

# EIR

Executive Intelligence Review

December 6, 1983 • Vol. 10 No. 47

\$10.00

Will Mondale scandal topple Lane Kirkland?  
Argentina achieves complete nuclear fuel cycle  
Euromissiles: Moscow's pretext for confrontation

**Defeating the nuclear war scare:  
Beam weapons versus appeasement**



# THE RECOVERY IS A HOAX

## *EIR Quarterly Economic Report Documents Federal Reserve Statistical Fraud*

The Federal Reserve Board's Industrial Production Index is exaggerating increases in output by up to 80 percent. The Bureau of Labor Statistics' Consumer price Index is lying about inflation: the real rate is two to three times the BLS figure.

In the October 1983 *EIR* Quarterly Economic Report, you will find for the first time anywhere:

- how the Federal Reserve created the 1983 recovery out of thin air by artificially depressing the second-half 1982 figures and puffing up the first-half 1983 figures.
- how devices like the Quality Adjustment Factor are used by the Fed and the Bureau of Labor Statistics to ignore up to half the increase in consumer prices since 1967.
- an independent survey of real output and inflation, based on data gathered directly from manufacturing sources.

- I. Executive Summary
- II. General Statistical Forecast
  - a) U.S. Economy as a Whole
  - b) Standard Industrial Category Sectors
- III. Status of Basic Economic Infrastructure
- IV. Status of Selected Sectors of Production
- V. Status of Monetary Crisis
  - a) General Financial Collapse
  - b) OECD Debt/Equity Ratios' Movement
    - i) U.S.A. Debt Crisis
    - ii) European Debt Crisis Skyrockets
- VI. Fraud in U.S. Government Statistical Reporting
- VII. Policy Options Available to the President
- VIII. Improvements in LaRouche-Riemann Forecasting Policy

## **SPECIAL OFFER TO SUBSCRIBERS ONLY**

**October Quarterly Report: \$250.00**  
**(This report sells to non-subscribers for \$2,000)**

For further information, call William Engdahl, Special Services, (212) 247-8820 or (800) 223-5594, x 818.

### EXECUTIVE INTELLIGENCE REVIEW

Send me \_\_\_\_\_ copies of the October Quarterly Report at \$250.00 each.

Bill me for \$\_\_\_\_\_  Enclosed is \$\_\_\_\_\_

Please charge  VISA  Master Charge  
to my  Diners Club  Carte Blanche

Card No. \_\_\_\_\_

Signature \_\_\_\_\_ Exp. Date \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone (\_\_\_\_) \_\_\_\_\_  
area code

**Make checks payable to: EIR/Campaigner Publications, Dept. MC-1, 304 West 58th Street, 5th floor, New York, N.Y. 10019**

# EIR

## From the Managing Editor

‘There is nothing we can do about it,’ except agitate for the nuclear freeze. That was supposed to be the response to the Nov. 20 ABC-TV representation of the nuclear bombing of a U.S. city, *The Day After*. Our Special Report this week identifies the fallacies in that argument, or psychological condition. It was written by experts from the Fusion Energy Foundation including Robert Gallagher, Carol White, Ned Rosinsky, M.D., and Beth Moore.

In the National section, you will find excerpts from congressional testimony on the “People Protection Act,” legislation now before the Senate and the House of Representatives which mandates development and deployment of directed-energy defensive weapons under a unified space command—weapons which can disarm nuclear-armed missiles in flight. The bill’s sponsors, Rep. Ken Kramer and Sen. William Armstrong, along with Dr. Edward Teller, declare that the West need no longer rely on the obsolete and immoral threat of nuclear retaliation *after* a first strike in order to protect the citizenry. *EIR* is convinced that a Manhattan Project level of funding and manpower mobilization is required to realize this program. Then, truly, can swords be made into shields and, in time, into plowshares.

Certain opponents of President Reagan’s beam-weapons commitment are anatomized by Warren Hamerman in our National section. Lane Kirkland, who forced the AFL-CIO to line up behind Walter Mondale and the nuclear freeze proposal, is not a labor leader; he is a member of Henry Kissinger’s Trilateral Commission inner circle, a protector of terrorists and Soviet intelligence operatives who has nothing to offer Americans but austerity and defense cuts at home, appeasement and depopulation policies abroad.

In our International section, look for Mark Burdman’s analysis of the signs that the government of Israel may be ready for the kind of strategic relationship with the United States that would actually benefit both parties, instead of fomenting mass slaughter and Islamic fundamentalism in the Middle East. We will return to that subject next week.

*Susan Johnson*

### Founder and Contributing Editor:

*Lyndon H. LaRouche, Jr.*  
Editor-in-chief: *Criton Zoakos*  
Editor: *Nora Hamerman*  
Managing Editor: *Susan Johnson*  
Features Editor: *Susan Welsh*  
Assistant Managing Editor: *Mary McCourt*  
Art Director: *Martha Zoller*  
Contributing Editors: *Uwe Parpart-Henke, Nancy Spannaus, Webster Tarpley, Christopher White*  
Special Services: *William Engdahl*  
Advertising Director: *Geoffrey Cohen*  
Director of Press Services: *Christina Huth*

### INTELLIGENCE DIRECTORS:

Africa: *Douglas DeGroot*  
Asia: *Linda de Hoyos*  
Counterintelligence: *Jeffrey Steinberg*  
Economics: *David Goldman*  
European Economics: *Laurent Murawiec*  
Energy: *William Engdahl*  
Europe: *Vivian Freyre Zoakos*  
Ibero-America: *Robyn Quijano, Dennis Small*  
Law: *Edward Spannaus*  
Middle East: *Thierry Lalevée*  
Military Strategy: *Steven Bardwell*  
Science and Technology: *Marsha Freeman*  
Soviet Union and Eastern Europe:  
*Rachel Douglas*  
United States: *Graham Lowry*

### INTERNATIONAL BUREAUS:

Bogotá: *Carlos Cota Meza*  
Bonn: *George Gregory, Rainer Apel*  
Caracas: *Carlos Méndez*  
Chicago: *Paul Greenberg*  
Copenhagen: *Leni Thomsen*  
Houston: *Harley Schlanger*  
Lima: *Julio Echeverría*  
Los Angeles: *Theodore Andromidas*  
Mexico City: *Josefina Menéndez*  
Milan: *Marco Fanini*  
Monterrey: *M. Luisa de Castro*  
New Delhi: *Susan Maitra*  
Paris: *Katherine Kanter, Sophie Tanapura*  
Rome: *Leonardo Servadio, Stefania Sacchi*  
Stockholm: *Clifford Gaddy*  
United Nations: *Douglas DeGroot*  
Washington, D.C.: *Richard Cohen,*  
*Laura Chasen, Susan Kokinda*  
Wiesbaden: *Philip Golub, Mary Lalevée,*  
*Barbara Spahn*

Executive Intelligence Review (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July and first week of January by New Solidarity International Press Service 304 W. 58th Street, New York, N.Y. 10019 (212) 247-8820. To subscribe, call (800) 223-5594 x 818 toll-free, outside New York State.

**In Europe:** Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 164, 62 Wiesbaden, Tel.: (06121) 44-90-31. Executive Directors: Anno Hellenbroich, Michael Liebig

**In Mexico:** EIR, Francisco Días Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 592-0424.

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

Copyright © 1983 New Solidarity International Press Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Second-class postage paid at New York, New York and at additional mailing offices. 3 months—\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10 Academic library rate: \$245 per year

# EIR Contents

## Interviews

### 6 Jorge Carrillo Rojas

The vice-president of the Union of Colombian Workers explains why his union is calling for the formation of a debtors' cartel in Ibero-America, and supports Lyndon LaRouche's call—well known throughout the developing sector—for rebuilding the economies and defensive capabilities of the West through a crash beam-weapons development program.

## Departments

### 41 Dateline Mexico

Reverse field in agriculture.

### 42 Africa Report

Return to civil war?

### 43 From New Delhi

Bangladesh to hold elections in '84.

### 44 Inside Canada

The Committee for the Commonwealth.

### 45 Report from Italy

"Papandreotti!"

### 64 Editorial

Stop the Colombian drug pushers.

## Economics

### 4 Leutwiler calls for 'the hard path'

The Bank for International Settlements chief presents his Social Darwinist formula for the world banking system, which rubs in the fact that the IMF quota increase will do no one any good.

### 9 The Philippines gets the 'Latin treatment'

### 11 The Eagle Star battle

Britain's Maggie Thatcher is allowing certain south German families to redistribute the proceeds of the drug trade.

### 14 Banking

Trudeau protects BNS from America.

### 15 International Credit

Just the beginning.

### 16 Business Briefs



## Special Report



National Democratic Policy Committee members demonstrating for a beam-weapons defense policy in Orange County, California Nov. 5 as a "mini-Pearl Harbor reaction" sweeps the nation.

NSIPS/Elisabeth Chambless

### 18 Stop the nuclear war scare: beam weapons or appeasement

ABC-TV's soap opera on nuclear war is part of the Kissinger-Mondale campaign to disarm the United States.

### 22 Pugwash created *The Day After*

### 23 Who's afraid of a 'nuclear winter'?

They are sponsored by top levels of the Soviet bureaucracy and the U.S. Eastern Establishment.

### 24 Why Carl Sagan's 'nuclear winter' scenario is an unscientific fraud

### 28 The civil defense the West needs

From an essay on "The Risk of Nuclear War in Europe" by Lyndon H. LaRouche, Jr.

## International

### 30 After the Euromissile vote: stop Lord Carrington

The Soviets count on using the Euromissile installation as an excuse for extreme new provocations—as both super-powers move into a "launch on warning" posture.

### 32 The skies have not cleared in Germany

### 33 Israel-PLO breakthrough strikes blow against Soviet-Nazi war plans in the Middle East

### 35 Argentina's nuclear breakthrough puts new Alfonsin government to the test

Having achieved a complete nuclear fuel cycle, Argentina could become the cornerstone of a program to make Ibero-America an economic superpower.

### 37 Argentina's ambitious nuclear program

### 38 Peronist leader calls on Alfonsin to form Latin debtors' cartel, common market

### 46 International Intelligence

## National

### 48 Will the Mondale scandal topple Lane Kirkland?

The recent physical assault on a Boston political leader who questioned Walter Mondale about his advisers' links to the Soviet puppets on Grenada has many implications.

### 52 Hearings on 'Manhattan Project' for defense

### 52 Ken Kramer: We need a unified space command

### 55 Edward Teller: The Soviets are building up ABM systems

### 56 William Armstrong: Defense is the moral policy

### 58 Eye on Democrats

Chicago Democrats working for Reagan?

### 60 Congressional Closeup

### 62 National News

## Leutwiler calls for the 'hard path'

by Richard Freeman

Hardly had the ink dried on the United States Congress approval of an \$8.4 billion U.S. Treasury Department donation to the International Monetary Fund, when the IMF turned toward imposing harsh terms on Italy, a prelude perhaps toward a crackdown on other advanced sector nations. The IMF seems to have drawn the conclusion that it now has the funds and backing of the United States to act as viciously as it pleases. The IMF had scored a "double victory" of sorts, in that the Brazilian Congress approved the IMF's bitter austerity terms Nov. 9 and, eight days later, the U.S. Congress vote for IMF funding increases came through.

The marching orders for the IMF's nasty policy were issued by Fritz Leutwiler, head of the Basel, Switzerland-based Bank for International Settlements, the same institution that in the 1940s conduited the gold which had been removed from concentration camp victims' teeth into its vaults. In a speech delivered Nov. 16 before the Swiss Institute for Foreign Research, Leutwiler proposed "two theses" on the future of the world monetary system, and opted for one of the theses. The Leutwiler speech was given to a predominantly Swiss audience and not covered in any American press, but only in the Swiss *Neue Zürcher Zeitung* newspaper. The first thesis, Leutwiler said, is the bail-out or "soft" version. This thesis holds that the world debt crisis can be controlled and that the world monetary system is sustainable if governments and agencies like the IMF simply continue to provide emergency funds to back up loans that aren't being repaid.

But the "soft" thesis is not acceptable to the BIS. "The hard thesis deserves more and more attention," Leutwiler said. That means a "gradual withdrawal of official injections

of funds" into the world monetary system. Leutwiler warned against, "an ever smaller number of financially strong supporting an ever larger majority of financially weak." The Swiss central banker demanded that both developing and industrial nations face the fact that the kind of problems which the IMF is facing in scraping together liquidity are "exemplary of the growing shortage of financial resources" all over the world.

Criticizing the "euphoria" of bank lending to the Third World of the 1970s, Leutwiler said that should a "larger country" unilaterally default on its debt "against expectation," he fears a shock would erupt on the interbank market which could put "all banks on the firing line." While a funds restriction, as he proposes, still runs the risk of a "domino effect" of underdeveloped-sector defaults, this, he implies, is a necessary risk.

In mid-November, Leutwiler gathered together 18 central banks which declared themselves ready to ameliorate the IMF's illiquidity through the end of 1983, by offering the Fund a central bank "bridge loan." This was made contingent, however, on the U.S. Congress passing the IMF \$8.4 billion quota increase and the expansion of the Group of Ten industrial nations General Agreement to Borrow (GAB) checking account.

By arranging matters this way, Leutwiler achieved the objective of forcing President Reagan to fight for the IMF quota bill, which was in trouble in Congress, as his own bill. Without such a bill, the central banks would withhold funds from the IMF, and a world liquidity crisis, and hence an American banking crisis, would erupt the fourth quarter of this year. With President Reagan blackmailed by Leutwiler,

and the connivance of witting elements in the Democratic Party in the Democratic-controlled House, the IMF quota increase bill squeaked through the House of Representatives Nov. 18 by 226-to-196 vote.

