in 1981, perhaps the 'plague' of the century would not have spread," he said. Not to be overlooked, in this regard, are those theologians who, with a "false sense of compassion and help, fell into permissiveness, tolerance, and even loud cries for the supposed rights of deviants." As for those testing positive, "there is the obligation not to transform them into carriers," therefore, governments must intervene even "with coercive measures." For those already afflicted with AIDS, "it is the duty of the State to prevent the spread of contagion" through the creation of clinics and hospitals, and the immediate registration of those testing positive. On the individual level, Don Dario renewed a call for true compassion, but resolutely rejected any idea of euthanasia, passive or active, as "contrary to divine law."

A culture so shaped, to identify the need to direct individual activity, in the interests of preserving the well-being of the species, is the only culture capable of facing this, "the first species-threatening epidemic," with moral justice. The problem, as Helga Zepp-LaRouche stated, is that our culture currently lacks precisely the understanding of morality, as outlined by Don Dario Composta. Therefore, even if individuals, out of fear of contracting AIDS, may be persuaded to alter their degenerate practices, such as drug consumption and homosexuality, this will not suffice. "We are facing the biggest moral, intellectual, and emotional problem mankind has ever known," she said; we are called upon "to reflect on and comprehend the sacredness of human life" in the profoundest sense. Only by grasping again the notion of "man as made in the image of God, and returning actively to this

image, as was the case in the 15th-century Italian Renaissance," will we be capable of effecting the moral regeneration of society we require. The challenge posed by the AIDS threat is the challenge to "search for and understand biological processes, the very processes of life." Such a scientific effort involves the noblest of human labor, as defined in the Papal encyclical *Laborem Exercens*. By exercising the powers of our creative intellect, we can "master an understanding of those laws of nature," which have been violated, and in so doing, "participate in the process of self-perfection, which is indeed the characteristic of creation itself."

Press Response

The Italian press gave extensive coverage to *EIR's* Rome conference, noting especially the speech there by Lyndon LaRouche and his role in mobilizing an international effort for a crash program to halt the spread of the AIDS disease.

Newspapers reported the criticism by conference participants of the failure of the world's governments to act in the face of the crisis—prompting an official denial by the Italian health ministry Feb. 13. "Referring to news spread by the press about a conference held in Rome on Feb. 12, organized by *EIR*," the press release said, "the National Commission on AIDS communicates that it never failed to study the documents produced by the named agency, particularly concerning supposed transmission risks through blood-sucking insects, aerosols, saliva, etc. The figures reported in the document refer to some seropositive cases and/or AIDS cases described in the literature and known to the commission. Those are isolated cases, and it is not certain that they cannot be ascribed to high-risk categories, while there is much clinical evidence which shows that there is no transmission through professional contacts." The statement also emphasized that the health ministry is against the free distribution of condoms as an anti-AIDS measure.

The following press coverage of the conference was monitored by *EIR's* Rome bureau:

Corriere della Sera, Feb. 13, "From the U.S., Alarm About Saliva and Mosquitos."

Il Giornale, Feb. 13, "A Magnetic Field Against AIDS."

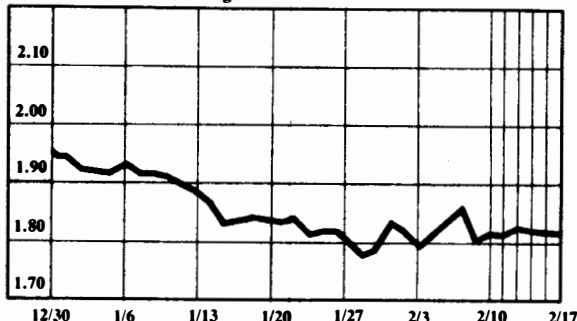
Il Tempo, Feb. 13, "AIDS Worse Than Nuclear War."

Il Giornale, Feb. 14, reported that "LaRouche is not wrong when he says, 'If no measures are taken to check seropositives, we will soon see gangs killing gays in the streets. Something like that is already happening. In New York the violence against homosexuals doubled last year. . . .'"

Currency Rates

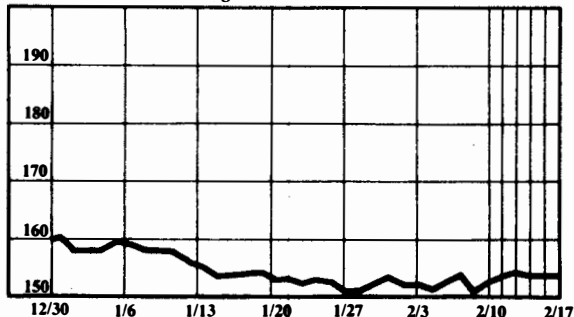
The dollar in deutschemarks

New York late afternoon fixing



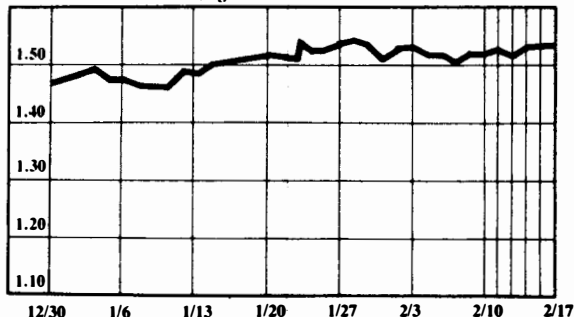
The dollar in yen

New York late afternoon fixing



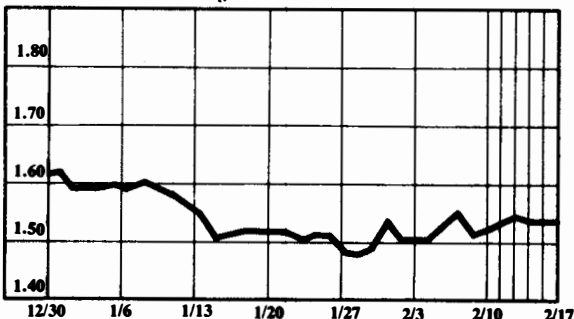
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Guinness affair terrifies London's dirty-money men

by Mark Burdman

During the month of January, 10 influential figures in the City of London business-financial world were removed from their posts, in the biggest financial scandal to hit the City in decades. The scandal erupted around the Guinness PLC brewery giant and its boss, Ernest Saunders, and quickly implicated such prestigious institutions as Morgan Grenfell bank, Henry Anspacher bank, the Alexander, Laing, and Cruickshank brokerage house, the Bain management-consultant group, and many more.

What is involved in "Guinnessgate" is something bigger than a reported \$1 billion in illegal transactions Guinness was allegedly involved in when it bought the giant whisky company, Distillers. In the wake of the Oct. 27, 1986 deregulation of financial markets, what the City knows as the "Big Bang," international speculators, corporate raiders, and dirty-money-laundering institutions were about to take over the British economy. But as Guinnessgate unravels, it might change all that. It might contribute in an important way to a reorganization of the international financial system.

Not coincidentally, the Guinness affair is intimately connected to the "insider trading" scandals that erupted in the United States at the end of 1986.

Boesky talks

The Guinness scandal was triggered by the Nov. 14, 1986 confessions of Ivan Boesky, the publicized arbitrageur and corporate raider. Among Boesky's admissions was that he had provided \$100 million to Guinness PLC, to help the brewery giant outbid Argyll, Ltd. for Distillers. Boesky proceeded to describe an incredible web of illegal financial transactions. Officials of the British Department of Trade and Industry raided the offices of Guinness, its stockbroker, Cazenove, and related entities. It emerged that, after receiving Boesky's \$100 million for the Distillers buy-up, Guinness invested \$100 million in a trust fund set up by Boesky in the United States!

What happened is this:

In competing with Argyll to buy up the rich prize of Distillers, Guinness PLC's "war cabinet" arranged to have certain financial interests buy up Guinness stock, and to buy

down Argyll stock, so that Guinness would be in position to be awarded the takeover bid. Guinness PLC siphoned off money to a financial concern or individual, who then used the money to buy Guinness stock.

One principal in such transactions was Anthony Parnes, nicknamed "the Animal" in the City of London. Until late January 1987, Parnes was associated with the firm Alexander, Laing, and Cruickshank. He spent the last days of January and the first days of February confessing. Some of the transactions involved:

- The cited Boesky transaction.
- Meshulam Riklis, of Schenley and Rapid American, who also put \$100 million into the Guinness buy-up of Distillers, in return for being made the American distributor of Distillers' U.S. subsidiary, Dewars. Atlantic Investors Group, a front under Riklis's control, purchased shares of Guinness in amounts exceeding the 5% allowed by City of London regulations.
- Unspecified amounts of Guinness stock were bought by the New York-London L.F. Rothschild house.
- Unspecified amounts of Guinness stock were purchased by a financial front of Mirror newspaper-chain magnate Robert Maxwell.

● Bank Leu of Zurich bought \$130 million in Guinness shares, the largest reported block, and in return, Guinness deposited funds in a European subsidiary of Bank Leu. (Bank Leu chairman Albert Fürer was a director of Guinness PLC until mid-January; he remains Bank Leu chairman.)

Of 11 other transactions involving £25 million for various services associated with the Distillers buy-up, most mediated by Anthony Parnes, two involved financial concerns associated with Gerald Ronson of Heron International, one of the highest-salaried "executives" in Britain. Ronson has vast holdings in the entertainment industry, Spanish and French real estate, etc. Ronson is connected to the Great Britain Sessakawa Foundation, which is the creature of Japan's Ryiochi Sessakawa, a funder of the Moon sect. This foundation is headquartered in the offices of Robert Maxwell's Mirror chain. Ronson, too, has been confessing, and led investigators to Parnes.

One-third of the 11 transactions, involved a concern headed by Sir Jack Lyons, also the head of Bain-U.K., the British affiliate of the Boston-based Bain concern. It is the second-largest management-consultancy firm in the world. His partner in this and other enterprises is one Major Nigel Chamberlayne-Macdonald, a gentleman usher to Queen Elizabeth II.

One-fourth of the 11 transactions involved Lord Spens, of the Henry Anspacher bank, formerly with Morgan Grenfell, who was involved in siphoning off money for "services" from Guinness to Grenfell. Grenfell was Guinness PLC's bank.

'Junk bonds' and corporate raiders

Ivan Boesky is one of several individuals who gained notoriety in the 1980s for "raiding" big industrial corporations in the United States. Because of the "post-industrial" depression in the West, many manufacturing concerns are in very bad shape. One credit-rating agency in the United States, for example, gave 97% of American corporations a failing investment grade—"fair game" for the raiders.

One of the favored techniques of the raiders has been "junk bond" financing. A group of people put money into very high risk, high-yielding bonds that are pooled to fund raids on targeted corporations. One estimate places 1986 junk-bond financing at \$120 billion.

Among Boesky's frequent cohorts in such dealings have been top Israeli/U.S. mafia figures:

- **Meshulam Riklis**, of the Schenley and Rapid American corporations;
- **Carl Lindner**, of United Brands/United Fruit, and a former partner of Riklis in Rapid American.
- **Armand Hammer**, of Occidental Petroleum, a Soviet agent for seven decades.
- **Victor Posner**, of the Sharon Steel interests of Pennsylvania, often rumored to be the mob successor of Meyer Lansky.
- **Kenneth Bialkin**, of the Willkie, Farr, Gallagher New York law firm, counsel to Robert Vesco, former chairman of the Anti-Defamation League of B'nai B'rith, and a pioneer of "corporate raids" in the late 1970s.

The money of this network, U.S. officials believe, has been integral to funding a component of the U.S.-Israel-Iran arms traffic. In many ways, some not yet known, the corporate-raider structure is co-extensive with the political networks now being exposed in America's Iran-Contra scandal.

'Wild oats are being sown'

Bank of England head Robin Leigh-Pemberton has insisted that the Guinness affair betrays nothing about City of London financial operations as such, but has solely to do with certain individuals. In fact, the affair has provoked impassioned, even hysterical defenses of the City of London and the "Big Bang." The fact is, the dirty financial magnates are terrified.

The *Daily Telegraph* op-ed of Jan. 22, by economics professor Patrick Minford, states: "Awkward as this spate of City scandals is from a public relations point of view, one must not confuse them with the underlying realities that will continue to make the City grow as one of the three key financial centres of the world. The recent surge in share prices should have reminded us that in the economy as a whole, life goes on more profitably than ever. . . ."

"This is perhaps the most significant single measure of the economy's advance, and it gives the lie to the accusation that declining manufacturing has damaged the wealth-creation potential of the economy, on which all else depends. Manufacturing has diminished, absolutely as well as relatively, since 1979; it now accounts for only 25 per cent of our output and employment. But other industries, and especially services, have grown to replace it, and add further to economic growth."

The Jan. 25 *Sunday Telegraph* weekly published a lead editorial by Chief Editor Peregrine Worsthorpe, "Save the City From Political Humbug and Envy." Worsthorpe wrote:

"Britain is very fortunate to have the City of London. Every other nation in Europe would dearly like to enjoy this golden asset, which is now a major growth point in the economy, creating untold wealth and much employment. What North Sea oil was to the 1970s and 1980s, the City could be to the 1990s—a miraculous turn-up for the book. So far as heavy manufacturing goes, Britain, more than most developed countries, has been falling behind the underdeveloped countries. What a blessing, therefore, that in the nick of time this country should have developed a skill—marketing money—which the underdeveloped world has not yet begun to acquire. . . ."

"What must be prevented at all costs is draconian legislation, introduced as a result of political panic, which will nip the City bloom in the bud, before it has had time to flower. For it cannot be too vehemently emphasized that the City's ills today are those of adolescence, not of senility; of vitality, not of decadence. Wild oats are being sown, and those should on no account be confused with rotting mould. . . ."

"The City of London arouses prejudicial reactions from both the Left and the Right, rather as do the Jews. . . . One must hope that Mrs. Thatcher will show her customary resolution, in resisting precipitate and ill-considered calls for new legislation. Aches and pains always accompany fast growth. But that is no reason to amputate the affected limb. What is happening in the City of London today is a sign of health, not of sickness. By all means, let us exert discipline, on the principle of spare the rod and spoil the child. But let the discipline be designed to help and educate rather than to punish and demean."

In the London National Gallery hangs the magnificent painting by Rembrandt, of Belshazzar at a lavish banquet, at the point that the handwriting appears on the wall. Perhaps, at last, the handwriting is on the wall for the financial interests that have made the City of London what it is.

Ecuador defaults

Washington's "perfect" debtor goes bankrupt; even David Rockefeller can't save President Febres Cordero.

Citing "cash flow problems," Ecuador failed to pay interest due to foreign creditors in early February. The amount of money involved is relatively small—the foreign debt is \$8.2 billion—but Ecuador's default marks a defeat for the Reagan administration's economic program for developing countries. When León Febres Cordero became President in 1984, he was fêted by President Reagan as the model of "neo-conservative democratic" statecraft. Febres followed the policies dictated by then-Treasury Secretary Donald T. Regan and the International Monetary Fund (IMF). He embarked on strict austerity and made the country a place where foreign investors could do what they pleased. Still, Ecuador has joined the ranks of the bankrupt.

A central bank communiqué issued Feb. 19 sought to explain the predicament to Ecuador's creditors: "Our country complied with all its commitments up to Dec. 31, 1986. At the same time, during that year, Ecuador made payments of more than \$1 billion to the international financial system." Central bank president Carlos J. Emanuel added laconically that it took "great effort and imagination" to keep current on interest during 1986.

The default was no surprise. Emanuel alerted creditors last Nov. 21 that Ecuador would have to spend 45% of its export earnings for debt service in 1987, compared with 30% in 1986. Despite its obedience, Ecuador has not been bailed out with new loans from its creditors any more than other submissive clients like Chile, Mexico, and Venezuela.

Who but David Rockefeller should fly into Quito Feb. 9 in a desperate mission to save Febres Cordero? Rocky's entourage included his Venezuelan towel boy Gustavo Cisneros and the manager of his Americas Society, George Landau. They presented Febres with their book, *Toward Renewed Economic Growth in Latin America*. Funny thing, the tract is a recompilation of exactly the economic practices which led Febres into bankruptcy.

It seems Rocky left his checkbook home, but not his propaganda mill. *New York Times* editor A.M. Rosenthal penned maudlin columns from Quito on what would happen if "Washington's favorite Latin American leader" were driven from power. He paints Febres as "a kind of Lee Iacocca type, only with lots of hair and a mustache," and praises him for having "followed a policy of deregulation that Washington admired, supported American policy on Nicaragua. . . ." Rosenthal exaggerates, "If Ecuador returns to military rule, it will make the future of every newborn democracy in Latin America considerably more dubious."

Febres could well be given a one-way ticket on an Ecuatoriana Electra to Miami. On Jan. 16, Febres suffered the embarrassment of being kidnapped by Air Force officers for 12 hours. He was only released when he promised his captors to amnesty them and Gen. Frank Vargas Pazzos, who had been jailed for a previous attempt to overthrow Febres.

"People have arrived at the conclusion that all the democratic means

to confront Febres Cordero have failed," declared Febres's predecessor Osvaldo Hurtado. "For this reason, they have turned toward Vargas Pazzos, who offers an effective—though not legal—alternative."

Febres's government is crumbling under him, as it is hit by one institutional crisis after another. The liberal media tries to describe Ecuador's "instability" with all the prejudice about "banana republics" still peddled in university Latin American studies departments. In their language, his opponents are just "populist demagogues" and over-ambitious "men on horseback." Such analyses cover up the misery caused by his International Monetary Fund economic policies.

It is difficult to predict what will happen in Ecuador, primarily because the key decision-makers are not picturesque characters like General Vargas. The country is a replica of the spy nests where Humphrey Bogart made his most famous films. The most obvious may be the U.S. influence, as noted by the *New York Times*. Febres gave refuge to Spanish ETA terrorists and let the Indian Sikh terrorists who murdered Indira Gandhi buy land and establish a government-in-exile inside Ecuador.

The Air Force has long-standing links with the British RAF and with the Israelis. Israeli Mossad arms trafficker and terrorist controller General Ze'evi used Ecuador as the base for his operations all over South America. Dope, Inc. has made Ecuador a major transshipment point and safehouse, and the government has done little to stop the drugs.

The opposition majority in Congress, it appears, has an alternative to the heavier doses of IMF shock which Febres plans. Congress President Andrés Vallejo told the press Feb. 4, "Continental solidarity to face the [debt] problem is necessary."

Kissinger, the loans that never came, and the presidential succession

by Héctor Apolinar

“Beach boy” Henry Kissinger interrupted his sunny vacation in Acapulco, Mexico, for an emergency session in Mexico City on Feb. 13 with President Miguel de la Madrid, at which Kissinger ordered Mexico to adopt a Brazilian-style shock austerity program for the economy. On Feb. 17, President de la Madrid received an equally unsettling visit, this time from Rodman Rockefeller, co-chairman of the Mexico-U.S. Businessmen’s Association. Rockefeller was accompanied by the indicted Peruvian banker Pedro-Pablo Kuczynski, president of First Boston International, by Phillip Caldwell of Shearson-Lehman Brothers, and by Charles F. Barber of American Smelting and Refining Corporation (Asarco).

These high-powered visitors delivered Kissinger’s message to Mexico’s President yet again, just in case he didn’t get the point the first time: total surrender of the national economy to its foreign creditors.

The Kissinger and Rockefeller visits occur in the midst of growing tensions over the foreign debt negotiations, tensions due to the refusal of Mexico’s creditor banks to deliver on their promise of a \$7 billion package urgently required by the government to reactivate the depressed Mexican economy and to try to comply with their promises that the country would grow by 3-4% this year.

In government circles, it is taken for granted that if the economy does not grow during this semester, President de la Madrid’s administration will lose the prestige, the power, and the stability he needs to stay on top of the presidential succession process, an issue to be decided between August and September of this year.

President de la Madrid’s desperation stems from the fact that Mexico signed a debt agreement with the foreign banks a full three months ago, and yet not a penny of the new money has been released. At this point, further delay will make it virtually impossible to meet the goals set for the first half of the year.

A slap in the face

On Feb. 4, the Mexican government was slapped in the face by the banks. Citicorp President John Reed told the AP-Dow Jones news service that his bank opposed granting new

credits to Mexico, but had yielded to pressure from the Federal Reserve and the White House. That same day, the *Financial Times* of London revealed that certain creditor banks opposed loaning the full amount they had promised, on the grounds Mexico would earn more dollars from the recent partial recovery of oil prices. Reed’s statement in particular was an ominous sign for the Mexican government, since his Citibank heads the bank advisory committee which handles Mexico’s foreign debt.

The leaks from creditor banks are designed to overturn the very cornerstone of the Mexican government’s two-year growth strategy, packaged in the Program for Enterprise and Growth (PAC). A government study released to the daily *El Financiero* of Feb. 9 defines the PAC as “a strategy for the government to gain time to finish its six-year term without having to resort to heterodox policies which could exacerbate the crisis.” At the same time, the Mexican press repeatedly reports that the lack of foreign credit has completely stalled the Industrial Reconversion Plan, which is the heart of the government’s development strategy. This plan’s implementation was entrusted to Alfredo del Mazo, minister of energy, mines and state-sector industry, and one of the much-touted candidates to succeed de la Madrid in the presidency.

Confronted with a deepening of the depression already ravaging the economy, the government now faces the dilemma of how to function without the foreign loans on which all its plans were based. From its perspective, the choice is to grow with inflation, or impose “shock therapy” on the economy. On Feb. 10, financial commentator José Antonio Pérez Stuart warned that hyperinflation would explode if the government dared to finance economic growth by printing money. He also forecast that the country’s growth this year would only reach 1.5% “in the best of cases.” Luis Mercado, unofficial spokesman for the Mexican central bank, and monetarist Miguel Mancera Aguayo, likewise warned President de la Madrid against starting up the printing presses at Treasury.

The rumor that de la Madrid would impose a brutal shock on the economy, in the style of Brazil and Argentina, is circulating everywhere. On Feb. 17, Francisco Suárez Dávila, deputy finance minister in charge of negotiating with

Mexico's foreign creditors, was forced to address these rumors. He said the idea of imposing a shock treatment this late in the presidential term was "absurd."

However, the creditors are demanding, "Where's the beef!" In the name of Rockefeller, Charles Barber instructed President de la Madrid that "continuous dialogue between government and business leaders [should] help your administration plan and formulate those measures necessary to guarantee stable progress toward a more open and internationally competitive economy."

Government officials know all too well that the measures demanded by Kissinger and Rockefeller would trigger a violent social explosion. To smash it would require a "hardline" government. In this context, it becomes clear that the creditors' choice for the next president of Mexico is Manuel Bartlett Diaz, the current interior minister. Bartlett is known as the "hardliner" in Mexico's domestic affairs.

Kissinger shows his preferences

One indication that Bartlett is the bankers' favorite was given by Kissinger himself. There was no other motive apparent for Henry's having two long meetings with Bartlett, since the minister is in charge of the government's political, not economic, affairs. Bartlett is a creation of Mexican Ambassador to the United Nations Mario Moya Palencia, an intimate friend of Kissinger.

In Acapulco, Kissinger was the guest of Jacqueline Petit, known to be very close to Moya. Petit is well known in Acapulco's homosexual and drug-infested circles. On Feb. 9, 1979, Petit was arrested and charged with criminal responsibility for narcotics sales inside the exclusive "Gay Bar 9," which Henry Kissinger has visited.

As if this weren't enough, another friend of Kissinger visited Mexico on Feb. 14, former deputy secretary of state under Jimmy Carter and current vice-president of Salomon Brothers investment house, Thomas Enders. Enders arrived under cover of "promoting investments" in Mexico. However, this does not explain his lengthy meetings with Miguel Alemán, president of the Televisa television network; with Carlos Hank González, one of the country's most powerful political leaders; and with Agustín Barrios Gómez, former Mexican ambassador to Canada and Switzerland. Barrios Gómez was elevated into political high society thanks to the patronage of his intimate friend Virginia Hill, known in Mexico during the 1940s as "the ambassador of drugs."

Enders also met with Gabriel Alarcón, heir to the shady Alarcón empire, and with Salim Nasta, a Greek-Orthodox Lebanese of pro-Syrian allegiances. Enders's host in Mexico was one Ezequiel Padilla, director of the Confia bank and son of Ezequiel Padilla, Sr., who during the 1940s was Mexico's foreign minister. During this period, Padilla, Sr. collaborated closely with the Nazi secret service which operated in Mexico. Thanks to his intervention, the Nazi-Soviet superspy Hilda Kruger was allowed into Mexico.

Rocky's banker friend Kuczynski faces fraud rap

On Feb. 10, a judge in Lima, Peru handed down an indictment against one of David Rockefeller's favorite young bankers, Pedro Pablo Kuczynski. Kuczynski was indicted for helping foreign oil companies defraud Peru of \$800 million. The formal charges against Kuczynski and 13 associates are fraud, embezzlement, tax evasion, and negligence to the detriment of the Peruvian state.

Kuczynski is co-president of First Boston International, a New York investment bank largely owned by Crédit Suisse, notorious as a Swiss drug-money laundromat, and the White-Weld banking house. He has turned up in Venezuela and elsewhere in South America as a spokesman for David Rockefeller's Americas Society, arguing against Lyndon LaRouche's plan for monetary reorganization and peddling his own book, *Towards Renewed Economic Growth in Latin America*.

In 1969, Kuczynski sneaked out of Peru disguised as a priest, when it was discovered he had helped Standard Oil's Peru affiliate to take millions of dollars out of the country at the moment the company was nationalized. After working for the World Bank and Alcoa, he returned to Peru in 1980 as Energy and Mines Minister.

He devoted the next two years to purging Peru's legal code of all protection from looting by foreign countries. The "Kuczynski Law" gave foreign oil and mining companies tax exemptions while the state company, Petroperu, was bankrupted. It eliminated export taxes on minerals. The tax rate on foreign companies' profits was reduced from 69.5% to 41.1%. They were freed of almost all taxes on profits they reinvested; the companies simply lied that they were reinvesting, and sent the money out of Peru.

The biggest beneficiary of Kuczynski's swindle was Armand Hammer's Occidental Petroleum. Last year, when President García suspended the law and cracked down on the oil companies, Occidental virtually confessed it had cheated Peru of \$237 million and promised to reinvest the funds in Peruvian oil development.

With an extraordinarily bad sense of timing, the government of Venezuela has just hired Kuczynski to help it dispose of its last \$5 billion in foreign reserves.

Business Briefs

Technology

Soviets spend billions to steal from West

The Soviet Union spends \$1.5 billion a year to illegally obtain high technology from the West. They prefer to pay Western businessmen to do the smuggling, according to Reagan administration aide Robert Dean.

Dean, who has just been named to the National Security Council, testified Feb. 13 in the trial of a West German businessman charged by the United States with shipping millions of dollars in American computers and electronics to the Soviet Union.

"Our intelligence agencies concluded that during the late 1970s, the scale of the Soviet efforts to acquire Western technology was far more systematic, well organized, and well funded than previously known," Dean said.

He said that the Soviets' preferred method of stealing is to "put on commission a Western businessman who will then go out and buy the items they desire."

Trade War

Clayton Yeutter plays the macho

U.S. Trade Representative Clayton Yeutter used demonstrators who oppose his policy of trade war against U.S. allies as evidence of his "toughness" on the issue, in Feb. 13 testimony before the House Ways and Means Committee.

According to the Feb. 14 *New York Times*, Yeutter told the committee that, at a recent conference in San Francisco, he saw demonstrators waving a banner reading, "Save NATO, Dump Yeutter." The protest, he said, signaled the concern in some quarters over American trade policies and Yeutter himself.

According to the *Times*, Yeutter told the story to the committee "in an effort to illustrate the kind of impact he is having as this country's chief trade spokesman. He related

the tale with a wide grin and a bit of mock swagger, and he could not have had a more appreciative audience. . . . The legislators seem to have a strong affinity for a macho man as the nation's trade representative. . . ."

The Comecon

Poland moves toward 'free market' policy

Jerzy Urban, a government spokesman visiting London, told a press conference there Feb. 16 that Poland is finding "reform" easier because of Mikhail Gorbachov's "reform" actions. Poland is taking "decisive steps toward the market economy," as he put it.

Economic reforms include limiting government price subsidies: "We do expect to have prices freely regulated by the market."

But Poland will remain "communist." "We do expect larger independence of companies," Urban continued, "but we do not envisage the central planning to be less important than it is now. . . . We would like to perfect our economic mechanism and produce a combination of the two" systems, socialist and capitalist.

He also said that a consultative council would be created to advise Gen. Wojciech Jaruzelski, and a new office would be created to "protect human rights."

Usury

Revolt brews in Africa against IMF

The annual report of the United Nations International Children's Educational Fund (UNICEF) has called for a 10-year freeze on African debt. UNICEF reports that "malnutrition and low birth weight are on the increase in many African nations," and attacks fiscal and financial "adjustment policies" which "strike hardest at the children of

the poor, whose average incomes have dropped 15% in recent years."

In an implicit reference to genocidal International Monetary Fund policies, the report concludes: "No adjustment policy is acceptable which allows children to be sacrificed for the sake of financial stability."

Meanwhile, West African states met recently to map out joint dealings with international creditors and the supranational agencies. Ministers from seven West African countries called for a "new relationship" with the IMF and World Bank, and said policies which promote economic growth were needed.

They reportedly discussed ending bilateral relations with the IMF. One minister described the meeting as a "joint rebellion" against the international institutions.

Foreign Aid

Japanese to increase Asian economic aid

Japanese Foreign Minister Tadashi Kuranari is considering several measures aimed at increasing Japan's economic aid to the nations of the Pacific region. The measures will also likely change Japan's "aid by request" policy.

The mooted changes, although yet to be announced, have already been dubbed the "Kuranari Doctrine" by the press.

Currently, Japan only provides foreign aid to those governments which first request such support—"aid by request." Kuranari is considering having Japan take the initiative in making aid proposals to selected nations, whether or not they formally request it.

The Japanese foreign ministry is also considering relaxing the rules on aid initiatives to the member-states of the Association of Southeast Asian Nations (ASEAN).

The Japanese are clearly seeking to strengthen the economies of their regional trading partners, thus improving their status as importers of Japanese products.

Exemplifying this policy orientation, Japan's Export-Import Bank extended a \$900

million untied loan to Indonesia on Feb. 17, the third multi-million dollar loan Indonesia has taken in the past three months. Bank president Takashi Tanaka, said the loan would be used to finance ports, irrigation, coal, and electricity projects. "It is no longer a matter of profit or loss," one Western diplomat commented on Japan's loan, "It is a matter of strategic necessity." Japanese investment in Indonesia had fallen drastically from \$500 million in 1982, to about \$30 million in 1984. It rose to \$220 million in 1986.

President Suharto of Indonesia stated that cooperation with Japan was "mutually beneficial."

However, on Feb. 14, Radio Moscow charged that Japan's regional policy toward the South Pacific is aimed at "promoting realization of U.S. strategic plans for the Asian and Pacific regions." It singled out the "Kuranari Doctrine" for attack, saying it is aimed at helping Japanese capitalists advance in the region. The broadcast was monitored in Tokyo.

AIDS

Dr. John Grauerholz tours South America

Dr. John Grauerholz, medical director of the Biological Holocaust Task Force of *EIR*, recently completed a two-week tour of South America, during which he presented the results of the *EIR* computer model of the AIDS pandemic to audiences of health professionals and concerned citizens in Brazil, Colombia, and Venezuela.

After attending a World Health Organization conference in Rio De Janeiro, along with Dr. Jonathan Mann of the WHO AIDS program, and a conference in Sao Paulo convened by Dr. Ricardo Veronesi, the president of the Brazilian Society of Infectious Diseases, Dr. Grauerholz made a number of presentations at civilian and military hospitals in Rio de Janeiro. His talks included the results of *EIR*'s "first generation" computer model of AIDS epidemiology and the species-threatening implications of the

spread of the AIDS virus to date.

