

# National News

---

## Heritage Foundation tainted by spy case

Confessed spy James D. Harper, Jr. of California has been linked to Sir Keith Joseph, one of the key ideologues of the Heritage Foundation. The ultra-conservative Heritage Foundation, *EIR* has charged, was contaminated some years ago by assets of the Soviet KGB.

Harper, a free-lance computer engineer, has admitted to selling several hundred pounds of highly sensitive documents on the the U.S. Minuteman missile system to Polish agents in 1979. According to the Justice Department, he had access to this highly classified data through his now deceased wife, a former employee of Systems Controls Inc. of Palo Alto California, a firm that does missile research for the Pentagon.

Harper has announced that he is prepared to plea-bargain with U.S. authorities and testify against prominent California electronics businessman William Hugel, who he says recruited him to work for Polish intelligence.

Among the most striking features of the case are Hugel's associates in Britain. Hugel has confirmed that as a consultant to the British National Enterprise Board in 1980, he worked closely with Sir Keith Joseph, then Secretary for Trade and Industry in the British government.

---

## End nears for Bethlehem Steel Lackawanna plant

On Oct. 15 a new round of workers punched out of Bethlehem Steel's Lackawanna plant in Buffalo for the last time. Once called by Iron Age magazine the "greatest individual steel plant in the world," at its peak Lackawanna employed 24,244. About 1,300 are now left, including office personnel.

Since early 1982, eight Buffalo steel

plants have shut down their furnaces. By official U.S. statistics, Buffalo's unemployment rate is in the 12 percent range. The city fathers acknowledge that it is in the range of 20-30 percent. Neither of these figures takes into account the fact that 20 percent of its former population is no longer in Buffalo, which has lost 120,000 people in the past 10 years.

When Lackawanna's closing was announced in December 1982, the plant was operating at less than 30 percent capacity, producing 16,000 tons of steel a week, one-third of U.S. production at the time. The city now wants to buy the plant and its lake-front property to house a small-boat marina.

---

## Colombia drug treaty hailed by ambassador

In his first public statement since being appointed ambassador to Colombia six months ago, Lewis Tambs wholeheartedly endorsed the newly approved extradition treaty between the United States and Colombia—under attack from Colombia's drug-tainted "anti-imperialists"—and urged Colombia to adopt a strategy of confiscating fortunes of known drug traffickers.

"In recent months," said Tambs, "the Colombian government has recognized the damage that drugs have done to the population, especially the youth. . . . How will democracy survive in Colombia if it is controlled and manipulated by these criminals? I can see in Colombia and other Latin American countries a situation similar to that of Germany in the 1930s when the criminals, that is the Nazis, came to power. But I am completely confident the Colombian people will not allow this to happen."

Asked if the money from the drug trade were not a benefit for Colombia, Tambs declared: "You have everything: oil, coal, cattle, fertile lands. Now what must be cared for is the youth and not wasting money needed for progress on clinics for the rehabilita-

tion of drug-addicted children. The Colombian economy is the most negatively affected by the damage the drug traffickers do. Thus they must be fought. The youth are the most valuable resource."

Tambs urged that in addition to extraditing criminals, interdicting the drug trade, and destroying the cultivation of drugs, the source of the drug funds must be gone after, since many of the drug criminals keep their funds in Switzerland, Miami, or Panama. He noted that the U.S. Congress two years ago approved laws for confiscating ill-gotten fortunes, and revealed that the Colombian government was currently studying those laws for possible use within Colombia. The extradition treaty, said Tambs, included facilities for addressing precisely that question.

---

## Rural electrification a 'handout'?

Harold Hunter, the administrator for the Rural Electrification Administration, shocked members of the National Rural Electric Cooperative Association (NRECA) on Oct. 4 when he opposed virtually every aspect of the proposed legislation to keep the REA Revolving Fund financially sound beyond the year 2000.

In testimony before the House Agriculture Subcommittee on Conservation, Credit and Rural Development, Hunter claimed that the NRECA-backed financing plan submitted for reallocation of funds was a "costly handout." He attacked the legislation—the Rural Electrification and Telephone Revolving Fund Self Sufficiency Act of 1983 for which congress authorizes funding, as a "massive giveaway." He also took credit for first warning that the Revolving Fund, the main source of loans for rural electric distribution co-ops, was running out of money.

At issue is the administration's attacks on the off-budget loan programs such as the Farmers Home Administration and the REA. Behind the Administration's opposition to

the legislation designed to help rural electric co-ops, is the Office of Management and Budget which is determined to reduce or terminate the REA's loan program. The main cut would take the form of denying co-ops use of the Federal Financing Bank and eliminating the special 2 percent interest rate for cooperatives serving in the less populated areas.