The IMF had already secured the endorsement of the Brazilian Congress Nov. 9 of Decree Law 2045, a wage reduction law, which was the sticking point holding up the Brazilians' signing of an IMF letter of intent. Without this draconian wage law the IMF would not consider giving the Brazilians a penny.

Now, Leutwiler could use the IMF funds as a "pot of gold," but the IMF quota increase would not be a step toward reflating the world economy. Rather, it would probably be the last increase of IMF funds ever to occur. In a world starved for credit, Leutwiler could bargain with the only pool of funds likely to be available for a while. He could tell countries, in effect, "either meet my terms, or your country won't see any of this money."

### **The Italian solution**

In a 12-page letter by the IMF's European Department head Alan Whittome to Italian Treasury Minister Giovanni Goria, released Nov. 21, three days after the U.S. Congress IMF vote, the IMF warned Italy that it will have to take on its trade unions, reducing "wage indexation," as well as adopting "a substantial package of additional [austerity] measures to be introduced at the beginning of 1984." The "or else" was not specified in the IMF letter, but it was generally understood that Italy, which is in need of international credits, would not get any if it did not comply. The Nov 22 *Financial Times* termed the letter an "unusually hard-hitting critique," adding that Italy can expect, "potentially disastrous consequences" if it does not comply.

Private bankers, as well as the IMF and BIS, have the Scandanavian countries, Portugal, Spain and France under scrutiny for the same treatment. The U.S. congressional vote for the IMF increase also approved an additional clause that allows the IMF to create new issues of its Special Drawing Rights without a U.S. veto right that previously existed. Since the dollar is the largest component of the basket of currencies that make up the SDR, the United States has thus sacrificed a large part of its sovereignty.

### **Writing down bad loans**

Leutwiler also raised in his Nov. 16 speech the prospect that banks will now have to "consider write-offs on interest payments." This is the first time Leutwiler has raised this proposal publicly in that direct form.

A proposal by an administration source close to Federal Reserve Board chairman Paul Volcker on Nov. 10 goes to the heart of the Leutwiler "interest write-off" suggestion. This plan, which is endorsed by the Bank of America and Security Pacific, two of the United States' largest banks, has two parts. The first is to have a debtor country, like Brazil, pay half its annual interest payments into a "blocked account" that would be denominated in that country's local currency,

i.e., cruzeiros. The "blocked account" would not allow these cruzeiros to be used for any other purpose but debt repayment. The accounts would be held at the Brazilian central bank (see *EIR*, Nov. 29).

While such a proposal would not lessen the amount of debt that a Third World country had to pay, it would lessen by half the amount of dollar foreign exchange it had to earn. It would also supposedly help the U.S. creditors, because banks could avoid classing those loans in the blocked account which do not pay interest as non-performing. The alleged reason: only dollar-denominated loans can be classified as non-performing. Currently, the 18 largest U.S. commercial banks have at least \$70 billion in foreign loans which are non-performing, according to a private estimate (see *International Credit*, page 15). If these loans were officially counted as non-performing—which legally they should be—they would have to be written off. Such large official write-offs would exceed the banks' paid-in capital and they would therefore technically be bankrupt. The "solution" offered here, which has been proposed by other sources, offers the cosmetic appearance of solving that problem, although whether such a gimmick would be acceptable to congressmen and bank auditors is another question.

The second part of the plan is that once such "blocked accounts" in local currencies are established, the banks may find ways to use the funds in the "blocked accounts" to cheaply buy up assets in the country of those accounts.

In short, the "debt write-off" plan is an attempt to have the best of both worlds: maintain non-performing principal balances which are perpetually not repaid but not classified as non-paying, and second, prohibit the use of these blocked accounts for any purposes other than a "fire sale" of the indebted country.

But, by attempting to impose credit restrictions on advanced-sector nations as well as the Third World, as the IMF signaled with its latest assault on Italy, the likelihood of corporate bankruptcies in the OECD sector is enhanced. A contracting world economy will blow up the world debt structure, no matter what accounting schemes are introduced.

A slavish adoption of Leutwiler's call for credit restriction is portended for the United States itself. Whereas U.S. domestic money supply (M-1) grew at a 13.2 percent rate during the summer, for the last 13 weeks it has only increased at a 3.2 percent rate. All the new money is being gobbled up by U.S. corporate debt service financing. On Nov. 20 the Reagan administration commented that it thought that the U.S. Federal Reserve was tightening too deeply. The administration is worried that the small upticks in the housing and auto sectors which have been mislabeled a "recovery" will evaporate if credit remains tight. A worried *Wall Street Journal* wrote Nov. 21 that the "Federal Reserve System may be hitting its credit brakes despite last week's plea by the Reagan administration to boost the growth of the nation's money supply." Under conditions of global illiquidity all bank debt is worthless. Mr. Reagan may get a very nasty Christmas gift from Paul Volcker.

## 'We grasp the importance of beam weapons; LaRouche's ideas will proliferate everywhere'

*This interview with Jorge Carrillo Rojas, vice-president of the Union of Colombian Workers (UTC) and president of its largest region, Bogotá and Cundinamarca, was conducted by EIR's Valerie Rush and Maximiliano Londono Nov. 9.*

**EIR:** The UTC has proposed the formation of a debtors' cartel to pressure for the collective renegotiation of the continent's foreign debt. Why do you think this is an appropriate action at this time?

**Carrillo:** Colombian workers feel that there is no possibility for improving the living standards of the population while we must pay extremely high interest rates for the debt we owe to the international banks. The most developed countries of Latin America are in a precarious position. For example, Argentina, which has become an industrialized country and producer and exporter of food, finds itself in a situation of simply not being able to pay its extremely high debt of \$40 billion, or even the interest on this debt. Brazil and Mexico are in a situation which is even worse. Peru and Chile are countries which are at the edge of a serious social crisis, due also in large part to their high foreign debt.

Thus there are no possibilities for paying that debt at the moment, at least not if the population is not to be starved to death to pay the debt. The problem right now is that either the banks are saved or the Latin American countries are saved. We as Colombian workers believe that logically it is the Colombian people who must be saved, and thus we agree to the proposal for the formation of a debtors' club, so that the banks accept a moratorium on payment of the interest and they give us a grace period of 10 to 16 years, while we are able to develop our economies to be able to pay. Otherwise, if we are not given this opportunity, you will start seeing defaults, as has already begun to occur.

**EIR:** What do you say to those who argue that Colombia is an exception to the rest of the continent?

**Carrillo:** Colombia in comparison to, say, Venezuela, is in a worse situation. While Venezuela's debt is some \$40 billion, its exports are high. Our debt, compared to what we produce for exports for foreign exchange, is extremely high. Thus our situation is certainly no better than that of our brothers. It is a situation equal if not worse. Besides, we have

said that we cannot base our economic recovery on the ruin of our neighbors. It's ironic. What is occurring with Venezuela, with Ecuador, is affecting us. For example, the Venezuelans have stopped buying many of our goods, the Ecuadorians the same. Therefore those who say that Colombia is a different case are playing a game with the international financial community.

**EIR:** But there are those who insist that Colombia is the favorite of the banks, that they are giving us credits when no one else is getting them, that we are getting favorable interest rates. How do the Colombian workers view this?

**Carrillo:** In the first place, there are *promises* of new credit, mere promises, but they are not coming through. Besides, the interest rates are very high, because the devaluation of the Colombian peso has accelerated over the past six months; we already have a devaluation rate so far this year of nearly 27 percent. If we add the interest they are asking, which is 1½ percent above LIBOR, we have an actual interest rate of some 40 percent. So that the possible loans that may come through can only aggravate an already serious condition. There is no guarantee that the banks are going to give us money. What there have been are *conditions*, such as those the country has already accepted: the increase in public service rates which has put the population in serious straits, the devaluation of the peso, the fact that we no longer insist on lower domestic interest rates because they threaten us with flight capital, and lower prices for the materials we export.

**EIR:** In this context, do you see a connection among the various conflicts Colombia is presently having, with Chase Manhattan, Morgan Guaranty, Banco Ambrosiano, and other such banks?

**Carrillo:** The problem is that these banks are in a highly illiquid state. They have no money, and thus are doing everything they can to save themselves. Colombia has been a very good client to them. We have met all the commitments imposed on us, we have religiously paid our debt—principal and interest. But we have reached the point where there are other possible international financial sectors which could help us: European and Japanese banks other than the traditional ones Colombia has dealt with up until now. So, they want to



see Colombia under their control. And it is possible that with the disappearance of the \$13.5 million from Chase, that with the problem with the Banco Ambrosiano, they are resorting to underhanded ways to keep Colombia subordinate to these banks.

**EIR:** Usually these banks demand that the arbitration of loan contracts be under New York or British law, that this is protocol. What influence do you see this having on Colombia's relations with the banks?

**Carrillo:** This is a fundamental problem, a problem of whether our nation is truly independent or not, if the wars of independence which we fought truly gave our people autonomy, or if we continue dependent on foreign governments and foreign legislation. Colombia has its own constitution, its own legislation; the Colombian people has its own idiosyncracies, its values. It cannot subject itself to British or American law, for this would mean turning over not merely a part of our sovereignty, but its entirety. So the moment has come for our country and our people to make clear what the consequences would be if contracts were signed under Colombian law—which is acceptable—or under foreign law. Because to sign under foreign law is to accept that foreign agents of international finance involve themselves in our affairs.

**EIR:** Recently the UTC held a private meeting with President Belisario Betancur. What is your assessment of that meeting?

**Carrillo:** The UTC has agreed with President Betancur on various things, first and foremost the defense of the nation, for a sound nationalism in demonstrating that Colombia has power. In the recent meeting with President Betancur, we emphasized several things: First, we cannot accept wage policies to the detriment of the Colombian people, that our workers receive a wage which not only permits them to live decently but to advance; second, that wages are not in fact the cause of inflation, but rather inflation has been caused by the conditions imposed by the international financial community. We also expressed our concern over the foreign debt of the country, which is \$10.9 billion, and that we are spending nearly 40 percent of our earnings on interest payment on that debt. We told him that in the event that they lend us another \$5 billion, the situation would only get worse, since the potential for expanding our exports is limited, and therefore ability to meet the payments on the new loans. We have insisted that Colombia must join with the rest of the continent to enter into collective renegotiation of the foreign debt with the private foreign banks.

The President said in regard to wage policy that there will be no parameters, as set by the finance minister, that there will be no guidelines of the government, in the sense of holding to 18 percent in the collective bargaining process, nor will the minimum wage have a ceiling of 18 percent, when the cost of living this year shows signs of surpassing

20 percent. This is very good on the President's part, and we told him that Colombian workers are prepared to support him in all the policies that favor the population. But we also told him that we will reject those policies which would subject us to the oversight of the international banks.

**EIR:** Recently the Swiss paper *Neue Zürcher Zeitung* reported that Colombia receives some \$2 to \$3 billion from "diversified illegal exports," and that if President Betancur continued his moralizing campaign [against drugs], this income will collapse, and simultaneously, so will Colombia's prestige with the international banks. What do you think of this?

**Carrillo:** In the first place it is highly debatable that Colombia in fact receives billions from illegal exports. These exports, that is to say the drug traffic, benefit very few, a handful of Colombian drug traffickers who in the majority leave their earnings outside the country.

---

---

*Confrontation with the Soviet Union will occur if the U.S. stagnates in all areas, because the Russians are not stopping but are advancing with their war preparations. If the U.S. does not take care, world war will occur very soon. When the U.S. moves forward with its program for laser weapons, peace will be assured.*

---

---

On the other hand, the damage that the drug traffic is causing to our population, to our youth, our commerce, the military, the fact that with all our resources we have been unable to eradicate this evil, has led us to the edge of a precipice. The children in the schools who are consuming drugs today, tomorrow will not be good Colombians. They will not be good workers, good providers, or good citizens. And the adult population is also consuming these drugs, it is destroying itself. What will we do with a military or police force where drug consumption is high? We will be at the mercy of any small but well-organized group who enters our coasts or seizes our islands. The drug traffic is a grave problem not only because of the exports to other countries, but also because of the internal consumption, which is also very high.

Fortunately there seems to be a growing awareness of this danger at all levels, of the government, of the armed forces, the Church, the unions, and the parents, to eradicate this evil. . . .

**EIR:** Regarding the debate on how to eradicate this evil, Fausto Charris of the Colombian Anti-Drug Coalition has proposed a program similar to that used by Mexico, including the use of paraquat.

**Carrillo:** If we are to eliminate the drugs, we must eradicate the plantations of marijuana which are extensive throughout the country. There are two ways of eradicating the marijuana—one is to pull up the plants one by one, by hand; that way, we may have eradicated 1 percent by the year 2000. The other is to use all the modern means to eliminate drugs, herbicides. They are a much more effective way to destroy the marijuana and we must use them.

**EIR:** Lyndon LaRouche, the founder of *EIR*, has announced for the presidency of the United States. He has proposed a policy of collective debt renegotiation with Ibero-America, and he was a founder of the National Anti-Drug Coalition. How do you think his electoral campaign will influence Ibero-America?