After making similar presentations Dr. Grauerholz traveled to Bogota, Colombia, where he addressed an audience of 400 persons, along with Dr. Luis Caravallo, an immunologist from Cartagena. Dr. Grauerholz also spoke to well-attended conferences at civilian and military hospitals in Bogota and surrounding areas.

In Venezuela, he addressed an audience of 700 persons at the main military hospital in Caracas, and subsequently spoke before 200 at the "Padre Machado" cancer hospital in that city.

In addition to presenting the *EIR* model to these audiences, Dr. Grauerholz had numerous discussions with local health professionals and others. They mapped out the measures needed in response to the threat posed to the Ibero-American continent by the combination of AIDS and already rampant problems of malaria and other infectious diseases.

Biological Holocaust

Fear locust swarms in Africa again

Locust swarms, predictably, are threatening African crops again, due largely to inaction by U.S. and international agencies last fall.

The U.N. Food and Agriculture Organization (FAO) reports that "widespread crop damage is likely" unless action is taken within the next three to four months to fight infestations. Sudan and Ethiopia are especially threatened, but there are dangers of swarms coming in from western Saudi Arabia and spreading across the whole of Central Africa.

Southern Africa is again threatened with brown locusts. A belt from Senegal to Chad is infested with eggs laid by locusts last year. The FAO calls for operations costing \$30 million to fight the threat—even less than the \$50 million spent last year.

The FAO, at the time, insisted that big-plane spraying, which would have destroyed the eggs, was unnecessary and needlessly costly.

Briefly

● **THE IMF** has demanded that Peru pay \$754 million in overdue debts. The Fund's board meeting Feb. 13 discussed the Peruvian case and sent a letter to Lima demanding that the Alan García government present a payments schedule. García recently said that the best way to deal with the IMF "is to ignore it."

● **SENIOR BRITISH** industrialists will meet with a top-level Soviet delegation Feb. 27-March 1, the Confederation of British Industry said Feb. 17. Confederation President David Nickson will lead a 25-member British delegation that includes representatives of Britain's largest companies. Professor I.D. Ivanov, deputy chairman of the newly formed Foreign Economic Commission, will lead the Soviet delegation.

● **25% OF FRENCH** victims of AIDS do not belong to any "risk group," according to Germany's *Der Spiegel*. At least one baby is born every day with the AIDS infection.

● **FORMER COLOMBIAN** Justice Minister Parejo demanded an end to bank secrecy in a press conference given in Vienna Feb. 12. "Of course I am a staunch partisan of ending banking secrecy, insofar as that secrecy could become a means of covering up narco-money. I believe that international mechanisms should be established for an exchange of information on the movement of drug money. . . . Banks can supply this information, thereby also contributing to the fight against the drug trade."

● **THE BRITISH** Health Ministry has announced that it will deny entry to all foreign carriers of the AIDS virus, if airport and port authorities are convinced the person represents a danger to the population. Parliament is soon expected to order district health authorities to report the number of AIDS victims and AIDS carriers in their areas annually.

The great projects in heavy industry

Part 23

Ibero-American integration

EIR continues its exclusive translation of the Spanish-language book, *Ibero-American Integration: 100 Million New Jobs by the Year 2000!* The book, published in fall 1986 in Spanish, was written by an international team of experts for the Schiller Institute, elaborating Lyndon LaRouche's proposal to free the continent of economic dependency and spark a worldwide economic recovery, "Operation Juárez."

This week's installment continues Chapter 7, detailing the mining and industrial projects that will be required to fulfill that program. Only by converting the immense mineral wealth of Ibero-America into heavy industry, can the continent overcome its historical underdevelopment in this sector, which is indispensable for economic independence.

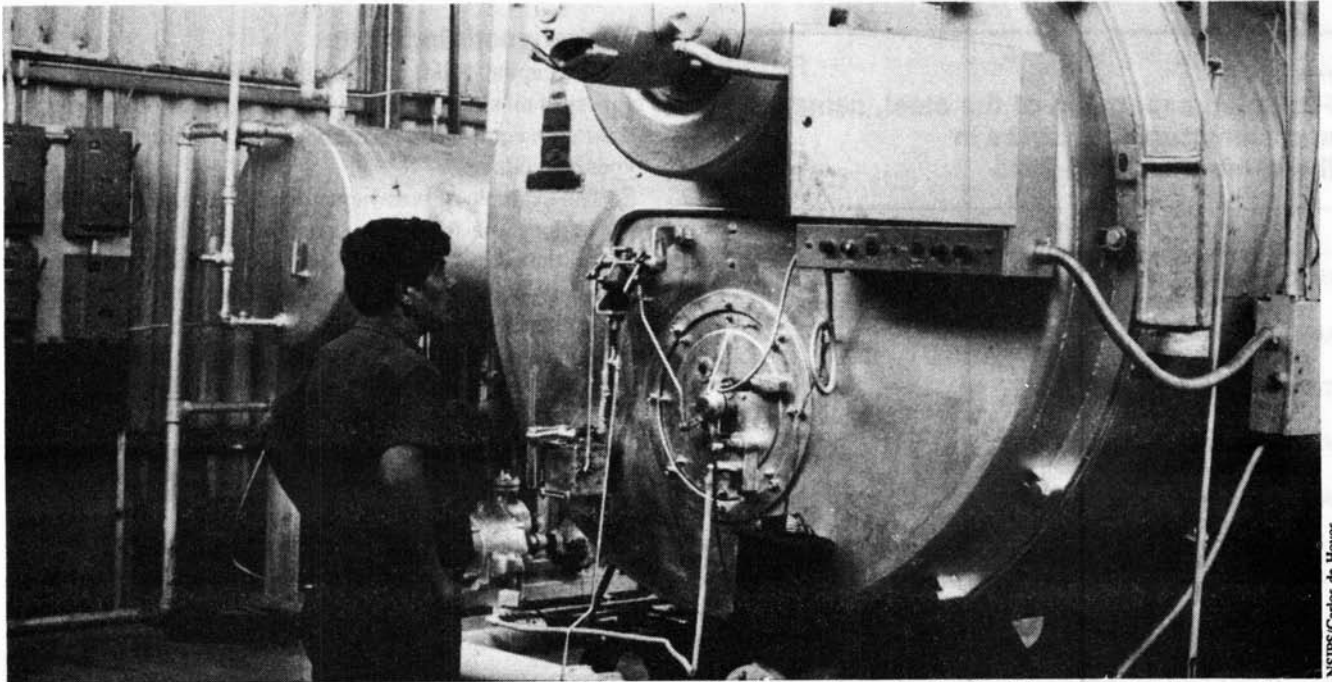
Numbering of the figures, tables, and maps follows that of the book.



Heavy industry is made up of the iron and steel industry, nonferrous metals production, basic petrochemicals, industrial non-organic chemicals, cement, and lumber and paper mill products. It turns the raw material of mines, oil wells, or forests into refined, semi-finished bulk products in preparation for their fabrication into the entire range of machinery and chemical products produced by the economy. Often called intermediate industries, heavy industries generally represent major investments in large-scale plants. Developing heavy industry is essential for Ibero-America to achieve the development goals outlined in this report.

The king of heavy industry is steel, and it is expected to remain so through 2015 and beyond. While ceramics and other materials are being developed to replace steel in many specialized applications, the bulk of the steel produced is consumed in construction, transportation equipment, and machinery, in uses where no substitute is in sight. Steel requirements for the year 2015 were estimated at 636 kilograms per capita, about the level of most OECD countries in the late 1970s. This will require 500 million tons production by 2015, and 150 million a year as early as 2000. Today, 35 million tons per year are produced.

This will require a tremendous investment in steel plants beginning immediately. But apart from the sheer construction of new steel plants is the question of technology. While producing basic carbon steel is a fairly straightforward process, the direct reduction method may be more advantageous for Ibero-America, as it uses natural gas rather than coke to reduce the iron ore. The direct reduction method has in fact already been pioneered in Mexico by the HYLSA company.



NSIPS/Carlos de Hoyos

A worker at a machine-tool plant in Querétaro, Mexico. Only Brazil, Mexico, and Argentina in all of Ibero-America have machine-tool production, and it is minuscule compared to the rest of the world.

In fact, the continent is relatively poor in coking coal, so that direct reduction is the way to go for all iron ore-producing regions that are near natural gas deposits. The Mutúm-Santa Cruz area of Bolivia is an excellent candidate, with large quantities of both; and Argentina, with lots of natural gas, would do well to go this route.

However, to avoid having to import huge quantities of coking coal by the year 2000 and beyond, the continent must pioneer the technology of plasma reduction of iron ore, which does not require coking coal. Small experimental plants already exist, and the continent must set up and fund, as a matter of strategic priority, experimental plasma reduction plants, such that by the year 2000 the technology is fully commercialized. This will also reduce significantly the cost of this phase of the steel-making operation, as the plasma furnaces replace costly blast furnaces.

Furthermore, Ibero-America will have to deal with the question of steel alloys, as there are very few applications of steel that do not also require some quantity of more specialized alloys. At present there are thousands of different alloys of steel involving a score of alloying agents, and more are being discovered every year. It will be necessary for Ibero-America to acquire the technology for a wide range of alloys, and to begin producing its own alloys as soon as feasible.

The estimated total cost over the next 30 years will be about \$930 billion, if present cost parameters do not change dramatically. However, with the introduction of the above-mentioned new technologies and the mass production of rolling-mill machinery, it is likely that total costs can be significantly reduced.

Probably the biggest bottleneck of all, however, will be the shortage of skilled labor. A crash training program will need to be launched where workers will spend time in the steel mills already operating in Mexico, Brazil, and Argentina, and even in foreign steel mills as needed, to acquire the experience they will need to staff the number of steel plants that must be built in Ibero-America. The same holds true for the problem of skilled labor in all branches of heavy industry.

As for nonferrous metals refining, the average costs today for producing aluminum from bauxite are around \$6,000 per ton (Table 7-4). However, in the area of nonferrous metals, the same developments of plasma technologies for refining iron ore apply. It is quite likely that by early in the next century, if not earlier, there will be a revolution in most of the ferrous and nonferrous metal industries brought about by early versions of the so-called "fusion torch," harnessing nuclear fusion energy to create very high temperatures for turning ores into ionized gases, making their separation easy.

Already, low-temperature plasma technologies are showing promise for near-term application in this area. In light of the importance that the metals industries will have in Ibero-America, it is imperative that the continent invest heavily in creating centers for research and development of these new methods. The potential is to cut not only refining costs, but energy requirements, especially electricity requirements, down to small fractions of their present size.

Many countries at present have some level of petrochemical industry. However, as with the other heavy industries, petrochemical production must grow at about 10% a year to keep up with the demand of the program presented here.

TABLE 7-4

Projected expansion of the steel, cement, and aluminum industries in Ibero-America 1985-2015

	Steel	Cement	Aluminum
New capacity (millions of tons)	467	630	18.7
Unit cost of investment (dollars per ton)	2,000	130	6,000
Total cost of new capacity (billions of dollars)	934	84.5	112
Annual investment in the year 2000 (billions of dollars)	24.4	2.3	2.5
Annual investment in the year 2015 (billions of dollars)	87.0	6.7	11.1

Chemicals, especially petrochemicals and fertilizers, is one of the areas of greatest import dependency at present, so a major emphasis must be put on acquiring the necessary technologies to be able to build chemical plants at the pace required. Mexico had made a good start in this direction in the early 1980s, but the International Monetary Fund (IMF) promptly put an end to that.

The continent will require, during the next 30 years, an enormous quantity of cement. The magnitude of infrastructure projects, for dams, roads and railroads, and urban construction, is such that more cement will be required per capita than for the industrialized countries. Ibero-America already produces about 80 million tons, but this must rise almost ninefold by 2015, and three-and-a-half times by 2000. Again, at first, the continent will need to import cement plants, until it can gear up domestic production of the required capital goods. However, in many countries there is a lot of excess capacity in cement-making plants at present due to the worldwide recession and general slowdown in construction. A cement plant located near the raw material and power source costs around \$130 million, giving a total cost of nearly \$85 billion over 30 years for our program.

In Table 7-4, one can see the investments that will be required over the next 30 years to expand the steel, cement, and aluminum industries.

Also important to develop will be the forestry-based industries. Ibero-America currently makes very little use of its forest resources, and most of that use is harmful, as discussed in Chapter 6. Large numbers of both lumber mills, for producing wood for railroad sleepers and for housing construction, and pulp and paper mills to produce paper for packing, newsprint, and paper uses, will have to be constructed. These forest-based industries must take into account the need for reforestation.

Capital-goods industries

The capital-goods industries are those that produce machinery of all kinds, transport equipment, electric and power-generation equipment, instruments, and a myriad of specific types of products.

The example of postwar Japan shows, again, how much can be done in a short time. Japan has developed, with only 15% of the population that Ibero-America will have in 2015, practically every capital-goods industry that will also be needed for Ibero-American development. While Japan ended the war with a significant trained industrial labor force, in numbers it was considerably smaller than the combined skilled industrial labor force available in Ibero-America today. What is required is a coordinated, continent-wide policy of upgrading the training of those already in the manufacturing workforce while bringing in new workers as fast as the jobs are created for them. Table 7-5 shows the number of U.S. industrial workers in the core capital-goods industries, and the

TABLE 7-5

Composition of machine industry in the United States 1981

	Total employment (thousands)	Value of production (millions of dollars)
Total machinery and equipment	4,700	394,113
Machinery and equipment for agriculture and industry	933	85,904
agricultural machinery	127	12,460
construction machinery	155	16,760
industrial machinery and equipment	651	56,684
Machine tools and accessories	222	13,745
Transportation and communication equipment	1,871	209,058
transportation equipment	809	120,362
boats	185	10,021
aviation equipment	722	65,550
communication equipment	155	13,125
General equipment and accessories	1,674	85,406
electrical equipment	253	19,224
electronic and computer equipment	386	34,716
measurement and control instruments	412	19,467
medical instruments and equipment	159	13,362
other equipment, components, and accessories	464	33,353

Source: U.S. Department of Commerce

annual value of the output of those sectors, which gives an idea of how few workers are required to produce an enormous output.

In Ibero-America, most countries are capable of manufacturing a certain range of capital goods at present, and Brazil is capable of producing a small quantity of relatively more sophisticated items. The first step to be taken is the rapid increase in production of the goods that already can be manufactured, including putting on additional shifts to make fuller use of existing capital installations. Such an expansion in breadth will be able to meet the expanded demand for an important range of capital goods, without having to resort to imports.

Second, just as was done in Japan in the 1950s, plans have to be made to systematically set up factories to manufacture more and more types of capital goods, beginning with those that are easiest to produce. The less sophisticated plants will be located in the less developed of the Ibero-American countries, that have little or no capital-goods industries today, while the more sophisticated ones will have to be located in Brazil, Mexico, and Argentina. Once begun, the process of adding new lines of equipment can quickly expand the capabilities of Ibero-American industry to satisfy close to the full needs of the development program.

While heavy industry must produce the rails, structural steel, and cement for the infrastructure projects, the capital-goods industry must supply the turbines, generators, transformers, and switch-gears for the electricity generation program. Large boilers and reactor vessels must be manufactured for the nuclear and thermal generating plants. Pressure vessels and high-quality tubing are needed for the petrochemical industry. The shipbuilding industry of the continent must be greatly expanded to meet the needs of creating an Ibero-American fleet to handle continental cargo.

A detailed program for capital goods can hardly be elaborated here, given the diversity of the industry, but the above general guidelines suffice to indicate the proper framework.

Machine tools

If capital goods are the heart of heavy industry, machine tools—the machines that make other machines—are the heart of the capital-goods sector.

Machine tools are the tools that are used to turn a block of steel into a machine. There are machines for cutting and machines for metal forming. Simple machine tools can be mass-produced for under \$1,000, while the most sophisticated computerized ones can run into the hundreds of thousands of dollars. At present, only Brazil, Argentina, and Mexico have machine-tool industries of any significant size at all, and all are very small by world standards (see Table 7-6).

Machine tools, despite being central to the capital-goods industries, make up only a small proportion of total investment for plant and equipment of industry. In the United States, machine-tool consumption by industry accounts for

TABLE 7-6

Production of machine tools, various countries 1983

	Total production (millions of \$s)	Per capita production (\$s per 1,000 inhabitants)
Argentina	31	1.1
Brazil	124	1.0
Mexico	21	0.3
South Korea	210	5.3
Italy	1,048	18.6
Japan	3,538	29.9
West Germany	3,194	51.8

Source: U.S. National Machine Tool Builders Association

about 1.5% of total expenditure for plant and equipment. For Ibero-America, this percentage will need to be much larger, especially at first as the program gets under way, but nonetheless it will be a relatively small component of total capital-goods investment.

The biggest bottleneck to developing this industry rapidly will not be acquiring the machine tools themselves, but training the labor force to use them. The machine-tool industry requires the highest average skill level of any capital-goods industry, and virtually all of the workers must be skilled, and some very highly skilled. Within 10 years, Ibero-America will need 80-100,000 skilled machinists. To create this number requires that thousands of workers begin training in the existing machine-tool plants in Ibero-America, and where feasible in the machine-tool plants of the United States, West Germany, and Japan.

Given the tremendous variation in types and complexity of machine tools, Ibero-America must follow a strategy of phasing into each successive level of sophistication. From the outset, Ibero-America should move to produce numerically controlled (NC) machine tools, which is a machine tool governed by computers. An NC machine tool is more advanced than one without NC control, but for that very reason it requires much less skill and experience on the part of the operator. NC machine tools automatically guide the moving parts of the machine tool, the blades, drills, lathes, or scrapers, reducing the operator's task to setting up the machine beforehand. Thus, by installing mainly this type of tool, the long training period for machinists can be greatly shortened. It will be necessary to train a much smaller number of people in the kind of computer programming required to create the programs, but that is more easily managed than training machinists.

Eugen Sänger: aeronautical pioneer and trailblazer

Modern designs for reusable space vehicles like the Shuttle are still drawing on the early work of one of Germany's great space scientists. Günter Beyes reports.

This is the second of a two-part series. The first, "A space transporter for the year 2000" by Ernst Högenauer, vice president of the MBB Space group in Munich, was a discussion of the future of the German space effort. The proposal discussed there, that Germany build its own hypersonic space vehicle to be named the Sänger, immediately reminds one of the debt which every nation owes to Germany's illustrious pioneers in space. In this article, translated from the German by John Chambliss, Sänger's actual proposals are discussed in detail.

Eugen Sänger (1905-64) is rightly considered the father of the reusable space transporter, the development of which has only just begun with the American Space Shuttle. This development must and will continue, despite the lull in the United States created by the Challenger catastrophe. If it does not take place in the West, it most certainly will in the Soviet Union. There are reasons to believe that this year, the Soviet "space shuttle," which, not accidentally, is indistinguishable from its American counterpart, will be launched on its first flight under power, after glider tests with a prototype are satisfactorily carried out.

Following World War II, Eugen Sänger was deeply involved in rebuilding aeronautical research in the Federal Republic of Germany, which succeeded despite all political difficulties and opposition. From 1954 to 1961, he was responsible for planning, construction, and leadership of the Research Institute for the Physics of Jet Propulsion in Stuttgart, the first aeronautical research institute in Europe. From 1963-64 until his death, he held the newly established chair

of aeronautics at the Berlin Technical University. He fought literally to his last breath for a large-scale European space program, at the center of which would necessarily be a reusable space transporter. While the United States and the Soviet Union concentrated their efforts on the employment of larger and larger ballistic rockets for space travel, Sänger saw in this the decisive moment for European aeronautics, a unique opportunity for Europe to advance the development of a reusable vehicle.

Sänger's training

Eugen Albert Sänger was born on Sept. 22, 1905 in Pressitz, Bohemia. In 1919 at the age of 13, he received Kurd Lasswitz's novel *Auf Zwei Planeten* (*On Two Planets*) as a present from his physics teacher. The book awoke in him a lively interest in questions of space travel. In 1923, when Sänger began his studies of civil engineering at the Graz Technical University, he came across Hermann Oberth's recently published work, *Die Rakete zu den Planetenräumen* (*The Rocket to Planetary Spaces*). Sänger was inspired by Oberth's ideas, but, from the very beginning, he clearly saw the actually existing, matter-of-fact connection between aeronautics and astronautics: After all, every manned space flight begins and ends in the atmosphere of our own planet! According to Sänger's early conviction, space flight—and, for him, this was primarily a manned endeavor—could best be realized through a purposefully continued development of aeronautical technology. Later, he used to emphatically say, "Astronautics is a continuation of aeronautics by other means!" The first step in that direction would be a stratospheric plane

with rocket drive, and so he turned his studies to aeronautics and the study of aircraft construction (Figures 1 and 2). A memorandum on that subject from about 1929 contained the following planned developments:

"Stratospheric plane—space boat—outer station—interplanetary ship—spaceship." He understood, by stratospheric aircraft, machines driven by reaction drive that would ascend to a flight altitude of 60-70 km, to the "technical limit" of the atmosphere, and additionally be capable of attaining a maximum flight velocity of 8,640 miles per hour—still not sufficient to reach orbit, but the ideal means for express intercontinental travel on Earth.

The next step beyond the stratospheric aircraft, would necessarily be the "space boat," which would ascend into orbit around the Earth to permit the construction of an "outer station." Behind this concept was, he explained in 1933, "a structure that, according to the plans of cosmic engineers, will orbit the Earth with such a velocity that weight and centrifugal force are in balance. The outer station would serve as a base for flights to still-greater altitudes." These altitudes are the realm of "planetary ships" and "spaceships." With this precise differentiation, Sänger makes clear what he saw as the real goal of astronautics: the vast expanses of space, beyond our home solar system.

It was clear to Sänger that the systematic pursuit of these developmental steps represented the most obvious and economical route to space travel. In 1929, after transferring to the Technical University of Vienna, in the draft of a dissertation on the subject, *Rocket Flight Technology*, he wrote: "This investigation consists of a purely theoretical, critical comparison of the various possibilities for advance into space, reached by the most economical and safe methods (air boat—outer station—spaceship), and provides a complete theory of these methods. . . . The advance into space with a minimum expenditure of energy takes place according to the following principle: Advance by means of an air boat to the altitude of the outer station, and, from there, further advance with special spaceships; air boat ascent according to the principle of least energy, air boat descent without energy as a glider. . . ."

This dissertation draft, unfortunately, remained in his drawer. Sänger's doctoral adviser dissuaded him, since Sänger would be "an old man with a long beard" before he could be given a degree on this topic. And so Sänger switched, as it were, "according to the principle of least energy," to a conventional topic in the area of aeronautical stress analysis, and passed over the academic hurdles with brilliance—but without ever losing sight of his real goal.

The actual development of astronautics went, to Sänger's deep regret, in a different direction, using large ballistic, non-reusable rockets. He did not live to see the beginning of the American Space Shuttle program in 1972, nor the historic first launch of the Columbia orbiter on April 12, 1981. But, on the basis of these experiences, hypersonic planes are now

planned in many countries; for example, the British HOTOL and the corresponding American plans for a transatmospheric vehicle, in whose realization Sänger originally saw the very first step toward space travel.

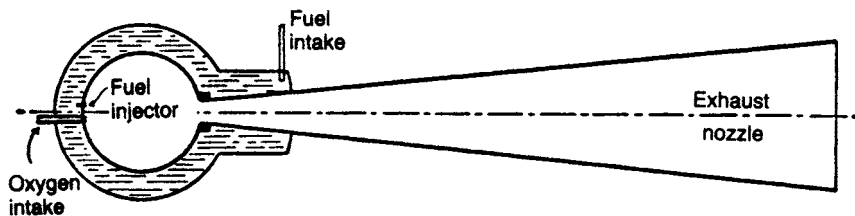
In the notes to a book he planned in 1929 entitled *Cosmo-technology*, there is already found, along with chemical liquid-fuel rockets, the entries "Radium-and Röntgen-rockets." Radium-rockets would today be designated nuclear-heated rocket drive systems, and the Röntgen rockets we encounter in Sänger's later work, "photon-rockets," which will make possible human flight to stars light-years away. But reaching these distant goals of cosmo-technology first requires a space station in circumterrestrial orbit, whose manifold functions Sänger enumerates in this draft.

This process, in his view, would effect the totality of science, economy, and culture, in ways ranging from "interventions into natural geological and meteorological processes" and "lifting of natural resources from other planets" to the now self-evident insight, that the possession of superior space technology would soon decide the political importance of a culture.

In 1930, after completion of his studies, Sänger received a position as an assistant at the Institut für Baustoffkunde (Institute for the Study of Construction Materials) at the Technical University of Vienna. This did not, however, prevent him from carrying out a systematic series of investigations on model rocket combustion chambers which he built himself—acting on his own, without any "research contract" or formal "authority," but with, however, the understanding support of the director of the university. From December 1932 to October 1934, in a modest barn on the grounds of the institute's building yard, he carried out 235 separate experiments in which combustion-chamber geometry, building materials, fuel, fuel proportions, coolants, and coolant delivery were systematically varied in order to reach the optimal results. At the same time and in parallel, the core of what would later become the German rocket team, was carrying out similar propulsion tests near Berlin.

His goal was to reach the highest possible rocket exhaust velocity and the longest possible operational time. From the physical relation, the "fundamental rocket equation," known to Oberth, Konstantin E. Tsiolkowski, the great Russian space pioneer, and Robert H. Goddard, the American space researcher, it was clear that these two quantities, exhaust velocity and operational time, delimited the attainable maximum velocity of the rocket body. The geometry of our immediate cosmic environment also determines definite minimum velocities that man must exceed in order to travel from the surface of the Earth into a circumterrestrial orbit, then to the Moon and other planets, and, ultimately, out beyond the Solar System. Finding engines to finally reach the necessary velocities and then surpass them—that is the key problem of astronautical technology, to which Eugen Sänger devoted the greatest part of his theoretical and practical life's work.

FIGURE 1
Dr. Sänger's experimental rocket motor



For the first step into circumterrestrial orbit, a propulsion system must necessarily attain a velocity of 8,000 meters per second (m/s); from the Earth to the Moon or to another planet, by contrast, at least 11,200 m/s velocity is required. Sänger's miniature combustion chambers, which were small enough to fit in the palm of his hand, reached exhaust velocities of up to 3,000 m/s, with thrusts of up to 30 kp, combustion-chamber pressures of about 50 atmospheres, and operational times of up to 26 minutes. The long operational times were attained using a cooling process that he developed himself, so-called cycle or regenerative cooling. Here, the fuel flowed through tubes placed in the wall of the combustion chamber, then into the chamber such that "the fuel arrives pre-warmed in the chamber and the chamber walls are cooled by the fuel."

This principle, used today in all large liquid-fuel rocket motors, was patented by Sänger in 1935 in Austria, and later in other countries.

In the context of these experiments, Sänger naturally concerned himself with the work of other rocket pioneers, active primarily in Russia, German-speaking countries, and France. He soon recognized the necessity of bringing together the scattered knowledge of engines, aerodynamics, and trajectories of liquid-fuel rockets, including his own results, in a systematic form. The result was the first textbook in the world on *Astronautical Technology*, which appeared under this title in 1933 and was subsequently translated into English, Russian, and Japanese. In the introduction, Sänger concretized his goal:

"In the narrower sense, we discuss every rocket flight that takes place in the upper levels of the stratosphere with such velocity that the inertial forces of the orbital curvature essentially contribute to the lift.

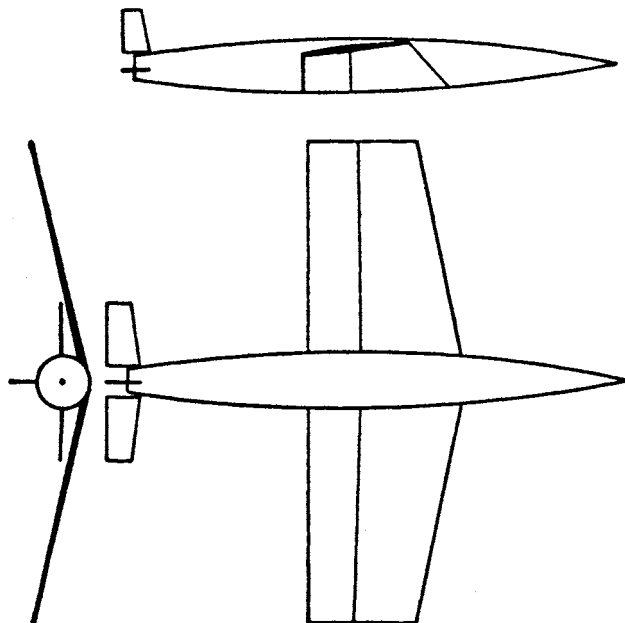
"This type of rocket flight is the next fundamental developmental step of the tropospheric flights undertaken in the last 30 years, and is the first step toward space flight, the most enormous technological problem of the present.

"This first step, and the way to an outer station orbiting the Earth, is the principal, but presently still not immediately realizable, mission of astronautics."

Yet, Sänger, like Hermann Oberth before him, had difficulties in finding a publisher for his manuscript. Eleven publishing houses refused to publish it. Finally, the Oldenbourg Verlag publishing company of Munich—which had already published the books of Oberth and other space pioneers such as Dr. Walter Hohmann and Max Valiers—declared that it was prepared to publish the book, but only if the author contributed 2,000 marks toward the cost and committed himself to ordering 50 copies. Sänger was able to meet these financial conditions only at great personal sacrifice.

Forced under these circumstances to find additional sources of financing for the continuation of his experiments, he presented his report on the first series of experiments and his further plans to the Austrian ministry of defense, "for expert evaluation and enabling of the experiments." When he finally received an answer, Sänger had every reason to be

FIGURE 2
Dr. Sänger's sketch of a stratosphere rocket plane



shocked and angered by the mediocrity of his contemporaries: "In reference to your letter of Dec. 26, 1933, it is hereby communicated that the Federal Ministry for National Defense, after examination of your rocket project, does not see itself in a position to consider this matter further, since the fundamental principle of your construction (use of liquid hydrocarbons and liquid oxygen) does not appear to be practically realizable because of the unavoidable explosive character of the process of combustion of the operational materials named. . . ." American space pioneer Robert Goddard got a similar response to his rocket proposals from the U.S. military a few years later.

Sänger was able to continue the experiments in 1934 with the aid of the Technical University; from February to October, he achieved numerous constructive improvements that were to lead to the accomplishments already mentioned. But he had to leave his position at the university at the beginning of 1935. Burdened with the 2,000-mark debt for the publication of his book, he faced financial ruin, but his optimism was unbroken: "Despite all, my silver bird will fly," he wrote on March 23, 1935 in his diary.

At the beginning of 1936, his onerous situation improved: The Deutsche Versuchsanstalt für Luftfahrt (German Experimental Institute for Aeronautics) accepted his application, and shortly afterward, he was commissioned by the German Ministry of Aeronautics with the planning of an aeronautical research institute and the development of a plan for a research program for liquid-fuel rockets. Under Sänger's direction, a modern test-stand site came into existence at Trauen, in the Lüneburg Moor, suitable for motors with up to 100 tons of thrust and equipped with the first large-tank liquid-fuel facilities in the world, which Sänger developed especially for this purpose, working with the Heylandt firm of Berlin.

After the completion of the facility at the beginning of 1939, the task was to stabilize larger versions of the Vienna "model combustion chambers," to produce reliable operation, and simultaneously, to test innovations that would make higher power possible. Thus, experiments with 1,000 kp of thrust served primarily for the development of high-pressure fuel-delivery cycle pumps that were driven by waste heat from the motor. This principle, too, is still valid today.