Hunter said that co-ops should pay higher interest rates, two percent below the cost of money to the Treasury, which at current levels would be 9 percent. Should the co-ops be denied access to the Federal Financing Bank, they will have to borrow from the private lenders at much higher interest rates, thus jeopardizing the rural infrastructure and the farm sector.

## Kiley is a city-wrecker, transit committee told

The following is excerpted from testimony submitted to the New York State Senate Committee on Transportation on Oct. 17 by Mel Klenetsky of the National Democratic Policy Committee (NDPC):

"I am calling upon the Transportation Committee of the New York State Senate to strongly reject the appointment of Robert Kiley as chief of the MTA. . . . Mr. Kiley has a consistent record not as a public servant dedicated to improving urban living standards, but as an intelligence agent and sociologist whose only expertise is in the field of population control and the reduction—and destruction—of delivery of urban services. . . .

"Mr. Kiley got his start in political life in the 1950s . . . as an operative in the CIA's illegal penetration of a U.S. domestic organization, the National Student Association (NSA). He later officially joined the CIA, and served in the late 1960's as the Executive Assistant to Director Richard Helms during the period when Helm's office designed and implemented the notoriously brutal Operation Phoenix in Vietnam—an assassination

program which killed some 20,000 Vietnamese. It was during this period that Kiley participated in deploying the so-called Strategic Hamlet program in Vietnam. This program for destroying traditional village organization in South Viet Nam and replacing it with a synthetic system of police-run 'block-watchers' will resurface as Mr. Kiley's manipulation of population control programs during his tenure as Deputy Mayor of Boston.

"After leaving the CIA in 1970, Mr. Kiley joined the Police Foundation, [which] in city after city, has sent in its 'sociologist professionals' to manufacture 'corruption' scandals against old-line cops, replacing them with directives against narcotics arrests, comprehensive intelligence gathering, and vigorous apprehension of criminals. The Foundation has also specialized in 'sensitivity training' for cops. . . .

As Deputy Mayor of Boston, Mr. Kiley both oversaw the destruction of the Police Department, and orchestrated the neighborhood by neighborhood racial conflict which split the city into armed camps during the 'busing' project. In a recent interview in the Boston Globe, Kiley's former boss, Mayor Kevin White says that Kiley's 'conflict resolution' programs did nothing but heighten the violence which wracked the city. . . .

"Mr. Kiley was removed as Deputy Mayor as public outcry against his methods became widespread through public hearings on both the destruction of police protection and of neighborhood life.

"As chief of the MBTA [Metropolitan Boston Transit Authority], beginning in 1975, Mr. Kiley becomes a practitioner of 'gentrification.' In the process of restructuring the Orange Line of the subway system, whole neighborhoods in the Southwest corridor were first burned out by waves of organized arson—a crime wave mysteriously unsolved—and then slated for rebuilding in the 1990s with astronomical rents for the 'gentry.' . . . He has collaborated with the Boston Globe, Kiley's former boss, Mayor Kevin White says that Kiley's 'conflict resolution' programs did nothing but heighten the violence which wracked the city. . . .

## Briefly

● **WILLIAM SLOANE COFFIN** appeared on a Westdeutsche Rundfunk (West German TV) broadcast Oct. 18 which denounced the U.S. for the "militarization of space." The Reverend of New York's Riverside Church called President Reagan "a catastrophe," threatening that "Well, God will make sure he won't be around for much longer."

● **VERNON WALTERS**, at the Accuracy in Media event in Houston in mid-October: "Mexico is to the U.S. as Belgium was to France in WW II [i.e., the undefended flank through which the country fell]. Central America is a step to Mexico." Walters went on to predict that if the United States did not make its stand in Central America, "10 million refugees will flood the U.S." as a consequence.

● **JOSEPH SISCO**, one of Henry Kissinger's disciples, ventured in the *New York Times* that President Hafez Assad of Syria is an "intelligent, engaging, soft-spoken" man. To help Assad make peace with Israel, Sisco recommends Henry's business partner Lord Carrington.

● **THE ECONOMIC** commentary newsletter of the National Forest Products Association mooted that Fed chairman Paul Volcker, who did little to help Jimmy Carter's renomination, may do even less for President Reagan. The October issue of the newsletter states that in 1980, "Paul Volcker, who incidentally is a Democrat, placed a higher priority on inflation control than he did on helping the incumbents. . . . That leaves Mr. Volcker as the man to watch. Given all the domestic and international problems on his desk, is Mr. Volcker likely to give much priority to anyone's reelection?"