**Carrillo:** The ideas of Mr. LaRouche are well known in this country. What I would like to see from his campaign is that the U.S. population understands the full range of his proposals. . . . It is possible that because of the very breadth and size of the U.S. population, the program of Mr. LaRouche may not be well known yet. But I know that it is well known in Brazil, in Argentina, in Colombia, in Europe, and in India. The work that is to be done in the U.S. is arduous, to get the message of LaRouche to the American unions, to housewives, and so on, because the problem of the United States is also seen in the industrial process which has stagnated, which has also occurred in agriculture.

The U.S. also has a problem of leadership, which it is losing. We, free and democratic trade unionists and friends of the U.S. population, express our concern that our leading ally is losing ground in this respect, is no longer on top of the situation.

So we are happy to see programs for industrial recovery, to end unemployment, to improve agricultural production, to allow American scientists to continue their research for the benefit of humanity unimpeded, without taking away from the defense industry. We understand in this context the importance of the proposal for developing defensive beam weapons.

So this to us is the significance of Mr. LaRouche's campaign. He may not make it to the presidency, but this does not mean that his ideas will not proliferate everywhere. We will one day reach the point where the enemies of progress will be finally overthrown.

**EIR:** On March 23 President Ronald Reagan proposed the creation of laser weapons for eliminating the terror of nuclear war which currently exists. There is presently a grave crisis between the superpowers. How do you evaluate this situation?

**Carrillo:** Here we must look at what is the situation of the allies of the United States. We consider ourselves among of

the allies of the U.S., but the problem is that the allies of the U.S. are in the majority hungry people, where the democratic system has not always been implemented. What is needed, therefore, is that these allies of the U.S. be strengthened, that they be helped to come out from under their economic crises. There must be a Marshall Plan from Mexico to Argentina.

This is what the president of the UTC proposed, what President Betancur proposed to the United Nations last month. We don't want the help to come with tanks and military advisers. We do want help now.

In regard to the confrontation with the Soviet Union, there is no doubt that this confrontation will occur to the extent that the U.S. stagnates in all areas, because the Russians are not stopping but are advancing with their war preparations, their expansionism. To the extent that the U.S. does not take care, world war will occur very soon. The moment the U.S. moves forward with its program for laser weapons, peace will be assured.

**EIR:** On Jan. 9 the heads of state of Ibero-America will meet in Quito, Ecuador to prepare concrete proposals for addressing the economic crisis. What message do the Colombian trade unions want President Betancur to bring to that meeting?

**Carrillo:** The UTC hopes that the Colombian government, which has made important changes in foreign policy and which has rectified the earlier government's mistaken policy toward the Malvinas conflict, will be on the side of the Latin American countries. The President of Ecuador has approved the proposals of the UTC for the creation of a Latin American debtors' club, to enter into negotiations on the foreign debt. Therefore we hope that our government supports this, because we too are victims of economic aggression on the part of the international banks.

Colombia has just reached the 50th anniversary of the debt moratorium of 1933, when President Olaya Herrera declared a moratorium on foreign debt payments, because Colombia was in a state of penury similar to that which we have seen on the continent today. Therefore if at the Quito meeting the Latin American governments decide to take resolute action, they will have the support of not only the Colombian working class, but the working class of all Latin America.

**EIR:** In December, Aurelio Peccei of the Club of Rome will come to Colombia to hold a conference on food policy. What is your opinion of the Club of Rome and Peccei?

**Carrillo:** I have not personally heard the gentleman speak . . . but the problem of the world today is food production. Without increases in production, there will be hunger. . . . To the extent Peccei is opposed to this, and advocates that we return to subsistence levels, he is an enemy of progress, and I don't know what he intends to do in Colombia with these proposals.

# The Philippines gets the 'Latin treatment'

by Gail G. Kay

The announcement in late November that the International Monetary Fund has agreed "in principle" to a \$650 million standby credit for the Philippines has brought a brief sigh of relief to international banking circles and the Manila government. Prime Minister and Finance Minister Cesar Virata made the announcement following a meeting in Washington, D. C. with IMF managing director Jacques de Larosière, and thus ended for the time being the month-old suspended sentence on the Philippines debt crisis. The IMF is expected to give its final seal of approval at the end of the month.

The price the Philippines will have to pay will be zero growth in 1984, according to the *Christian Science Monitor*. Drastic cuts will be made in credit expansion, particularly to any sector not producing for export, as well as slashes in outlays for public enterprises and an end to government backing for private-sector loans.

At best the IMF is offering the Philippines a short-term bailout from a crisis that, by mid-October, had shut down the country's ability to import anything but essential fuel and food supplies. In the long term, the conditions attached to the IMF loan, and to World Bank and private commercial credits the loan is expected to free up, will destroy productive capacity, meaning that the debt problem will surface again and again with ever more strenuous conditions attached. As one British banker said, the Philippines is "the first debt domino for the Far East."

Prime Minister Virata and central bank head Jaime Laya will use this ostensible vote of confidence to restructure payments to the country's commercial bank creditors on the Philippines' \$20-plus billion foreign debt. Those talks are expected to start in New York in the next two weeks.

## Manila gets the 'Latin American treatment'

In mid-October, Prime Minister Virata and central bank head Laya had flown to New York for emergency consultations with a 10-bank creditors' committee to negotiate a 90-day moratorium on over \$3 billion in payments on debt principal. The way in which the crisis developed bears the earmarks of what is becoming known in the halls of governments

and banks as the "Latin American treatment." First, capital flight creates a balance of payments emergency. Second, that emergency is used to force a devaluation of the nation's currency. Third, lines of credit are cut off.

In February of this year, Prime Minister Virata negotiated terms for the first phase of 1983 IMF standby credits on the basis of keeping the payments deficit down to a target figure of \$598 million. By the end of June, the deficit was already at \$562 million, with capital reported to be leaving the country at a rate of \$2 million per day. The government was faced with reducing the deficit for the rest of the year, or going back to the IMF. It chose to devalue the peso by 7.3 percent, cut back on capital goods imports, place import restrictions on 556 other products, and hike domestic bank-reserve requirements from 18 percent to 20 percent, thereby reducing domestic money supply by about \$1 billion.

Despite the government's willingness to cooperate, the measures did not work. On Aug. 21, top opposition leader Benigno Aquino was assassinated as he was escorted off a plane at Manila airport. The assassination, and the crisis in political confidence that followed, was used by the nation's creditors to pull the plug on loans. Banks that had previously made commitments began pulling up stakes; loans as they came due were rolled over at shorter and shorter terms or not rolled over at all. Capital flight for the period from September to early October was reported at a whopping \$500 million, averaging \$5 million a day. In mid-September Prime Minister Virata was back in Washington to renegotiate the terms of the February IMF credit; by the end of that month, there had been no significant improvement from the June devaluation.

By the first week of October, the payments deficit was an astounding \$1.36 billion, an \$800 million increase in the third quarter alone. On Oct. 5, at the IMF's bidding, the peso was devalued another 21.4 percent; more cuts were made in the budget, including scrapping or postponing a \$1 billion steel mill project. And the central bank announced that all banks would have to turn over 80 percent of all foreign exchange to pay for essential imports because foreign reserves had dropped \$1.4 billion due to capital flight and, probably, call-ins of short-term debts.

On Oct. 15, the government sent telexes to its 350 bank creditors announcing the unilateral moratorium on all principal repayments between Oct. 17 and Jan. 16, 1984, following Virata's and Laya's consultations with the 10-bank creditor supervisory committee in New York. The moratorium would bring the balance of payments deficit to \$1.4-\$1.6 billion for the year, a more than 200 percent increase from the projections worked out in February. Within the week, the government again raised the reserve rate for banks from 20 to 23 percent, and on Nov. 3 ordered banks to sell 100 percent of their foreign exchange to cover the cost of essential imports. The country's ability to import had collapsed; at the end of October, foreign reserves stood at \$430 million, less than enough to cover the cost of one month's imports.

To say that the Marcos government had been backed into a corner by its creditors, led by the IMF and the World Bank, is an understatement. Commentators on the IMF loan agreement express concern that the money may not come through fast enough to counter the delayed effect of this import collapse by the turn of the new year, raising the specter of mass layoffs and explosive labor unrest in an already tense political climate.

### The damage becomes permanent

The tragedy of paying the IMF's price is seen in the steady erosion of the Philippines' productive capacity over the past two to three years in two areas: First, the IMF's and World Bank's efforts to break control of the raw-materials-producing industries—the backbone of the economy—out of the hands of family interests, and second, breaking the back of the 11-project development program President Marcos had launched in late 1979.

In the language of the international banks, breaking the families' control over the sugar, copper mining, coconut, and other raw materials industries is called ending Marcos's porkbarrels to his "cronies." In 1981 and 1982, the government repeatedly bailed out and then consolidated under direct government control private-sector financial concerns which had become overextended, due to short-term borrowing to compensate for the collapse of international commodity prices, as well as speculative ventures. The IMF and World Bank warned Marcos that this would have to stop, and the conditions for the IMF standby credits negotiated this October included clauses calling for an end to subsidies to public concerns and an end to government backing for private-sector loans.

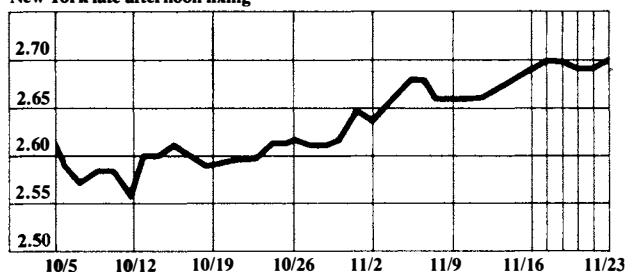
Of Marcos's 11 development projects, by the end of 1982, a proposed petrochemical complex and aluminum smelter had been indefinitely postponed. New timetables were being set for a paper mill and heavy engineering plant; targets for an integrated steelmaking and gasohol manufacturing facility had been scaled down. Construction of a proposed medium- to high-horsepower diesel engine plant and a cement plant had not been started. Out of 11 projects slated for completion in the early 1980s, only a copper smelter, phosphatic fertilizer plant and a low- to medium-horsepower diesel engine plant were on schedule.

Zero growth is the IMF's demand for the Philippines in 1984, and for the time being the government appears willing to meet the banks' demands in the false belief that this is the only road to stability, a stability ultimately premised on the recovery of the U.S. economy. The last 18 months' experience of Mexico, Brazil, and Argentina shows that this is worse than wishful thinking. There is another alternative: the Operation Juárez proposal of *EIR* founder Lyndon LaRouche, which calls for the conversion of the nations' debt into long-term, low-interest credits for industrial development. It is high time Marcos and other Third World leaders explored this alternative.

## Currency Rates

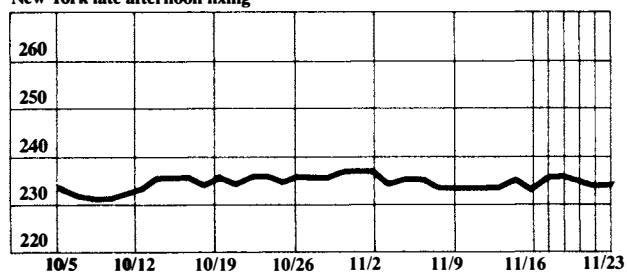
### The dollar in deutschemarks

New York late afternoon fixing



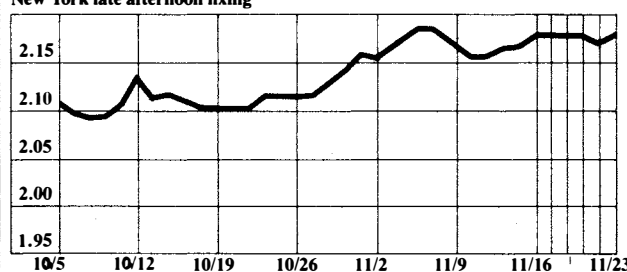
### The dollar in yen

New York late afternoon fixing



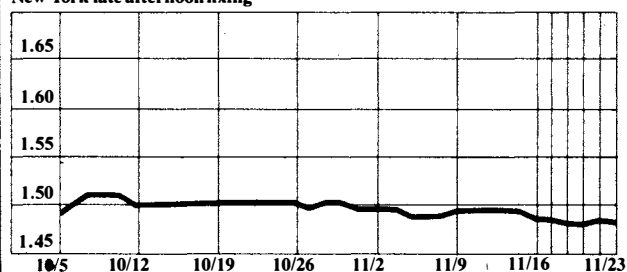
### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



# The Eagle Star battle

*Allianz Versicherung and its financial backers in Nazi International circles want to enlarge their control over Dope, Inc., reports Laurent Murawiec.*

A \$1.5 billion battle is under way in the City of London for control over the fifth largest British insurance company, Eagle Star. To a first takeover bid of £692 million launched by 30 percent shareholder Allianz Versicherung of Munich, Eagle Star chairman Sir Denis Mountain, responded by calling in the British American Tobacco Industries Ltd. giant, which offered £796 million. The fight is expected by London experts to last another two months, with higher and higher counter-bids being presented.

"It was the worst possible company for Allianz to try and take over," a City insurance expert commented. "It was founded by Mountain's grandfather, and he inherited it from his father. Sir Denis has been running it like his personal fief, with a tiny personal ownership, 3 percent at the most. It's his personal domain. That was the wrong company to select for a takeover. With close to 30 percent of the equity, Allianz was ignored by Sir Denis, who told them, 'If you want to challenge me, do it with 50.1 percent of the stock. Until then, get lost!' I don't understand how the Germans could have made such a mistake, such a misreading of Sir Denis's profile."