At the same time, preliminary work on the development and construction of a 100-ton rocket motor, for which the test stand had actually been designed, continued, as did numerous fundamental theoretical investigations. Sänger found, among other things, a technique for low-Earth space flight with the least possible energy expenditure, today called "ricochet" or "jump" flight, in which the orbit of the space vehicle re-entering the atmosphere resembles a small, flat stone that, skillfully thrown, skips and bounces numerous times in a flat trajectory along the surface of water. Sänger showed that an increased range could be attained in this way, as opposed to a purely aerodynamic ascent—indeed, that using this undulating flight, the Earth itself could be circled numerous times

(Figures 3 and 4).

This principle was to be used by the rocket vehicle that Sänger and his co-worker—later his wife, Irene Bredt—described in their report, "Concerning a Rocket Space Vehicle." In 1944, the report was classified "Top Secret" under the title, "Concerning a Rocket Drive for a Long-Distance Bomber," and only 100 copies were circulated to a select group of eminent scientists and engineers, including Oberth and Wernher von Braun. It concerned a single-stage rocket vehicle of 100 tons launch weight that could circle the Earth with a minimum payload of one ton, though not in a stable orbit. Alternatively, it could carry a payload of up to eight tons in less than an hour to a point on the opposite side of the Earth. This plane, using a horizontal launch with a rocket catapult on rails attached to the ground, would be accelerated to 1.5 times the velocity of sound before its own drive system was activated.

These project studies created great excitement at the end of the Second World War, when the report fell into the hands of the victorious powers. Stalin personally sent his son, Air Force Maj. Gen. Vassilii Stalin, to quickly get hold of the author of the work at any cost, but in vain: Sänger, Irene Bredt, and a small group of their co-workers were safely in France. In the United States, however, Sänger's plans contributed to the building of various rocket vehicles such as the X-15, with which altitudes of 100 km were reached—the first "jumper in space." A disastrous policy of budget cuts by the American government prevented this work being continued in parallel with the Apollo Project; however, the experience gained with these rockets through 1968 played an important role in the development of the Space Shuttle.

During his activity as an adviser in France from 1946 through 1954, Sänger resumed a project that had previously much occupied him at Trauen: the ramjet engine, which had been originally proposed by the Frenchman René Lorin, but

FIGURE 3
Dr. Sänger's antipodal bomber

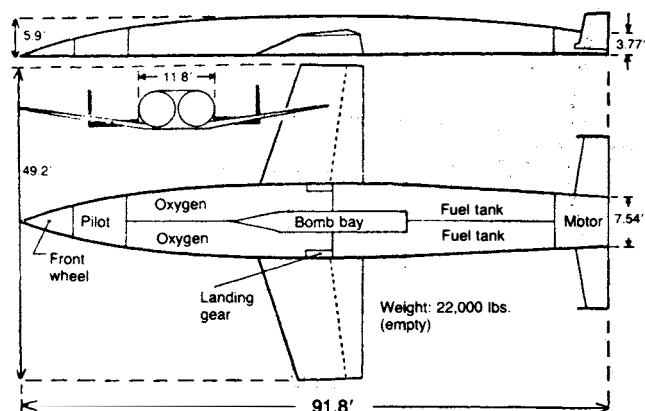
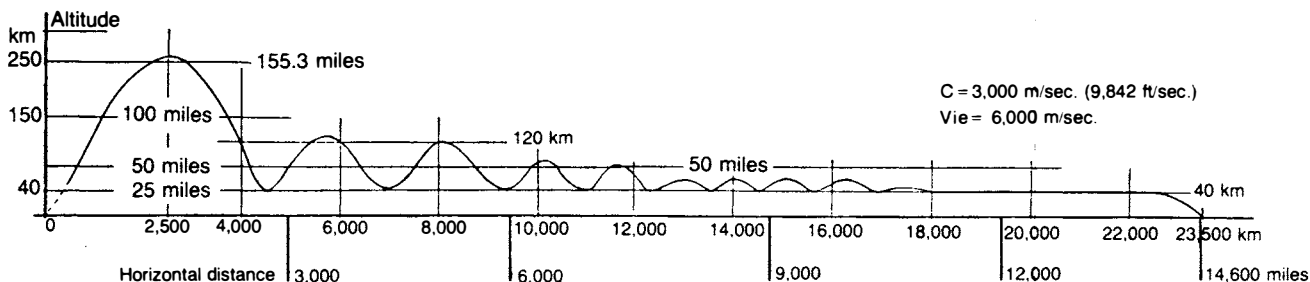


FIGURE 4

Dr. Sänger's design for a 'ricochet' or 'jump' flight space vehicle



could only be properly realized after extensive fundamental research in the area of the physics of flow. Technically, however, it is generally one of the simplest drives, since there are no moving parts. It consists merely of a tube moving rapidly through the air whose interior cross section is so formed in the direction of flow that the air flowing in accumulates and is compressed. If the air is then heated, for example, through injection of a fuel, the combustion gases exit through the nozzle at the outlet end of the tube more rapidly than the air at the inlet end. That means propulsion! Because of its shape, the ramjet quickly gained the appropriate nickname "flying stovepipe" during the airplane towing tests at Trauen used by Sänger to prepare for the construction of a ramjet plane.

In France, Sänger played a considerable role in the development of the supersonic experimental plane *Griffon*, which, on his advice, was equipped with a high-temperature ramjet drive as the casing for the turbojet.

Ramjet drives unite properties of the turbojet drive with those of a pure rocket motor. Sänger showed that, in principle, they work better the higher the velocity of flight, and thus could represent an economic alternative to a pure rocket drive in the narrow transition range between aero- and astronautics—and particularly if nuclear fission is employed as an energy source. Therefore, the combination drive, which unites turbojet, ramjet, and rocket motor and which is therefore efficient in all anticipated ranges of velocity and altitude, is being considered for the transatmospheric planes planned today.

In 1953, Sänger began work again on his idea of the photon rocket, originally conceived in 1929. He developed systematic representation of rocket engines, ranked according to drive possibilities and deployment range, beginning with his favorite, the hot-water rocket, as a launch auxiliary. Then followed rockets with chemical fuel, which are sensible only in space flight in low-Earth orbit. Interplanetary traffic requires a nuclear rocket engine, with which the drive jet can achieve a thousand times what is possible with chemical drives. The highest possible exhaust velocity, however, is

possessed by the photon rocket, namely, the speed of light, so that attainable flight velocities can, with an appropriate expenditure of energy, approach arbitrarily close to the speed of light.

He listed three possible constructions: 1) partial photon engines, such as the photonic fission rocket; 2) pure photon engines, with which the total mass of fuel is converted into directed electromagnetic radiation; and 3) photon-ramjet engines, which take their fuel from interstellar plasma, so that the cost of fuel is near zero.

Along with economic considerations, Sänger's standard for which drive is right for which purpose is always keeping flight time at a minimum for the sake of the crew. What is crucial for this is the attainable flight velocity. The key problem of astronautical technology is therefore the production of ever more powerful engines that can use ever higher energy densities. Thus, he arrived at the provocative thesis: Absolute distances, however breathtakingly great they may seem, are for space travel a secondary consideration, because there are no "absolute distances"! That is shown precisely in interstellar distances, which even a light ray—from the terrestrial point of view—must travel for years, even millions of years to cross. But at very high flight velocities—from the spaceship's point of view—the distance to be covered shrinks the nearer the velocity approaches the speed of light.

Sänger was convinced of the necessity of interstellar space travel, and he simultaneously demonstrated that it is, in fact, possible. Sänger showed with his principle of the photon rocket that no insurmountable problems will be encountered on the way to the stars, since, according to Einstein's General Theory of Relativity, it is completely possible to reach "within a few years of life of the crew the fixed star systems that are, from our terrestrial perspective, millions of light-years distant.

"Within our Solar System, only small, atmosphereless worlds await humanity traveling in space, worlds that appear, in some cases, appropriate for the establishment of certain laboratories and industries, but certainly not a fertile paradise or a new home. . . ."

Sänger's physically well-founded thesis on the possibility of space travel at virtually the speed of light aroused, to his astonishment, a tremendous sensation and outcry among scientists, even to the point of sheer hysterical and personal animosity. That abated only after Nobel Prize winner Max Born, speaking as a high academic authority in the area of relativity theory, reluctantly admitted in February 1958 that there was no logical fallacy in Sänger's theory of space travel using photon rockets. Born could not resist, of course, sneering at Sänger's work as a "victory of the understanding over reason." This statement is explicable only as a deliberate low blow against Sänger's self-conception and philosophical conviction.

For Sänger, space travel was nothing less than "man's departure, out of trivial terrestrial narrowness into the greatness and immensity of space," one of the most elevated and ennobling activities of mankind in general. "The thirst for knowledge and the power of creation, and the fullness of power to subdue the Earth that follow therefrom, are not merely some human properties among others, as perhaps beauty, cleverness, tenacity of character, loyalty, and so forth; rather they are, along with the striving toward heaven, among those elemental, fundamental characteristics of man *per se* that, in general, ultimately and truly elevate him above the beasts," Sänger wrote in his 1963 book *Raumfahrt—Heute, Morgen, Übermorgen (Space Travel: Today, Tomorrow, and the Day after Tomorrow)*.

One of the most profound experiences of Sänger's life were the words of Pope Pius XII, spoken in 1956 in Rome to the participants in the International Astronautical Congress, including Sänger himself:

"Some of you have advanced so far as to consider the theoretical possibility of flight to the fixed stars, which the name 'astronautics' itself shows as the ultimate goal of your work. We do not intend to discuss details, but it has not escaped you, gentlemen, that an intention of such magnitude includes intellectual and moral aspects that cannot possibly be overlooked. Such an intention demands a definite idea of the world, of its meaning, of its purpose. The Lord God, who put an insatiable desire for knowledge in the heart of man, did not intend to set a limit to man's drive to conquest when He said, 'Subdue the Earth.' Rather, He entrusted all of creation to him, and offered it to the spirit of man, that he might penetrate into it and through that learn to understand more and more profoundly the infinite greatness of his Creator."

The theatre of the absurd around relativistic space flight was still fresh in memory when Sänger directed a passionate appeal to those in political power in the Federal Republic of Germany and Western Europe in his 1958 book *Raumfahrt—Technische Überwindung des Krieges (Space Travel: Technical Conquest of War)*, that they might immediately grant the proper cultural, scientific, and political place to astro-

nautical research. What he wrote there could have been formulated today:

"The difficulties in understanding the conditions of interstellar space travel today are not at all bad, for this area is still in the original research stage. . . . It would be fundamentally worse if the public in Europe had no understanding of the tasks of supersonic air travel, which immediately confront us, and of international space travel, concerning which each and every one of us must directly decide. . . . Germany also will be able to preserve its prosperity, regained through its inflexible determination, only through a thriving industry that must have at its cutting edge a thriving aeronautical and astronautical industry, or else fall back into the condition of an underdeveloped country."

Because of years' long, in part bitter experiences with national and international research bureaucracies, Sänger advocated more private economic initiatives in the area of astronautics. During 1963-64, he directed the European consortium's study project Space Transporter *Eurospace*, in which the Junkers-Werke firm was prominently represented. The study proposed a stepwise plan spread over 15 to 20 years for realization of a horizontally launched, reusable space transporter. At a Eurospace conference in Brussels on Jan. 23, 1964—a mere 18 days before his death—he appealed to the delegates from European aero- and astronautical industries to bring the plan to realization:

"An economical space traffic system with great transport capacity will become actual at the moment when the problems of rendezvous techniques of manned space vehicles in circumterrestrial orbit are solved and the first landings of men on the Moon have been achieved, and therefore, the construction of large, manned, permanent Earth space stations and secured bases on the Moon must be begun. It is even an absolute presupposition of these undertakings, which foreseeably will be attacked in the next decades.

"If these developments in the United States and the Soviet Union are still not in motion, that is because the total intellectual and material potential of these countries is presently bound up in what is actually pioneering work, above all the race to the Moon. As soon as this exertion is past, they will devote their efforts to the next stage of practical space travel—the preparatory works of the American astronautical industry show that clearly.

"Thus, there exists for Europe a unique but temporary opportunity to become fully active, both intellectually and materially, in an area of astronautics in which the great powers have not yet gained an unchallengeable leadership . . . so that these countries could even become customers of European astronautical industries. . . ."

Sänger's demands are even more valid today, after many squandered opportunities: We need an ambitious new scientific beginning, so that we can participate in the technological achievements of the future.

Sänger on 'Astronautics in the Federal Republic'

In March 1963, out of concern for the progress of German efforts in the area of rocket technology and astronautics in general, Eugen Sänger wrote a memorandum to the President of the Federal Republic of Germany. The reflections formulated in that memorandum have again attained a burning relevance, following the largely self-inflicted decline of the culture, science, and economy of the Western world and the standstill of the overall Western space program. Sänger's remarks are equally valid, perhaps even more so, for strategic defense.

Sänger's memorandum gives a fundamental outline of the intellectual and material resources for space travel, the industrial goals of European astronautics, the derived tasks for applied astronautical research, the broader tasks of fundamental research, and the organizational measures to be undertaken in West Germany. What follows are some of Sänger's thoughts on the political, social, and economic effects of astronautical technology.

The present buildup of civilian and manned space travel by both sides of Europe promises to the nations involved . . . an important economic, cultural, and strategic dominance. . . .

Technically, of course, the possibility exists of building up presently existing low-Earth space flight programs into a military space-weapons system, using the installations also serving civilian space travel such as space vehicles, Earth satellites, space stations, pure space vehicles, and lunar stations.

Such a weapon system in the hands of an individual nation could allow an absolute military dominance of the total surface of the Earth and paralyze all types of classical weapons.

The temptation to that kind of misuse of astronautical installations becomes the greater, the greater is the advance of one of the rival groups in the construction of astronautical installations.

In fact, such an advance has taken place in the past

years in the crucial areas of manned space flight and the preparations for landing men on the Moon by Europe's eastern neighbor, and is continually being extended. . . .

One of the most interesting by-products of space travel seems to be the advent of terrestrial aeronautical systems that have the greatest possible velocity, and that travel with the greatest economy halfway around the Earth in 90 minutes. These are even today tending to outstrip efforts for supersonic air transport.

Also in the competition for world prestige in these civilian areas, Europe cannot be allowed to abstain from participation if it wishes to preserve its position as the greatest industrial complex in the world, as a densely populated continent that is still an intellectual and civilizing center.

The radical dominance of the countries pursuing astronautics, however, does not at all derive from the areas of military superiority or of material, economic preeminence. Rather, it follows . . . from superiority in science and technology that is so deeply impressive to any human being and that accrues to the country that actually fulfills the nature-given tasks of humanity, because these represent to the highest degree the extension of mankind's sphere of action into space, to the Moon, Mars, and Venus, into the Solar System and beyond.

Whoever opens up the starry heavens to mankind will win the minds of men and will, like a magnet, draw the best of the world's youth to himself. . . .

This cultural mission can, ultimately, be lost by ancient, culturally creative Europe.

A European effort in the area of astronautics comparable to that of the Russians and the Americans is therefore necessary:

- 1) that Europe come to the aid of its American partner in order to equalize the ever-greater temporal advantage of Soviet Russia in the conquest of secure positions in space, and the military dominance thereby threatened;
- 2) to maintain in the long run the economic competitive edge of European industry in all its areas;
- 3) to preserve the cultural and civilized reputation and heritage of Europe.

Sänger's memorandum concludes as follows:

German fundamental astronautical research and, quite especially, German astronautical industry, and the applied astronautical research dependent on both, must receive rapidly increasing material resources—just as the last two must receive public contributions—so that Germany can cooperate on an equal level, and not merely within the European context, but can also regain its former scientific and technical position in astronautics.

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The dark forces behind Gorbachov's 'glasnost' hoax

by Allen and Rachel Douglas

Four years ago's strange enthusiasm in the West for Yuri Andropov, the "liberal" from the KGB, has now been utterly surpassed by hurrahs for his protégé Mikhail Gorbachov, the economic, cultural, and, who knows, perhaps soon political, revolutionary. Gorbachov's banner bears two Russian words: *perestroika* (restructuring) and *glasnost*, which denotes the practice of making things public—a weighty concept, only because the custom in Soviet society has been to keep most important matters under wraps.

Let us look first at what the United States government has to say.

Deputy Assistant Secretary of State for European Affairs Thomas W. Simons Jr., at a Feb. 11 symposium for college educators: "I think most of us in the Government have a basically positive attitude toward what he [Gorbachov] seems to be trying to do in the Soviet Union. . . . You have a cultural thaw under way which is quite serious . . . an unambiguous trend in the direction of greater tolerance and liberalism. . . . Things are being printed, things are being shown, things are being taken out of the can and made available to a degree that had not taken place in the Soviet Union for 30 years."

And politicians from every quarter? West German Foreign Minister Hans-Dietrich Genscher, in three separate early February pronouncements: "We must take Mr. Gorbachov seriously, take him at his word," for, "General Secretary Gorbachov is committed to modernize his country." Ex-Sen. Gary Hart, speaking on "This Week With David Brinkley," Dec. 28, 1986: Gorbachov is a "modern man . . . trying hard" for reform, whom the United States should "applaud and reward" for specific acts, like the release of physicist Andrei Sakharov from internal exile.

Gorbachov, editorialized the *New York Times* on Jan. 29, has struck out on a "bold course" and started "to pry open the gates of cultural expression," in order "to breathe the fire of discipline and creativity into a corrupt and flaccid society." He wins the *Times*' endorsement: "As long as he chooses a method that embraces a more open society and more participation from its people, those who share these goals, however differently conceived, will wish him well."



The secret of the Bolshevik menace has always lain with the unleashing of a "New Age" culture, against Western civilization and the nation-state. In Russia and the Soviet Union, that cultural transformation has its leader—Fyodor Mikhailovich Dostoevsky. (Pictured, a portrait of Dostoevsky by Soviet painter Glazunov.)

Gorbachov himself, in a message to a conference of writers in Sofia, Bulgaria last October, defined his culture policy as a major weapon in the Soviet arsenal: "Men of literature and art, united, can help create the kind of moral atmosphere where the arms race, the spread of militarist psychosis will be seen as a violation against the basic rights of people to life. . . . We have to defend culture against the cult of violence."

His wife, Raisa Maksimovna Gorbachova, initiated and sits on the board of the new Culture Foundation, charged with revitalization of cultural life in the U.S.S.R. and, equally important, the promotion of its culture abroad.

The secret of 'The Trust'

Recognizing the obvious, that the "gates of cultural expression" have been pried open for a purpose, *EIR* has undertaken a review of just what sort of culture is being expressed in the Gorbachovs' U.S.S.R., what is being "printed, shown, and taken out of the can." Such a survey reveals that "liberalization" is hardly the word for what is afoot there, in case the vicious beating by KGB thugs of Jewish refuseniks, who tested the limits of Gorbachov's *glasnost* with a week of vigils on Red Square, were not enough to undercut that sales pitch.

What we find is nothing new. It is just the true face of the Bolshevik Revolution—as that event was conceived of by the strategic gamemasters, who set in motion the events that led to it: a transformation of culture, a cultural paradigm-shift in tune with the New Age philosophy of the later 20th

century's counterculture, an assault on Western Christendom and the republican nation-state.

Cultural policy is the very heart of grand strategy.

In the case of Soviet Russia and its empire, we propose that for every occurrence of the word "thaw," the competent intelligence officer read, "The Trust."

That refers to an ideological movement and a complex of institutions, associated with the Bolshevik Revolution. In a narrow sense, it is the network of emigrés and underground monarchists known as The Trust during the 1920s, which was controlled by Feliks Dzerzhinsky, boss of the first Soviet intelligence organization, the Cheka. But examine the pre-revolution careers of members of Dzerzhinsky's Trust, both the emigrés and those on the controlling, Cheka side, and we obtain an eerie map of those sections of the Czarist government, its security service the Okhrana, and the Russian noble families, which were responsible for the successive coups d'état of 1905 and February 1917 against the Romanov dynasty, and the superseding Bolshevik Revolution of October 1917.

That mapping leads to The Trust, understood more broadly: the forces in the West, as well as Russia, whose cultural project the Bolshevik Revolution was.

If one key figure from The Trust in the early 20th century were to be singled out, to characterize the entity, it would be Count Giuseppe Volpi di Misurata, known as the Last Doge of Venice. Destined to become Mussolini's finance minister in the 1920s, the Venetian Volpi spent the first two decades of the 20th century deep into financial and political intrigue

in the Balkans and Turkey, playing a pivotal role in the demise of the Ottoman Empire and the ignition of the cataclysmic World War I. The financial wizard of Volpi's operations, Count Vittorio Cini, established the Venice-based Cini Foundation, which to this day is the place of origin for the Trust's cultural projects in the West and the East.

The infamous Alexander Helphand-Parvus, intermediary for Lenin's sealed train back to Petrograd, was a creature of Volpi and his circles.

This is where an intelligence evaluation of Gorbachov's "thaw" must begin: with demolition of the persistent myth, that the Bolshevik Revolution was a product of the sorts of Western Marxism, encountered in Europe or the Americas. When *EIR* published its report, *Global Showdown*, elaborating the doctrine of "Moscow the Third Rome" as the basis for Soviet imperial ambition today, "right-wing" intelligence community people objected even more furiously than those who simply applaud Andropov and Gorbachov in the manner of Gary Hart. LaRouche is defending the communists! they cried, against the wonderful prospect of a rebirth of Russian Orthodoxy. Don't you realize, that real Russian nationalism is non-expansionist, "autocephalic," friendly, benign?

But therein lies a brand of *dezinformatsiya* from the East, more pernicious, more devastating to Western intelligence estimates, than any of the KGB pranks—forged documents and the like—that Georgetown University's Roy Godson so ponderously "unmasks" in his overpriced brochure, the appropriately titled *Disinformation Forecast*.

The long wave of culture: Dostoevsky

The secret of the Bolshevik menace has always lain with the unleashing of a "New Age" culture, against Western civilization and the nation-state. In Russia and the Soviet Union, that cultural transformation has its leader—Fyodor Mikhailovich Dostoevsky.

Dostoevsky's name, today, is on the lips of everybody in the Soviet Union, from Gorbachov to the man in the street. "Raisa Maksimovna and I" love to read Dostoevsky together, Mikhail Gorbachov tells a crowd in Krasnodar. Dostoevsky represents the antidote to "Rambo," declares the official daily, *Izvestia*. Moscow television, in a Jan. 15, 1987 program on nuclear disarmament, hears from a woman on the street, why she thinks the United States will reject a moratorium on nuclear testing: "It is probably simply that over there they are gaining massive profits from developing nuclear weapons; that is what Dostoevsky says: human nature and its vices. . . ." The Russian Orthodox Church/Moscow Patriarchate, meanwhile, is reported in the Italian communist press to be agitating for the canonization of Dostoevsky's spiritual guide, Father Amvrosi of the Optina Pustyn monastery.

Why Dostoevsky? Because Dostoevsky's program was the program of The Trust. If British intelligence gamemaster and Cini Foundation board member Arnold Toynbee, in a 1971 book, held that a period of Bolshevik dictatorship of

the world was a necessity, Dostoevsky had anticipated how this would come about. His strategic perspective, elaborated between 1877 and 1881 in *Diary of a Writer*, was long-term: 1) For Russia to become the foremost European power, it must assimilate all the achievements of modern science, and harness them for the greater glory of Holy Mother Russia; 2) A world war would soon develop out of the Eastern Question, which would open up new opportunities for regenerated Russia to rule Europe; 3) Catholicism must be obliterated; 4) Russia must turn to Asia both physically, with the exploitation of Siberia's riches, and psychologically, by acknowledging an Asiatic element in the Russian soul; 5) The revolutionaries were valuable, if unwitting, agents of Russia's mission, for they smashed undesired elements of Western culture within Russia.

Roman Catholicism, in particular, had to be destroyed: "The Eastern problem and the Eastern war, by force of destiny, will merge with the all-European conflict. . . . The most essential and momentous aspect of this last and fatal struggle will consist in that, on the one hand, it will be the solution of the thousand-year-old question of Roman Catholicism, and on the other, that, by the will of Providence, it will be replaced with regenerated Eastern Christianity. . . ."

Dostoevsky bitterly hated the greatest representatives of Western European republicanism, like Friedrich Schiller. What he hated in them was the idea of human reason aspiring to the level of the divine, being able to transform the world. That is the same principle he hated in Catholicism, what is embodied in the *Filioque* clause of the Christian Creed in the West, which says that the Holy Spirit proceeds from both Father and Son, so that Christ, the Logos made man, is equally with the Father a cause of Divine Love. The Russian Orthodox Church had rejected the *Filioque* in the 15th century. Dostoevsky insisted on a contrary notion, that man would always tend to behave like a beast when given the chance.

The only solution for Western Europe, Dostoevsky concluded, was to submit to Russian spiritual leadership. Russia was destined, he proclaimed in 1881, "to reconcile all European controversies, to show the solution of European anguish in our all-humanitarian and all-unifying Russian soul, to embrace in it with brotherly love all our brethren, and finally, perhaps, to utter the ultimate word of great, universal harmony, of the brotherly accord of all nations abiding by the law of Christ's Gospel!"

The path would be opened by a revolution, which would rid Russia of the hated Western culture and be a weapon against the West. The revolutionaries were his allies in saving Russian Orthodoxy for world leadership, and Dostoevsky called himself a "Christian Socialist": "In a word, we are revolutionists, so to speak, because of some personal necessity—if you please, by reason of conservatism."

After Dostoevsky's death in 1881, the co-editor and publisher of *Diary of a Writer*, Prince V.P. Meshchersky, went

on to become a political sponsor of Okhrana chief Sergei Zubatov, whose notorious "police unions" bred the soviets (workers councils) of the 1905 Revolution and its leader, Father Gapon.

The Eurasian wing of The Trust

"Europeans emphatically . . . do not know us, and for the time being this is all the better; all the more imperceptibly and quietly will the necessary process take place—a process which will subsequently astound the whole world." (Dostoevsky, *Diary of a Writer*.)

The revolutionaries, that supposedly most Western element in Russian society, were really revolting against Europe, Dostoevsky argued. "Our most ardent Westerners, the champions of the reform, became at the same time the negators of Europe and joined the ranks of the extreme left. . . . And thus it happened that *eo ipso* they revealed themselves as most fervent Russians—as champions of the Russian spirit."

Russia's secret power in the war to dominate Europe, according to Dostoevsky, derived also from the fact that a good deal of Mother Russia's soil was Asian soil. "Russia is not only in Europe but also in Asia; . . . the Russian is not only a European but also an Asiatic. Moreover, Asia, perhaps, holds out greater promises to us than Europe. . . . We must banish the slavish fear that Europe will call us Asiatic barbarians, and that it will be said that we are more Asiatics than Europeans."

With this line of thought, Dostoevsky was the intellectual font for one, most essential project of The Trust—the Eurasian movement. Eurasianism was a racist belief structure—having nothing to do with the real potential for the development of culture and nationhood in Asia—that claimed an intrinsic "Asiatic" element to be part of the basis of Russia's exclusive destiny. Russian culture was a synthesis of Orthodoxy with Asiatic elements of Islam and Buddhism, said the Eurasians.

The Eurasian leader, Prince N.S. Trubetskoi, called for Russia to lead her "Asiatic sisters" in a final struggle against the "Romano-germanic" West. He and his group welcomed the Bolsheviks as a useful, temporary instrument of this.

We highlight the ideology of Eurasianism, because of its seminal role both in the Russian emigré circles of The Trust, and in Soviet culture. Practically all the oh-so-controversial poets of the early 20th century, now being rehabilitated and published, came through it or its immediate predecessor group, the Scythians. This includes Aleksandr Blok, Andrei Bely, Yevgeni Zamyatin, and Boris Pasternak.

The very term "thaw," applied to cultural policy, was coined after the 1954 novella *Otpepel (The Thaw)*, by Ilya Ehrenburg, who had worked with the Scythians in Berlin during the 1920s; he subsequently returned to the Soviet Union, where he served Stalin as propagandist during World War II and the Cold War. His most violent polemics were on the superiority of Russia, not over Nazi-controlled Germany

per se, but over the whole of the West. "The 'Scythians,' the Eurasians, the *Smena vekh* [Change of signposts] group," Ehrenburg reflected in a 1962 memoir, "had one thing in common: they contrasted Russia with the decaying West."

The Eurasians, circa 1925, were grouped around Trubetskoi in Berlin and Prince D.P. Svyatopolk-Mirsky in London. They received emissaries from co-thinkers inside Soviet Russia, and they sent theirs to a supposedly underground Eurasian conference, actually staged by the Cheka. The Chekist Langovoi, detailed to the Eurasian project, held forth in conversation with the emigrés, on how "Soviet monarchy would be free of class contradictions." Prince Yuri Shirinsky-Shikhmatov, ideologist of the emigré Supreme Monarchical Council and in the orbit of The Trust, also polemicized in favor of "Soviet monarchy," as "the only path of complete liberation of Russia from the yoke of Western culture."

When the grand masters of cultural strategy, such as gather under Cini Foundation auspices, deliberate on the impact of the Bolshevik Revolution, they look to the Eurasian tradition. At Cini's 1963 commemoration of the millennium of Mt. Athos, Andrimandrite Andre Scrima drew attention to an article published in 1925 in the Berlin periodical *Yevrazijsky Vremennik (Eurasian Times)*, by theologian L.P. Karsavin. That article is, chiefly, an in-depth attack on St. Augustine's treatment of the *Filioque*, but the introduction characterizes the Bolshevik Revolution.

Listen to Karsavin, while thinking of Gorbachov's cultural "thaw": "There are many indications, that behind the superficial phenomena of the so-called 'social revolution,' there is something going on in Russia that is incomparably more significant, and that the 'government of thieves,' its policy and terror, the cheap twaddle of communist ideology and the impoverishment and bestialization of broad layers of the population, are only symptoms of a deep and powerful cultural process. Its nature and its meaning are not clear, neither to those who are swept up in it or who naively try to guide it, nor to those whom it is destroying or whom it has cast aside and who watch what is going on with horror or consternation. . . . It is not a question, of whether the Great Russian people and Russian culture will again *be*; but that *already now*, that *new* Russian people is growing and already now that *great new* culture is being created. . . . And in order to understand the force and duration of communist Bolshevism, and to overcome it, it is necessary to overcome the inclination to simplify it melodramatically and to refrain from reducing it to evil, but rather behind its evil and in its evil to seek out the truth, distorted by it, since its strength, in any case, is not in the evil, but in the truth. . . ."

"The birth of a new culture is measured in decades, and its first fruits will appear, probably, not before sixty years from now. . . . We must find the *religious* content of the new Russian culture. . . . The new religiosity began already with A.S. Khomyakov, with the Slavophiles, with Dostoevsky. . . ."

Culture Foundation wars against West

by Rachel Douglas and Luba George

Commissioned by Politburo resolution in March 1986, announced in August and inaugurated in November, the Soviet Culture Foundation has plunged into its assignments: to war against Western culture inside the Soviet Union and to spread Soviet, especially Russian, culture abroad. The titular head of the organization is Academician Dmitri S. Likhachov, 80, long-time propagandist of the superior virtues of Ancient Rus. On its board sits Raisa Gorbachova, wife of the communist party chief, the reputed behind-the-scenes mover of the cultural "thaw" and the Culture Foundation project.

The organization is supposed "to unite the efforts of our major cultural centers in various areas," so as "to elevate . . . the responsibility of every Soviet citizen for the preservation of the riches of culture," according to a Sept. 5 *Izvestia* interview with board member Boris Ugarov, president of the Soviet Academy of Arts. But Ugarov also showed, that the old Russia is the kernel of the new culture policy.

The Culture Foundation's fund-raising, Ugarov revealed, is a project of the elite—not only the higher-ups of the *nomenklatura*, like Gorbachova, but the old Russian families! "It's only human," said *Izvestia*, "to understand, with what great effort and tears families part with a favorite painting or relic, which they have kept for many generations." Ugarov replied: "I have had occasion to marvel at masterpieces, worth an entire fortune, and not a small one, and their owners say, 'Let everybody see this beauty. . . .' Precisely such people are the bulwark of our foundation."