The "mistake" in question is all the more remarkable in that the merchant bank advising Allianz was the City's flagship Morgan Grenfell, known as "the Foreign Office's merchant bank." Did Morgan Grenfell, among whose directors one finds Rupert Carrington, D. A. C. Douglas-Home and other scions of leading British families, suddenly lose its savvy?

Other unusual events are racking the City. During the summer, Tory MP Keith Wickenden, chairman of the large European Ferries Group, died in an air crash, and his successor is now selling off Singer & Friedlander, a member of the select Accepting House Committee. Royal Bank of Scotland—the object last year of another battle royal between the Hongkong and Shanghai banking group and London's Imperial bank, Standard & Chartered—suffered the untimely loss of its deputy chairman John Burke, who died in a mountain accident in Scotland in November. The London money and financial market institutions are being deregulated, for

the first time ever allowing foreign competitors to break into the hitherto exclusively reserved brokerage houses, the merchant banks, the stockjobbers, while the City rage is a series of takeovers, mergers and associations between, e.g., merchant banks and stockjobbers. The face of the City is going to change more in the next year than in the past ten.

Much more is involved than the attempted break-in of Allianz into the juicy London insurance market. Allianz and, behind it, a singular cluster of Central European (*Mittleuropa*) oligarchs—sponsors of the Nazi International and major dirty-money controllers that operate out of Munich—is vying for a much larger share of the pie in international dope trade, a trade that goes well beyond \$200 billion, and in turn, leverages even greater international credit flows.

The shakeout in the City involves control over dozens and dozens of billions of dollars. Against a background of imminent collapse of two trillion dollars of international paper-assets, the fight is over control of the pieces that will remain standing when the dust settles. A portrait of the *dracmatis personae* will show how.

## The Munich money mafia

Allianz controls 17 percent of the German insurance market; it is Germany's largest and one of the world's leaders. It was established in 1890 by Merck, Finck & Company, one of the two merchant banking adjuncts of the royal family of Bavaria, the Wittelsbach. Merck Finck was created in 1870, the year Otto von Bismarck forcibly integrated the Kingdom of Bavaria into Wilhelm I's Second Reich. Then in 1914 Merck Finck founded what is today the world's leading reinsurance organization, Münchener Rückversicherung, also known as Munich Re.

For centuries, ever since the industry was founded in Venice, insurance has been a racket for small groups of financiers who skim off whole populations and corporations and manage to concentrate immense flows of credit on fairly small capital bases; the insurance industry in turn controls enormous portfolios and plays a major role in directing cap-



ital flows into other areas of industry and investment, while becoming intimately acquainted with the innards of a client's situation: Actuarial science demands that the insurer know his client's business from the standpoint of his weaknesses. As Club of Rome member and top insurance wizard Orio Giarini of Geneva put it, "We study economic systems from the standpoint of their weaknesses," which gives an incomparable ability to destroy them or control them. During World War II, the central staff of British intelligence leader Sir William Stephenson was replete with insurance experts and executives.

Eagle Star is equally no alien to the intelligence world, nor are other insurance companies. This is part of the prize sought by Allianz and its Merck Finck controllers.

Merck Finck, a prime mover behind the 1920s establishment of the Deutsche Lufthansa airline and a close collaborator of the Vienna House of Rothschild, had been very active in the Austro-Hungarian Empire and its successor nations. When the Berlin J. Dreyfus Banking house was "aryanized" by the Nazis in 1937, it was Baron August von Finck, given his noble title by the Bavarian king in 1905, who grew fat on the spoils, as he did on those of S. M. Rothschild of Vienna after the 1938 Anschluss—which brought him into some trouble and an American Occupation jail in 1945. The Baron, a raving admirer of the Führer, had among other feats initiated and built up Munich's Haus der Kunst (House of Arts) which he presented in person as a gift to Hitler. But postwar "denazification" was short-lived. Even though Finck had to divest from Allianz and was allowed to keep only 6 percent of the stock, he kept control of the company. The family fortune was estimated at DM 4 billion by the time of his death in 1982, and the bank was managing another DM 4 billion in clients' portfolios.

If Merck Finck worked as a fund-gatherer and dispatcher, it did so on behalf of the still-powerful House of Wittelsbach, whose own fortune, administered by the Wittelsbacher Ausgleichfonds (Wittelsbach Equalization Fund), is estimated at \$6 billion today, one of the world's largest, and one based in huge land, forest, and real-estate assets. Together with the princely family of Thurn und Taxis, the Bavarian "kings" ran the "Thule" secret society that originally recruited and trained Adolf Hitler, Rudolf Hess, and Heinrich Himmler.

Such traditions die hard. When Investors Overseas Service (IOS) head Bernard Cornfeld created a German affiliate, he went to Merck Finck and acquired a "respectable" chairman for IOS Deutschland GmbH, former Nazi turned "liberal" Erich Mende, a federal minister and head of the Free Democratic Party. IOS was for a period of the 1960s and early 1970s the world's biggest laundromat for dirty money, drug money culled from Meyer Lansky's gangland activities and Tibor Rosenbaum's "legitimate" dirty-money recycling activities at Geneva's Banque de Crédit International (BCI).

The other Wittelsbach bank, August Lenz und Co., functionally identical with Merck Finck, shared personnel, assets, and operations with a slightly less respectable bank, the

Munich-based Schneider und Munzig, established in 1830. Schneider und Munzig is run by the Thelen family which in 1962 cofounded the Preusker und Thelen Bank, along with Liberal politician Victor-Emmanuel Thelen, a former federal minister and the 1968-75 manager of Investors Fund (IOS), and the owner of yet another bank, Orbis. The mishmash of IOS-connected banks had one principal role: to recycle organized-crime money on behalf of the arch-legitimate royal and princely families of Bavaria.

The latter also enjoy control over the giant of Bavarian commercial banking, the Vereinsbank, on whose supervisory board sits Prince Johannes von Thurn und Taxis, who also has a seat at the Handelsbank; the Hypotheken- und Wechselbank, with Freiherr von Poschinger-Bray, and the Landesbank, which features Luitpold von Braun, manager of the Wittelsbach fund. Count von Schoenborn-Wiesentheid and Prince Albrecht zu Castell-Castell, another of these medieval creatures, are also on the board of the Vereinsbank. Three of the four Munich commercial banks rank among the world's top 50. Through a dense system of corporate interlock, the Munich financial nexus controls much of Germany's high-technology and weapons multinationals, such as Siemens, Krauss-Maffei, the Flick group, the Quandt group, in alliance with Germany's top bank, the Deutsche Bank.

The fact that members of the Flick family as well as the spouse of Prince Johannes Thurn und Taxis have personally been implicated in drug smuggling operations of course goes beyond the simple cocaine sniffing that has become standard fare among the "jet set." While Princess Gloria von Thurn und Taxis was nabbed at the Munich airport with sizable quantities of narcotics in her bag, one of the younger Flicks, according to German police circles, shuttles between Switzerland and Germany in his private plane, carrying large quantities of drugs.

### **A British 'inside job'**

If the would-be controllers of Eagle Star do represent this singular interconnection between the Nazi International, dirty money and huge family fortunes that have powerful institutional form in the financial community, the object of their takeover bid is no innocent lamb. Eagle Star is at the dead center of the British oligarchy's intelligence, financial and drug-trade operations.

Eagle Star funded the establishment of Trizec, the Canadian Bronfman family's holding corporation, through its majority control in English Properties Ltd., which holds a plurality of shares in Trizec. The Bronfmans got rich through bootlegging the Scotch whisky received from leading Scottish noble families' companies from Canada across Lake Michigan, where Bronfman booze was then loaded on the trucks of Bronfman business partner Meyer Lansky. After the end of Prohibition in the United States, the Bronfmans reconverted partly into the opium trade, into which their Scottish connection introduced them in good standing.

On the Eagle Star board sit two top leaders of postwar

British intelligence, Sir Kenneth Strong and Baron Kenneth Keith, former chairman of the Hill, Samuel merchant bank—Eagle Star's own. Also on the board are directors of the Bank of Nova Scotia, another major dope and dirty money bank; representatives of the higher levels of Scottish nobility and Far Eastern interests, including Sir Phillip de Zulueta, now the head of the Anthony Gibbs merchant bank, and special adviser to the Hong Kong and Shanghai Banking Group, the world's central bank of the opium trade.

There is no way Allianz could surreptitiously enter the highly selective City "square mile" without having struck a deal with a powerful faction of the British oligarchy, a faction identified with Lord Peter Carrington, that is seeking a "New Yalta" deal with the Soviet Union, against the United States. That the takeover bid is in part an "inside job" is demonstrated by the surprise in the City when Margaret Thatcher's government did not refer the competing Allianz/British American Tobacco Industries bids to the Monopolies Commission, as it had done last year when Hong Shang's and Standard & Chartered's competing bids for the Royal Bank of Scotland were effectively stalemated through this procedure. The Office of Fair Trading this time advised the formerly-Iron Lady to let Allianz have its way, in spite of quite justified remonstrances by Sir Denis Mountain, who protested that while German insurance companies can bid for and purchase their British competitors, German law prevents the reverse.

---

*If the would-be controllers of Eagle Star do represent this singular interconnection between the Nazi International dirty money, and huge family fortunes that are powerful institutions in the financial community, the object of their takeover bid is no innocent lamb.*

---

To explain Mrs. Thatcher's somewhat surprising failure to invoke national interest to stop the Allianz bid, London sources report that it all started with the circulation on Fleet Street of the dossier concerning Tory loyalist Cecil Parkinson's sex life. The Trade and Industry Minister's political career came to an abrupt end when "someone" gave the assenting nod for the press to publish the dossier and provoke a sex scandal with it. The Tory party machine was beaten, and the Foreign Office mafia around Carrington recaptured the reins of power during the ensuing reshuffle. Then other

dossiers started making the rounds in Fleet Street. Three Tory MPs said to be "close to the Prime Minister" are the subject of one of these sex-dossiers, and a dossier reporting that "a few people very close to the person of the Prime Minister herself are implicated in a massive scandal concerning the manipulation of tax regulations and profits made off it" has also been sighted in Fleet Street editorial rooms.

A deal has been struck between the equally eager West European advocates of a deal with the Soviet Union, the *Mittleuropa* oligarchs and the modern-day Neville Chamberlains. The deal, manifested in striking similarities in anti-American, Soviet-appeasing foreign policy moves taken by the Bonn and London governments over the recent weeks, has necessary repercussions in the financial field—especially at a time of extraordinary turmoil and global reorganization in international money.

The *Mittleuropa* oligarchs and their financiers are being given, as part of the deal, a chance to pump their money out of Europe, while "suckers" are being advised by malicious or stupid investment advisers to put their money in Germany, with the result that capital flows in and out of Germany balance. At the cost of sacrificing Eagle Star's current management, a slice of the pie is being offered to seal the alliance.

This is only the very beginning of a much more far-reaching process of redeployment of the *fondi* (centuries-old family fortunes) seeking survival. The recent merger of the maverick Jacob Rothschild's RIT & Northern with the top drug group Charterhouse and its banking arm Charterhouse Japhet indicates one major geographical focus: "We are going to work at expanding in the Far East," Rothschild stated. Last year's attempt by the Thurn und Taxis *fondo* to break into Canadian finances and thence into the Far East, through Peter Pocklington's Fidelity Trust and Samuel Bellsberg's First City Trust of Vancouver's mass-purchasing of Canadian trust companies—which at the time provoked a massive uproar among British circles—was part of the same process.

Some punishment has been meted out from the United States against such dirty-money advocates of an "independent Europe," as the case of the Schroeder, Münchmeyer, Hengst collapse showed (*EIR*, Nov. 22). The dense fabric of East-West dirty-money relations is still intact, however. The cases of Marc Rich A.G. of Zug, Switzerland, so spiritedly defended by the Soviet government's daily *Izvestia*; of the London-based Moscow Narodny Bank and its Far Eastern and Beirut subsidiaries; of the Bulgarian Trade Bank's links with Lebanese drug trade banks; and of Soviet barter involving raw materials, arms, drugs for high-technology goods secreted into the U.S.S.R., show that there is much more to be found, prosecuted, and shut down in this area. If there is a deal between the Carrington faction in Britain and the *Mittleuropa* faction on the continent for a policy of appeasing the Soviets, there is equally a deal between both these Western factions and Moscow to enlarge the latter's access to the juicy trafficking of Dope, Incorporated. That is also part of the global redeployment of world finances.

## Trudeau protects BNS from America

*A U.S. subpoena of records from the disreputable Bank of Nova Scotia has created a new Marc Rich case.*

**T**he Bank of Nova Scotia—the most notoriously dirty of Canada's international banks—is being officially backed by the cabinet of Pierre Elliot Trudeau, in an attempt to keep U.S. authorities from examining BNS's offshore books.

In mid-November, U.S. officials obtained a court order directing BNS to hand over records from its Cayman Islands branch. The order was issued on behalf of a Florida grand jury, which is investigating "The Latin Connection," a cocaine ring in Colombia that uses the Cayman Islands to launder dirty money. The grand jury asserts that some significant amount of these funds was conduited through the BNS outpost in the Cayman Islands, where banking secrecy laws protect such criminal actions from being scrutinized.

As made public last spring, through a study on offshore bank secrecy issued by the U.S. government, U.S. authorities have a huge dossier implicating BNS in tax evasion, drug money laundering and other dirty money activities. Of all the Anglo-Canadian and Hong Kong banks known to be part of the worldwide Dope, Inc. network, BNS is the institution most often cited by U.S. experts as involved in dirty-money activities.