From the West, the old Trust operative, Odessa-born Armand Hammer, became the first big contributor to the CF, bestowing on it a Russian painting and \$100,000 cash.

At the CF's inaugural conference, Politburo member Pyotr Demichev declared that Soviet "cultural and spiritual richness" must set "new cultural standards" for the world. In *Sovetskaya Kultura* of Sept. 20, Likhachov called the CF a "counter-measure to American demagoguery."

Likhachov, who today gets a big press in the U.S.S.R. as the popularizer of ancient Russian poetry, architecture,

and mores, himself goes back to the early stages of The Trust's Russian project. "My parents' love for the Mariinsky Ballet played an important part in my life," Likhachov told *Ogonyok* last year; this was the same Petersburg institution, where the Eurasian Karsavin's father was a ballet-master. Although Likhachov says he hardly noticed the revolutions of 1917, he was soon in the thick of their cultural aftermath; a 1981 *samizdat* collection describes Likhachov's participation in a Leningrad study circle, the "Cosmic Academy of Sciences," which met regularly to read scholarly papers on Russia's religious and historical past. In 1928, with others of this circle, Dmitri Likhachov was arrested on charges of "nostalgia for the pre-revolutionary past" (which was temporarily out-of-favor, under Stalin).

What glasnost revealed

Leaders of the CF are tending to the Dostoevskian revival in every field. A first turning point, reached before the inauguration of the CF itself, was the 8th Congress of the U.S.S.R. Writers Union, held in June 1986. The free-for-all atmosphere was symbolized during the keynote: Long-time first secretary of the Writers Union, G.M. Markov, fainted while reading his speech and could not finish. Later speakers—all luminaries in Raisa's orbit—tore his report to shreds. Markov resigned.

"Spiritual progress," said the poet Yevgeni Yevtushenko, who came to prominence during the "thaw" of the 1950s, means "to attack the new Soviet bureaucracy and communist arrogance. . . . For us, mankind begins with the Motherland." His contemporary, Andrei Voznesensky: "Spiritual aridity besets culture. People here have spoken passionately about the crime of diverting the northern rivers and the devastation of nature. . . . But now culture has become so twisted, that it is running dry like the rivers!"

Praise for the "rural prose" school of writers, such as Valentin Rasputin, Sergei Zalygin, and Chinghiz Aitmatov, dominated the 8th Congress. The "rural prose" authors, especially Zalygin, and also Likhachov are often referred to by younger Soviet writers as the fathers of *novoye myshleniye* (new thinking) in Soviet literature. The "rural" school members are something of a modern version of the *raskolniki* (Old Believers)—so dear to Dostoevsky—with their glorification of the Russian countryside as a repository of raw spiritual values.

Back in January 1986, Rasputin explained himself: "For us there is no destiny, no word, except Russia. . . . The 'rural' prose of the sixties and seventies repaid an essential debt to our parents' Russia. . . . through living, grateful memory, and showed how the national soul was strengthened and what it has carried from the depths of history. . . ." In the Spanish paper *El País*, after the 8th Congress, Rasputin went on: "I believe that it is better to return to the caves than to build nuclear power plants in such a way that our earth continues to be destroyed."

Zalygin was named to an eight-man secretariat of the Writers Union and, shortly after the congress, also took over the monthly thick journal, *Novy Mir* (*New World*), which under Andrei Tvardovsky's editorship had been at the forefront Khrushchov's thaw. The writer whom Aleksandr Solzhenitzyn placed second on his list of "true Russian writers," Zalygin has been credited by Likhachov with having single-handedly "saved the Ob" (River) with his campaign to stop the huge river-diversion project of the last Brezhnev years. He also started lobbying for resurrection of the New Economic Policy of the 1920s, which he called "not a tactic, but a strategy of socialism." In May 1986, *Pravda* endorsed this, saying in a review of Zalygin's novel *Posle Buri* (*After the Storm*), "Zalygin has taken it upon himself to explore on a fundamentally new artistic level a phenomenon, the essence of which . . . was conceived by Lenin. The NEP was not simply an economic measure. The experience of the NEP also provided special conditions for the social and spiritual transformation of man."

After the 8th Congress, the pace of rehabilitations of writers from the NEP years picked up. "Nowadays there are fewer and fewer *lacunae* in culture," Voznesensky said at the congress. He welcomed the publication (in *Ogonyok*, April 1986) of poems by Nikolai Gumilyov. "It is time to publish [Yevgeni] Zamyatin," he added, ". . . and the complete [Boris] Pasternak." The best people to oversee this work, Voznesensky proposed, would include Likhachov, Aitmatov, Zalygin, and Rasputin.

Within the month, Soviet television revealed that a Pasternak museum would be set up in Peredelkino, where the writer died. Rasputin told *El País* that Zamyatin (author of the 1920s' novel, *We*, a forerunner of Orwell's *1984*, in which noble savages are oppressed by overlords from a city run on electricity) would soon be published, as would the emigré Russian novelist Vladimir Nabokov and an array of other suppressed writers.

In September, *Ogonyok* printed a seven-page sketch of Gumilyov (founder of the Acmeist movement in Russian poetry, a split-off from the Symbolist current of Aleksandr Blok et al.), who was executed in 1921 for his part in the so-called Taganets monarchist plot. (The Taganets circle also happens to have been penetrated and partially run by agents of Dzerzhinsky's Trust!) The author was no less than the new head of the Writers Union, Vladimir Karpov, Zalygin's predecessor at *Novy Mir*. Gumilyov may have been a monarchist, wrote Karpov, but he acted with the honor of a Russian officer, and so, even if Gumilyov was guilty as charged, "then the Motherland can pardon him—there is such a form of forgiveness, even for an already committed crime."

The Soviet film world was turned upside down, with the election of the long-censored director Elem Klimov, another charter member of the CF, as head of the U.S.S.R. Filmmakers Union. His first act was to invite the self-exiled Dostoevskian movie director Andrei Tarkovsky (films *Nostalgia* and

Andrei Rublyov) back to the Motherland. Tarkovsky died in Paris before he could accept.

The Eurasian theme

By the end of the year, Zalygin's *Novy Mir* had revealed the impending publication of Pasternak's *Dr. Zhivago*—a typical work for the culture that is being revived in Gorbachov's U.S.S.R. Pasternak originally had the novel published abroad in 1957, by the Trust-linked Italian publisher Feltrinelli. Although known to the non-reading American public in the gooey film version, of love crushed by the Bolshevik Revolution, *Dr. Zhivago* has been convincingly analyzed by Prof. R.E. Steussy (*Russian Review*, July 1959) as a Eurasian tract! The Westernized intellectual, Zhivago (in Russian, "the living"), dies, but his poetry and his daughter are looked after by his half-brother, Yevgraf, offspring of Zhivago's father and a mysterious, part-Italian countess who lives in Siberia. Yevgraf (cf. Russian for Eurasian, *yevraziiskiy*) is described always as an Asian type, with "narrow Kirghiz eyes"; he is a Soviet major-general.

The Eurasian theme is also alive thanks to Chinghiz Aitmatov, a unique and very important figure in both the CF and the Writers Union. A Kirghiz who writes in Russian—and doesn't hesitate to denounce the over-Russification of language in Kirghizia, Aitmatov has traveled in "New Age" circles for years. In 1975, he appeared as Walter Cronkite's TV guest to provide cosmic commentary, along with Kurt Vonnegut, on the Soyuz-Apollo mission. Michael Murphy of the Esalen Institute named as "Aitmatov" the hero of his scenario book, *An End to Ordinary History*, a peace-loving KGB agent whose father was a Russian purged when Stalin smashed The Trust and whose maternal grandfather was an adept in a Sufi cell in Central Asia. Of a mystical bent himself, the real Aitmatov wrote his autobiography "in co-authorship with the earth and the water."

After over a decade of seeming to skirt the edges of dissidence, Aitmatov has come into his own, with the new "thaw." His 1986 novel, *Plakha* (*The Executioner's Block*) unleashed a storm of controversy and excitement. One of its heroes, Avdi Kallistratov, is a seminary drop-out who tries to save young drug addicts in Soviet Central Asia. "Yes, Avdi is a Russian," Aitmatov told *Literaturnaya Gazeta*, "but I look at him more broadly, as a Christian. . . . I tried to take the path through religion—to man. Not to God, but to man! Of all the lines in the novel, the most important for me is Avdi—his searching. . . . The Islamic religion, in which I am included by my extraction, does not have such a figure: Mohammed is not a martyr. . . . Jesus Christ gives me the pretext to say something profound to the modern person. Therefore I, an atheist, met him on my creative path. This explains my choice of the main hero, and why Avdi Kallistratov is just such as he is." The *Literaturnaya Gazeta* interviewer pressed the point: "Reading *Plakha*, you can't help turning to Dostoevsky."

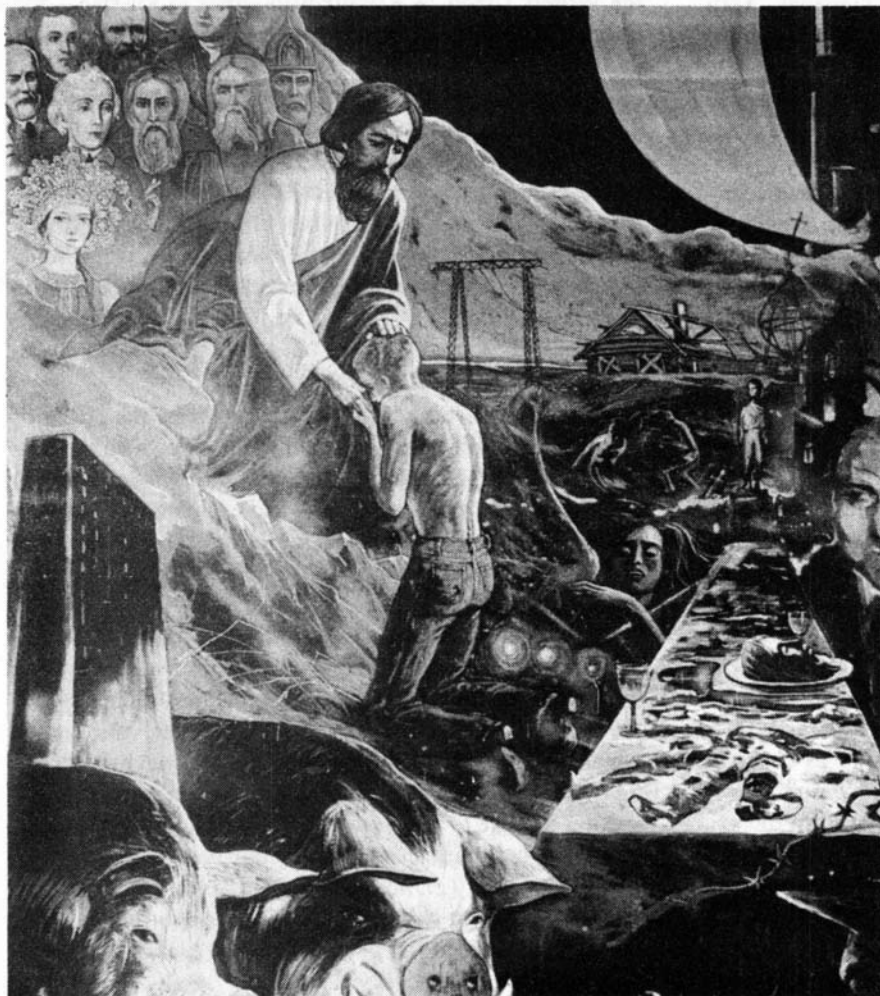
The racist culture Gorbachov is reviving

The poem printed opposite was written in 1918, by Aleksandr Blok, the leader of the Russian Symbolist movement, who embraced the Bolshevik Revolution. Although famous as a "fellow traveler" of the revolution, a misnomer given him and other writers by Trotsky and Soviet Russia's first culture commissar, Anatoli Lunacharsky, Blok celebrated the essence of the revolution, its destruction of Western civilization. Blok was an idol of many of the authors being revived today, like Marina Tsvetayeva and Boris Pasternak. His own works were popular throughout the Soviet period, and were widely republished in recent decades.

became popular among former Left Social Revolutionaries, members of the terrorist party that was interwoven with the Czarist Okhrana—the faction bent on overthrowing the dynasty and transforming Russia. "According to the prophecy of our great teachers, Tolstoi and Dostoevsky, we are the Messiah people," said the Scythian Petkevich.

A 1978 biography of Blok by Soviet literary historian Vladimir Orlov hails *The Scythians* as a "patriotic, revolution-inspired ode." Orlov gushes: "It is the confrontation of two worlds. On the one hand, the avaricious and senile West which, although doomed, is still hammering swords, a world that has completely forgotten the meaning of love and is deaf to the voice of the elements. On the other, there is young, revolutionary Russia, bubbling with vitality and creative strength, a world that has risen in defense of humankind and humaneness and claims to be the rightful heir to everything of lasting value created by world culture. Like Dostoevsky, Blok asserts the all-embracing genius of Russia."

Most translations of *The Scythians*, including the one very sparingly excerpted by V. Orlov, pretty it up. We present it rather literally, sacrificing Blok's rhymes and much of his meter to render the imagery, unblunted.



The painting by Soviet artist Ilya Glazunov, "The Return of the Prodigal Son," was featured in the February 1987 Soviet Life, the glossy magazine distributed in the United States, to illustrate how Soviet cultural policy is "unraveling the mysteries of the human soul." The Soviet youth, clad in Western blue-jeans, is being received by a Russian priest-figure, backed by a host of figures from Russian history. Glazunov explained, "I used the well-known biblical theme of a son leaving his father's house. . . . My painting is about being true to one's roots." Asked by Soviet Life, "Why is Dostoevsky your favorite writer?" Glazunov replied: "Dostoevsky . . . is our constant companion in our search for the meaning of life, our understanding of good and evil and our quest to reveal the mysteries of the human spirit."

The Scythians

by Aleksandr Blok (1918)

Panmongolism! Although the name is wild,
It caresses my ear e'en so.

—Vladimir Solovyov

Millions of you. Of us—there're hordes and hordes and
hordes.

Fight with us, just try!

Yes, Scythians are we! Yes, Asiatics are we,
With slanted up and ever greedy eyes!

For you—an age, for us—a single hour.

We, like obedient forced bondsmen,
Held up a shield between two hostile races
Of Mongols and of Europe!

Ages, ages your ancient furnace burned,
And drowned out all the avalanche's thunder,

To you, just a wild story was the fall,
Of Lisbon, also of Messina!

Hundreds of years you gazed unto the East,
Mining and melting down our pearls,
And, jeering, you just reckoned on the time,
When you would aim your cannon barrels!

The time has come—behold. Woe beats its wings
And every day now multiplies th'offense,
The day will come, when there will be no thing
Left of your Paestums, just perchance!

Oh, old world! Now, before you've perished yet,
While still you languish on in torment sweet,
Stop, sagely as once ancient Oedipus did,
Before the Sphinx with its ancient riddle!

Russia's a Sphinx. Exulting, grieving both,
And with black blood inundating herself,
She gazes, gazes, gazes upon you,
Both with hatred, and with love!

Yes, so to love, as loves our blood,
No one of you has loved in a long time!
You have forgot, there's in the world such love,
Which both incinerates, and ruins!

For we love all—the heat of coldest sums,
As well, the gift of visions from above,
We heark to all—the sharpest Gallic wit,
And somber genius Germanic. . .

We have known all—the hell of Paris streets,
And cool Venetian breezes,
The distant scent of lemon groves,
And smokey hulk of Koeln. . .

And we love flesh—we love its taste, its color,
The suffocating, mortal smell of flesh.
Is it our fault, if your skeleton crunches,
In our heavy, tender paws?

We've grown accustomed, seizing by the bridle,
Horses spirited and frolicsome,
To break the heavy necks of horses,
And pacify as slaves the fractious ones. . .

Come unto us! From all the horrors of war,
Come now into our peaceful embraces!
Before'ts too late—old swords into the sheath,
Comrades! We shall be brothers!

And if not—well, we have naught to lose,
And we've not far to reach for perfidy!
Ages, ages—you will then be cursed
By your diseased posterity!

And wide across the thickets and the woods,
In front of comely Europe,
We'll fan out! And we will turn on you,
Our ugly Asiatic faces!

Go all, go now unto the Ural!
We clear the battlefield,
For steel machines, where breathes the integral,
With the wide Mongolian horde!

But we—henceforth for you, we are no shield,
Henceforth we enter combat for ourselves.
And we shall see, how boils the mortal fray,
With our narrow eyes.

We shall not budge, not when the fiercest Hunn
Will rummage in the pockets of the corpses,
Burn cities, drive his horse-herd into church,
And put flesh of white brothers on to boil!

For the last time—come to your senses, old world!
To the fraternal feast of toil and peace,
The last time, to the bright fraternal feast,
Summons the barbarian lyre!

Note: Lisbon and Messina were the scene of catastrophic earthquake and volcanic damage in the late 19th century. Paestum is an Italian town, known for its Greek and Roman ruins.

Book Review

State Dept. adores Sufi fundamentalism

by Allen and Rachel Douglas

Mystics and Commissars: Sufism in the Soviet Union

by Alexandre Bennigsen and S. Enders Wimbush
University of California Press, 1985
195 pages clothbound, \$32.00

We were not surprised to learn that the U.S. State Department, which welcomes the Gorbachovs' culture policy, spent taxpayers' money on "research funds" for the project published just over a year ago, as *Mystics and Commissars: Sufism in the Soviet Union*. It bespeaks the addiction of U.S. government circles to encouraging irrationalist currents abroad, which has otherwise been on display with Ambassador Richard Burt's hobnobbing with the West German Greens and the unending quest for Iranian mullahs—"moderate" or otherwise—to ship arms to.

In this case, the voice of enthusiasm for a movement whose leaders are prone to such statements as, "I am weaving a rope to hang engineers, students, and in general all those who write from left to right," comes from the very heart of the East-West nexus known as The Trust: The author is the notorious founder of Central Asian studies in America, Count Alexandre von Bennigsen, who collaborated, this time, with S. Enders Wimbush of London.

In 1984, the *EIR Special Report* "How Moscow Plays the Muslim Card in the Middle East" indicted Bennigsen as a major source of *dezinformatsiya*—in fact, in American policy-making circles. We showed how his book *The Islamic Threat to the Soviet State* (1983, co-authored by Marie Broxup) had omitted powerful evidence of Soviet control over the destructive forces of Islamic fundamentalism, in order to bolster the strategic doctrine of the Arc of Crisis—which Zbigniew Brzezinski and Jimmy Carter so disastrously espoused. Key to grasping the insanity of the Bennigsen/Brzezinski thesis, that Islamic fundamentalism was a bulwark against Soviet power, we said, was the question of Sufism.

We explained: "As . . . Ayatollah Khoiniha put it, the

object of Iran's variegated activities is to eliminate 'American culture from the region,' . . . in favor of a fanatical sort of irrationality valued for its own sake, for its 'freedom' from rationality. In the Islamic world this outlook, in fact a heresy to the nation-building tendency of Islam which characterized the Arab Renaissance at its high point in the Abbasid Caliphate of the ninth century, is called Sufism. An outgrowth of pagan, pre-Islamic mother cults in the Arabian peninsula, combined with pseudo-Christian gnostic heresies propagated into the area under the rule of Byzantium, Sufism . . . ushered in the black night of collapse and despair in the Arab world, to last for nearly a thousand years. . . . As *EIR* founder Lyndon LaRouche recently stated, 'For any branch of Western culture to develop Sufism as a supposed agent of influence against some adversary is to behave like a man who takes poisonous snakes to bed to warm him on a cold winter's night.'"

Bennigsen becomes a moderate

Bennigsen's recent tract is full of efforts to preempt any more exposés of his tendentious reporting; even in the tightly knit field of Central Asia studies, not a few people thought that *The Islamic Threat* had "gone too far" toward a claim that Sufi bands from the Caucasus would soon overthrow Moscow's rule. Bennigsen has modified his claims so as to avoid blatant errors of fact—and in so doing, virtually refutes his own thesis!

EIR reported that the bitterly anti-Western Sufis had been largely "turned" to advantage by the Soviets, and that thousands of Iranian mullahs were schooled in the Soviet city of Tashkent. Now, Bennigsen confirms that the leaders of the officially sanctioned Muslim Spiritual Board of Central Asia and Kazakhstan, Ishan Babakhan (chief, 1943-57) and his son Ziautdin Babakhanov (chief, 1957-82), were Naqshbandi Sufi "adepts," and that the same is likely true of the current member of this dynasty, Mufti Shamsutdin Babakhanov.

Bennigsen and Wimbush also report that leading Sufi adepts fought on the side of the Bolsheviks in the 1920s. They allow that many people think the Sufis "are so far socially and politically beyond the Pale that no sane person could find them attractive." But in the conclusion of the book, they offer, as appropriate for today, the view of a late-19th-century Russian expert on Central Asia, that "Every new idea, any movement, political or religious, reactionary or revolutionary, will cover itself with the flag of Sufism."

Bennigsen demonstrated that he prefers this version of the discredited "fundamentalist card," with a fiery outburst in the *New York Times* of Dec. 30, 1986, after riots shook Soviet Kazakhstan, preparatory to a crackdown and Russification of the Kazakh leadership by the Gorbachov team. He wrote, "The ethnic, anti-Russian riots . . . in Alma-Ata are a reminder that racial tensions remain a serious threat to the Soviet empire—to its short-term stability and long-term survival."

Soviet Sufis—and Italian

Most of the Bennigsen-Wimbush book comprises fond accounts of the practices of Sufi brotherhoods in the Soviet Union, which, as “dynamic religio-cultural systems which embrace all aspects of human existence,” are supposed to pose a growing challenge to “the atheistic establishment.” The authors stress the “vertical loyalty of disciple to master,” the Sufi disciple’s being like “a cadaver in the hands of an embalmer,” and his “life of spiritual militancy totally dedicated to Islam . . . [in which] there is no place for any real, long-lasting compromise with the communist world.”

The authors survey the roots of Sufism in the Russian Empire and the U.S.S.R., yet they omit evidence that would mar this portrait of a powerful, indigenous spiritual movement. Narrating the life of Naqshbandi Sheikh Mansur, who waged holy war against the Russians in the 18th century, they come down in favor of Mansur’s having been a home-grown initiate with “Central Asian origins,” citing “analysis of the Ottoman archival material” to reject a story that he came from Turkey. They black out the discovery in the State Archives of Turin, Italy—reported by Sir Fitzroy Maclean in his *To Caucasus*—of letters written by Sheikh Mansur to his father. According to these, the Sufi firebrand was originally one Giovanni Battista Boetti, a Dominican monk who converted to Islam!

Bennigsen does not care to advertise such evidence of the sometimes strategically designed, synthetic nature of Sufi movements. The very same, however, is also suggested by a recurrent sub-theme in his book: the similarity of Sufism to certain Russian sects and extreme Russian Orthodox hesychasm. He is most fascinated with the Sufi *zikr*, the chants, augmented by hyperventilation and whirling dances, through which Sufis “reach God.” The *zikr* “can assume what for Russians must be an undesirable political coloring,” but Bennigsen likes its closeness to certain practices of his own Russian Orthodox faith, especially among the hesychasts: “The Sufi practice of *zikr* can be compared to similar mystical practices, . . . above all to the Christian Greek and Russian Orthodox technique of the ‘Jesus Prayer.’ According to St. John Climachos, in the ‘prayer of one word’ the name of Jesus must be united to the breath.”

In another tell-tale analogy, Bennigsen says that “Sufi activities and their influence may be compared to the role played by the Russian Old Believers in the preservation of Russian national identity.” The Old Believers were Russian schismatics, thousands of whom burned themselves to death in the 17th century, to avoid changes in the liturgy; later generations of Old Believers, who regarded the state as the Anti-Christ, funded the Bolsheviks and other revolutionaries against the Romanovs.

The Bennigsen dossier

Since Bennigsen’s line still pollutes the estimates of U.S. intelligence agencies, we must pose the question:

Who is Count Alexandre von Bennigsen and where did he come from? The answer we find in unpublished archival materials of the Bennigsen family, is: the Eurasian wing of The Trust.

Born in 1913 to a centuries-old Baltic noble family, Bennigsen emigrated via Istanbul and was trained in Paris by the dean of French orientology, the practicing Sufi mystic Louis Massignon. His interest in Central Asia got a head start from his father, Adam Bennigsen, a Russian army officer who served there.

Adam Bennigsen was one of three sons of Pavel Bennigsen, Czar Nicholas II’s keeper of the hounds. His brother Georgi P. Bennigsen was a close associate of Vladimir Burtsev, who helped found the Battle Organization (assassination squad) of the Socialist Revolutionaries. Another brother, Emmanuel P. Bennigsen, was an intimate of the famous Ignatiev family, members of which excelled in Okhrana affairs, the geopolitics of the Eastern Question, and—in the next generation—Soviet military intelligence. The Bennigsen family, too, went both ways after the revolution. Some members emigrated, but others stayed on in responsible positions in the new Soviet state. The Bennigsen brothers’ sister Olga worked in the Soviet ministry of agriculture until the 1940s. Their maternal Uncle Kolya was assigned by Trotsky to work up a plan for attracting foreign capital to restore the rail system; Uncle Kolya was later shot, like many of Trotsky’s associates, but his widow received a Soviet pension, as a niece of the composer Tchaikovsky.

Emmanuel also sat on the board of the Volga Kama Bank (founded by Old Believers) from 1910-17, where his associates included A.I. Guchkov, a key figure in the February 1917 revolution, who later, in Berlin, sponsored meetings of the Eurasian wing of The Trust. During the Civil War, Emmanuel worked closely with General von Monkevitz, a counterintelligence officer for the Whites, who later turned out to be a Soviet agent.

In his unpublished memoir, *What Life Taught Me*, Emmanuel Bennigsen described the family philosophy: “American policy is dictated above all by economic considerations, while Russian policy—above all by ideological motivations. . . . The idea of the ‘Third Rome,’ launched in the 16th century by a modest monk in the north of the country of that new Rome—Moscow, which was supposed to dominate religiously the entire world—had few political repercussions, for . . . Moscow was too weak. But we find echoes of it in Dostoevsky’s *Diary of a Writer*, and has it not now been resuscitated, in a lay form, by communist ideology?” The communists, he observed, revived “Russian national sentiment.”

What life has taught the Bennigsen, it appears, is that mystical, gnostic ideas can flourish under the communist Czars even better than with the old regime. What life has taught the Soviets, is that Western policy-makers, who buy irrationalist movements as supposed assets, are useful fools.

Gorbachov's 'Peace' Forum: a 'New Yalta' charade

by Konstantin George

The three-day Moscow propaganda circus, titled "International Peace Forum," ended on Feb. 16 with Soviet leader Mikhail Gorbachov addressing the 900 foreign participants from 80 countries. The participants included leading Western bankers, industrialists, clergymen, pro-Soviet political figures from the Socialist International and West Germany's Green Party, and assorted riff-raff from Hollywood and other "entertainment" mafias. Taken together, they compose a more than representative sampling of the pro-Moscow, "New Yalta" section of the Western elites, known in shorthand as "The Trust."

As befitting a propaganda circus, Gorbachov's speech reached new heights in the exercise of "peace" rhetoric and demagoguery, as for example, piously proclaiming: "The Soviet Union is ready to renounce its status as a nuclear power."

Under the heavy overlay of such rhetoric, the speech revealed Moscow's deep concern that its hope of a "New Yalta" agreement with President Reagan, to sell out Europe via a "zero option" deal on Euromissiles, as was nearly signed at the Reykjavik pre-summit, is rapidly going up in the smoke of "Irangate."

Gorbachov chose his words to influence the U.S. factional situation in favor of the liberal Eastern Establishment elite and their "secret government" operatives, such as former National Security Advisers Henry Kissinger and Zbigniew Brzezinski, and the Carter administration's "primeminister," former Secretary of State Cyrus Vance. A U.S. delegation from the Council on Foreign Relations, led by Kissinger and Vance, had spent the first week of February in Moscow, meeting with Gorbachov and his top advisers.

The Gorbachov speech sought to lend credibility to the Reagan-Gorbachov summit idea worked out with Kissinger and the Council on Foreign Relations delegation. According to Radio Moscow, Gorbachov announced that "revolutionary changes are under way in the Soviet Union," saying: "We want more socialism, and hence, more democracy. Our international policy is determined more than ever by our domestic policy. That's why we need a stable peace."

Gorbachov's "back to Reykjavik" message was embodied in the following passage: "The Reykjavik summit was a breakthrough and not a failure."

When the Kissinger delegation returned from Moscow, they gave Reagan the line that both Reagan and Gorbachov "need a summit." They proclaimed Gorbachov's desire to return to the Reykjavik "arms control" track, featuring a "zero option" agreement on IRBMs (Euromissiles), deep cuts in strategic weapons, an agreement to limit SDI testing and a 10-year moratorium on SDI deployment. Kissinger and Vance employed the lie that the Soviet Union "needs" peace and stability in order to implement "undisturbed" Gorbachov's economic modernization and "social transformation" program inside the Soviet Union.

The vanishing 'Reagan card'

Gorbachov's speech, however, reflected the Soviet intelligence assessment that Moscow's hopes of playing a "Reagan card" are rapidly vanishing. This was conveyed through an overly long harangue, denouncing the SDI. Gorbachov began this by expressing his "regret" over U.S. "attempts to torpedo the ABM Treaty." After saying that the United States

has formally proposed that the superpowers interpret the ABM treaty broadly enough to allow accelerated work on the SDI, the Soviet general secretary charged that the United States is seeking to shatter the treaty.

"Whatever the pretexts used to justify this, the aim is clearly to scrap the treaty," he said. "When the treaty is annulled, the nuclear arms race will acquire new dimensions and will be complemented by an arms race in space."

He continued: "If the arms race spreads to outer space, the very idea of arms control will be compromised." It will create "mutual mistrust and suspicion" and "instability will become a fact and grow more critical in nature."

The SDI would bring about a new, sharply accelerated arms race, "the deployment of ever new kinds of weapons," and the "accidental risk of war would grow several times over." This will bring the world "closer to nuclear catastrophe." "New thinking" is needed in the world "to overcome the dogmas of the past . . . for the sake of the immortality of human civilization."

The Soviet intelligence assessment of "Irangate" was also revealed by the military newspaper *Krasnaya Zvezda* (*Red Star*) on Feb. 17, when it chose to highlight the presentation given at the Moscow Forum by West German Social Democratic leader Egon Bahr, one of the ringleaders of the neutralist, "decoupling" faction in Germany. He all but forecast the upcoming demise of the arms control grouping's ability to control an unraveling Reagan administration. Bahr was quoted saying that, given "Irangate," time is rapidly running out to reach a superpower agreement on arms control. He then stated: "The Washington administration will soon be devoid of any authority."

Sakharov, superstar

The Western media focused coverage of the Soviet Union on the Moscow "Peace" Forum, and Gorbachov's calculated release of dissidents, to cultivate an image of Gorbachov as a crusading "reformer," fighting for openness and "peace" against bureaucratic "hard-liners." That was the obvious impression intended when "dissident" physicist Andrei Sakharov was paraded into the hall to play a prominent role in the forum's proceedings.

Sakharov's usefulness for the Kremlin was underscored at the beginning of the proceedings when both U.S.S.R. Academy of Sciences President Yuri Marchuk and Vice-President Yevgeni Velikhov walked up to him and shook his hand. After the science panel speeches concluded, Sakharov was the first participant to be called on by the Soviets during the discussion period.