Thus, the reaction of the Canadian cabinet to the case can only be characterized as startling.

On Nov. 17, Minister of External Affairs Allan MacEachen rushed to the defense of BNS, arguing in press statements that U.S. authorities had no right to invade the bank secrecy

laws of the Caribbean. Paralleling the arguments used recently by the Switzerland-based trading company Marc Rich to resist handing over tax evasion records to the U.S., MacEachen claimed that the subpoena "raises the whole question of extraterritoriality, or a conflict of jurisdiction."

As one official of the Canadian embassy elaborated on MacEachen's point, Washington was forcing BNS to choose "which country's law to break."

The affair is being treated by the Canadians as if it were a showdown of their national security vs. U.S. self-interest. MacEachen reported that he has gone so far as to involve U.S. Secretary of State Shultz in the case.

On Nov. 23, the Cayman Islands government effected a temporary resolution of the affair, by giving BNS an exceptional right to answer the subpoena, and to override the bank secrecy guidelines. But both the Canadians and the administration of the Caymans, which is a British crown colony, have publicized that they have no intention of letting the matter rest. Following the example of the Swiss authorities, who went so far as to pay the fines exacted against the Marc Rich trading company by the United States, the Commonwealth governments have decided to make the case a matter of principle.

"We find totally unacceptable the unilateral and coercive U.S. actions, making it impossible for a multinational company to obey the laws of the country it is operating in," a legal spokesman for the Canadian foreign

ministry stated after the records were released. The government has since underlined that it considers the case "alarming."

Both the Canadian and Cayman Islands governments are now expected to file "supporting briefs" in behalf of the rights of the dope-money laundering BNS.

It is not accidental that this affair has erupted in the aftermath of the Grenada invasion.

Leading up to and during the invasion, the United States imposed a full-scale blackout on any information going into Canada on its plans—despite Canada's position as a Commonwealth member exerting considerable influence in the Caribbean. Observers in Ottawa claimed the United States probably had good reason not to trust the Canadians—considering that, during the Iranian hostage taking, the office of Pierre Elliot Trudeau was a continuous source of uncontrolled leaks to the press.

The BNS affair may eventually have repercussions in the City of London, where a takeover battle is being fought over control of the Eagle Star Insurance Group (see article, page 11). Several of Eagle Star's founding directors, including Sir Kenneth Keith and Sir Kenneth Strong, have also held long-term directorships at BNS.

Eagle Star was created as a chief coordinating network for Anglo-Canadian intelligence operations in North America and the Caribbean, with BNS a leading tentacle for executing dirty-tricks and financial laundering operations. The fact that the entire Canadian government could be mobilized to come to the defense of a notoriously dirty operation like BNS is thus not surprising, since any complete disclosure of BNS's activities would have to lay bare the trail to Eagle Star and the City of London.

## Just the beginning

*Non-performing loans held by U.S. banks raise tough questions, as the Bank of America case shows.*

The officially listed non-performing loans of major U.S. banks rose sharply in the third quarter of this year, but this is only the beginning, according to a study of U.S. lending policy soon to be released by *EIR*.

Total non-performing loans, both foreign and domestic, of the top 18 banks in the country rose to some \$20 billion officially reported at the end of September, from about \$18 billion at the end of June, according to my estimates based on a study of 16 banks by Warburg-Paribas-Becker bank analyst George Salem.

Almost all of the \$2 billion rise in the quarter is due to loans being officially declared non-performing in Ibero-America, most banks admit.

With the exception of Citibank and Bank of America, however, most banks do not release data on how many of their bad loans are domestic and how many are foreign.

Based on private estimates, Mr. Salem believes that most banks are reporting an average of 60 percent domestic to 40 percent foreign.

Out of the \$20 billion total, that would mean the top 18 banks have at least some \$8 billion in bad foreign loans to which they are officially admitting in reports to regulators, and of which most is to Ibero-America.

"Non-performing" means that a loan has not had any interest payments made upon it for 90 days or more as of the end of the quarter. Under current accounting laws of the United States, however, this does not mean that the

full principal value of \$20 billion in loans is going to be written off. It simply means that the offending banks are not allowed to declare any interest on that amount as if it were income for the quarter.

A declaration of \$20 billion or so in non-performing loans for the third quarter works out to a loan in income of \$20 billion times 13 percent average rates divided by four quarters per year, or a grand total of only \$650 million in losses for all of the top 18 banks as a whole. Spread amongst them, it wasn't exactly enough to blow the whistle on Walter Wriston.

But even these paltry official numbers are beginning to point up the real picture, and what emerges is actual near-bankruptcy of the U.S. banking system.

First of all, one bank analyst I know estimates, U.S. banks now hold at least \$100 billion in Ibero-American loans, with another \$150-\$200 billion held by European and Japanese banks, and another \$50 billion held by governments in the North and non-bank corporations. Asked privately how much of that is non-performing at the moment, he said: "All of it." The top 18 banks in the country would hold about \$70 billion of that bad Ibero-American debt, he added.

Generously estimated, those same top 18 banks can't have more than about \$70 billion in capital amongst them; which is to say, if non-performing loans were recognized as fully "substandard" and written off, the na-

tion's top banks would be technically bankrupt at this very moment.

Secondly, even the official figures "are going to get a lot worse in the fourth quarter," a Chicago banker warned me the week of Nov. 20. "During the third quarter most banks actually declared minimal losses. Brazil, Argentina, and Mexico all made tiny payments to make it look like they were not 90 days behind. Only Venezuelan paper had real losses taken upon it. But at this point the Brazilian and other loans have got to go into the barrel."

Bank of America in particular is trying to call the question on the bad loans, evidently in hopes of forcing a general "new Bretton Woods" type reorganization of the world debt system. While Citibank is reporting only \$2.6 billion in bad loans for the third quarter, for example, Bank of America openly reported a total of over \$5 billion. Bank of America is reporting foreign bad loans for the quarter of some \$2.3 billion, compared to Citibank's report of only \$2 billion foreign non-performing loans. Citibank is \$10 billion larger than Bank of America in total size.

Bank of America vice-chairman William Bolin and adviser Jorge del Canto have been the leading advocates in U.S. commercial banking of a top-down reorganization of the bankrupt Third World debt structure. Recently, Bank of America spokesmen have been behind a plan to turn the non-performing dollar loans to Ibero-America into "blocked accounts" in local currency as a way of decoupling Ibero-America from the world banking system (see *EIR*, Nov. 29).

Is the California giant trying to force other banks to own up to their losses, in order to get its new monetary order?

# Business Briefs

## **Nuclear Energy**

### **FEF director congratulates Argentina**

Fusion Energy Foundation executive director Paul Gallagher wrote to Vice-Admiral Carlos Castro Madero, the chief of Argentina's Nuclear Energy Commission, calling Argentina's creating a full nuclear fuel cycle "an essential achievement as a nation, creating an important new asset for itself and other nations."

"Not only Argentina," Gallagher stated, "but all the nations of the continent, and potentially of the entire developing sector, are the beneficiaries of this breakthrough. . . . The urgent industrial and scientific development of the entire continent can be successfully launched on a high technological level.

"The development of skilled scientists and engineers, the advancement of medical techniques, the development of the most advanced power sources for industry and communications, the improvement of the recovery of resources and the development of new materials—all of these and more in the industrial development of any nation now hinge on the possession of the full range of nuclear technologies, which is the right of every nation. . . .

"In the United States we have, unfortunately for many years, pursued a notion of 'non-proliferation' which was supposed to aid disarmament, but has . . . merely served as the leading argument for those opposing the transfer of advanced technologies to the developing nations for other reasons. This notion has attempted to make of the nuclear technologies themselves a form of original sin, rather than the essential basis, in energy technologies, for industrial development.

"Now a new frontier of breakthroughs in energy technologies, those of plasma physics and lasers, have given us great hope, including the announcement of President Reagan in March of this year, of the search for a way out of the balance of nuclear terror between the United States and the Soviet Union. The way may open for a renewal of 'Atoms for Peace,' but with the far greater advancement of fission, fusion, and energy

beam technologies over the past 25 years.

"You have braved perverse international criticism to do what was correct and urgently necessary. In doing so, you have helped to bring the solution to the dilemma of 'non-proliferation' closer to possibility."

## **Resources Grab**

### **Representative Schumer: Take Mexican oil**

Representative Charles Schumer (D-N.Y.) has a proposal for increasing the rate of filling the U.S. Strategic Oil Reserve without budget outlays to acquire the oil: Steal the oil from Mexico.

Schumer, a proponent of the and the just-passed IMF bail-out bill, is proposing that Mexico store its oil in the strategic reserve salt domes, for no charge. The United States would only actually purchase the oil "in case of emergency." Alternatively, the U.S. government would "seize the oil" and give it to banks for debt repayment if Mexico failed to meet debt obligations.

The congressman was not subtle in demonstrating how he would motivate Mexico to enter such an agreement. "It may be the only way that Mexico can obtain financing for new development projects."

## **Ibero-America**

### **Bolivian Senate attempts to increase wages**

The Bolivian Senate, in an attempt to counteract the devaluation of the Bolivian peso imposed on the Siles Zuazo government by the IMF, voted up a 100 per cent wage increase Nov. 23. Government economic ministers called the vote unconstitutional, since there is no funding for the increase. The Senate also drafted a message to the cabinet, denouncing the IMF-dictated measures which were taken "behind the back of the congress and threatening the economy."

The next morning a powerful bomb shattered the Senate building's vestibule.

Transportation and state workers are on strike, and the Bolivian Central Union called for a 24-hour national strike on Nov. 28. Reports are circulating that right-wing officers will use the pretext of popular unrest to try to stage a coup. To prevent such a move, the military high command has confined all soldiers to their barracks.

The austerity measures, which devalued the currency by 60 percent and increased prices by over 150 percent, were a conditionality imposed by the IMF before it would even consider whether to renegotiate Bolivia's \$2.7 billion debt.

## **International Monetary Fund**

### **Promoting fascists in Mexican elections**

A spokesman for the National Action Party (PAN) confirmed Nov. 21 that the IMF had intervened in Mexico to demand victories for the PAN—a fascist organization whose leaders have explicitly endorsed the economic austerity policies of Hitler's Third Reich—as a condition for Mexican debt renegotiation.

Humberto Rice García, the unsuccessful PAN candidate for mayor of the most important seaport on Mexico's west coast, Mazatlán, in the mid-November elections in Sinaloa state, acknowledged that the IMF "pressured the system to achieve a democratic opening in Chihuahua and Durango," two Mexican states where the PAN was accorded local election victories in July voting, "as well as in the rest of the country, as a condition for the renegotiation of the foreign debt."

Rice García, a Reverend Moon-style religious fanatic, claimed that the "theft" of PAN victories in Sinaloa "could provoke a reduction in tourism, and lack of confidence by foreign investors . . . who were watching the elections and their outcome."

The economics ministries in the PRI-controlled government, where the pro-IMF faction is entrenched, released a report on



Nov. 19 on "General Criteria of Economic Policy for the Income and Budget Programs of 1984." The report specifies that existing levels of austerity will continue or intensify in every significant area during the next year.

In 1983, industry dropped by an average 10 percent, the Gross National Product by 5 percent, and real salaries by almost 40 percent.

For the second year in a row, fully 10 percent of GNP will leave the country in the form of interest payments on the foreign debt—twice as much as the "ceiling" ostensibly imposed by the National Development Plan of May 1983.

Planning and Budget Minister Carlos Salinas de Gortari, who was trained at the Wharton School and is the most fanatic IMF ideologue in Mexico, was selected by President Miguel de la Madrid to give the keynote speech on the day commemorating the 1910 Mexican Revolution, Nov. 20, on behalf of the government as a whole. The speech was a defense of the IMF program as "revolutionary austerity."

## **European Debt**

### **IMF: 'Italian government too soft'**

The government of Bettino Craxi had anticipated that a late-November report to the Italian government by an International Monetary Fund delegation led by Sir Alan Whittome would approve Italy's austerity program. Craxi's government has cut the cost of living escalator, putting into the effect the wage-indexing policy put forward by the late Ugo La Malfa, the former head of Italy's Republican Party, and several direct and indirect tax increases. But the IMF reported that it found these measures utterly inadequate.

The IMF report states that the government's goal of a 90,000 billion lira deficit for 1984 is unrealistic, unless there is a drastic cut in public expenses.

The IMF "suggests" new measures of taxation on high incomes, given that little more can be pulled out of the low-income

sector.

Public sector wages must be held down, the report states, because the cost of the public sector is the biggest drag on the Italian economy. After three years of recession, says the IMF, with the beginning of an upswing in other economies, Italy is still in the same place. It is therefore necessary to strike the "cancer" in the economy, i.e., the public sector—including schools, hospitals, etc.

Treasury Minister Gianni Gorla has already declared that he agrees fully with IMF.

## **European Industry**

### **Dutch industrial economy fading**

The recent dismissal of 7,000 shipbuilders at the Dutch RSV Group gave a violent shove of that country's economy toward the non-industrial future envisioned by Count Etienne D'Avignon, the head of the European Commission's Industrial Secretariat.

In this country of 14 million, the official unemployment figure is 830,000, and expected to top 1 million by the spring 1985. According to government figures, unemployment stood at 290,000 at the end of 1979.

The official unemployment rate of 17.7 percent is understated since the government wishes to minimize its unemployment payments. Yet the government acknowledges that one-third of the regions suffer over 20 percent unemployment, with industrial areas the worse off.