During the Feb. 16 session, Sakharov stated that a major arms deal should not be deterred by the SDI, according to American scientist Prof. Frank von Hippel, who attended a roundtable of scientists during the Moscow Peace Forum with Sakharov featured. "He said they should untie the package and they shouldn't stay hung up on 'Star Wars,'" von

Hippel said. He said Sakharov argued that the SDI was unlikely to reach the deployment stage and should not be a deterrent to strategic weapons cuts. Sakharov maintained the "dissident" image, and is said to have openly disagreed with Andrei Kokoshin, an arms control expert with Moscow's U.S.A. and Canada Institute, who supported the Kremlin's official linking of arms control and SDI. However, Sakharov was absolutely clear that he, too, views the Strategic Defense Initiative as a terrible "threat to peace."

Sakharov's usefulness to the Kremlin in his continuing "dissident" role was again underscored by a report appearing in *U.S. News and World Report*. White House officials, said this report, fear that somebody in Congress will invite Sakharov to come to the United States to testify against the SDI, and that Gorbachov, obviously, will let him come. The news-weekly said that congressional testimony by Sakharov against SDI would "carry double weight," because he "has spent years fighting the Soviet regime."

During the "Peace" Forum, Sakharov was invited to visit West Germany by that country's neo-Nazi Green Party, and he accepted.

The war plan agenda

Even a casual glance at the major Soviet newspapers, and some honest reporting by Western correspondents in Moscow, on the same weekend as the Peace Forum, would have revealed the Soviet Union's hypocrisy on the "disarmament" question. Such talk is for Western consumption. The same weekend as the Moscow Forum, Gorbachov was addressing a closed six-hour meeting of all Soviet media bosses, the chief editors of every major newspaper and magazine, and television and radio. There, with no Westerners in the audience, the Soviet leader was singing a very different tune.

The theme of Gorbachov's presentation was, "We must move forward." Here, he stressed the Second World War as the example of moving forward, the war, as he put it, where Russia "stamped out fascism," with "better steel, better tanks, and better soldiers." The speech also included an assessment of the Stalin era, rather different from that which Western journalists are inclined to report. Gorbachov mentioned that "mistakes" had been made in the 1930s in both the industrialization and collectivization drives, but, Russia, "mistakes" aside, had "moved forward."

While Gorbachov was demanding "better" quality war production, Lev Zaikov, Politburo member and Central Committee secretary in charge of the war industry, began a tour of military aircraft production centers. He first visited aircraft factories in the Volga industrial city of Ulyanovsk. There, Zaikov hailed 1986 as "the first stage in decisive modernization" of Soviet industry, but also stressed that the U.S.S.R. was still "moving too slowly in modernizing industry," and the tempo had to be quickened.

Gorbachov's war build-up will accelerate, and the way one can be sure, is that his talk of "peace" will also accelerate.

Strong NPA shows scale of Philippines political, military woes

by Linda de Hoyos

The insurgent New People's Army in the Philippines commands a hard-core membership of 25,000, up 9,000 from last year, report well-informed sources from Manila. A full 20% of the countryside of the Philippines is now under NPA control, with the NPA directing local administration and collecting "taxes." The NPA has moved en masse with armed cadre into the barrios of Manila. More important, 6-7 million Filipinos support the NPA—an estimated 25% of the adult population.

The strength of the NPA and its increasing popular support define the magnitude of both the military and political problem facing the Republic of the Philippines. Despite the overwhelming mandate given to President Corazon Aquino, in the Feb. 2 referendum vote for the new draft constitution, the momentum in the Philippines is with the NPA. With the collapse of the 60-day ceasefire agreement on Feb. 10, the NPA has launched military attacks throughout the country. The daily death rate is now as high as it was during the height of violence in 1985, reported Armed Forces Chief of Staff Fidel Ramos.

Over the past year, and especially since the removal of Juan Ponce Enrile as defense minister in late November, the armed forces have been put on the defensive by the Aquino government and the "human rights" mafia ensconced in Malacanang Palace. Under the constitution, the Police Constabulary, comprising 25% of the armed forces, will be disbanded. On Feb. 12, in an effort to undercut the influence of Marcos loyalists in the armed forces, Aquino announced that 462 colonels who had been promoted to that rank during the Marcos administration, would be demoted.

The armed forces are under investigation for the massacre at Mendiola Bridge Jan. 22, when Marines fired into a crowd of protesting farmers, killing 15, and for the attempted coup of Jan. 26. Current military handling of the insurgency, given the popular support for the NPA, will only exacerbate the problem. In mid-February, using Vietnam War-style tactics, troops killed 17 civilians in an NPA-dominated village in the Nueva Ezija region, only 90 miles north of Manila. The soldiers carried out the massacre in retaliation for the NPA's murder of an officer in the area. In Manila, the army was put on red alert, as the NPA threatened to blow up government installations and private homes in retaliation.

A Vietnam War-style counterinsurgency program is being put into place by Gen. Jack Singlaub (ret.), of the World Anti-Communist League, who has been in Manila continuously since September. Singlaub's attempt to set up death squad operations against the NPA was brought to a halt Feb. 21, when he was asked to leave the country.

A counterinsurgency program based on tactics similar to those carried out under the Operation Phoenix program in Vietnam, is guaranteed to backfire. The 6-7 million people supporting the NPA are those whose livelihood has been destroyed by four years of International Monetary Fund destruction of the Filipino economy, and for whom there is now "nothing to lose" by supporting the NPA.

Under conditions of economic collapse and near starvation in many areas of the country, the NPA recruits its popular support through a combination of terror and through the active encouragement of the Theology of Liberation clergy within the Philippines Catholic Church. On Feb. 19, the bodies of 46 people believed to have been executed by the NPA were uncovered in three mass graves and two septic tanks in the southern port city of Davao. Those murdered, believed to be as many as 68 people, were "uncooperative" with the NPA.

This level of violence has not cooled the Filipino clergy's sustenance of the NPA. That relationship between the NPA and the Theology of Liberation was the focus of attention for the first time in Manila, in a speech given Feb. 11 to the Makati Rotary Club by leading Manila businessman-political figure Vicente Puyat. "Church, Reds in Alliance against Republic of Philippines" was the front-page banner headline in the Feb. 11 *Manila Evening Post*, reporting on charges leveled by banker Vicente Puyat against the NPA and its protectors.

Puyat, son of one of the Philippines' most highly respected statesmen, Gil Puyat, declared in a speech before the Makati businessman's Rotary's Club Feb. 10 that that section of the Catholic Church adhering to the Theology of Liberation was in an open alliance with the NPA and disaffected youth to destroy the Philippines as a republic and a nation. The Church protection of the NPA, Puyat noted, continues in the Philippines, despite the denunciation of the Theology of Liberation issued by Pope John Paul II in 1985.

A full 10% of the Catholic clergy in the Philippines has joined the NPA directly. Other priests and nuns are active in its numerous political fronts, including the National Democratic Front and the Bayan Party.

The NPA's representative in Europe, for example, Luis Jalandoni who is currently in Manila, is a priest who headed up the National Secretariat for Social Action of the Philippine Catholic Church, through which monies were funneled into radical operations. Jalandoni, like Communist Party founder José Ma Sison, is a member of a leading oligarchical family in the Philippines. In 1972, Jalandoni was a leading figure in the "National Convention of Philippine Priests, Inc." which announced its intention to "mobilize and organize our people in a well-planned program of protracted and disciplined struggle for liberation." In late 1972, Jalandoni and his clerical associates declared the formation of Christians for National Liberation and forged an open alliance with the Communist Party and its armed NPA. In the late 1970s, Jalandoni joined the NPA. From his post in Western Europe, Jalandoni has funneled money into the NPA from the World Council of Churches and the Social Democratic Friedrich Ebert Stiftung.

These priests' clerical garb has not detracted from their ability to carry out violent action. According to confirmed reports from the Philippines, the godfather of the NPA's "Sparrow Unit"—its assassination squad—in Davao is Father Orlando B. Quintana.

Although the NPA was born out of the Theology of Liberation, Puyat pointed out, it is now controlled by foreign powers, and its leadership is under foreign control. Vietnamese special forces began training the NPA in Mindanao beginning in the spring of 1983, Puyat pointed out. Shortly thereafter, the Vietnamese distributed a 300-page terrorist handbook, printed in the Filipino language Tagalog, complete with illustrations. In December 1986, the Vietnamese also sent personnel to train the Manchakas tribe in Davao, which has been a key element of the NPA since 1968.

Weapons are being funneled into the NPA via Vietnam and the Japanese Communist Party. Aside from Jalandoni's exploits in Europe, Jose Ma Sison has been overseas for the last six months—on a fundraising tour taking him to Thailand, Australia, Japan, China and Iran.

The growth of the NPA in the last year indicates that the Aquino government as currently constituted is not prepared to deal with the insurgency. At best, the Aquino government is paralyzed by the pressures of the continuing oligarchical control over the economy and the preponderance of pro-NPA advisers around the President. NPA rehabilitation programs have come to nought, as monies have been allocated for the program but not disbursed. The campaign for the election for the congress, to take place in May, could become the arena in which new economic and counterinsurgency policies are debated. Until new policies come to the fore, the NPA will continue to hold the momentum of events on its side.



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Medellín Cartel pals capture Liberal Party

by Valerie Rush

On Feb. 15, Colombia's former President Alfonso López Michelsen urged the Barco government to begin negotiations with the infamous Medellín Cartel of drug traffickers. Said López, "The Liberal Party, as both the majority and the ruling party, is obliged to take up the banner of peace with a liberal criterion; it must seek novel political solutions and not merely resort to repression as a means of dealing with the rupture of our social community. . . . We must be aware of the formidable challenge it means to reincorporate into civilian life not only the guerrillas but also the drug traffickers hardened by years of running risks. . . . We must defeat the enemy, and then negotiate. . . ."

López's proposal, little more than a variation on his 1984 call for negotiating an amnesty for the drug traffickers in exchange for their payment of the country's foreign debt, was made in the context of an ongoing Liberal Party convention, meeting to choose a new party leadership for the last two years of Liberal rule under President Barco. The five-man directorate chosen by that convention did not hesitate to publicly endorse the López proposal; no accident, given that the majority of them are not only longstanding followers of López Michelsen but, like him, intimately linked to the fortunes of the Medellín Cartel.

This mafia takeover of the Liberal Party presents an open declaration of war to the national institutions of Colombia, starting with the presidency itself. As the more picturesque criminal elements—like recently captured cocaine czar Carlos Lehder—fall to President Barco's anti-drug efforts, Dope, Inc.'s individuals and institutions "above suspicion" now appear determined to legitimize the narcotics "industry," in a final bid for power—from within.

Drawing the battle lines

While the war against the drug mafia has not yet been won in Colombia, at least the battle lines are now clearly drawn. The editors of the Liberal-affiliated newspaper *El Espectador*, whose director Guillermo Cano was killed by the mafia last December, expressed their horror at the fall of

the ruling political party into the hands of a corrupt elite. The paper's lead editorial Feb. 17 declared, "What we feared has happened; the vote owners consulted none but their own tiny electoral interests and voted themselves directors of a party and its doctrine."

El Espectador's editors pointed to the election of such known mafiosi as Alberto Santofimio Botero and Eduardo Mestre Sarmiento, and lamented that the party had fallen into the camp of "tactlessness, lack of moral conviction, unexplained links to crime, and intellectual abandonment. . . . On Mr. Santofimio, we already published our dossier last Sunday. . . . Mr. Mestre owes a clear explanation to the country of his links to a powerful chieftain of the drug trade."

In the case of Santofimio, the man whose political faction within the Liberal Party elected cocaine czar Pablo Escobar to the Colombian Congress in the early 1980s, his criminal background and gangster methods are a secret to no one inside Colombia. *El Espectador's* comment about Mestre is a reference to the fact that the man's business association with jailed drug trafficker and Medellín Cartel partner Gilberto Rodríguez Orejuela surfaced in the public eye during last year's contest for the job of *designado* (vice-president) when López's sponsorship failed to procure the coveted post for the tainted Mestre.

The Samper Pizano dossier

The new Liberal Party director most compromised with the drug mafia is, however, Ernesto Samper Pizano, the man whose name is synonymous with "drug legalization" in both Colombia and the United States. A protégé of López Michelsen and likely candidate for the 1990 presidency, Samper has been a close collaborator of the U.S.-based National Organization for the Reform of Marijuana Laws (NORML) since at least 1975, when he went public with his campaign to "solve" the problem of the drug trade by legalizing it.

For years, Samper was president of the National Association of Financial Institutes (ANIF), the think tank of the powerful Grupo Grancolombiano financial group created by now-fugitive banker Jaime Michelsen Uribe. Michelsen, hiding in Panama from a Colombian arrest warrant, is the first cousin of López. Samper went on to become the campaign manager and treasurer of López's 1982 reelection campaign, and scandalized the country by admitting to claims by the drug trafficker Carlos Lehder that Samper had accepted campaign contributions of 20 million pesos from the Medellín Cartel, in exchange for promises of drug legalization under a López presidency.

Immediately after his election to the Liberal Party directorate, Samper forced a postponement of the traditional meeting between the new party leaders and the nominal chief of the party, President Virgilio Barco, due to his abrupt departure for Cuba on a "prior engagement" with Fidel Castro. The wire services made no mention of whether Castro's guest, Robert Vesco, was on Samper's "must see" list.

Israel backs Iran's Hezbollah terrorists

by Thierry Lalevée

The Israeli government of Prime Minister Yitzhak Shamir, while vociferously defending its secret arms sales, on behalf of the U.S. National Security Council, to Iran's Ayatollah Khomeini, is now shifting its support in Lebanon from the Amal militia to the Iranian-backed Hezbollah terrorists. It is the Amal Shi'ite group that laid siege to Palestinian refugee camps in Beirut and Rashidiyyah starting last November, refusing to allow food to be brought into the camps, slowly starving up to 40,000 people. Israel's tactical shift in alliance from the Lebanese Shi'ites to the Iranian Shi'ites, means that the Hezbollah will now be given the greater role in smashing the Palestinians.

It is not only the Israelis who are squeezing out the Amal; the Soviet Union and Syria too are shifting alliances, whose only outcome will be the continuing descent of Lebanon into barbarism.

When on Feb. 5, Palestinians besieged in the Beirut refugee camp of Burj al Barajneh asked for a waiver of the religious prohibition against eating human flesh, the world reacted in shock to learn of the hideous effects of the blockade. On Feb. 8, Sheikh Fadlallah, the spiritual leader of the Hezbollah in Lebanon, did issue a religious authorization to practice cannibalism. But in fact, as bad as the situation was in the camps, no one ever thought of carrying out such practices; the public demand by the Palestinians was a desperate ploy to draw attention to their plight, and it worked.

By Feb. 14, the Amal militias were forced to allow food supplies to reach the camps. By Feb. 18, the Amal announced that it would lift its siege, as "we cannot consider entering the camps. It would provoke a massacre against women and children, such as no militia can afford."

The battle of the camps, as it has been called, heralded a rapid change of alliances, along the following lines:

- Israel intervened into the conflict as much as it could against the Palestinians. At the high point of the battle of the camps, on Feb. 12-13, Israeli jet fighters twice attacked Palestinian positions in Sidon. "Miraculously," none of these raids hit the Hezbollah positions in Sidon, although these were only meters away from the Palestinians. In fact, the Israelis were providing air cover to the Hezbollah against

the Palestinians.

A few days earlier, one of the Amal's Politburo members, Daoud Daoud, who is responsible for southern Lebanon, had broken with the Amal and joined the Hezbollah. Last November, Daoud Daoud had negotiated increased Israeli arms shipments to Amal. An alliance with the Hezbollah will not trouble anyone among the Ariel Sharon grouping in Israel, represented in Lebanon by Uri Lubrani; this is precisely the Israeli faction that has been selling arms to Iran all along.

- Syria has been using Nabih Berri's Amal in direct clashes with both the Palestinians and the Christians, and trying to use it to contain the growing influence of the Hezbollah. It is no coincidence that as the battle of the camps started, Berri went to Damascus and stayed there, fearing assassination. Yet Syria's support for Amal, too, is flagging, as we shall see.

- The Christian forces began to use the Palestinians against the Amal and Syria, from purely pragmatic motives: Christian vessels carried Palestinian units from Cyprus to the Lebanese port of Junieh at a high price.

Moscow's growing role

Behind these shifting chess pieces is a bigger game. Israel's Defense Minister Yitzhak Rabin, with the full support of Prime Minister Shamir, has been in intense negotiations with Syria over recent months. But while Syria and Israel may have a regional say in the matter of Lebanon's future, increasingly the main power has become the Soviet Union. Indeed, through the incessant taking of Western hostages, the presence of French, British, and American residents is now close to nil, while Moscow has strengthened its role.

Since last November, Soviet Ambassador Valery Kolutcha has been entrusted by the Lebanese government to act as a mediator among the warring factions. On Feb. 12, First Secretary Yuri Suslikhov underlined once again that "the Soviet Union will not leave Lebanon." It also has a concrete military interest. In late November, Soviet military advisers in disguise began building two radar monitoring stations in the Chouf mountains of Druse warlord Walid Jumblatt.

Two days before it was forced to lift the siege of the camps, the Amal militia was assaulted by the combined forces of Jumblatt's Druse and the militias of the Lebanese Communist Party of George Hawi. During Feb. 2-7, Hawi had chaired the congress of his party under the aegis of Karen Brutents of the Soviet Central Committee.

Amal's formal ally, Syria, didn't come to its aid, but instead pressured Berri to lift the siege and to sign a ceasefire with the Communists. As far as Syria and Moscow are concerned, Amal has now served its purpose and can be gotten rid of. Their main task now is to contain the influence of Iran, which made cheap propagandistic gains by denouncing the attacks against the Palestinians. Now Syria is ready to negotiate a new modus vivendi with the Palestinians—for a short time, at any rate.

Shamir's trip aims at damage control

by Robert Greenberg

"Shamir would be thankful to come back empty-handed," stated a knowledgeable Israeli political observer on the eve of Israeli Prime Minister Yitzhak Shamir's 10-day trip to the United States which began Feb. 16. The source was referring to the fact that, due to the continuing revelations concerning Israel's role in the Iran affair and the Jonathan Pollard espionage scandal, Shamir was coming to Washington very much on the defensive.

Even though Shamir was expected to sign a previously arranged treaty arrangement with the United States, which would give Israel, a non-NATO ally, an increased status as a trade and military partner, Shamir's main agenda was expected to be an attempt to repair the damage done by the Iran and Pollard revelations. It is from this position of weakness that Shamir is attempting to convince the United States to establish military bases in Haifa and the Negev. This would weld the United States and Israel together, increasing cooperation on intelligence and related matters, rather than severing such ties, as is currently threatened. One result hoped for by the Israelis, would be to defuse the Iran and Pollard scandals.

To accomplish this, as well as to sabotage any U.S. support for the peace initiatives of Israeli Foreign Minister Shimon Peres, and to prevent U. S. arms sales to Saudi Arabia and Jordan, Shamir was to have private meetings with key figures in the Israel lobby, including the Task Force for Israeli Independence, otherwise known as Project Independence.

Project Independence, which was inaugurated in 1985 by Minister of Industry and Commerce Ariel Sharon, was nothing more than a reworked version of what was called the Lansky Plan to turn Israel into a center for organized crime, notably weapons smuggling and money laundering. Among the leaders of the Project Independence task force are organized crime-connected figures in the United States such as Kenneth Bialkin, the former chairman of the Anti-Defamation League of B'nai B'rith and an attorney for fugitive Robert Vesco; Max Fisher of Detroit; and Edgar Bronfman of Canada, head of the World Jewish Congress and a friend of Soviet agent of influence Armand Hammer. It was with the collaboration and initiative of this group that affiliated Israeli factions helped initiate the Iran-Contra policy leading to the current crisis in Washington.

The main person said to be pushing Shamir to fight for

the U.S. basing plan, ironically, is Sharon, advocate of an Israeli deal with the Soviet Union. This is not so surprising in light of the fact that Sharon and his faction stand to lose the most if the pressure on Israel from the Iran and Pollard revelations continues.

Sharon on the hot seat

Israeli sources have reported that the expected indictment of Brig. Gen. Aviem Sella by U.S. Attorney Joseph Di-Genova, and the revocation of immunity from intelligence operative "Dirty Rafi" Eytan, former science attaché in Washington Josef Yagur, and former embassy secretary Irit Erb, prior to Shamir's trip, threw Sharon into a panic. Eytan is only one or two steps away from indictment himself, and an investigation of him would reveal a two-decade-long Israeli espionage operation against the United States, with Sharon at the center.

This operation can be traced back to the late 1960s, when the FBI investigated the Pennsylvania-based Nuclear Equipment and Materials Corporation (NUMEC) for illegally providing Israel with enriched uranium. Eytan's name surfaced at that time as the Mossad officer in charge of cells collecting scientific and technological intelligence in the United States. Since that time, and especially since the mid-1970s, Eytan, under Sharon's protection, has not only maintained these espionage operations, but, through his position as the head of the Terror against Terror unit, has built up terrorist groups such as the Jewish Defense League as a cover for professional assassinations and other dirty operations.

Ongoing investigations of the Pollard case also threaten to reveal longstanding Israeli capabilities inside the U.S. government such as that represented by NSC consultant Michael Ledeen, Defense Department officials Richard Perle and Steven Bryen, and State Department official Elliott Abrams.

Shamir has come up against a tremendous amount of opposition in the Pentagon, the intelligence community, and even the U.S. Congress. One indication of this is that despite his blustering before his arrival in Washington, that he would refuse to answer Congress's questions about Irangate, during his trip he changed his tune and agreed to answer detailed questions.

While Shamir is attempting this manipulation of the United States, his back-channel negotiations with the Soviets have continued unabated. It is no coincidence that during Shamir's trip to the United States, Soviet leader Mikhail Gorbachov chose to signal his willingness to deal with Israel. According to a Feb. 19 article in the *New York Post*, Sharon mouthpiece Uri Dan reported that Gorbachov is telling his Arab allies that he plans to reestablish diplomatic ties with Israel. The article is being seen by U.S. intelligence community sources as a signal that an Israeli-Soviet dirty deal is on, and has only served to intensify their commitment to end this business once and for all.

Schiller Institute founded in Norway

A retired German military commander traveled to Oslo, Norway in February to tell a group of 20 people, gathered to found a Schiller Institute branch in that country, that the fundamental division between East and West was not political, but religious and cultural.

Brig.-Gen. Friedrich-Wilhelm Grunewald used his talk to emphasize the different philosophies and conceptions of man in the Western nations as against Russia and her Slavic satellites, thus to emphasize the importance of preserving and strengthening the Western alliance. That has been a primary purpose of the international work of the Schiller Institute, founded in 1984 by German political figure Helga Zepp-LaRouche. Brigadier General Grunewald is on the institute's German advisory board.

No neutrality possible

As Grunewald indicated at the Schiller conference, there can be no "neutrality" in a continent threatened by a Russian imperial power whose motivations to dominate Europe (among others) stem from, not "communism" in a narrow sense, but a thousand years of culturally transmitted "collectivist" religious mysticism.

Judeo-Christian culture developed from the achievements of Hellenic civilization, and from the cultural paradigm developed by St. Augustine on the ruins of the evil that was Rome. By contrast, said the general, the Russian Orthodox Church consistently sabotaged, often bloodily, the potential for Russia to experience a Renaissance or Enlightenment. The Russian church's notion of a "collective soul," against the free-thinking individual soul of Western man, is the true foundation of Soviet communism and Russian culture today. The Augustinian ideal was transmitted to the New World by Europe's humanists, who established in the United States a nation conceived on these principles.

Grunewald attacked the propensities toward "decoupling" and defeatism among some Western circles, and defined the task of the Schiller Institute: to reawaken the intellectual-cultural foundations upon which the West developed, to develop this planet, and expand human settlement into the Solar System.

Grunewald was followed by Michael Ericson, representing the Schiller Institute in Sweden, who described the actual

strategic situation facing his country. Although Sweden is a neutral country, its ability to defend itself against possible Soviet aggression is deemed by Norwegians a vital factor in the overall strategic balance of forces on NATO's northern flank. But Swedish military forces have gradually been gutted by cuts in defense spending over the last 10 years, said Ericson. This has led to growing unrest among Swedish military figures; the possibility of Sweden joining NATO has been mooted, with the Schiller Institute pushing the idea, and there is strong feeling among Swedish military layers in favor of NATO membership.

William Jones, *EIR*'s Stockholm correspondent, spoke on the need for a cultural renaissance which could pull the populations of the Western countries out of the "cultural pessimism" into which they have slid over the past 30 years. Those Norwegian patriots who created the country in the 19th century were directly inspired by the works of the great German poet Friedrich Schiller, Jones said. He called for the mobilization of the same spirit today.

Later in the evening, a small group of Norwegians constituted themselves a Norwegian advisory board of the institute. The Board includes two Norwegian businessmen and one retired air force colonel.

Debate over NATO

The institute's founding of the new branch represents an intervention into a heated political debate in Norway, pitting the nation's pro-NATO military against an appeasement, "neutralist" Social Democratic government. The debate was sparked by the country's outspoken commander-in-chief, Gen. Fredrik Bull-Hansen.

In remarks made to the Oslo Military Society, Bull-Hansen had denounced the "neutralism" of Mrs. Gro Harlem Bruntland's government. Norway, a country of a little over 4 million, is entirely dependent on an influx of troops from its NATO allies in the event of Soviet attack, the general stated. Norway must uphold its NATO commitments.

In earlier statements, the general was harshly critical of "footnotes" attached to a recent NATO communiqué by Norway's defense minister, Johan Jørgen Holst. The footnotes dissented from NATO's support for President Reagan's Strategic Defense Initiative. General Bull-Hansen called this a silly exercise detrimental to Norway's standing in NATO.

Holst was quick to react. He tried to censor the general's remarks, and demanded that in the future, all statements by the commander-in-chief be submitted to his office for approval—to avoid a "Latin American situation" in which the military plays the role of politicians. An uproar ensued, in which even newspapers supportive of the Bruntland government leaped to the defense of the general's right to speak out. Most recently, a motion was introduced in parliament specifically giving military officials the right to make uncensored public statements on issues bearing on the country's military defense. It is expected to pass.

Weekly fined for libeling LaRouche

French courts again found "a complete absence of proof" of charges that the U.S. political leader is "anti-Semitic."

Under the headline, "The Americans Discover a Le Pen: Lyndon H. LaRouche," a long article in the April 10-16, 1986 issue of *L'Événement du Jeudi*, repeated, in regard to Lyndon LaRouche and his collaborator in France Jacques Cheminade, the "I.D. format" slanders propagated in the United States by circles close to the Anti-Defamation League (ADL) since 1979, when the American political leader launched an offensive against the drug lobby.

The author of the article, Hervé Muller, accused LaRouche of, among other absurdities, having "close ties with the Ku Klux Klan," of having set up "a paramilitary training camp in Georgia," and of having at his disposal "from an official source the biggest private stock of firearms in the world," of being friendly to "fascism," of being "anti-Semitic," of spreading "themes which are familiar in a sinister way" and . . . being "soft on Moscow."

In a ruling handed down on Jan. 21, 1987, the civil Court of Paris sentenced the weekly of Jean-François Kahn to pay 30,000 francs in material damages (about \$5,000), and 3,000 francs to defray the court costs of the suit.

The lawyer for Jean-François Kahn had invoked, as proof that the charge of "anti-Semitism" against LaRouche was justified, an Oct. 17, 1980 ruling by the New York State Supreme Court in dismissing a libel suit against the ADL by some organizations inspired by LaRouche.

But the French courts once again

established that that ruling "does not state that the USLP, the NCLC, and Lyndon LaRouche are anti-Semitic," but that it merely considers that the ADL "could, in good faith, treat them as anti-Semitic taking into account their general behavior of extremely vigorous and continuous criticisms of well-known Jewish personalities and families and of organizations such as the ADL. . . ." Mr. Kahn, the judgment continues, "has hence brought no proof of the truth of the imputation of anti-Semitism."

More than four years ago, when he was sued for defamation by the European Labor Party for having called it a "Nazi grouplet," Dr. Claude Olievenstein was sentenced in 1982 in Paris to pay 5,000 francs in material damages. On that occasion, Olievenstein also abusively invoked the New York court ruling to try to "prove" that the European Labor Party was "anti-Semitic." The Paris penal court had judged—and this was confirmed on appeal—that "not only does [the New York decision] concern the U.S. Labor Party, but also and above all, it in no way establishes proof of the defamatory imputation alleged against the European Labor Party."

The other allegations made by *L'Événement du Jeudi* (Ku Klux Klan, weapons stock, pro-fascism) were also judged libelous, as well as the statement that a suspect arrested and released during the investigation of the assassination of Swedish Prime Minister Olof Palme, was a member of LaRouche's party.

The court also ruled that the defendant had injured the honor and reputation of Jacques Cheminade and the European Labor Party by stating, without proof, that Cheminade is the secretary general of a party which pushes "the taste for plots and machinations" to the point of delirium and that "he has nightmares that begin like that," referring to the birth of Nazism in 1930.

The court ordered publication of the ruling in *L'Événement du Jeudi* within one month of its being handed down. The judgment reads in part:

"Given the fact, that the affirmation, according to which Lyndon LaRouche would have relations with the Ku Klux Klan, and that he would have, from official sources, in a military training camp which he would have set up in Georgia, the largest private stock of firearms in the world, constitutes, given the complete absence of any proof whatsoever, a defamation;

"Given the fact, that the defendant is not able to claim that he was in good faith, the inquiry carried out by Hervé Muller having been, beyond a doubt, superficial;

"And similarly, the allegations are defamatory, according to which, Lyndon LaRouche 'is ready to denounce fascism among other people. . . ' since the ellipses at the end of the sentence, allow the supposition, that he would not denounce it within his own party; and the allegations are defamatory, according to which the suspect who was arrested, and then released, in the framework of the inquiry opened following the assassination of the Swedish Prime Minister Mr. Olof Palme, would have been a member of the party of Lyndon LaRouche, the defendant not having given the proof of the truth of these imputations, and not being able to invoke his good faith. . . ."

An unsavory alliance

The Bonn austerity regime and neo-Nazi groups are joining hands against Patriots for Germany's anti-AIDS campaign.

The War on AIDS, which the Patriots for Germany launched in late 1985, is shaping post-election politics in Bonn. The politicians who rejoiced over the Nov. 4 defeat of California Proposition 64, which called for making AIDS a reportable disease, have come to realize that this call is gaining popularity now in Germany.

The Patriots—Germany's new political party headed by Helga Zepp-LaRouche—have worked as a political catalyst, forcing the Christian Social Union (CSU) of Franz Josef Strauss, the more conservative of the two Christian Democratic parties in the Bonn government, to call for regular mass testing and mandatory AIDS registration. In talks held by the three Bonn coalition parties on the new government's public health agenda, the CSU demanded that AIDS be made reportable. This was rejected by the two other coalition partners, the CDU and the liberal FDP, on fake "civil rights" grounds.

In the heated debate between the three parties, the CSU voiced deep dissent with the "safe sex" approach of CDU's minister of public health, Mrs. Rita Süßmuth. The CSU is no friend of the Patriots, but has made itself a channel for the critique of German Catholics against the "immorality" of Süßmuth's approach.

The CDU and the CSU know that the Catholics are a strong constituency whose concerns can't be swept under the rug. Four key state elections are coming up in 1987, and the Patriots for Germany have a moral impact on

these Catholic voters, many of whom are unwilling to vote CDU or CSU again. The Patriots have raised a second explosive issue, pointing to austerity policy as the source of the government's reluctance to combat AIDS.

The Bonn government realizes that it may not be able to contain concern about AIDS for much longer. This makes containing the influence of the Patriots *now* a prime issue on the government agenda.

Health Minister Süßmuth has begun a propaganda campaign, stating that calls for mandatory registration of AIDS victims should be rejected, since they "recall memories of the coercive system of the Nazis." This allegation brings Mrs. Süßmuth, a member of the CDU's liberal "Moscow Faction," close to all those Soviet-run leftists in West Germany, whose favorite libel against the Patriots has been that AIDS registration and quarantine means to put people in concentration camps.