The ultra-monetarist government of Prime Minister Rund Lubbers has promised a minimum 3.5 percent cut in all social service expenditures, the layoff of 8,000 teachers, closing of hospitals, a reduction in government wages and an increase in general tax and social welfare contributions.

The Dutch economy is increasingly resting on four pinions: natural gas and oil from the North Sea, agriculture (which last year exported \$13 billion), tourism, and invisibles including banking, insurance, and illegal activities. Amsterdam is known as the drug distribution center of northern Europe.

## *Briefly*

● **U.S. AUTO MAKERS** report that sales for the middle 10 days of November were 8 percent behind those of last year. The financial press claims that the lower sales this year is a reflection of the poor sales last year.

● **BRAZIL** finally won IMF approval of its new austerity program Nov. 22. The IMF had to grant Brazil a "waiver," since under the IMF's "anti-inflation" program, Brazil's inflation doubled from just under 100 percent in 1982 to well over 200 percent this year. In return, Brazil has agreed that in addition to wage cuts conceded last month, there will be new budget cuts, new taxes, and tighter credit.

● **THE ASSOCIATION OF** American Railroads reports that less than 1 percent of the nation's 25,768 railway locomotives will be replaced in 1983. In the first 10 months of the year, only 198 engines were delivered, while 1,300 older units were retired during the same period.

● **F. W. DODGE COMPANY** claims that overall construction contracts for October dropped 3 percent from September, which in turn showed a decline from August. Multi-family homes dropped 17 percent while public works and utilities fell 14 percent.

● **PIERRE ELIOT TRUDEAU**, Canada's prime minister, called for a nuclear freeze and for diverting funds earmarked for producing nuclear weapons to "Third World development" at the late November meeting of the British Commonwealth in New Delhi. Trudeau's proposal was couched in the terms of the Nuclear Nonproliferation Treaty, used by the Carter administration to get developing sector nations to sign away their right to develop nuclear energy. Trudeau's proposal got a mixed reception in New Delhi. India rejects any proposal that links disarmament to the nuclear nonproliferation treaty, which New Delhi says discriminates against underdeveloped countries.

## Stop the nuclear war scare: beam weapons or appeasement

by Carol White

Only a lunatic would pretend that the consequences of nuclear war are less than horrible; so too was the Second World War; so too are the conditions in northeastern Brazil, where under the genocidal austerity enforced by the International Monetary Fund on that country, 60 percent of all infants die within their first year of life. But only a traitor would suggest that the answer to the threat of war is surrender without a fight. Yet that is precisely the lesson which Walter Mondale and his shadow cabinet, led by Henry Kissinger, wish to teach the American people.

The script for the recent media extravaganza, *The Day After*, was begun as a report by these same advisers during the Carter-Mondale administration. The aim of the film as advertised by ABC-TV is to create terror in the general public about the effect of nuclear war—without offering any solution. In fact it is designed to reinforce the Kissinger-McNamara doctrine of Mutually Assured Destruction (MAD), in opposition to President Reagan's strategy for Mutually Assured Survival. The network was only brought into the act after President Reagan's election. In anticipation of the President's tougher line on defense, there was a general retooling of the terrorist potential of the anti-war movement internationally. The intended cover for this was to be more supporters broadly sympathetic to a nuclear freeze.

*The New York Times* Nov. 17 identified a "shadow government" of 20 or so arms-control experts with special influence in Congress who may have stalled the first testing of an American anti-satellite weapon. This shadow government is in fact the international Pugwash grouping, which since the mid-1950s has operated as an Anglo-Swiss-Soviet collaborative effort against the policies of Presidents Eisenhower and Kennedy.

Bertrand Russell, perhaps the most evil man of the century, started the Pugwash conference as a vehicle to launch an attack upon science and republican forms of government, while seeking to impose Malthusian World Federalism. Pugwash brandished the threat of nuclear annihilation as a way of returning industrial society to feudal backwardness. It functioned and continues to function as an



The Day After, ABC-TV's doomsday film, is part of Walter F. Mondale's campaign for an appeasement policy.

uneasy alliance between Western oligarchs and the Russian Orthodox Church (thoroughly integrated with the KGB), each of which hopes to destroy the United States as an industrial superpower before getting rid of the other.

To achieve their goal, the United States must be subverted from within. The shadow government identified by *The New York Times* was on the level of the grouping of scientists from the Massachusetts Institute of Technology (MIT), such as the incompetent loudmouths George Rathjens and Kosta Tsipis, and TV science star Carl Sagan. These Pugwashers do indeed function as science advisers against science, but they are only the foot-soldiers of a real shadow government led by Averell Harriman which has functioned since the death of Franklin Roosevelt.

Since the 1960s, Henry Kissinger has worked closely with Harriman and Robert McNamara to impose Pugwash-style arms control on the United States, along with the MAD doctrine. Kissinger was scheduled to become National Security Adviser in 1968, regardless of whether Humphrey or Nixon won the election. Kissinger made his way into the Nixon camp through the good offices of "Democrat" Averell Harriman, who channeled secret information on Johnson's effort to end the Vietnam war through Kissinger to the Republicans to allow Henry to bargain for the position of national security adviser. Throughout his term as Nixon's NSC chief, and then as secretary of state under Nixon and Ford, Kissinger met regularly with the Pugwash crew of science advisers, to operate his own shadow government with Averell Harriman, behind the back of the President.

It was during Kissinger's term in the State Department

that the stupid policy was devised to place Pershing II and cruise missiles in Europe, as a bargaining chip to force the Soviets to reduce their SS-20 intermediate-range missiles. The official NATO decision to deploy the "Euromissiles" was made during the Carter-Mondale administration with Zbigniew Brzezinski in control of the National Security Council. Tensions in the Atlantic Alliance erupted, as the European "peace movement" and the fascist Greens swelled their ranks in response to the missile deployment.

When President Reagan came to office he faced a policy already in place. No doubt the threshold for war is lowered with the placement of Pershing and cruise missiles in Europe, within minutes' flight time of Soviet cities; yet despite their propaganda, the Soviets welcome the missiles' placement because of its political impact on the West. They are using it as a pretext for a replay of the 1962 Cuban missile, only this time the strategic advantage is reversed, giving the Soviets the lead. The Soviet effort to force the United States into a humiliating strategic backdown is fully supported by the Western Pugwash networks.

While Henry Kissinger has moved back into official politics as an adviser on Latin American affairs to the President, he remains along with Averell Harriman the unofficial head of the Democratic Party shadow government as well. It is in this context that we must view the showing of the film, *The Day After*.

This film was planned as soon as President Reagan took office. The Carter-Mondale administration had tried to impose SALT II on this country, only to be thwarted by Congress. In this, the administration was merely following along

in the footsteps of Henry Kissinger, who had negotiated SALT I, knowingly giving the strategic advantage to the Soviets. Mondale today continues to act like a Manchurian candidate for the Soviets. He and his advisers are not only advocating unilateral disarmament, under the incredible thesis that the weaker and the less threatening we are to the Soviets, the more the peace is guaranteed. They are trying to terrorize the American population into submission to this treasonous thesis.

The film was to be just one of a series of planned provocations which were to build up a sentiment for appeasement of the Soviets at any cost. The provocations have certainly occurred, beginning with the Korean Airlines shootdown in September, but the American response has not been to capitulate to fear, but to rally around the President.

The Reagan administration, moreover, completely destabilized the Pugwash scenario by asserting a doctrinal shift for United States strategic policy. Reagan moved to scrap the insane Kissinger-McNamara deterrence policy, which negotiated away every U.S. technological advantage on the myth that a storehouse of nuclear weapons which were rapidly becoming obsolete would guarantee American safety, since nuclear war was unthinkable. On March 23, President Reagan repudiated the deadly Kissinger-McNamara policy of Mutually Assured Destruction. By calling for the rapid development of laser and particle-beam defense weapons, President Reagan broke the profile with which the Kissinger-Mondale shadow cabinet was trying to lumber him.

The implication that the United States was at the point of redressing its strategic imbalance vis-à-vis the Soviets with a competent defense policy, and one which would pay for itself by stimulating higher productivity throughout the economy, proved intolerable to the Soviets and their Manchurian candidate Mondale. On May 24, the appeasement caucus went into high gear with a "peace" tour of KGB officials throughout the United States, which began in Mondale's Minnesota and was hosted by his political machine.

Mondale's bid for the presidency is merely carrying through the implications of that tour. His campaign can only be understood within the broader context of Soviet efforts to force a strategic crisis at this time—before President Reagan wins a second term in office. In this sense *The Day After* is part of the Mondale campaign.

### **ABC's soap opera for surrender**

The message of the movie was so obvious as to be an anti-climax for most people who sat through it. Nuclear war is terrible, awful, horrible. But from the press buildup beforehand, most people had imagined that it would be much worse. The network played with this evocation of inner demons by advising the viewers that the picture they saw was milder than reality. The truth was that the picture had little to do with reality, except insofar as this country continues to

meet the threat of Soviet aggression by avoiding necessary defense measures.

The airing of the film was timed with the anniversary of the Kennedy assassination and the placement of the Pershing missiles (which in fact do coincide). In the film, it is intimated that the United States caused the war, which was occasioned by a new Berlin crisis. The viewer is led to conclude that we should not have defended our European allies. This of course jibes with the real-life anti-NATO, anti-U.S. propaganda of Mondale's German collaborators in the Social Democratic Party who voted against the placement of Pershing missiles on their territory, and are supporting Greenie violence against U.S. troops in Germany. In the film all of this is seen out of the corner of one's eye as TV and radio news reports, while the film's main characters worry about the serious things in life like their next sexual encounter.

And, of all things, as the tension builds, these news reports announce that the Soviets are evacuating their cities. What's this—civil defense?!

On its own the film might lead the audience to an obvious conclusion: This country needs a good civil defense program—and we should go hell for leather to implement the President's beam weapons program. To blur this message, ABC saw to it that it was followed by a panel presentation featuring MAD-men Henry Kissinger, Gen. Brent Scowcroft, Carl Sagan, William Buckley, and Robert McNamara, chaired by the Howdy Doody of ABC-TV, Ted Koppel.

It was followed by a short announcement by Secretary of State Shultz. It was unfortunate that President Reagan chose Shultz to represent the administration, since the State Department has not only pushed for an appeasement policy toward the Soviets but has been instrumental in literally leaving our armed forces disarmed before hostile forces in Beirut and in Germany. It is the State Department, through our embassies in Europe, which has actively organized against the President's defense policy. Predictably, Shultz's speech misrepresented the President's policy as peace through disarmament. Not only was this a lost opportunity to powerfully carry the President's message on the necessity for a defense buildup to the American people, but we must suppose that the opportunity was deliberately lost, since Defense Secretary Weinberger was not the choice.

The panel discussion which followed was amply characterized by the response to the first question. The questioner asked the obvious: Wasn't the answer to the nuclear devastation just screened the President's beam weapon policy? Koppel turned the question over to Kissinger, who feigned ignorance on the subject (although he is on record opposing beam weapons) and fielded the question to Sagan, who answered that everyone agreed that such ABM defense was both impossible and very expensive. Sagan was only sorry that his own much-touted elaborate scenario for nuclear disaster through climate change was not featured in the film.

## Defense against nuclear war

Lately, as in the case of Grenada, the media have been increasingly discredited. Any honest showing of the case for civil defense, coupled with modest estimates of the effectiveness of anti-missile defense systems, would not only make the point that any nation worthy of survival must be prepared to defend itself, but the equally important conclusion: These capabilities are also available to the Soviets—who do not suffer from the disability of making television time available to Pugwashers for the purpose of demoralizing their citizens.

The People Protection Act of 1983, submitted by Rep. Ken Kramer (R-Colo.) in the House of Representatives, represents precisely the answer to Pugwash and the kind of support to the President's initiative vitally needed at this time. Until the kind of structural reorganization mandated by his bill is carried out, any effort to redress the strategic imbalance between the United States and the Soviets will be too little and too late.

Any impulse by the President to delay an all-out mobilization for beam weapons until after his reelection can give a disastrously wrong signal to the Soviets, especially when this is coupled with the more and more blatant role Henry Kissinger is assuming as a policy spokesman either directly, or through his associate George Shultz.

The People Protection Act, now supported by the Joint Chiefs of Staff, would mandate a restructuring of the Air Force Space Command as an all-service, unified command under the Joint Chiefs, with an attached research and development agency which would play the role of the Manhattan Project in developing directed-energy weapons systems to consolidate work on laser, particle-beam, microwave and allied technologies.

In *EIR's* National Report this week (see pages 52-57), we present the alternative which is publicly available but blacked out by the very same media which have sought to terrorize Americans into appeasement: the testimony before Congressional hearings the week of Nov. 14 on the People Protection Act. Representative Kramer, Sen. William Armstrong (R-Colo.), and Dr. Edward Teller testified on the need for a full strategic defense.

This Special Report is divided into two major sections. First, we present some of the documentation proving the genealogy of the ABC telecast in the KGB-linked Pugwash networks and the genocidal "Physicians for Social Responsibility," along with the evidence that the Soviets themselves are on the record as believing that a nuclear war is winnable—exactly the opposite of the message their willing helpers in the West are putting out.

The second section of the report refutes the Carl Sagan-Paul Ehrlich scenario of a "nuclear winter" resulting from nuclear war, and addresses the issue of what kind of civil defense capabilities we require, to face the potential nuclear war that the Soviet leadership is clearly preparing to fight.

## The Mondale advisers behind *The Day After*

"Earthlings, surrender! For our weapons will pulverize you and destroy life on your planet."

—H.G. Wells, *The War of the Worlds*

Advisers to *The Day After* scriptwriting included Mondale campaign supporters who are among the leading opponents of development of laser and particle beam anti-ballistic missile systems in the United States: **Richard Garwin**, IBM Corporation, author of the New York Council on Foreign Relations' *Project 1980s* study denouncing anti-ballistic missile defense; **Jack Ruina**, Massachusetts Institute of Technology, who played a role in killing the early 1960s Nike-Zeus ABM program while then a Defense Department official; **Jeremy Stone**, director of the anti-science Federation of American Scientists, established in the late 1940s; **Sidney Drell**, deputy director, Stanford Linear Accelerator; **Adm. (ret.) Gene LaRocque**, "peace movement" activist and director of the Center for Defense Information; and **John Steinbrenner** of the Brookings Institution, a Mondale foreign policy adviser.

At the request of Sen. Edward Kennedy (D-Mass.), these individuals assisted the Office of Technology Assessment of the U.S. Congress in preparation of a 1979 report, *The Effects of Nuclear War*. ABC made Appendix C of the report, "Charlottesville: A Fictional Account," the basis for its script of *The Day After*. The jacket of the published book flashes a quote from the U.S. organ of the Pugwash Conference, *The Bulletin of the Atomic Scientists*, recommending purchase.

*The Day After* project was decided on soon after President Reagan's election in 1980, according to ABC. It reportedly was the brainchild of ABC Motion Pictures President Brandon Stoddard, who originated the ABC project to make Alex Haley's racist *Roots* into a TV-movie. Nicholas Meyer, the film's director, established his reputation in science fiction with his direction of *Star Trek II: The Wrath of Kahn* and *Time After Time*, a fantasy about H. G. Wells, the author of *War of the Worlds*. Meyer is an advocate of the nuclear freeze.



# Pugwash created *The Day After*

by Robert Gallagher

Frank Barnaby and Joseph Rotblat of the Pugwash Conference on Science and World Affairs organized in 1982 the propaganda hoax that a nuclear war between the United States and the Soviet Union would result in dust and smoke blanketing the Northern Hemisphere that would block out the sun, plunge temperatures 30 degrees centigrade and prevent photosynthesis—a “nuclear winter” threatening the extinction of man and other vertebrates.

Barnaby is the former director of the Stockholm International Peace Research Institute (SIPRI) and former executive secretary of Pugwash. Rotblat, a close associate of the late Lord Bertrand Russell, is a Pugwash founder and was its secretary general from 1957 to 1973. Together they led a “study” entitled *Nuclear War: Its Aftermath*, that first asserted—without scientific basis—the “nuclear winter” thesis. Two Pugwash environmentalists, Paul J. Crutzen and John W. Birks, slapped together every piece of information they could find to make the case that a nuclear exchange would set off firestorms in cities and forests. (See accompanying article.) The Royal Swedish Academy of Sciences published the study in a special 100-page double issue of its environmentalist journal, *Ambio*.

Other participants in this project included:

**Evgeni I. Chazov**, Soviet deputy minister of health, personal physician of the late Leonid Brezhnev;

**M. E. Vartanian**, deputy director of the Institute of Psychiatry of the Soviet Academy of Medical Sciences;

**William Arkin** of the Washington, D.C. Institute for Policy Studies (IPS), who leaked to the European “peace movement” a Pentagon map showing the deployment sites for the U.S. “Euromissiles”;

**Frank von Hippel**, then chairman of the Federation of American Scientists;

**Howard W. Hjort**, an adviser to the Carter-Mondale administration on agriculture;

**George M. Woodwell** of the Woods Hole Marine Biological Laboratory who later participated in the Sagan-Ehrlich “World After Nuclear War” conference;

**Yves Laulan**, chief economist of Société Générale.

The Soviet Academy of Sciences joined the Pugwash

propaganda drive and held a Moscow conference on the same theme May 17-19, 1983. This was purely for Western consumption, of course; the Soviet Union itself maintains an extensive civil defense program and nuclear war-fighting doctrine.

Following the release of the Pugwash report, the entire U.S. and West European zero-growth, anti-nuclear lobby began to promote **Carl Sagan** and **Paul Ehrlich** as the figureheads for an American version of the study, and launched a two-day conference, “The World After Nuclear War,” in Washington, D.C., Oct. 31-Nov. 1, 1983. The conference steering committee included Sagan, Ehrlich, Woodwell; **Russell W. Peterson**, President, National Audubon Society; and **Patricia J. Scharlin**, Director, Sierra Club International Earthcare Center. Funding for the conference came from the Rockefeller Family Fund, the Rockefeller Brothers Fund, the Mott Fund, and others.

Other conference sponsors included the principal organizations of the U.S. “genocide lobby.” These groups have all sought a reduction of the world’s population even greater than the two billion that Sagan and Ehrlich assert would die in a nuclear war or its immediate aftermath: Common Cause, Environmental Defense Fund, Federation of American Scientists, Friends of the Earth, Natural Resources Defense Council, Planned Parenthood Federation of America, Sierra Club, Union of Concerned Scientists, Canadian Nature Federation, Environmental Policy Institute, Environment Liaison Centre, Global Tomorrow Coalition, National Wildlife Federation, World Resources Institute, Zero Population Growth.

Rotblat, Freeman Dyson of Princeton, Richard Garwin of IBM, Bernard Feld and Philip Morrison of the Massachusetts Institute of Technology and other opponents of development of anti-ballistic missile systems and civil defense also advised Sagan in the preparation of the public relations blitz launched alongside the conference. Garwin and others in the U.S. Pugwash network advised the Office of Technology Assessment of the U.S. Congress in a study, “The Effects of Nuclear War,” that served as the basis for the script of the ABC-TV scare show, *The Day After*.

Soviet scientists and Pugwash attempted to make the “nuclear winter” fiction the center of attention at the Third International Conference on Nuclear War at Erice, Sicily, Aug. 19-23, 1983. However, Dr. Edward Teller and other scientists from Lawrence Livermore National Laboratory dominated its deliberations in a debate with Soviet representative Evgeni Velikhov and others over the development of ABM systems based on lasers and other directed energy beam technologies. After Garwin attempted to sabotage Teller’s intervention, former U.S. Atomic Energy commissioner, biologist Dixy Lee Ray, attacked him as a “traitor.” Velikhov later repudiated the communiqué he had signed with Teller at Erice, committing the U.S.S.R. to conduct joint studies with Western scientists on the feasibility of beam-weapon defense.

# Who's afraid of a 'nuclear winter'?

by Ned Rosinsky

Carl Sagan's "nuclear winter" is typical of the scare stories circulated over the past several years by an anti-nuclear activist group known as Physicians for Social Responsibility (PSR). Like the Pugwash Conference that spawned it, PSR brings together Soviet advocates of (Western) disarmament with their American counterparts.

From the U.S. side, Averell Harriman, the Democratic Party's aging Nazi eugenicist and "Soviet handler," chaired the committee which sponsored a fund-raising concert for PSR last month, while Cyrus Vance and Paul Warnke have spoken at PSR "anti-war" conferences. Soviet collaborators include Dr. Evgeni Chasov, the late Leonid Brezhnev's personal physician and a Communist Party Central Committee member, who, along with other Soviet doctors, joined with PSR to found the International Physicians for the Prevention of Nuclear War in 1981.

Dr. Helen Caldicott, PSR's founder, makes no bones about the fact that in a confrontation she would sympathize with Moscow. In December 1980 she went to the U.S.S.R. with the U.S. Peace Council and was interviewed in *Pravda*, in an article entitled "The Voice of Peace-loving America." Caldicott declared: "The U.S.A. now has accumulated an awesome quantity of nuclear bombs, but the Pentagon continues their production. Our politicians have long ago turned into obedient puppets of the military-industrial complex. The noisy jabber about the 'Soviet threat' begins every time the Pentagon adopts a new system of mass annihilation into its arsenal. We received a telegram from President Brezhnev in reply to our appeal to end the arms race." Caldicott stated in newspaper interviews in the United States: "The Russians are OK to work with. . . . The U.S. has many many military bases around the world, while Russia does not," and "The U.S. has 200 major military bases in 45 nations. The U.S.S.R. has none." (Dr. Caldicott perhaps forgot the Soviet divisions in Eastern Europe and Afghanistan.)

PSR was launched in the late 1970s by Caldicott, author of *Nuclear Madness*. She started her public career in her native Australia by campaigning against uranium mining. Caldicott described her successful organizing among the

miners in a speech at the conference of the World Council of Churches in Vancouver, Canada this year (*EIR* Aug. 30): "I arrived in my black velvet pants. The first thing I had to accomplish was to make sure they looked at me. . . . Then I immediately started in by talking about their testicles"—and the alleged dangers to these organs as a result of their uranium mining activities. The miners voted up a resolution to close down their mine.

Caldicott also explained in Vancouver her opposition to nuclear missiles: "Are men insecure sexually? It is significant that missiles are clear phallus symbols. These phallus symbols rise and then explode with a big bang. This is very significant."

Caldicott makes clear that her chief target is U.S. industry: "The single most effective way of overcoming the world's energy crisis is through oil conservation in the United States."

Until 1980 most PSR activity was directed against nuclear energy and "nuclear radiation," using extreme scare campaigns like one against the minute amounts of radioactive materials found in smoke detectors in New York City. Then the organization launched a series of conferences on the medical effects of nuclear war, using worst-case scenarios: no prior warning, accurate targeting of central city areas, no prior civil defense in place. A PSR pamphlet, which might have been issued for U.S. circulation by the Soviet Department of Strategic Disinformation, claims that "medical disaster planning for nuclear war is meaningless; there is no effective civil defense; recovery from nuclear war would be impossible; in sum, there can be no winners in a nuclear war." PSR has also attacked specific plans to allocate beds in community hospitals to the military on a contingency basis in case of large scale military need.

What is PSR's program for disarmament? It recommends Jonathan Schell's book, *The Fate of the Earth*, which declares simply: "We must lay down our arms, relinquish sovereignty, and found a political system for the peaceful settlement of international disputes."

Caldicott admits her indebtedness to Pugwash founder Bertrand Russell in her book: "My personal commitment to human survival was sparked when I read Bertrand Russell's autobiography." PSR's collaborators and members include many past and present Pugwashers. The founding document of the International Physicians for the Prevention of Nuclear War includes statements by Joseph Rotblat, a co-founder of Pugwash and Pugwash Secretary-General from 1957 to 1973, and from Patricia Lindop, also a Pugwash activist. PSR advisory board member Robert Jay Lifton, a psychiatrist at Yale University who specializes in psychological profiles of disasters such as the Hiroshima bombing, was one of the chief editors of the IPPNW founding conference document.

PSR forums have featured such Pugwash activists as Victor Weisskopf, George Kistiakofsky, George Rathgens, and Kosta Tsipis. Other collaborators include anti-nuclear environmentalists such as Barry Commoner, George Wald, Jack Geiger, and Linus Pauling.

# Why Carl Sagan's 'nuclear winter' scenario is an unscientific fraud

by Robert Gallagher, Beth Moore, and Ned Rosinsky

On Oct. 31 and Nov. 1, a wide-ranging coalition of environmentalist and population-control organizations sponsored a conference bankrolled by the Rockefeller Foundation on "The World After Nuclear War: Conference on the Long-term World-wide Biological Consequences of Nuclear War." Astronomer Carl Sagan and biologist Paul Ehrlich announced the results of a supposed scientific investigation of this subject conducted by a task force of over 100 scientists worldwide.

The claim popularized by Carl Sagan at this congress was that nuclear war of even modest proportions would lead to devastating climatic effects, which he dubs the "nuclear winter." His assertion is that a dramatic fall in temperature globally of as much as 40 degrees centigrade will threaten to destroy the biosphere and make man extinct. The scenario upon which he bases his results calls for a 5,000 megaton nuclear detonation. However, he asserts that even 100 megatons would lead to the same consequences. Despite the fact that his claims are in some cases unsubstantiated, and are in general incompetent, he has already received the type of media play-up aimed to create mass hysteria. Sagan is directly deployed to discredit any attempts at civil defense or anti-ballistic missile defense with his "end of the world" scenario.

Sagan is pushing the Pugwash proposal for a massive build-down which would limit the Soviet Union and the United States to 500 warheads each, i.e., less than 100 megatons. Not only would this proposal, if implemented, allow a war-winning advantage to any third party coming into the nuclear scene or to either superpower who wished to violate the treaty, but of course it would be totally unacceptable to either side. Sagan's only purpose can be to render the West impotent in face of the escalating Soviet threat.

Briefly, the Ehrlich-Sagan claims are that *in addition* to the immediate destruction wrought by a U.S.-Soviet nuclear exchange, a war would throw up into high altitudes of the atmosphere enough dust and soot to block out 98 percent of solar radiation in the mid-latitudes of the Northern Hemisphere for weeks to months—with the result that average temperatures would plummet 15 to 25 degrees centigrade, photosynthesis would cease, and there would occur widespread extinction of plant and animal life (especially vertebrates).

We document elsewhere in this Special Report that this

project was instigated by the Soviet-controlled Pugwash Conference on Science and World Affairs. This article demonstrates that the "scientific results" announced are a hoax, based on a methodologically invalid computer study and faked data.