This propaganda has not stopped the Patriots' growing political influence. Once confronted seriously with the Patriots' views, voters would not believe in these libels. Apparently, a "more effective" operation had to be launched against the Patriots.

Apart from its channels into the West German left, Moscow also has a hand among the right-extremists. Recently, a ranking official of the neo-Nazi NPD (National Democratic Party of Germany) was arrested for espionage for Warsaw Pact secret services.

Thus, it came as no surprise that

one of the right-extremist groups in Germany, the Republikaner party (REP), suddenly got interested in the AIDS issue in late 1986, and even copied the Patriots' campaign slogan "AIDS threatens us all."

The REP began a phony campaign for mandatory AIDS registration and quarantine, blaming the spread of the disease on foreigners, especially those from Third World countries. This created a welcome bogeyman for the Bonn government to point to: See, the call for registration comes from the right-wing extremists. Next, the NPD discovered its interest in the AIDS issue, developing a campaign similar to the REP profile.

Both parties focus their phony campaign on the same constituencies that are attracted by the Patriots: farmers, workers, shopowners, craftsmen, and non-liberal Catholics. Both REP and NPD try to present themselves to voters as "patriotic parties." And the two parties decided to spend several million deutschemarks to run in the May 17 state elections of Rhineland-Palatinate, where the Patriots are building a grassroots movement right now to run in the elections. Both parties are, however, *not* running in the April 5 early elections in the state of Hesse—where the Patriots did not put up a slate.

The purpose of this joint REP/NPD effort is obvious, namely to try to contain and distort the Patriots' impact. Both REP and NPD are well-supplied with funds, not least because the state's reimbursement for campaign outlays for the Jan. 25 elections has already been paid to them. How fast this is paid depends on the good will of the ruling parties in Bonn. Thus, the NPD received 1.3 million DM, and the REP 1.27 million DM, most of which will be "invested" in the Rhineland-Palatinate state elections.

Russian propaganda film postponed

Moscow's documentary-drama charging that LaRouche killed Palme is recognized as "propaganda" by Swedish TV.

In a remarkable stroke of genius, Swedish TV officials have admitted that a Russian film alleging that Olof Palme was murdered in downtown Stockholm by U.S. presidential candidate and *EIR* founder Lyndon H. LaRouche, Jr. "is definitely a propaganda film." The admission followed a decision announced on Feb. 17 to postpone the Swedish broadcast of the film scheduled for Feb. 27, on the eve of the anniversary of Palme's assassination.

Denying that the delay had been caused by protests that the original timing implied an endorsement of the film by the state-run Swedish TV, officials said the postponed broadcast on March 6 would be prefaced by remarks acknowledging the propagandistic nature of the film. Aired twice on empire-wide Soviet TV, the 55-minute "docu-drama" uses Russian actors to "show" that Palme was killed by Western right-wingers, the CIA, or most likely on orders of LaRouche personally.

Among those protesting the broadcast, two U.S. embassy officials paid a visit to Swedish TV Director Olle Berglund on Feb. 12, expressing concern both over the timing and "the absurd accusation that the American government would be in any way involved in the murder."

The official cause for the postponement was the wish of Swedish TV to obtain a "better distribution over time" of programs produced for the anniversary, plus a request of Palme's brother, conservative lawyer Claes Palme, not to "offend the feelings" of Palme's family by airing the film on

the anniversary. Claes Palme said the film was "tasteless beyond all description. To commemorate his death, which is painful for his family, showing a Russian propaganda movie, what kind of idea is that?"

Claes Palme's bitter criticism of the Russian show is all the more damning, as he himself is a trusted asset employed by the Soviet state to safeguard Russian interests in Sweden. This includes both his formal employment as a lawyer representing the Soviets in legal cases in Sweden, and his 1985 appointment as chairman of the board of the Swedish branch of the Soviet car trading company Matreco, a well-known front for Russian espionage activities. (See *EIR*, March 19, 1985.)

Asked by the liberal tabloid *Expressen* of Feb. 14, Claes Palme ferociously denied that Olof had any affairs with women, blurring "that's just bullshit! When would he have had time [sic!] to have affairs with women, since he was both a devoted family father and watched by all police."

Claes Palme seems to be overlooking that the circumstances of his brother's death indicate the police watch was rather lax, as the bodyguards were dismissed while the premier went to a crowded public cinema. Also overlooked are numerous leaks from what Stockholm Police Chief Hans Holmér once termed the most secretive part of the Palme inquiry, that on his private life.

This dossier includes security guards testifying that Palme used to visit a discreet love nest in Stockholm with millionairess Emma Rothschild,

daughter of British Lord Victor Rothschild, both investigated as Soviet intelligence assets.

Holmér's possession of such dossiers prompted public speculation after the reorganization of the murder investigation, that it was precisely Holmér's blackmail capabilities that explained why the government didn't dump him as the first step in the reorganization on Feb. 4. That same day, Swedish TV announced its intention to air the Russian show targeting LaRouche, while sources said the reorganization aimed at reviving Moscow's earlier efforts to implicate LaRouche in the crime.

In response to the public attention given to Holmér's powerful blackmail capabilities, Premier Ingvar Carlsson on Feb. 13 issued a defensive statement, "categorically denying the allegations," saying: "In plain language, this means that we in the government of Sweden, fearing something that the police know about our private lives or whatever it might be, would permit ourselves to be influenced by this and try to lead the investigation into the murder of Olof Palme in any other direction than the correct one."

Carlsson concluded: "Equally absurd and unrealistic is the accusation made anonymously today in *Dagens Nyheter*, by one prosecutor in the Palme investigation, that Hans Holmér would have such information about Olof Palme's private life, that the government cannot get rid of the chief of police."

Based on strong suspicion that Holmér has usurped powers not granted a police chief under Swedish law, High Prosecutor Lars G. Andersson that same day was assigned to investigate whether Holmér has violated the law in his conduct of the murder investigation.

Mizoram: A new state is born

The successful election augurs well for future stability in this sensitive area.

The Mizo National Front (MNF) of former guerrilla leader Laldenga won a decisive election victory Feb. 16 in India's northeast territory of Mizoram, a mountainous 21,000 square kilometers of land sandwiched between Bangladesh and Burma, and inhabited by half a million people, most of whom belong to the hill tribes.

The elections, like Mizoram's accession to statehood on Feb. 20, will set out the "Mizo Accord" of June 30, 1986 between the Rajiv Gandhi government and then-exiled Mizo leader Laldenga. The accord brought to an end 20 years of insurgency and turmoil, supported by China and meddled in by many other powers, in this strategically sensitive region.

The holding of elections for a new 40-member assembly, after a three-week campaign where the MNF was pitted against the Congress (I) and the People's Conference of Brigadier Sailo, was a victory in itself. Previously outlawed and driven into separatist insurgency, MNF stood on its own for the first time, on a commitment to the democratic process and the integrity of India.

The MNF won an absolute majority, bagging 25 out of 39 seats declared. The Congress (I) figured a distant second, with 12 seats, and the People's Conference got 2. Voter turnout was very high at 75%.

The victory for Mr. Laldenga—who was in exile until a little less than a year ago—only confirmed what Congress leaders associated with the late Indira Gandhi knew when, in 1976, they first began the process of

bringing Laldenga and his MNF back into the political process: The MNF is and always has been the repository of the Mizo people's hopes and aspirations.

The Front originated as the most effective group of famine relief workers, with Mr. Laldenga at its head, in 1961 in the wake of the 1959 famine that ravaged the Mizo hills, then part of Assam state. The demand for independent statehood arose from the Assam administration's abject failure to help relieve the devastation of the famine.

The organization was banned in 1966, following violence committed by MNF workers against the Indian army based in Mizoram. There were also reports that Mr. Laldenga was in contact with the government of Pakistan. The ban was lifted in 1976, and then reimposed for two years in 1982, when talks between Laldenga and the Center, as the central government is called, broke down.

The Congress sweep in the 1984 elections against opponents of the MNF was due to their campaign promise to bring Laldenga and the Center together for a settlement. Now, with the MNF in the election, it was no use voting for stand-ins. With the exception of former Congress chief minister Mr. Lalthanhawla, now deputy chief minister under Laldenga in the interim government, all four Congress ministers were routed.

But while decisive, the MNF's victory was not a landslide. The Congress showing is respectable under the circumstances, and will be an impor-

tant factor in administering the new state. The Congress base in Mizoram is broad: The party won seats in all three districts, and retained its traditional hold in the area populated by various ethnic minorities.

The Congress campaign was particularly constructive in setting forth the issues: maintaining stability and moving ahead with economic development.

"We need in regions like Mizoram a government that has the vision, capability, and commitment to overall development," Rajiv Gandhi told a large public meeting in the state capital, Aizawl, at the conclusion of his two-day campaign tour. "We want to usher in a new era of development in Mizoram so that young people may get more opportunities."

Gandhi reiterated his regret that prolonged insurgency and violence had prevented Mizoram from developing like other states and emphasized that it was the Congress that had brought peace.

The prime minister also discussed details of the economic package the Center has adopted in an effort to make up for lost time. The annual central allocation for Mizoram has been increased from \$6 million to \$10 million for 1987-88, and the subsidy for transport on the Aizawl-Silphar Highway—the only road connecting Mizoram to the rest of the country—increased by 100%. The quantity of rice, cement, paraffin, and other petroleum products supplied to the state were also increased.

Gandhi's package focused on the improvement of infrastructure—water, power, transport, and communications improvements. The package also includes establishment of a watch-assembly plant, a vegetable and fruit-processing unit, and an industry growth center at Lungmual.

International Intelligence

Frame-up victim goes to trial in Israel

John Demjanjuk, the retired Cleveland autoworker who was stripped of his naturalized American citizenship and deported from the United States to Israel a year ago, goes on trial for his life Feb. 16 in Tel Aviv, on trumped-up charges of having been "Ivan the Terrible," a guard at Treblinka, a World War II Nazi concentration camp in Poland.

What Reuter wire service describes as a "gory 24-page indictment" charges that Demjanjuk, as "Ivan," whipped, tortured, and gassed hundreds of Jewish prisoners at Treblinka during the war.

EIR has documented that the frame-up against Demjanjuk is based on forged and otherwise tainted documents passed by the Soviet Union's Justice Ministry to the U.S. Justice Department's Office of Special Investigations, which is properly considered nothing but an arm of the KGB in the U.S. government.

Numerous eyewitness accounts, from Jewish survivors of Treblinka, indicate that the real "Ivan the Terrible" was killed at Treblinka by the inmates.

Demjanjuk's lawyer, Mark O'Connor, asserts that "guilt or innocence will not be the issue here. The man depicted in the indictment may well have committed the unspeakable brutalities attributed to him. That man, however, is not before this court."

Venezuelan lawmakers agree to hide corruption

The presidents of all eight political parties represented in the Venezuelan Congress signed an agreement Feb. 11 to "reaffirm democracy" by stopping accusations against various congressmen for involvement with drug-running and other corruption.

"We exhort Venezuelans to keep their faith in the democratic system and defense of the constitutional regime," they said in a

document that calls for "unity of all sectors of Venezuelan society in the face of a possible threat of anti-democratic and therefore anti-historic and regressionist maneuvers"—i.e., a military coup. The Communist Party and the New Alternative party refused to sign on grounds that corruption is only a problem of the "dominant parties."

Former dictator Perez Jimenez had been quoted in the Caracas daily *El Mundo* a day earlier saying that Venezuela is the most corrupt country on Earth, and that he is the world's best administrator and wants to return to power.

West Germany's Genscher starts arming Khomeini

Are the West German weapons now aboard a ship bound for Iran the first installment on the price for the release of German hostages in Lebanon? Few observers think Foreign Minister Hans-Dietrich Genscher is above this sort of thing—despite the scandal created in the United States.

Two German hostages, Rudolf Cordes and Alfred Schmidt, are being held in Beirut, and Genscher's representatives have met with Iranian officials and Iranian-controlled Shi'ites in Lebanon, in an effort to secure the hostages' release.

The West German freighter *Gretl* left the Portuguese port of Setubal Feb. 6 with a big load of guns, ammunition, and ground-to-air missiles for the Iranian port of Bandar Abbas. The load was stored away in sealed boxes that were shipped directly from West Germany to Portugal.

Alarm in Italy over Soviet military moves

There is growing concern in Italy over Soviet military deployments in the Mediterranean region.

Two Soviet TU-95 "Bear" reconnaissance planes approached Italy's Adriatic

Coast Feb. 11, stopping just short of violating Italian air space. After the Soviet aircraft were intercepted by Italian Air Force fighters, they turned around and flew east across the Mediterranean.

Then, on Feb. 17, *Corriere della Sera* carried a front-page report on the movement of a Soviet naval unit in the Mediterranean. The newspaper commented: "The Soviet Union is letting us know, it has its eyes wide on the waters of southern Europe."

The unit consists of a Kiev-class ship, plus two escort ships. They entered the Adriatic Feb. 16, heading toward Yugoslavia. This unit normally only conducts maneuvers in the North Sea. It unexpectedly entered the waters of the Mediterranean through the Straits of Gibraltar on Jan. 16.

The Italian Defense Ministry announced that Italian ships were moving into the area to observe the Soviet ships' movement, and "if necessary," reconnaissance jets would be flown in.

Mexico concert celebrates encyclical

The Schiller Institute in Mexico surprised and pleased an audience of 1,500 on Feb. 13 at the Metropolitan Cathedral in Mexico City—the nation's largest and most important—with a concert of classical choral/orchestral works dedicated to celebrating the 20th anniversary of Pope Paul VI's famous encyclical, *Populorum Progressio*, known in English as *The Development of Peoples*.

As Mexican Schiller Institute Vice-President Marivilia Carrasco explained in her introductory remarks, the idea planted by the encyclical, that "peace equals development, pertains not only to the economic realm, as epitomized by the courageous actions of Peru's President Alan Garcia on the debt question; but also to the realm of creating a renaissance in classical culture, in order to develop citizens who are morally capable of fighting against the genocidal policies of the International Monetary Fund and related supranational institutions.

The personnel and programming of the concert embodied this republican, ecumenical conception. The amateur Mexican Schiller Institute Chorus was joined by the professional Chamber Orchestra of Mexico City, and was guest-directed by John Sigerson, president of the Schiller Institute Research and Education Fund in the United States. Programming consisted of Antonio Vivaldi's *Gloria* and Johann Sebastian Bach's *Cantata No. 140*, "Sleepers Awake."

Carrasco said she plans in coming months to repeat the concert in smaller cathedrals throughout Mexico City.

Czechoslovakia divided on Gorbachov reforms

Some East bloc countries do not appear happy about the "reforms" initiated by Soviet leader Mikhail Gorbachov. Some East bloc leaders' heads may start rolling. Among those rumored to be on a purge list are Czech leader Gustav Husak, East Germany's Erich Honecker, Bulgaria's Todor Zhivkov, and Romania's Nicolai Ceaucescu.

The Czechoslovak ambassador in Germany, Dusan Spacil, gave an unusual press conference in Bonn Feb. 16 to deny rumors about alleged discontent in Czechoslovakia over Gorbachov's "reform" policy. But he only confirmed the fact. Czechs, he said, support Gorbachov's policy "100%," but at the same time have to "adapt" those Soviet measures to "Czechoslovak conditions."

Swiss radio commented that there is a power struggle in Prague between a technocratic faction around President Svoboda and Foreign Minister Chnoupek, on the one side, and "orthodox neo-Stalinists" like Central Committee Secretary Vasil Bilak, on the other.

Bilak, the country's chief ideologue, insisted that there will be no "new policy" in Czechoslovakia. "There are some people at home who are trying to push for a 'new policy,'" he told the Party Ideology Commission Feb. 12. "Some people" are coming out against the 1970 Constitution, a docu-

ment drafted after the Red Army's "Prague Spring" invasion. "We know what it's all about. They would like to ape the changes in the U.S.S.R. so they can hide their anti-social and anti-socialist activities."

In early February, the East German government of Erich Honecker also expressed its displeasure with Gorbachov. When Soviet Foreign Minister Eduard Shevardnadze visited East Berlin on Feb. 2, not a single German Politburo member was on hand at the airport to greet him.

Government still blocking Palme probe

Using harassment and attempted press censorship, the Swedish foreign ministry is trying to suppress certain aspects of the investigation into the murder of Prime Minister Olof Palme in February 1986, considered too sensitive for public consumption.

Among other items, the foreign ministry appears desperate to keep under wraps the fact that Palme had a love affair with Emma Rothschild, the daughter of Lord Victor Rothschild, whom some have charged is the "fifth man" in Britain's notorious Kim Philby Soviet spy ring.

Roy Carson, the Sweden-based Irish journalist who broke the story of Palme's love affair in London's *Daily Mail* on Dec. 4, 1986, is now being threatened with expulsion from the Swedish Foreign Press Association (FPA) on vague complaints. The socialist government is expressing discontent with Carson's reporting, notably his disclosures on Palme's private life.

Walter Rosboch, journalist for the Italian newspaper *La Stampa*, who had initially shown some support for Carson in a Swedish news agency interview, is now also facing trumped-up charges that he embezzled Swedish Foreign Press Association funds.

The attacks on Carson are occurring at a time when the lid is being torn off extensive Soviet operations in Sweden that may be linked to the assassination of the prime minister.

Briefly

● **32 AIRFIELDS** are now under construction by the United States in Pakistan's Baluchistan province bordering Afghanistan. Other military facilities are being upgraded, announced the chairman of Pakistan's Joint Chiefs, Gen. Rahimuddin Khan.

● **NEW VIETNAMESE** Communist Party Secretary-General Nguyen van Linh called for a "complete and radical renovation" to eliminate "the bureaucratic and centralized mechanism" of state control, in an interview with the *Guardian* Feb. 13. It was his first interview with a Western paper since assuming leadership in December.

● **A VATICAN** delegation of cardinals and prelates will travel to Moscow to debate whether or not "God is dead," Italy's *l'Espresso* reported Feb. 16. They will be led by Rev. Franc Rode of the Secretariat for Non-Believers. The Soviets suggested the topic. The Vatican suggested it be changed to "If God is truly." The Soviets accepted.

● **WALID JUMBLATT**, leader of Lebanon's Druze sect, has publicly asked the Shi'ite Hezbollah or Party of God to release British hostage negotiator, now hostage, Terry Waite. The request amounted to a public announcement that the Iran-controlled Hezbollah was responsible for Waite's disappearance.

● **ERICH HONECKER** got a green light from Gorbachov for a visit to Bonn, reported West Germany's *Bild am Sonntag* Feb. 16. The visit is to take place during the second half of 1987, and will include trips to the Karl Marx home in Trier, Honecker's hometown Neunkirchen, and to Munich, where he is expected to meet Franz-Josef Strauss, head of Bavaria's Christian Social Union.

'Project Democracy': Moscow's hook into NSC

by Criton Zoakos

The Tower Commission's most important discovery, during its investigation of the functioning of the National Security Council, is Lt. Col. Oliver North's "Project Democracy." Unnamed government officials, speaking to the *New York Times*, the *Washington Post*, and other news outlets, described "Project Democracy" as both a covert and a parallel, overt, network of programs, institutions, and capabilities, which constitutes nothing less than a parallel foreign policy structure, beyond the reach of Congress.

Though fuller disclosures on the nature and extent of Project Democracy are not expected to be made public before the summer, *EIR* believes that at least two central features of the operation must be brought to the attention of both investigators and the public: First, this "parallel foreign policy apparatus" was very heavily under the influence of the Kremlin; and, second, one of the principal objectives of both the overt and covert components of Project Democracy was to run political interference against Lyndon LaRouche and his associates, including this publication.

According to the public account rendered by the *New York Times*, the White House computer files, as surrendered to the Tower Commission, show that Colonel North's secret notes refer to his alleged illegal activities respecting arms shipments to Iran and funding of Nicaraguan Contras as Project Democracy, and are replete with references to "Project Democracy companies," through which financial transactions were carried out. These are the "covert" aspect of Project Democracy. Its overt side is the National Endowment for Democracy, whose chairman is Carl Gershman, leader of the Social Democratic party of the United States.

According to the *New York Times*, "the project's open and secret parts were born as twins in 1982," and in "early August 1982, a White House memorandum calls for reexamination of the law in order to permit 'covert action on a broad scale' by the National Security Council under the project." In October 1983, Oliver North is appointed to head the covert arms of Project Democracy, for the NSC, while the public arm is headed by two other persons: John Richardson as president and Carl Gershman as chairman.

The public side of the operation receives \$60-80 million per year, which it distributes to a group of beneficiaries, under the supervision of Dr. Armand Hammer's friend Charles Z. Wick's U.S. Information Agency (USIA). Some 60% of the money goes to the **Free Trade Union Institute** of the AFL-CIO, led by former Communist Party chairman Jay Lovestone. Other recipients are the **Center of International Private Enterprise**, run by John D. Sullivan, formerly of the U.S. Chamber of Commerce, the Republican National Committee's **Republican Institute for International Affairs**, directed by a former top aide of Alexander Haig, Keith Schuette, and the Democratic National Committee's **Democratic Institute for International Affairs**, directed by ex-State Department official Brian Atwood. These have usually received 30% of the funds allocated by Congress to the National Endowment for Democracy. The remainder is said to have gone to journalists and academics closely associated with a very specific track, of which more below.

The so-called public arm of Project Democracy, the National Endowment for Democracy (NED), is not all that public, because, though funded by Congress, it is, by law, a

private foundation, exempt both from Freedom of Information Act scrutiny, as well as from any government financial audit. In this sense, the “public” arm is not very different from Oliver North’s NSC’s covert program.

What is the Russian angle?

Readers of daily newspapers are aware, that certain activities of the National Security Council associated with Iran-gate are lately looking more and more interesting. The latest is this: One of the NSC’s “Project Democracy companies,” the Dolmy Corporation, instructed a Danish shipping company, Queen Shipping, to go to the Polish port of Szczecin and pick up a shipload of AK-47 rifles. The shipping company promptly picked up the Soviet-made rifles, transported them to North Carolina, from where they were ultimately sent to the Nicaraguan Contras.

In short, the National Security Council, the nerve center of American national defense, carries out gun-running for the Soviet bloc—to the Contras.

Why?

During the summer of 1983, this author had a meeting at the Old Executive Office Building, with the then-acting head of the Soviet desk of the NSC, the youthful Dr. John Lenczowski, who was standing in for Prof. Richard Pipes, who had just then inexplicably resigned. The subject of our two-hour meeting was *EIR*’s estimation of the strategic threat to U.S. national security posed by the fast-expanding Russian chauvinist moods and tendencies inside the Soviet ruling elite, the famous doctrine that Moscow is destined to become the “Third and Final Rome.” To my astonishment, Dr. Lenczowski, with considerable vehemence, argued that any tendency of Russian nationalism should be viewed favorably by the United States and be encouraged as a potential ally against the Soviet Communist Party.

Dr. Lenczowski’s argument to me, summarized to its bare essentials, was that Russia’s world expansionist tendency derived from its “Communist ideology,” its “Marxist internationalism.” My own conviction, then as now, was that Russia’s expansionist threat derived from the deeper cultural orientation of the Russian state, going back to its formative 15th century—the perspective of the “Third and Final Rome” as Lyndon LaRouche has outlined this phenomenon. I argued that this Russian imperial tradition had found “Marxist internationalism” a convenient and useful “cover” for its expansion abroad, and that the determining factor in the policy-making process was the chauvinist Russian imperial program rather than “communism.” Dr. Lenczowski insisted that, as far as the National Security Council was concerned, the problem is that there is “not enough” such Russian nationalism inside the Soviet Union, and that the notorious Rossiya Society, the Society for the Preservation of Historic Monuments, is unfortunately suffering setbacks and should be helped. (The Rossiya Society is a 12-million-member organization which, under Gorbachov, dominated the 27th Party

Congress in 1986.)

Seriously disturbed by the fact that the young and impressive Dr. Lenczowski was apparently sincerely committed to what he was saying, I left the NSC building and, on that same day, proceeded with a colleague of mine to a series of meetings at the headquarters of the U.S. Information Agency, determined to ascertain whether the NSC official’s statements were his own opinions or actual government policy. At that time, the USIA was already under the direction of Charles Z. Wick, the scion of the notable Central European family of Zwick, and intimate friend of Moscow’s friend, the billionaire Armand Hammer. Charles Wick’s wife is the recipient of Armand Hammer’s financial generosity. At any rate, that day’s visits ascertained that the USIA, the Voice of America, and Radio Liberty’s programs beaming in various languages into the Soviet Union, were geared toward spreading Russian nationalist propaganda, including two of its most forbidding elements, namely anti-Semitism and Old Believer or *Raskolnik* church masses which were beamed deep into Russia by the VOA’s powerful transmitters.

A little digging on the spot, back then, ascertained that Charles Wick and James Buckley were in the middle of ripping up the old staff of Radio Liberty and Radio Free Europe in Munich, Bavaria, and replacing it with a bunch of fresh Russian immigrants, many of whom still carried their valid Soviet passports with their valid exit visas, and many of whom were suspected by the old-timers in the staff to be KGB agents. The USIA personnel purges in Munich were carried out under Russian-section director George Bailey, the leader of the Russian monarchist community in Paris and editor of the émigré magazine *Kontinent*. Bailey claims to be the propagandist of the pretender to the Russian throne Grand Duke Vladimir Romanov, who lives half the year in Paris and the other half in Madrid. In reality, the Grand Duke’s immediate circle is essentially a Russian military intelligence cell, including Russian officers who had recently emigrated to the West. During the 1983 period, these circles were vehement supporters of both Marshal Ogarkov and of the program of reforms which was later pushed through by Gorbachov.

EIR’s own survey of the Russian émigré community in Western Europe and the U.S.A. during 1983, verified that a significant Russian nationalist revival was spreading with the systematic encouragement and sponsorship of Moscow. It is fair to say that Gorbachov’s democratization and *glasnost* policy had begun in the overseas Russian communities three years before it was launched in Russia itself. And the National Security Council was in on this from the beginning, in 1983.

It turned out that Dr. Lenczowski, the proponent of Marshal Ogarkov’s Russification program inside the NSC, was one of the key individuals who convinced President Reagan to accept the broader Project Democracy proposal. During 1981 he wrote an article in the magazine of the Heritage

Foundation, titled "A Foreign Policy for Reaganauts," in which he proposed to the new administration, the establishment of a combined government and private sector institution to carry out a foreign policy of spreading "private enterprise and democracy." As it turned out, the impressionable Dr. Lenczowski was advertising a project which was already in its formative stages under the aegis of the bipartisan American Political Foundation. The project was called The Democracy Program, and it was under the control of Ben Wattenberg, Anthony Lake, Richard Allen, Allen Weinstein, John Sullivan, Thomas Reed, and certain others.

Lenczowski's public agitation was coupled with other bureaucratic maneuvers from the State Department, including by two old Kissinger hands, Lawrence Eagleburger and R. Mark Palmer, and eventually produced President Reagan's June 1982 speech in the British Parliament, in which he announced his Project Democracy. In August 1982, the NSC bureaucracy arranged to employ the public arm of Project Democracy for covert operations. In January 1983, National Security Decision Directive No. 77 established the NSC's authority to coordinate Project Democracy activities. In October 1983, Oliver North is appointed coordinator, and in November, Congress approved financing for the National Endowment for Democracy.

The alternate foreign policy mafia

Though not yet known, the public money which was given to the National Endowment for Democracy, probably went to finance the creation of a whole cluster of corporations which Oliver North refers to as "Project Democracy companies." They were used for a wide range of illegal operations, including support for the drug-running Contras, for Iran's homicidal maniacs, for various domestic pro-homosexual conservative causes associated with "Spitz" Channell and the late Terry Dolan's anti-LaRouche, anti-Proposition 64 activities (see page 59). At this point, it can be fairly said that *EIR* knows more about this Project Democracy phenomenon than the Tower Commission is willing to say in public—but, apparently will be saying, in a few months.

Our own information is based on our cumulative work over recent years, and our political wars with the parallel, illegal government structure associated, first with Henry Kissinger's NSC from 1969 to 1977, later with the Carter-Brzezinski NSC till 1981, and now with the post-1981 Reagan NSC which is being dismantled by Frank Carlucci and the Tower Commission. The cluster of persons and organizations involved centers around the legacy of the old 1920s Trust network of Morgan Guaranty Trust-financed Bolshevik leaders associated with the names of Nikolai Bukharin and Leon Trotsky. The institutional continuity of this political tradition was preserved by the law firm of Sullivan and Cromwell, and by the political networks of the leading American Bukharinite, Communist Party founder Jay Lovestone, one of the leading controllers of Project Democracy today.

This political scheme, today, includes: Social Democrats, U.S.A. (SDUSA), League for Industrial Democracy, International Rescue Committee, Anti-Defamation League, Freedom House, AIFLD—the CIA's principal covert capability abroad—and individuals such as Roy Godson, Arch Puddington, Michael Ledeen, Herbert Romerstein, Jon Speller, et al.

Charles Z. Wick, Armand Hammer, Dwayne Andreas, and John R. Stevenson, senior partner of Sullivan and Cromwell, play a unique role, in association with the powerful Raisa Gorbachova, the head of the Soviet Culture Foundation in Moscow. They are presiding over an ambitious effort to force through a Russian nationalist cultural offensive in both the U.S.A. and Russia. Hammer, Wick, and Stevenson are the sponsors and executors of a series of "cultural exchanges" which have flooded the U.S. cultural scene with the works of Russian composers, performers, painters, and playwrights in the last two years. The purpose of this Russian cultural invasion, sponsored by Raisa Gorbachova, is aptly described by the President of the National Endowment for Democracy, John Richardson: "Cultural exchange can help to accommodate differing perceptions and expectations, facilitate cooperation in devising common strategies—above all to increase respect and appreciation for differing values, by far the healthiest approach toward reconciliation and convergence of values."

He said that in 1974, when he was assistant secretary of state for education and cultural affairs under Kissinger. Previously, he was a partner of Sullivan and Cromwell, together with a friend who is now the senior partner of Sullivan and Cromwell, John R. Stevenson, the chairman of the National Gallery, and gracious host to the Bolshevik Dr. Armand Hammer. John Richardson, the president of Project Democracy, and the Sullivan and Cromwell tradition, which began at 120 Broadway, in the 1920s when John Foster Dulles was promoting and financing the Bukharin faction of the Bolsheviks through the Russian Trade Bureau, are today very happy with the Gorbachov Russian nationalist mobilization. Also, Carl Gershman, the chairman of Project Democracy, is happy with Gorbachov—as the former executive director of SDUSA, is an American Bukharinite, i.e., a Lovestonite. All these passionate "anti-communists," all of a sudden have become Moscow-lovers. Why? Because they were never "anti-communists" in any meaningful sense. They adopted the self-designation "anti-communist" because their factional rival, Stalin, had won the political fight inside the Comintern in the 1930s. Had the Bukharin-Lovestone faction won then, Stalin would have been on the outs and a self-styled "anti-communist." At any rate, now that Bukharin is about to be rehabilitated by Gorbachov, one wonders if Dr. Lenczowski, wherever he is, thinks that he has accomplished his purpose. One thing is fortunate, however, and that is that this quasi-treacherous, quasi-idiotic policy structure, is being methodically dismantled.

Project Democracy targeted LaRouche

by Jeffrey Steinberg

The Feb. 15 *New York Times*' exposure of the covert dimensions of Project Democracy—run out of the same NSC offices responsible for Washington's unbroken string of foreign-policy disasters—offers new and even more damning evidence proving that the Oct. 6 raid and indictments against associates of Lyndon H. LaRouche, Jr. in Leesburg, Virginia capped a nearly four-year secret campaign of dirty tricks against LaRouche. This campaign was financed by American tax dollars, administered through the National Endowment for Democracy.

On Oct. 6 and 7, 1986, this publication's Leesburg offices were raided—police-state style—and over a dozen longtime associates of presidential candidate and internationally known economist Lyndon LaRouche were arrested and indicted on falsified charges of credit card fraud and obstruction of justice by a federal grand jury. In January 1987, attorneys for the accused filed a series of motions charging the government with selective and vindictive prosecution (see page 64).

Those motions, filed as events were heating up around the Iran-Contra scandal, presented detailed evidence that *EIR*'s persistent exposure of illegal U.S. and Israeli arms sales to Khomeini, American support for drug-contaminated elements within the Nicaraguan Contra force, and U.S. complicity in the coup that replaced the Marcos regime in the Philippines with a weak and divided Aquino government, had prompted elements within the National Security Council, the FBI, and the Department of Justice to move to illegally shut down *EIR* and other publications tied to Lyndon LaRouche.

Target: Operation Juárez

This criminal campaign was put into motion after Mr. LaRouche, following a private meeting with Mexican President José López Portillo in 1982, wrote *Operation Juárez*, a comprehensive plan for a monetary and economic reorganization based on a return to traditional, 19th-century American System economics.

When Mexico's debt crisis exploded in late August 1982, López Portillo sought to implement the "Juárez" solution in coordination with other Ibero-American governments. President Reagan himself reportedly briefly considered the LaRouche proposal before being dissuaded by Henry Kissinger, among others.

From that point on, the Project Democracy machinery was set into motion to not only stop LaRouche, but to over-

throw all political forces, particularly in Ibero-America, who supported the "Juárez" plan:

- Under the Project Democracy corporate arm, the Center for International Private Enterprise (CIPE), undisclosed amounts of money were funneled into Coparmex, a business front for the National Action Party (PAN), Mexico's nazi-communist "opposition" which has been at the center of a violent campaign to destabilize our southern neighbor and to spread chaos along the Mexican-American border. As part of the PAN scenario, leading spokesmen for the party have made violent threats against Lyndon LaRouche and have carried out acts of direct violence against members of the Mexican Labor Party, a group friendly to LaRouche. Published reports in Mexico and the United States have directly linked Vice Adm. John Poindexter and Lt. Col. Oliver North to the secret PAN support operations.

- When Panamanian National Guard head Gen. Manuel Noriega threw his support behind Peruvian President Alan García's own efforts to implement a "Juárez"-type solution to the Ibero-American debt crisis, Project Democracy went to work to smash Panama. Project Democracy orchestrated a press campaign against Noriega, leading to hearings by Sen. Jesse Helms (R-N.C.). When *EIR* exposed this undermining of yet another friendly Central American nation, LaRouche became the subject of a press vilification campaign throughout the Caribbean and in the United States. Circumstantial evidence suggests that at least one article published in the *Washington Times* and a string of articles in the press of the Dominican Republic were commissioned through the Project Democracy desk.

- In October 1984, simultaneous with the launching of U.S. Attorney William Weld's Boston federal grand jury against LaRouche campaign fundraisers, *The New Republic* published a lengthy attack on LaRouche, focusing on his deep connections into the U.S. intelligence and national security establishment and his role in formulating President Reagan's Strategic Defense Initiative. The article was based on information leaked to the authors from government classified files.

According to published reports, one of the article's authors, Ronald Radosh, was a recipient of Project Democracy funding to report on the "successes" of the Contras. The *New Republic* piece—aimed at cutting off LaRouche's channels of communication with the Reagan administration—followed an earlier unsuccessful effort by Henry A. Kissinger to have LaRouche targeted for FBI and Justice Department attack. At the time of Kissinger's effort, he was a director of the National Endowment for Democracy and was chairing the Kissinger Commission on Central America, a study that defended the IMF.

At the time of the *New Republic* article, the co-author, Dennis King, was on the payroll of the League for Industrial Democracy and the Anti-Defamation League of B'nai B'rith. LID is a major component of the National Endowment for Democracy.

Dirty trick against LaRouche is derailed

by Nancy Spannaus

The Trilateral Democrats centered in Atlanta, Georgia fired their first shot of the 1988 Democratic campaign, with the politically motivated issuance of indictments against 16 individuals and 5 corporations in Leesburg, Virginia, on Feb. 17. The political dirty trick was preplanned, with TV cameras available to film arrests, for a new media barrage against Democratic presidential candidate Lyndon H. LaRouche, Jr., who the Atlanta Democrats know is the "man to beat" in this period.

The next phase of the dirty trick was trumpeted all over the media by Virginia Attorney General Mary Sue Terry, who said she intended to get a Temporary Restraining Order which would "shut down" the five organizations for issuing unregistered securities. A hearing before the State Corporation Commission was set for Feb. 19, once more with all the media invited to cover the "closing down" of LaRouche's operations.

But the railroad, which the Virginia Democratic administration was running, went awry in the face of vigorous argument on First Amendment issues by the attorney for the five organizations. Presented with arguments as to how the corporations solicited funds for political causes, the Corporation Commission decided it could not conclude on the spot that promissory notes issued by the corporations were "securities."

Commission Chairman Elizabeth Lacy stated that the case involved "important and significant issues," which should be addressed in memoranda to be filed by both sides by Friday, Feb. 27, for the Commission's consideration.

Political sham

The alleged excuse for the indictments of the individuals and corporations by Virginia is the unregistered sale of securities. In reality, the alleged sales are loans taken by corporations for political purposes, and could not by any stretch of the imagination be counted as "securities."

William Weld, the number-four man in the Justice Department who started the legal witchhunt against LaRouche from Boston in October 1984, is coordinating the assault on LaRouche-connected organizations for "selling securities." It was a tactic he thought up when he could not find evidence (because there was none) of the "credit card fraud" charge which he had leveled.

Weld is using the "securities fraud" track to piggyback

his federal case. Thus, when the local Loudoun County authorities picked up the indicted individuals, they were in several cases accompanied by federal agents of the FBI, Secret Service, and IRS who offered to save them from being jailed for the local offense, if they would only "cooperate" with the Feds.

When this ploy failed, the alternative was intended to be the penalty of jail, and high bail. Commonwealth Attorney William Burch had timed the arrests for late afternoon, so that the individuals would have to be kept in jail over night. The next day, Burch argued for bail for each individual, mostly in the range of \$15,000 to \$25,000. This exorbitant bail, for individuals who had never been arrested before, was rejected by Judge Thomas Horne. All of the individuals arrested in Leesburg were released on their personal recognizance the next day, although bail was required to release the three individuals arrested in Baltimore.

The second prong of the attack targeted four corporations: Caucus Distributors Inc.; Campaigner Publications; Publications and General Management Co.; and EIR News Service. In addition, Fusion Energy Foundation, a non-profit foundation, was also attacked. These entities are involved in publications and distribution of publications which promote policies associated with LaRouche's political movement: *New Solidarity* newspaper; *EIR*; and *Fusion* magazine, in particular.

Although the media announced that Terry was planning to "shut down" the corporations, in reality the legal move she took was to enjoin the issuance of "securities" by them. Arguing on the basis of the state law defining securities, the Commonwealth's representative James Peck claimed that there was an urgent need to enjoin the corporations' gaining any more indebtedness.

But, as Attorney Patrick Moran argued, the reason that loans were given to these corporations in Virginia, as well as elsewhere around the country, was for political purposes. Thus, this activity, as well as issuances of promissory notes by political campaigns, should be protected by the First Amendment to the Constitution. The Commonwealth's case for urgent "shutdown" was especially hurt when Moran revealed that he had written a letter, offering full cooperation to the state in clarifying these very issues, in March 1986. The Commonwealth had never responded!

Warren Hamerman, chairman of the National Democratic Policy Committee, at a Richmond press conference after the Corporation Commission hearing, argued that Terry's action was a grotesque replication of the selective prosecution tactics of William Weld. He pointed out that many political organizations, including those aligned with President Reagan and Gov. Gerald Baliles, accept large loans from supporters and issue notes as evidence of indebtedness; he presented a copy of a gilt-edged note from the Republican Congressional Victory Fund, and campaign financial statements of Baliles as examples.

Disturbing role of GOP 'gaypaytriots'

by Herbert Quinde

High-level intelligence sources have revealed to *EIR* that the "gay" Republican Party apparatus is under scrutiny in the Iran/Contra scandal investigations. These sources believe that the "gay" network within the GOP—its libertarian wing—is not only the party's Achilles heel, but may have also compromised the National Security Council (NSC) through Lt. Col. Oliver North's "Project Democracy." Their concern is that since the Soviet KGB uses homosexuality for blackmail, the fact that the NSC's top domestic fundraiser supporting the "Reagan Doctrine" came out of a homosexual network, gave the Soviets a window into the U.S. strategic fiascos in Iran and Central America.

This network, which includes Carl R. "Spitz" Channell and "conservative" homosexual activists Bruce Decker, and the late Terry Dolan, was also active in efforts to stop Proposition 64, the anti-AIDS initiative on California's ballot last November, which was initiated by associates of presidential candidate Lyndon LaRouche. Sources say that this grouping, based in California, lobbied the Republican National Committee to "get LaRouche," and was a factor in pushing the Soviet-ordered "Great Panty Raid" on offices of associates of LaRouche in Leesburg, Virginia on Oct. 6-7, 1986. It is believed by some sources that the raid was part of the NSC's illegal domestic operations against groups opposed to the administration's Central America policy.

As has been established in the course of probes into the Iran/Contra scandal, "Spitz" Channell served as chief fundraiser for the National Security Council's illegal covert activities. Channell was, with Terry Dolan, founder of the National Conservative Political Action Committee, from the start, serving as its finance director in 1979. Both Channell and Dolan (who recently died of AIDS) were important players in the "Reagan Revolution" that overtook Washington in 1981, although Channell remained in the background until recent congressional investigations brought his fundraising role to light.

The *New York Times* reported on Jan. 9 that during his four years with Dolan, "Channell became adept at using federal campaign and tax law to raise large sums of money." What Channell really became adept at, was soaking elderly citizens for large sums of money, on behalf of North, the Moonie-linked Western Goals Foundation, and other front groups, ostensibly to support the Nicaraguan Contras and

other "freedom fighters." Between 1983 and 1984, Channell took over Western Goals (among whose board members was another well-known "conservative" homosexual who died of AIDS, Roy Cohn), and established two political action committees and seven other foundations.

Dolan and Channell worked together through the 1980s. They were the organizational and financial center organized from the Wednesday afternoon White House briefings sponsored by Faith Whittlesley's Office of Public Liaison. Chaired by USIA official Robert Riley, a suspect in handling Swiss bank accounts for "Project Democracy," these briefings were regularly attended by members of the "Rambozo" New Right apparatus, including John Rees and Moonie newspaper publisher Arnaud de Borchgrave. Elderly citizens were brought to Washington to attend the meetings, and were promised a meeting with the President if they gave \$30,000 or more. Oliver North regularly gave briefings at these meetings.

The Jan. 2, 1987 issue of the *Washington Blade*, a D.C. homosexual paper, reported: "Dolan was a hidden backer of a gay Republican group." The article detailed Dolan's role in creating Concerned Americans for Individual Rights (CAIR), co-founded with California GOP activist Bruce Decker in the summer 1981, while the two vacationed in Russian River, at an all-homosexual resort north of San Francisco. CAIR's platform included support for a strong defense policy, sharp opposition to communism, free enterprise, and "gay rights." The *Blade* reported: "Decker and another gay Republican who asked not to be identified confirmed for the record this week what many people close to Dolan said they already knew, that Dolan was gay and walked an increasingly difficult tightrope to maintain his status as head of the National Conservative Political Action Committee, while privately leading the life of a gay man. 'He was an amazingly active player from behind the scenes,' said Decker about Terry Dolan," according to the *Blade*.

Decker and 'No on 64'

Last fall, Decker was finance director of "No on 64," a committee organized to stop Proposition 64, whose measures for stemming the AIDS pandemic were gaining great support among California voters. Decker is director of the State of California's Office on AIDS, and has publicly called himself "the governor's house fairy."

Sources report that Decker mobilized the California Republican Party to demand that the Republican National Committee act to get the federal government to "crack down" on LaRouche. In this context, one source called the Oct. 6-7 Leesburg raid "well orchestrated."

For weeks in the summer of 1986, Decker and other "gay" Republicans in CAIR worked closely with the California Republican women's group responsible for analyzing ballot initiatives. Reportedly, Decker's winning over of conservative women against Prop. 64 led to California Gov. George Deukmejian's opposition to the Proposition.

Weinberger is right on ABM Treaty; but will he prevail?

by Kathleen Klenetsky

Secretary of Defense Caspar Weinberger threw some members of the Senate Armed Services, including its chairman, Sen. Sam Nunn (D-Ga.), into an uproar Feb. 17, when he told the committee that a shift by the United States to formal adoption of the so-called broad interpretation of the 1972 ABM Treaty was “coming very soon.”

Weinberger said that he expected a decision from President Reagan “in the next few months” on whether the United States will conduct Strategic Defense Initiative tests under what the defense secretary has repeatedly and rightly called the “legally correct” interpretation of the treaty.

“We are now, because we’ve moved so much more rapidly than we thought we could, at the point where some of the experiments that we can do and should do, require a broader interpretation, and the question really is, should we embark on those?” Weinberger explained.

While stating that a decision on whether to deploy the SDI would not come in the immediate future, the Pentagon chief pointedly noted, “We’re doing things that will enable us to make a deployment decision far earlier than we thought possible,” probably in 1993 or 1994.

Weinberger’s remarks go to the center of the bitter war raging in Washington policy making circles over the fate of the SDI program—the outcome of which will determine the future survival of the United States and its allies. The fight hinges on two separate but related issues: how the ABM Treaty should be applied to the conduct of the SDI program, and the timetable for deployment of a U.S. strategic defense system, the so-called early deployment issue. The first question is the more immediate, since decisions must be made now if the Strategic Defense Initiative is to proceed effectively. How that first issue is decided will fundamentally affect the second.

It is widely acknowledged by the program’s friends and foes alike, that the SDI program cannot advance much further, unless limits on testing and development imposed by the wrong interpretation of the ABM Treaty are lifted. Even Secretary of State George Shultz, no friend of SDI, admitted in a television interview broadcast Feb. 8, that “it is clear

enough now” that SDI can be pursued “much more effectively, and perhaps only, if a different pattern of testing is permitted” than that allowed in the misreading of the Treaty.

What the treaty says

The arms-control mafia, including its congressional thugs, exemplified by Sam Nunn, has been insisting that the “narrow interpretation” of the treaty is the only permissible one, and charging that a move to the less-restrictive reading would be tantamount to ripping up the accord.

But all their noise cannot obscure the demonstrable fact that Weinberger is correct.

There are two major factors which must be taken into consideration in the debate over the ABM Treaty. The first is whether it holds any legal force. That’s not a spurious issue. The treaty states that failure by the United States and Soviets to reach an agreement substantially reducing offensive nuclear weapons, within five years of the ABM Treaty’s signing, “would constitute a basis for withdrawal from the ABM Treaty.”

It was on the basis of this provision, contained in a “Unilateral Statement” appended to the treaty by chief U.S. negotiator Gerard Smith—now one of the loudest voices against the SDI and the “broad interpretation”—that the ABM accord secured Senate ratification. It doesn’t take a genius to figure out that this provision has not been fulfilled.

The other key consideration is what the treaty actually allows, and what it prohibits. It is evident from the accord’s language that its restrictions apply only to ABM technologies *existing at the time* it was negotiated, specifically, ABM interceptor missiles, ABM launchers, and ABM radars.

Perhaps the element of the accord which most clearly supports Weinberger’s arguments is “Agreed Statement D,” which asserts that, in the event ABM technologies based on “other physical principles” are “created in the future, specific limitations on such systems and their components would be subject to discussion” between the two parties to the treaty.

While the arms-control crowd now claims that Agreed Statement D proscribes all testing and development of new

defensive technologies, Gerard Smith himself asserted, "Work in that direction is not prohibited," when he testified on the treaty to a Senate panel in 1972.

Ironically, Agreed Statement D was inserted into the treaty because the Soviets, who were even then working on defensive technologies based on what the treaty calls "other physical principles"—lasers, particle beams, etc.—insisted that the accord contain language which would expressly permit the development of these new defensive means.

The current brawl over the ABM Treaty is actually a replay of a dispute that first broke out publicly in fall 1985, after then-National Security Adviser Robert McFarlane, citing "Agreed Statement D," said in a television interview that the ABM Treaty clearly allowed for the research, development, and testing of defensive technologies based on "other physical principles." McFarlane based his assessment on a Pentagon study of the treaty, whose conclusions were later affirmed by a review conducted by State Department counsel Abraham Sofaer.

An outpouring of indignation immediately ensued from the liberal press, the appeasement crowd on Capitol Hill, and certain of the Western allies, which, along with the expected fulminations from Moscow, induced President Reagan to agree to a compromise. As enunciated by Shultz, Paul Nitze, and other administration officials, this compromise held that while the United States believed that the broad interpretation of the treaty was "fully justified," this was a "moot point," since the SDI program had not yet reached the point where breaking out of the restrictive interpretation was necessary.

But that point has now arrived: If President Reagan does not opt for Weinberger's position, America's SDI will be hamstrung, leaving the Soviets to proceed with the construction of what soon will be the only existing nationwide ABM system.

Accounts of high-level White House meetings in early February indicated that the President has indeed signed on to the broad interpretation, but when he will put that decision into practice is still not clear. As he did in 1985, Shultz—while publicly paying lip service to the rightness of the broad interpretation—has been up to his same old tricks behind the scenes. The *New York Times* recently assured its readers that Shultz was relying upon Congress and the arms-control gaggle to persuade the President not to break with convention, while the *Los Angeles Times* disclosed that Shultz's tactic is to convince the President to delay a final decision until the State Department completes its new analysis of the ABM Treaty. The *Times* broadly hinted that Shultz would attempt to postpone the report's completion for at least six months. Other sources have told *EIR* that the secretary of state believes that, by that time, Reagan will have been conned into a new U.S.-Soviet deal, partially negotiated by Henry Kissinger during his mid-February jaunt to Moscow, which would allow the "broad interpretation," but would also delay SDI deployment until at least the year 2000.

Shultz's buddies have rallied to the cause of defrauding the United States of an anti-missile defense. Sam Nunn, the Trilateral Commission's preferred candidate for President, is threatening to destroy the SDI outright if Reagan dumps the erroneous interpretation of the Treaty. Nunn sent a letter to Reagan Feb. 6 threatening that if he adopts the "broad interpretation" of the treaty, Congress would slash SDI funding to the bone.

Nunn threatened that a decision "to disregard the interpretation of the treaty which the Senate believed it had approved when the accord was ratified in 1972, would provoke a constitutional confrontation of profound dimensions."

On Feb. 9, Nunn appeared on ABC-TV's "This Week With David Brinkley," to vow that Congress will cut funding for SDI "very severely" if Reagan makes the "very bad mistake" of adopting the broad reading. Echoing Nunn was Carter's secretary of state, Cyrus Vance, back from meetings in Moscow with Gorbachov. On "Meet the Press" Feb. 9, Vance declared that he believes the "narrow" interpretation: "I don't believe we should ever deploy."

Despite this, it is also obvious that the Nunn, Vances, and other arms-control luminaries feel themselves on the defensive. Nunn, along with the bulk of his "let's sell out the SDI to Moscow" fellows, was forced into voting for a Senate resolution Feb. 18 which called on the Soviets to dismantle their radar facilities at Krasnoyarsk, terming them a "clear violation" of the 1972 ABM Treaty. Endorsed 93-2, the resolution also cautioned the Soviets against exploiting disagreements in the Western alliance, delaying negotiations because of opposition to the SDI, and continuing practices that violate existing treaties.

'Early deployment'?

The issue of SDI deployment hinges on the outcome of the fight over the ABM Treaty interpretation. As Weinberger has reported, SDI has made such great strides, especially in the realm of space-based kinetic kill weapons, that the prospect of deploying a defensive system in stages, at an earlier date than originally anticipated, is very real.

But, Weinberger has also repeatedly stressed that he does not favor the High Frontier group's program for immediate deployment, on the grounds that deploying off-the-shelf technology in a point-defense mode, would undermine the fundamental objectives of the program.

In a letter published in the Feb. 10 *New York Times*, Weinberger explained his position: "Immediate deployment of a strategic defense is not possible precisely because our goal is the defense of all our territory and that of our allies. If our aim were merely to defend our deterrence force, this would amount to little more than extending the current strategy of deterrence through the threat of retaliation. Our goal is eventually to create a deterrence that is judged effective by the number of lives it can save, not the number of lives it can threaten."

French attorney calls du Pont Smith case 'mind-boggling' travesty

Jacques Mauro is a lawyer in Paris, a member of the Council of the Paris Bar, and a member of the Council of the International Bar Association (IBA). He writes regularly in the French law journal La Gazette du Palais on questions of European Community law and the European Convention for the Protection of Human Rights. Mauro was interviewed by EIR on Feb. 12 in Philadelphia.

Mauro, together with Lennart Hane, a Swedish attorney, and Victor Girauta y Armada, attorney from Madrid, Spain, came to the United States on Feb. 12 to observe an appeal hearing in the case of Lewis du Pont Smith in the Superior Court of Pennsylvania. Du Pont Smith, a 30-year-old former history teacher and heir to the du Pont fortune, is appealing an outrageous lower court ruling, in which he was declared mentally incompetent and stripped of his right to vote, to marry, and to handle his own financial affairs, for the sole reason of making financial contributions to organizations associated with Lyndon LaRouche.

EIR: How did you come to be interested in this case?

Mauro: I received a visit from Lewis du Pont Smith in Paris last November. He explained his problems to me for an hour and a half. I was very surprised that one could say that this man, who is young, intelligent, dynamic, and a history teacher, could be placed under guardianship for a personality disorder. I happen to be interested in such issues of human rights, and especially of fundamental rights in West Germany.

EIR: Where does your interest in such issues come from?

Mauro: I have been writing regularly for a French law journal, *La Gazette du Palais*, and I have begun to write on the rights of Man (and even of Woman. . .). I was lucky enough to meet a Parisian colleague, Maitre Pettiti, a judge at the Strasbourg Court, who has encouraged me on this path.

EIR: Why do you think the du Pont Smith case is important?

Mauro: It is important because it touches upon the citizen's freedom of political choice. This citizen must not be deprived of the right to marry, to vote, and to manage his property because he is interested in a political party which, moreover, in some of its options, largely supports President Reagan—which is quite extraordinary, one must say—such as on the

Strategic Defense Initiative or on the fight against drugs, and which is guilty of saying that AIDS is a big danger, all of which is not to the liking of the intelligentsia.

What amuses me, or saddens me, depending on the time of day, is to note the similarity of the intellectual terrorism which a certain intelligentsia exerts both in the United States and in France. In the case of France, this was seen with respect to Jean-Marie Le Pen [the leader of the Front National party], a presidential candidate, who is subjected to the same type of slanders from the intelligentsia. It would nevertheless be hard to imagine that someone financially supporting Mr. Le Pen would be placed under guardianship in France.

EIR: Would such a court action for guardianship in order to forbid a citizen to engage in political activity be possible in France?

Mauro: In all honesty, I must say that there were court actions of this type in France in the 19th century. For two reasons, in my opinion: There were families with very large fortunes in family trusts, and not in industrial enterprises, and there existed a very strong social and religious conformism. Today, except for cases of dementia characterized by bizarre acts like, for instance, burning one's house while playing the flute so as to be like Nero, it is no longer possible to put someone under guardianship. On the contrary, a French judge will tend to think that, after all, if the person in question has too extravagant a lifestyle, it is all the better for the economy. Lastly, it is excluded that contributions to churches or political parties could provoke guardianship. We have certainly seen it with respect to sects: Tribunals in France have been extremely cautious, even in some tragic cases going well beyond the financial realm. As one judge noted, the great religions are sects which have succeeded!

But let's come back to the case of Lewis, the heir to a considerable fortune and to no less considerable hopes, too: The contributions he made were in no way of a nature that would compromise his fortune, and they were given to a political campaign, that of Mr. LaRouche, whom Lewis supports. That he was placed under guardianship is mind-boggling.

EIR: What do you think of the procedure which has taken place up to now?

Mauro: Lewis du Pont Smith put at my disposal the court memoranda exchanged so far, the record of the cross-examination conducted solely by the lawyer of the plaintiff's family, the record of the exchanges led by the family's lawyer. What shocks me is the asymmetrical, unilateral system of cross-examination. It is the family's lawyer, and not the presiding judge, who interrogates the respondent. The respondent's lawyer does not in turn cross-examine the plaintiffs. Yet, that would have been fascinating and indispensable in order to bring out the truth. In this I see a first violation of human rights: In the non-symmetrical character of the procedure, in a non-equitable trial as defined by Article 6 of the European Convention for the Protection of Human Rights. The Strasbourg Court has already condemned the violation of this Article. I am thinking, for example, of the severe condemnation of the Austrian State in a case where the same expert had worked for the plaintiffs, the original tribunal, and the appeals court.

A second thing shocks me, and it is the mental-torture character of the cross-examination which took place. For a very long time, the plaintiff's lawyer asked all sorts of questions to a respondent who, on his part, is not a lawyer, who is placed in awe of the judicial apparatus, which he takes very seriously, and who is being asked all sorts of insidious questions. I do not have with me the two big volumes containing the record of this unilateral cross-examination, but they would deserve to be published as an example of what should not be done.

I am also shocked by the role played, in this type of procedure, by the interrogating lawyer. The lawyer must never be a judge or a police inspector. Interrogatories are *their* business.

And lastly, I find it very shocking to put the respondent in the position of a witness.

In fact, you know, and this may make you smile, but once again, it is clear to me that Anglo-Saxon procedural law is the law of the French Middle Ages brought from Normandy by William the Conqueror. Is it therefore surprising that this medieval procedural law is frequently contrary to human rights? I know that by saying that, I will hurt some lawyer friends in the United States or in the United Kingdom. It is a bit hard to be told that every day you violate the fundamental rights of citizens. It is also fair to say that when cross-examination is successively conducted by the two lawyers, a certain balance is reestablished.

EIR: What impression did you get from the Feb. 12 hearing in the Philadelphia appeal court?

Mauro: A very good impression. I have appreciated the well-organized setting which allows the lawyers to express themselves and the judges to listen. In respect to this, I have very much appreciated the questions asked by the judges which, on the one hand, demonstrated a good knowledge of the record of the case, and, on the other hand, a readiness for dialogue with the lawyers. The court magistrates indicated in



Jacques Mauro: "This citizen must not be deprived of the right to marry, to vote, and to manage his property because he is interested in a political party which, moreover, in some of its options, largely supports President Reagan."

particular what seems important to them and that on which they would like to be further enlightened. I was impressed by the authority and intelligence of the presiding judge of the court, Judge Beck. In the functioning of this hearing, I have not found great differences with our own hearings in French courts. Maybe our magistrates intervene a bit less. A great difference however: In Philadelphia, the public sits in comfortable armchairs!

EIR: What reception did you get?

Mauro: We observers were very pleased by the amiable word which the presiding judge extended to us to welcome us.

EIR: What do you plan on doing upon your return to France?

Mauro: As soon as I have the necessary time, I intend to write a note in *La Gazette du Palais*, which is read by all lawyers, judges, and business jurists in France.

EIR: To conclude, what would you say about American justice?

Mauro: A few experiences are not enough to give a verdict. However, it seems to me that American material law or, if you wish, the spirit of the law, is better than the procedural law. The United States is an immense stream which carries all sorts of things, the best and the worst. But fortunately, there is a natural cleansing and it is in this that lies the great superiority of the United States over a lot of countries, and this is what explains the attachment, throughout the world, to the "Statue of Liberty" symbol of the United States. Thank you.



LaRouche cases get 'discriminatory, selective, and vindictive prosecution'

The year 1987 is the bicentennial of the birth of the U.S. Constitution, created as the culmination of decades of bloody battle for a republic in the New World. The Constitution's drafters were intent on creating a document that would guarantee, through the delegated power of an educated population, the personal freedoms requisite to the proper functioning of a democratic republic. Chief among those freedoms was the freedom of political belief.

That freedom is today in great jeopardy, as we will show in the series inaugurated here, drawing on the court papers in the ongoing campaign of the U.S. Justice Department against Lyndon LaRouche, Jr. and associates. The document excerpted below is a stinging indictment of the illegal and vindictive use of governmental power to prevent and ultimately destroy the exercise of that precious political freedom, by a "dissident" political faction in the United States, headed by presidential candidate LaRouche. This "Motion to Dismiss Superseding Indictment on Grounds of Discriminatory and Selective and Vindictive Prosecution," is a leading part of the argument on behalf of defendants in the case, currently pending in the U.S. District Court, District of Massachusetts, United States of America v. The LaRouche Campaign, et al. Defendants are political figures, campaign associations, and publishing companies associated with LaRouche, specifically with his 1984 bid for the presidency.

As the excerpts below make clear, a "classic exercise of the American fundamental right to speak out on public issues and to seek election to public office in our free society," has been selectively harassed, using the broad powers of the U.S. government's judicial authorities, for the sole purpose of stopping LaRouche from gaining broader political influence.

Campaigns by other Democratic presidential hopefuls, including Walter Mondale, Alan Cranston, Gary Hart, and John Glenn, were never prosecuted, even though prosecutable offenses occurred, of greater consequence than those alleged against LaRouche.

The reasons for William Weld and other Justice Department and FBI officials' witchhunt against LaRouche and his associates, are spelled out in this document: LaRouche "focused popular attention" on the international illegal drug industry and the role of the Eastern Liberal Establishment in purveying drugs; he led a campaign for the U.S. Strategic Defense Initiative; he exposed the Justice Department and FBI's role in covering up the government's illegal arms deals with the Khomeini regime in Iran, long before "Irangate" started.

In this 200th anniversary year of the American Constitution, this Memorandum, and the legal proceedings of which it is a part, will play a critical role in the war to preserve the Constitutional heritage, for which the nation's forefathers sacrificed everything.

The Defendants (being all Defendants other than Roy Frankhouser) hereby present this memorandum In Support of their Motion before this Honorable Court to dismiss the superseding indictment in this case as being in violation of the Fifth Amendment to the Constitution of the United States for the reasons as follow:

This Memorandum will show those facts in the possession of the Defendants supporting the defense of selective prosecution. The detailed factual sections of this Memorandum demonstrate that 1984 Presidential candidates other than

Lyndon LaRouche were not proceeded against criminally for similar acts to those alleged in this indictment. The facts alleged also show that the motive for this action was a concern on the part of certain persons in government that Mr. LaRouche's politics and policies were gaining too much influence. In short, defendants believe that the government, for political reasons, is trying to eliminate the LaRouche political influence through this prosecution. . . .

II. Factual background of alleged campaign irregularities

Lyndon H. LaRouche, Jr. of Leesburg, Virginia campaigned actively in 1984 for election to the office of President of the United States. Mr. LaRouche sought the nomination of the Democratic Party by entering 13 primary elections. The organizational vehicle for this campaign was Defendant The LaRouche Campaign (TLC), a principal campaign committee registered with the Federal Election Commission (FEC). During the nomination phase of the campaign Mr. LaRouche received 123,649 votes in primary elections. TLC raised substantial funds and received authorized payments of Federal Electional Matching Funds of approximately \$500,000.

After the Democratic Party nominated Walter F. Mondale, Mr. LaRouche campaigned for President as an "independent Democrat." The campaign organization for this political effort was Defendant, Independent Democrats for LaRouche (IDL). Mr. LaRouche was placed on the ballot in the general election for President in 1984 in 19 states. He the ballot in the general election for President in 1984 in 19 states. He received 78,807 votes in the election.

A. LaRouche-National Security Council connection

During the 1984 campaign a number of U.S. media organizations attempted to focus attention on the growing policy influence of Mr. LaRouche and his associates on the highest levels of the U.S. Government. In March 1984 NBC Television News aired a report on its First Camera news program which investigated, among other issues, the acknowledged relationships which had been established in 1981 through 1983 between Mr. LaRouche and the National Security Council (NSC) staff in the White House. NBC aired an interview with Dr. Norman Bailey, Director of International Economic Policy for the NSC staff, who acknowledged a flow of policy input from Mr. LaRouche and his associates into the NSC decision-making process during the 1981-83 period. Dr. Bailey said Mr. LaRouche and associates were "one of the best private intelligence services" in the world, and defended the White House policy of taking information from any source in the process of national security decision making.

Following the First Camera report, the weekly public affairs magazine *The New Republic* commissioned a further investigation of Mr. LaRouche's influence on NSC deliber-

ations. This article, written in part by a long-time bitter opponent of Mr. LaRouche, Dennis King, was released by *The New Republic* via a press release on October 31, 1984, scarcely a week before the national election, on November 6, 1984 under the title "The LaRouche Connection." The article is filled with invective against Mr. LaRouche resulting from a long-running feud with Mr. King, and those portions should be discounted for that reason. The timing of release of the article apparently was intended to harm the Reagan re-election campaign by linking his administration's policy making to LaRouche and associates. As this Court will realize, the timing of this article was simultaneous with the beginning of Mr. William Weld's highly unusual prosecution of Mr. LaRouche and associates in this case.

B. Beginnings of the Weld investigation

The acknowledged facts of the time of the beginning of this case merit some discussion in light of the timing of the First Camera report and *The New Republic* article detailing Mr. LaRouche's connections to the National Security Council and the general election of November 1984. FBI agent Richard Egan (in charge of the FBI investigation of this case) testified at the detention hearing of Defendants Spannaus, Greenberg and Scialdone in this case that Mr. LaRouche came to his attention in October 1984 from citizen complaints and from a television news report critical of Mr. LaRouche aired by the NBC affiliate in Boston, WBZ-TV on or about October 29-31, 1984. WBZ-TV news reported that Mr. Weld had empanelled a grand jury in Boston to investigate Mr. LaRouche. Mr. Egan testified further that he telephoned the bank in New Jersey handling IDL and TLC accounts on or about October 31, 1984 to inform the bank that IDL and TLC were under investigation for fraud and to expect a subpoena for bank records of those organizations. Mr. LaRouche's election-eve broadcast of 30 minutes scheduled to be aired nationwide on the night before the national election was cancelled when the bank froze IDL and TLC accounts following Mr. Egan's telephone call. Not only was Agent Egan active on October 31, 1984, an FBI telex message released pursuant to the Freedom of Information Act reveals that Mr. Weld was personally involved on that day. The message from FBI Boston to FBI Director states, "United States Attorney, William F. Weld, Boston, advised on October 31, 1984, that he wishes to move expeditiously in this matter since it affects the integrity of the Presidential election process." (See Exhibit 11)

Therefore without characterizing these facts further here, it can be said that actions of Mr. Weld, NBC affiliate WBZ-TV and FBI agent Egan based upon unproven allegations worked in concert to halt Mr. LaRouche from addressing the nation on CBS-TV network the night before the 1984 U.S. Presidential election in which Mr. LaRouche was a qualified candidate in 19 states. Coincidentally or not, these events occurred at a time when Mr. LaRouche's connections to White House policy making on crucial national security is-

sues was an item of discussion in political circles.

The purpose of detailing these facts in chronological context is to point out a portion of the evidence of motive on the part of Mr. William Weld in this case. Defendants believe that motive was to stop Mr. LaRouche's growing political and policy influence through a prosecution of key associates of Mr. LaRouche on as many legal theories as possible. . . .

C. News gathering of interest to intelligence agencies

Mr. LaRouche and associates are affiliated in varying degrees through an international news gathering organization called the New Solidarity International Press Service (NSIPS), best known by its principal publication, the newsweekly *Executive Intelligence Review* (EIR). This news service maintains offices in 12 countries as well as 19 offices in leading cities in the United States. The writers for this service investigate and analyze world-wide critical political events. Predictably this information network became of interest over a decade ago to the intelligence services of various nations, including the U.S. Central Intelligence Agency and the FBI. Given the covert operational technique of these secret services, NSIPS is only partially aware of the extent of efforts made to surveil, penetrate or otherwise affect NSIPS operations.

However, NSIPS, being a news service, has not avoided contact with the United States Government for the reason that it is not averse to sharing information with the government in projects of mutual concern. For over 11 years Mr. LaRouche and associates have maintained a dialogue with elements of the U.S. Government on selected issues, usually those of foreign intelligence gathering and long-range policy concerns. Mr. LaRouche and associates have purposefully avoided formal attachments to the CIA (and other secret services) in order to maintain independence of thought and analysis.

The government's witnesses (revealed by Agent Egan in his testimony at detention hearings in this case) Roy Frankhouser, and the unindicted Forrest Lee Fick, represented themselves to Mr. LaRouche and associates as a channel of communication with the CIA. Mr. Frankhouser served in this self-described role from 1975 to the time of his indictment, while Mr. Fick came forward under this pretext through Mr. Frankhouser's recommendation in 1982. The official nature of this contact has been confirmed by reliable information, the revelation of which might involve release of classified national security information. The nature of their role has been further confirmed by Mr. Frankhouser's otherwise inexplicable access to U.S. Government intelligence documents, as well as Mr. Frankhouser's use of U.S. intelligence tradecraft. In addition, the U.S. Government has admitted in court documents the truth, among others, of Mr. Frankhouser's covert operational role on behalf of the NSC for the Nixon White House in 1972.

Mr. Fick's self-admitted status as a CIA operative work-

ing in the realm of infiltration of international paramilitary organizations has been confirmed by reliable information, the release of which might involve a release of classified national security information. Mr. Fick is publisher of the internationally circulated "Dragon Fire" newsletter. "Dragon Fire," according to Fick is funded by the U.S. Government under the auspices of the CIA as a method to infiltrate and influence international paramilitary terrorist groups.

The association of some Defendants with Frankhouser and Fick is, according to the latter two, a channel of communication to the CIA and perhaps other U.S. Government agencies *at the request of those agencies*.

In this context it is interesting to note FBI agent Richard Egan's testimony on October 9, 1986 at a detention hearing in this case in which he stated that he had not checked with the CIA to determine the status of Mr. Frankhouser and Mr. Fick with that agency, despite his knowledge that these persons had made the claim of CIA affiliation to the Defendants for a period of years.

. . . The government's case supposedly originated with the "credit card fraud" irregularities alleged during the LaRouche 1984 presidential campaigns. It is appropriate to review how the government had treated similar irregularities in other Presidential campaigns in 1984.

III. Irregularities in other 1984 presidential campaigns

In 1984 U.S. Senator Alan Cranston (D-Calif.) sought the Democratic presidential nomination. During the Federal Election Commission (FEC) audit of the Cranston campaign, the FEC discovered a pattern of "bad checks" issued by the Cranston Campaign. The FEC "Bad Check List-Final" lists a total of 736 checks totalling \$166,498.07 which were returned as insufficient funds checks, i.e., "bounced checks" in the vernacular.

The FEC Final Audit Report states on this issue, "The Commission has not previously encountered the issuance of insufficient fund checks on such a large scale by a publicly-funded committee. Here the Committee issued hundreds of bad checks under circumstances suggesting either knowledge that the checks were unsupported or at least disregard for whether there would be sufficient funds to cover the checks."

The government's solution to this pattern was to disallow federal matching funds for the \$5,502 of bank returned check charges incurred by the Cranston campaign. There was no criminal investigation nor a criminal prosecution of Mr. Cranston, his campaign Committee staff and associates.

By contrast, the indictment in this case charges a total dollar amount of approximately \$58,000 of "unauthorized credit card charges" from 58 individual complaints against Mr. LaRouche's campaign committees and other organizations and corporations, using theories of wire and mail fraud.

The government certainly could have investigated the Cranston campaign for wire and mail fraud for use of the mails and telephones to engage in the Cranston bad check

scheme. Yet there is no indication that such an investigation was contemplated, even less conducted. In the LaRouche matter, according to FBI agent Egan, the FEC turned over all of its files to William Weld and assisted criminal prosecution at every step. Also, FEC Associate General Counsel Kenneth A. Gross has testified that the FEC made a formal referral of LaRouche campaign matters to the Department of Justice and Mr. Weld.

In 1984 then U.S. Senator Gary Hart (D-Colo.) sought the Democratic nomination for President. Similarly to the Cranston campaign, the FEC determined in its final audit report of the Hart campaign that:

"A review of the Committee's disbursement activity revealed that the Committee was charged \$4,862.00 in service charges for checks drawn on accounts with insufficient funds. . . . In response to the Committee's argument that the overdrafts were nonsystematic and inadvertent and primarily occurred in state and local accounts, a review of the overdraft charges reveals that the majority of the charges were in fact from the Committee's headquarters operating account and two state accounts. . . . Therefore it appears that the overdrafts in these two state accounts occurred at a crucial time period in the campaign in those two states when an adequate cash flow was most important. . . ."

As in the Cranston case the FEC's sole response to this pattern of bad checks was to disqualify the bank service charges for federal matching funds payments. There were no criminal investigations of Senator Hart, his campaign, staff and associates for mail or wire fraud, and there was no referral of the matter to the Department of Justice.

In 1984 U.S. Senator John Glenn (D-Ohio) sought the Democratic nomination for President. During Senator Glenn's short-lived campaign, in February 1984 a consortium of Ohio's banks loaned his campaign a total of \$2,180,000 and issued letters of credit for an additional \$196,565. These loans were secured by 1) a lien on anticipated federal matching funds, 2) "comfort letters" from at least 15 Glenn supporters who pledged their "best efforts" to raise money to retire the indebtedness, and 3) a life insurance policy on Senator Glenn.

Senator Glenn's campaign failed to gather anticipated public support and he withdrew from the race in March 1984. Small repayments were made on the loans, but at campaign's end the bank consortium was owed \$1,900,000.

The size of the illegal contributions to Glenn, alleged by the government, \$1,900,000, dwarfs the charge in this case, \$58,000.00, yet the Government does not pursue criminal penalties.

After the 1984 campaign, Senator Gary Hart's campaign remained awash with debt, according to FEC records. As of the third quarter of 1986, Senator Hart's campaign reported a total debt of \$2,423,228.32. Beginning December 3, 1985, the Hart campaign informed the FEC that it would initiate a program of requesting its creditors to settle their claims against the campaign for large discounts of the amount owed. To

date these "settlements" to creditors have erased \$653,062.21 of validly occurring obligations for payment of \$167,995.32, for an average settlement rate of 25% of the original amount owed.

To date the FEC has taken no action on these debt settlements by the Hart campaign. There has been no criminal investigation of Senator Hart, his campaign and staff for mail fraud and wire fraud for these "debt settlements" at 25 cents on the dollar. Yet the government accuses Independent Democrats for LaRouche in this indictment in Counts 117-123 of incurring debt with no intention of paying it back, or only making partial payment on the debt. The same charge apparently could be made against Senator Hart and might find supporters among the creditors who took 25 cents on the dollar in return for their claims.

In 1984 Walter F. Mondale, former Vice-President of the United States, sought election as President of the United States. During Mr. Mondale's campaign, his organization was accused by Senator Hart's campaign of having violated federal laws enforced with criminal penalties by forming "delegate committees" to launder approximately \$3.5 million in campaign funds in excess of spending and contribution limits set by federal statute. To comply with the law, these "delegate committees" would have needed to have been independent of and not controlled by the Mondale campaign. Senator Hart's campaign charged that these committees were founded and directed by the Mondale campaign under a scheme created by the General Counsel to the campaign.

After Mr. Mondale lost the election in November 1984, the FEC entered into a "conciliation" of these violations with the Mondale campaign which resulted in the Mondale campaign repaying \$350,000 of federal matching funds to the U.S. Treasury. In return there was no civil or criminal investigation of Mr. Mondale, his campaign and associates.

The FEC has spoken on the record to explain the difference between its treatment of candidates Mondale and LaRouche. Judge Gerald L. Goettel, District Judge in the U.S. District Court of the Southern District of New York asked the attorney for the FEC before him in a matter involving LaRouche to explain the difference in treatment. That attorney for the FEC, Richard Bader, Esquire, stated that the distinctions were that the Mondale people requested conciliation, and

"The other distinction is the Mondale people of course, were willing to pay \$350,000 to the treasurer as liquidation of whatever overpayments there were, and that was deemed an adequate and rather large, in light of our other cases, remedy which would, at the same time, avoid what would have been an extraordinarily large investigation throughout the country, involving hundreds of political commissions, something the commission had to take into consideration, with its meager administrative resources. . . ."

It goes without saying that the government has not been similarly constrained in this investigation of LaRouche and associates.

Reid to introduce taxpayers' bill of rights

Freshman Sen. Harry Reid (D-Nev.) will shortly introduce legislation for a taxpayers' bill of rights to give the American citizen the same protections from Internal Revenue Service abuses of power that a citizen is accorded under standard norms of jurisprudence.

"If a taxpayer finds him or herself in disagreement with the government over taxes due, that taxpayer is likely to face exercises of government power that would not be tolerated under any other condition," Reid said Jan. 14 in one of several statements he has made on his legislation. "The area of greatest potential government abuse today could not even have been envisioned by our Founding Fathers," he said, and "this is the collection of federal income taxes."

The legislation will attempt to protect rights such as ensuring that an individual can have an attorney present when talking with the IRS; allowing recording of conversations with the IRS; prohibiting the selection of a particular group for audit based on characteristics such as substantial income from tips; and prohibiting IRS confiscation or control of property unless and until tax liabilities are actually proven.

Currently, the IRS prohibits an individual from selling property, for example, if a tax payment discrepancy is alleged but not yet proven.

Reid also attacked "arrogant breaches of contract" by the IRS, in which they have entered into repayment agreements with individuals and then immediately seized their property.

While Reid previously introduced such legislation into the House, he is

now reported to be picking up support. Sen. David Pryor (D-Ark.), a critic of government prosecutorial abuse, chairs the subcommittee with oversight over the IRS and favors the bill.

Senate condemns Soviet arms control violations

On Feb. 17, the Senate approved Sen. Resolution 94, which is highly critical of Soviet arms control violations, by a vote of 93 to 2. While the resolution is nonbinding and written to attract broad support, it is viewed as a counterweight to a plethora of arms control proposals which unilateral disarmament advocates will raise this year.

Section (5) "declares that an important obstacle to the achievement of acceptable arms control agreements with the Soviet Union has been its violations of existing agreements, and calls upon it to take steps to rectify its violations of such agreements and . . . to dismantle the newly constructed radar sited at Krasnoyarsk, U.S.S.R., since it is a clear violation of the terms of the Anti-Ballistic Missile Treaty."

Section (3) "cautions the Soviet Union against pursuing strategies designed to exploit American domestic politics or to divide the United States from its allies in an effort to secure advantages on arms reduction matters, and rejects the concept of reaching agreements for agreement's sake."

The initiators of the resolution included Majority Leader Robert Byrd (D-W.Va.), Minority Leader Robert Dole (R-Kans.), and Senate Intelligence Committee chairman David Boren (D-Okla.). It avoided any criticism of the administration's arms control efforts.

Arms control advocates such as Sen. Tom Harkin (D-Iowa) voted for the resolution while complaining that it did not address what he viewed as the administration's abandonment of the SALT II Treaty, and efforts to "wriggle out" of the ABM Treaty. Sen. Mark Hatfield (R-Ore.) said arms control advocates were waiting for substantive issues, such as stopping testing, to arise before making a major fight.

Sen. Jesse Helms (R-N.C.) voted against the resolution, saying that further arms reductions should not be discussed until the Soviets comply with existing treaties. The resolution "perpetuates the unreasonable delusion that arms control negotiations have increased American security," Helms said.

Pressure grows to alter Gramm-Rudman-Hollings

The Gramm-Rudman-Hollings balanced budget law, which mandates a \$108 billion deficit target for the FY 1988 budget currently being considered by Congress, is finally being targeted for change or outright repeal. Failure to meet the deficit target would trigger automatic cuts in defense and domestic programs which would unilaterally disarm the nation.

This year's deficit is now estimated to be over \$175 billion, at least \$30 billion over this year's \$144 billion deficit target.

Seventeen Democrats on the House Budget Committee started open skirmishing with the administration when Reps. Charles Schumer (D-N.Y.) and Buddy MacKay (D-Fla.) initiated a letter to Reagan. In it they

outlined three choices for reducing what is a conservatively estimated \$70 billion in deficit reductions: tax increases, massive cuts in defense, or altering the deficit target. "Which one do you prefer?" they asked Reagan.

From the Republican side, Rep. Willis Gradison (Ohio) has condemned the Gramm-Rudman target as "unrealistic." Gradison said that the target "can't be met even if we empty our arsenal of blue smoke and mirrors." He suggests keeping the targets but continuing with a \$36 billion per year reduction this year.

Rep. Henry Gonzalez (D-Tex.) and Sen. Daniel Moynihan (D-N.Y.) have reintroduced their legislation for outright repeal of Gramm-Rudman-Hollings as a threat to vital national interests.

Wallop, Dole resolution attacks Tambo, ANC

Senators Malcolm Wallop (R-Wyo.) and Robert Dole (R-Kans.) sponsored Sen. Res. 88 attacking Oliver Tambo and the African National Congress for their advocacy of violence and their communist ties. It urges that the United States oppose the participation of the ANC in political negotiations over the future of South Africa unless and until the ANC renounces violence.

"This is not a question of whether apartheid is good or bad," Wallop said in advancing the resolution on Jan. 28. "No civilized person and no civilized nation believes it to be good. The more important question is, in our zeal to end apartheid, will we usher in forces of a new regime that will make the system of government in South Africa even more tyrannical, even more repressive, even more cruel, as well as

anti-Western?"

Wallop urged the adoption of the resolution "in order that we may send a strong, consistent message to Oliver Tambo, the secretary of state of the United States, and the world, that the U.S. Senate will not legitimize violence against innocents in the pursuit of political aims and will not enhance the credibility of an organization which is largely controlled by the Soviet Government and the Communist Party." Wallop cited Tambo's refusal to condemn brutal murder by necklacing. The African National Congress's "principal purpose in life is to promote and perpetrate terrorist acts against innocent blacks inside South Africa."

Majority Leader Robert Byrd (D-W.Va.) blocked consideration of the resolution, apparently fearing it would embarrass many Senators who have endorsed the African National Congress.

Small merchant marine threatens defense needs

Several congressmen are becoming increasingly concerned that the U.S.-flag merchant marine fleet is becoming so small as to threaten vital national security and defense mobilization requirements.

On Feb. 3, Rep. Robert Davis (R-Mich.) entered into the *Congressional Record* the executive summary of a recent "Navy Merchant Marine Manpower Study" published by the Chief of Naval Operations. It indicates severe shortages by 1992. The report calls for immediate "stop-gap measures" to ensure proper manning, but warns that "further increases in the Ready Reserve Force are a losing bat-

tle from a manning standpoint."

The report demands that "a strategy must be developed and implemented as a national priority to reverse the declining trend of the U.S. Flag Fleet."

House Merchant Marine and Fisheries Committee chairman Rep. Walter Jones (D-N.C.), Rep. Mario Biaggi (D-N.Y.), and others who have had similar concerns for some time, agree that the "best solution is to have an operating fleet out there" conducting commerce and carrying goods, which will then meet both manning requirements and sealift mobilization capability in times of crisis.

The committee plans to look at stiffening trade and cargo preference requirements to ensure that at least significant percentages of U.S. government cargoes be carried by the U.S. merchant fleet; altering the subsidy system to encourage investment in the merchant fleet; and looking at changing the practices of foreign nations which give them a competitive edge.

Congress currently provides an operating differential subsidy theoretically designed to keep U.S. vessels on an equal footing with foreign vessels, \$275 million per year for 83 vessels. Roughly \$500 million would be needed to support 200 vessels. The Navy recommends 576 ships as necessary, while currently there are 375 privately owned ocean-going merchant vessels.

But as a committee spokesman confirmed, solutions are considered from the standpoint of "prevailing market conditions." Attempts to provide an investment tax credit, or low-interest credits for shipbuilding construction, will only be considered from the standpoint of stopping such practices by another nation.

National News

Virginia joins in 'super-primary'

The Commonwealth of Virginia will join with 12 other states in a southern "super Tuesday" primary on March 8, 1988. A bill was approved Feb. 19 by the Virginia State Assembly, abolishing the traditional caucus system in favor of a primary and setting the date for March 8.

The move, opposed by Republican state legislators, was geared to increase the state's influence in choosing the presidential candidates, said supporters of the bill. "This is the next President of the United States" said Virginia Senate Majority leader Hunter Andrews.

States that have approved March 8 primaries or caucuses so far are: Alabama, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, Tennessee, and Texas.

Kemp demands Shultz resignation

Republican presidential hopeful Jack Kemp demanded the resignation of Secretary of State George Shultz on Feb. 20, saying that Shultz had undermined President Reagan's foreign policy goals.

"Let's face it," said Kemp, "the Shultz doctrine is not the same thing as the Reagan doctrine."

Kemp told the Conservative Political Action Committee (CPAC), "When the question becomes whether the President will conform to his secretary of state, or the secretary of state will conform with the President, it is time for Mr. Shultz to do the only correct thing. In my view, it is time for George Shultz to resign.

"Everybody knows President Reagan's commitment to SDI," Kemp continued, "We know it; our allies know it; Gorbachov knows it. The only person who doesn't seem to know it is our secretary of state."

TV evangelist Pat Robertson, another

presidential hopeful, also addressed the conservative conference. He evaded a question on his stand on the AIDS pandemic, and proceeded to call for an end to publicly financed education in favor of a voucher system; elimination of the minimum wage; an end to due-process by eliminating plea bargaining, bail, and parole to make sure everyone arrested is kept off the streets; fixed sentences for drug pushers; and the ultimate elimination of all welfare with the idea that parents only, and not the state, have responsibility for children.

Reagan wants SDI experiments list

President Reagan has directed the Defense Department to compile a detailed list of missile-defense experiments it would conduct under the legally correct, or "broad" interpretation of the 1972 ABM Treaty, said the *New York Times* Feb. 14, citing senior U.S. officials as its source.

The list is to include a detailed description of experiments Defense Secretary Caspar Weinberger wants to conduct under the presidentially approved interpretation. It will also include a proposed timetable for the experiments and an assessment of their importance.

The *Times* quotes its sources to the effect that months may be needed to produce and evaluate the list.

Scientist denounces test-ban proposals

A top U.S. nuclear weapons expert has declared that a comprehensive nuclear test ban would be a "disastrous first step" for the United States to take in an arms-control agreement.

George H. Miller of the Lawrence Livermore Laboratory in California told a scientific conference in Chicago Feb. 14 that nuclear tests are vital to maintain stockpiled weapons systems and to keep up with Soviet weapons development.

Miller also stressed that "nuclear testing

will be required" to test the "survivability" of the President's Strategic Defense Initiative.

Some contemplated SDI weapons systems, such as the x-ray laser, are nuclear-powered.

Jones, LaRouche on Chicago TV

Sheila Jones, a "LaRouche Democrat" running in the Feb. 24 Democratic primary for mayor of Chicago, took her campaign onto cable television the evening of Feb. 20, in a half-hour broadcast that featured Lyndon LaRouche, the presidential candidate.

The broadcast begins with Mrs. Jones seated at the piano playing a segment of Beethoven's "Pathetique" Sonata.

Still seated at the piano, she states: "A year ago, friends of Lyndon LaRouche, the most formidable economist in the world today . . . aggressively launched a war against AIDS in the state of California. They attempted to have AIDS placed on the list of contagious diseases, in order to have it treated by the same basic public health measures as are used for TB, yellow fever, scarlet fever, and even ringworm, by getting a referendum on the ballot called Proposition 64. This referendum was attacked by the likes of Elizabeth Taylor, Patty Duke, and the rest of the Hollywood mafia, as well as the homosexual lobby."

The program then shows footage of transvestites and related types holding signs denouncing LaRouche, in parades that took place in California last summer.

Then, Mrs. Jones details the reality of AIDS' spread in the United States and elsewhere. "There is no such thing as a 'high-risk category,' for we are all at risk."

The program then switches to a segment from a 1984 campaign broadcast by LaRouche. "President Reagan believes in the 'magic of the marketplace.' If anyone tries to sell you magic, you should call the police and have him arrested for consumer fraud. . . . The citizens of this nation must understand that the greatest contribution they can make is to produce what only we can produce for the world."

Carter says he's a racist

Jimmy Carter, identified by *EIR* genealogical investigators in Atlanta as Sen. Sam Nunn's (D-Ga.) fourth cousin—has made some more remarkable statements, this time in a speech to the Rice Institute for Policy Analysis in Houston.

"There is still an element of racism that is inherent in all of us," he said. "I try not to be a racist, but I have feelings that border on it and that are embarrassing to me sometimes."

Carter recalled that "when the television screens were filled with little Ethiopian and Sudanese children walking along with disended bellies and dying in the arms of their mothers," it was "hard for me to believe that one of those children, in the eyes of God, is as important as Amy. How many of those little black kids does it take to equal one Amy? Fifteen? Twenty? Ten? Five? I think the answer is one. But it's hard for me to believe this."

U.S. wants to go to Mars, says London paper

The headline, "U.S. Eyes Light Up Over Manned Mission to Mars," appears on a piece in the Feb. 18 *Financial Times* of London. It begins with a quote from Florida Congressman Bill Nelson (D), chairman of the House space science and applications subcommittee: "We should go to Mars."

Nelson is advocating a joint mission with the Soviet Union. "If the two adversaries could go to another planet together, would that not have a good effect on their relationships on Earth?"

The idea is also being supported by Wisconsin Sen. William Proxmire (D), says the article. Proxmire, chairman of the Senate appropriations subcommittee with oversight of NASA's budget, thinks that a manned trip to Mars could bring "unforeseen spin-outs," in terms of technologies that could be ap-

plied widely in the economy. Proxmire wants preparations now, "even," he says, "if the flight itself is 50 years away."

In fact, NASA officials are studying the project. Says the *Financial Times*, "A recent study involving NASA and scientists from the Los Alamos National Laboratory in New Mexico discussed a series of manned missions to Mars and to its moons, Phobos and Deimos, starting in 2000. The final mission could put explorers on Mars's surface for just over a year. It would lead ultimately to a permanent residence on Mars later in the 21st century."

"With the shortest journey time to the planet of eight months, voyagers to the planet would probably be away from Earth for a minimum of two years."

A drive to Mars would raise morale in the space industry, James French, vice president of American Rocket Company of Menlo Park, California, is quoted. "According to Mr. French, whose company is working on a commercial launch vehicle which should be taking satellites into orbit by 1989 or 1990, a Mars spacecraft, with room for 10-20 people, would probably start its journey from a manned space station in orbit around the Earth."

FBI won't cooperate in hunt for terrorists

India's Central Bureau of Intelligence sent two senior officers to Washington, D.C. to pursue Sikh terrorists wanted in connection with several killings and other crimes in Punjab. But according to the Jan. 31 *Hindustan Times*, they could get no cooperation from the FBI.

According to an article entitled, "FBI Hinders Terrorist Hunt," the two CBI people spent more than a month in the nation's capital to work on the case, but with no success. They gave all details of the case to the FBI, but that agency then refused to cooperate, and arranged the release of three Sikhs who were being held in New York City on suspicion of the Punjab killings.

The agency argued that it had no choice, because there is no proper extradition treaty between the United States and India.

● **AN ELDERLY** resident of Pennsylvania has written a letter to the "conservative" groups who are constantly soliciting funds from her. It reads: "In 1980, patriotic organizations united and worked together to defeat Jimmy Carter and elect President Reagan. Now all patriotic organizations must pull together their resources and their money to elect Lyndon LaRouche President in 1988. If you don't agree to this, you're not worth your salt or my money."

● **NATIONAL COMMITTEE** personnel of the Republican and Democratic parties have already entered into negotiations to find a means of excluding Lyndon H. LaRouche, Jr. from 1988 presidential campaign debates.

● **MARIO CUOMO**, a few days before announcing the evening of Feb. 19 that he would not be a presidential candidate in 1988, had lunch in Albany with David Rockefeller, American Express chairman James Robertson, and other powerful businessmen. The *Los Angeles Times* says he got "thumbs down" from the Hollywood mafia on a visit there a week earlier.

● **THE JUSTICE** Department has closed its investigation of Geraldine Ferraro's finances after 30 months. Her personal financial disclosure statement made one month after she became the Democratic vice-presidential nominee was found to be false, but there is now "insufficient basis" to prosecute, said a Justice spokesman. In 1986, Ferraro decided not to run against Sen. Alfonse D'Amato, citing the probe as one reason.

● **EDWARD BENNETT** Williams, the mob-linked Washington lawyer, was President Reagan's real choice for CIA director, but Williams declined, reports the *New York Post*. The President then settled on career agency man Robert Gates.

Editorial

A new era has begun

The decision of Brazilian President José Sarney, announced on Feb. 20, to stop interest payment on the nation's \$108 billion foreign debt, has brought the bankrupt world banking system to the brink of an overdue collapse. This act of patriotic political will by the government of Brazil, closes the curtain on an entire era. A new era has begun.

The economic and monetary policies of the United States and Western Europe are finished. As a result of the Volcker policies adopted by President Carter in October 1979, and the Kissinger measures adopted by President Reagan in response to the Ibero-American debt crisis of 1982, the international financial markets are now so rotted out, that those markets today cannot tolerate the ripple effects of Brazil's debt moratorium. The accumulation of "junk bond" paper, and paper linked to "off-balance sheet lending," has transformed the international markets into a pack of cards. A blow of the force of the Brazil action can bring the whole system down.

There is no need for panic. A crisis of this magnitude was necessary, to break the power of the international banks which have plunged the majority of the world's population into misery, to prop up the paper values of the debt. What is needed now, is swift and decisive action by governments, to bring a new world economic order into being.

On Oct. 21, 1983, Lyndon LaRouche issued a document titled, "What Reagan Must Do When Brazil Defaults." There he laid out the precise steps required of the U.S. President, to avoid a general financial collapse, and to launch an unprecedented economic recovery. We summarize the most essential points here:

1) The President must use his emergency powers to "federalize" the U.S. Federal Reserve System, placing that system under the direct supervision of the President.

2) The President must impose capital and exchange controls on flows of currency and credit into and out of the United States, and must obtain support of Congress

for emergency action to freeze imperiled assets of the banking system, pending orderly reorganization.

3) To maintain the economy, and to compensate for the constriction of credit caused by the first set of actions above, the President must submit an emergency bill to the Congress, authorizing the immediate issuance of \$500 billion of gold-reserve denominated U.S. Treasury currency notes. The gold reserve of the United States shall be priced at not less than \$750 per ounce for this purpose. The issue of notes shall be loaned for approved categories of lending through the "federalized" Federal Reserve system, at nominal rediscount rates for borrowing of not more than 2-4% per annum. The approved categories shall include capital investment in crucial areas of infrastructure, defense, industrial, and agricultural production.

4) The President shall convene immediately the heads of state and government of Ibero-American nations concurring with the proposed policy. They shall reach agreement to cause the issuance of nationally guaranteed bonds to replace the principal value of existing debts to banking institutions of the United States. These bonds should be issued either by the Treasury or national bank of each nation, and should be denominated in U.S. gold-reserve dollars. The governments shall formulate a treaty establishing fixed currency parities within the Americas, and shall establish measures of cooperation which enhance international trade.

These measures, which the international bankers have so bitterly opposed, will work. If they are rejected, the entirety of the international banking system will be plunged into the greatest financial collapse in modern history. The time left to act is very short, a matter of days or weeks.

The time has come for an end to the childish pranks and hostility to LaRouche which have emanated from these "elite" banking and government circles. Like a man falling from a plane, they now face the "free choice" of whether or not to open their parachutes. They may not like it, but there is no other choice.

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