## Sagan's claims

The conference organizers have made available a "Summary of Findings" and two papers by Sagan and Ehrlich that have reportedly been rejected as incompetent by several scientific journals, including *Science*. (There are reports that political pressure is being applied to *Science* to publish them anyway.) Sagan's paper, "Global Atmospheric Consequences of Nuclear War," is the entire basis of their claims. It states that "the most probable first-order (postwar) effects" of a nuclear exchange of 5,000 megatons total explosive power are:

- 1) The creation of a cloud of dust and smoke that would encircle the earth within one to two weeks.
- 2) The reduction of solar radiation to "a few percent" of what it is on a sunny day "for weeks to months."
- 3) The fall of average land temperature by 15 to 25 degrees centigrade "for weeks to months."
- 4) Average doses of radioactivity of about 100 rad in Northern Hemisphere mid-latitudes (e.g., the United States).

On the basis of these assertions, Ehrlich and his collaborators project catastrophic results for the biosphere. The fourth point is dealt with later in this article. The projected effects on temperature and the amount of sunlight reaching the earth's surface are entirely based on these assumptions:

- 1) That dimensional-based computer weather modeling and forecasting (especially the one-dimensional radiative convective modeling used by Sagan) are valid;
- 2) That a nuclear exchange will create a *uniform* dust-smoke blanket over the earth;
- 3) That a nuclear attack on cities, industry, and military targets will create firestorms in cities and forests; and
- 4) That such firestorms would send smoke up into the troposphere and stratosphere.

If any one of these assumptions proves invalid, the entire Sagan "analysis" fails. We shall show that assumptions 1 and 2 are invalid, and that assumptions 3 and 4 are probably invalid as well.

## Firestorms

A ground-based nuclear explosion throws tons of dust high into the atmosphere as an immediate effect. As Sagan states, however, a "nuclear winter" would not occur unless 225 million tons of smoke particles are released into the atmosphere by firestorms. In order to produce this much smoke, Sagan assumed that every city hit would go up in a firestorm and that there would be firestorms in forests close to all targets.

The creation of a firestorm is not easy. The searing heat from the detonation of a nuclear warhead over a target will ignite much of the exposed flammable material within a considerable area, starting numerous small fires. But immediately following the radiation wave, the blast wave will generate winds of terrific strength that will blow out many of these fires. The firestorms in Hiroshima and Nagasaki were considerably smaller than those that occurred in Tokyo or Hamburg, where hours to days of systematic bombardment built up the storm.

Second, in both Hiroshima and Nagasaki, the principal exposed flammable materials were crowded buildings constructed out of paper and wood. In the United States and the Soviet Union, most inner-city buildings are constructed with brick, concrete, and steel. It would first be necessary to knock them down and break them up to expose the flammable material in order to get a firestorm going.

The case of Dresden is illustrative. The attacks involved three stages: 1) Pathfinder aircraft dropped flares to designate targets for the bombers; 2) the bombers came in with high-explosives to break up the brick buildings, to expose the flammable material inside; 3) bombers then came in with incendiary bombs (thermite), which burn at high temperatures with their own oxygen supply, with or without the presence of flammable material. During the incendiary bombing, other aircraft dropped more high explosives to "stoke the fire."

Such an effect could only be achieved with multiple nuclear detonations over a period of at least hours. According to the classic government study "The Effects of Nuclear Weapons" by Glasstone and Dolan (1977, Department of Defense and Department of Energy), a minimum of eight pounds of flammable material per square foot area is needed to produce a firestorm. Therefore, according to a report published by the Office of Technology in 1979, there isn't enough flammable material in cities to fuel a firestorm:

Some believe that firestorms in the U.S. or Soviet cities are unlikely because the density of flammable materials ("fuel loading") is too low—the ignition of a firestorm is thought to require a fuel loading of at least 8 lbs./ft.<sup>2</sup> (Hamburg had 32), compared to fuel loading of 2 lbs./ft.<sup>2</sup> in a typical U.S. suburb and 5 lbs./ft.<sup>2</sup> in a neighborhood of two-story brick rowhouses.

Regarding Sagan's assumption that nuclear attacks on cities and missile silos would result in firestorms in forests,

most missile silos are in deserts or wheat fields, and most forests near cities are sufficiently far away to require a militarily ineffective attack on the periphery of the city to ignite the forest at all.

## Weather modeling

Let us assume now, for the sake of investigating Sagan's other assumptions, that somehow 225 million tons of smoke particles get up into the troposphere and stratosphere from firestorms ignited by nuclear blasts. Sagan assumes that within one to two weeks this material will distribute itself uniformly around the globe, or at least around the Northern Hemisphere. This is a completely arbitrary assumption.

Such a blanket at tropospheric or stratospheric altitudes would set up a tremendous temperature gradient between the layers of the atmosphere above and below. This in itself would tend to tear the dust-smoke cover apart. It is preposterous to assume that such a cover could remain intact, absorbing energy from the sun, and not begin to exhibit non-linear collective particle effects that would form structures between which sunlight would pass to the earth, thereby permitting photosynthesis and some warming.

Existing weather models have no way of representing non-linear processes. For this reason, the Voyager satellite data on Jupiter overturned every theory of atmospheric processes on that planet. The satellite's revelation of huge organized structures (vortices, etc.) sweeping around the planet at fantastic speeds literally blew out close to a century of formally linearized hydrodynamic theory.

The model used by Sagan is the epitome of bad weather models. While arguing that a nuclear exchange will produce drastically new atmospheric conditions, he bases his analysis on the one-dimensional radiative convective model—which assumes present-day circulation patterns. Furthermore, this model disregards latitude and longitude, the two most important dimensions for weather modeling, since the atmosphere resembles a two-dimensional fluid streaming over the surface of the earth. In a draft paper delivered at the Third International Conference on Nuclear War at Erice, Sicily in August and available as a pre-print, Michael C. MacCracken of Lawrence Livermore National Laboratory criticized these models with the following remark:

One-dimensional models can also only represent vertical heat transport with a simple lapse rate limitation and do not consider horizontal transport, the hydrologic cycle, or cloud formation processes. . . . The inability to treat the horizontal distribution of land . . . and ocean . . . is an extremely important simplification, since it is likely that air flow from one region to the other will be accelerated by the greatly increased temperature differences between the two surface types and thereby moderate temperature changes over land. . . . The one-dimensional approach will overestimate the hemispheric average radiative and climatic impacts.

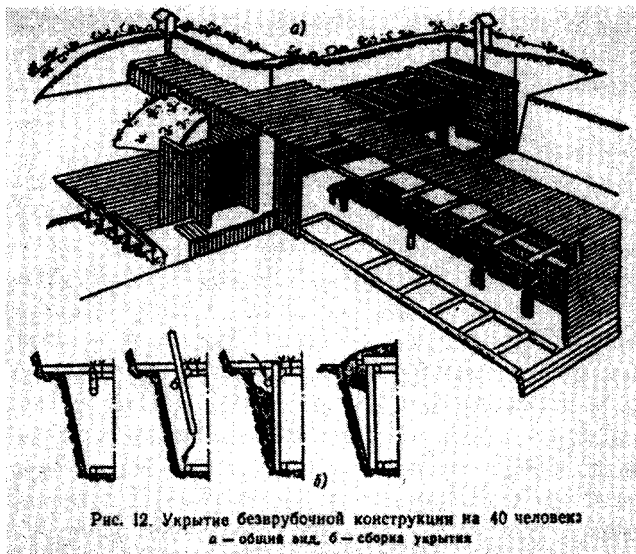


Рис. 12. Укрытие безрубочной конструкции на 40 человек  
а — общий вид, б — сборка укрытия

*Soviet design for a blast shelter constructed out of wooden poles. This crude shelter could effectively protect 40 people against the effects of nuclear radiation.*

To expose the fallacious premises upon which Sagan's paper is based, MacCracken replicated many of Sagan's calculations at Livermore and produced graphs of temperature over time similar to Sagan's. MacCracken's comment on the graphs threw Sagan's entire "analysis" out the window:

Assuming normal wintertime scavenging rates for the soot, the change in land surface air temperature as a function of time after the exchange is shown. . . . Because we are using a one-dimensional model, these results can only loosely be interpreted in terms of a change in the *annual average hemispheric land surface temperature* as a function of time [emphasis added].

In other words, MacCracken asserts that the only meaningful figure for temperature change from a dust-soot atmospheric cover derivable from one-dimensional analysis would be an average over 365 days. In both MacCracken's and Sagan's studies this would be a net change in temperature somewhere between zero and five degrees centigrade.

One-dimensional models are typically used to study the shifts of the atmosphere from one equilibrium state to another in response to a perturbation. The specific path that the system takes between equilibrium states—the sharp dip in temperature which Sagan predicts—is not taken seriously, except by him.

The effects predicted in the past by weather models have by and large not occurred. In 1950, C. D. Smith in *Monthly Weather Review* analyzed the effects of smoke clouds created by a group of 60 forest fires in British Columbia and 37 in Alberta. The smoke was observed a week later over the Northeast United States in columns 3,000-5,000 feet thick at the tropospheric altitudes required by Sagan. Observers

found the clouds make the sun appear a different color in some regions: "Some of the stations reporting unusually dark conditions during the day with a few experiencing reduction of light to nighttime darkness."

Instead of following constant pressure surfaces in their movement—as assumed by present day modelers—the clouds followed constant potential temperature surfaces. Smith reported that they *raised* temperature minimums and did not significantly lower the average temperature:

Mr. Sigmund Fritz of the U.S. Weather Bureau investigating the effect on the temperature at Washington on Sept. 26 and 27 has made preliminary estimates that the maximum temperature was lower than it would have been by about 10 degrees Fahrenheit and the minimum temperature higher by a smaller amount.

Furthermore, dust clouds thrown up by volcanic eruptions have never produced the sharp drops in temperature that any tinkerer can get out of a radiative convective model.

### Biological effects of nuclear war

The fourth point of the Sagan study, projecting that each fully exposed individual after a nuclear explosion will receive 100 rads of radiation is a lying exaggeration of the consequences of radiation from fallout, perpetrated to terrorize the population.

Dr. Helen Caldicott of Physicians for Social Responsibility (PSR) rails about "epidemics" of cancer following radiation exposure, but the overall rate of cancer among Hiroshima survivors has been but 3 percent over the expected—an increase, but hardly the overwhelming catastrophe she predicts. Likewise in the soap-opera *The Day After*, all the characters exposed to radiation are presumed to be dying, when in fact, the majority of people exposed to radiation within even the limited shelter shown in the film could be expected to recover within several months.

One of the more extreme examples is the farm girl who panics and runs out of the basement shelter for a few minutes, several days after the bombing. She subsequently becomes very ill and collapses with bleeding, implying that she must have received a radiation dose of several hundred rems (450 rems will kill 50 percent of the population; one rem is the human dose given by approximately one rad of radiation). However, to receive this dose within several minutes of exposure an outdoor radiation level of 6,000 rads per hour would be required, and since the radiation level after several days would be only one hundredth of the post-bombing level, the original post-bombing level would presumably have been 600,000 rads per hour. This is more than 50 times the maximum level expected immediately downwind from the largest bombs in present arsenals!

As for Sagan's 100 rads, what he does not say is that even according to the Physicians for Social Responsibility, that is



a level at which no medical treatment would be necessary. Moreover, the figure is based on a series of fallacies.

First, Sagan assumes that half the explosive power of warheads in a nuclear war would be from nuclear fission, creating radioactive fallout. But in a paper delivered at the cited Erice conference on nuclear war, Joseph B. Knox of Lawrence Livermore Laboratories presented documentation that the fission fraction (the energy yield from fission in a nuclear explosion) was as low as .39, or 22 percent lower than Sagan's .5 figure. That means Sagan's estimate of radiation exposure of 100 rads as an average for the northern hemisphere middle latitudes is 22 percent too high.

Second, Sagan assumes no protection from fallout, and he also assumes eating of contaminated food. In reality, a hundred pound sack of wheat and a bottle of vitamin pills, stored in the shelter to prevent contamination, will feed one person for months. Since fallout by definition is particulate, it is effectively screened out by soil, hence very little of it gets down into the water table, and ground water would have a very low level of radiation. As for the body's ability to concentrate radioactive iodine from the air, the simple precaution of swallowing a few iodine tablets causes the body to eliminate any further ingested or inhaled iodine, so it will not accumulate in the thyroid gland.

This brings us to Sagan's other assumption—one shared with the makers of *The Day After*: virtually no civil defense planning.

## Civil defense

The scenario in *The Day After* is typical of Pugwash and PSR horror stories: There is no shelter program, little food storage, little radiation detection equipment, and the population is ignorant of such basic survival knowledge as fallout protection measures. The one family in the movie which does take basic civil defense measures survives well, but then the father is shot by a band of squatters on his land. The implication is that civil defense measures, even if they work, are futile. But what of the possibility that everyone had access to the shelters that this family had? This possibility is not even suggested in the movie, but it is a real possibility, in fact a necessity.

The case of Hiroshima is frequently cited as evidence of the overwhelming destructive power of nuclear weapons; however, if simple and basic shelters had been available to the residents of Hiroshima, not a single life would have been lost. Hiroshima had no warning of an attack: The bomb caught the population in the middle of morning rush hour with thousands of people out in the streets. The city was constructed primarily of flimsy wooden huts which were closely crowded together, producing the density of flammable material needed to create a firestorm. The population in any case had no knowledge of nuclear destruction, and thus was totally ignorant of possible preparations. U.S. cities do not have the density of flammable material needed to sustain a firestorm (as cited above); adequate shelters could be pro-

vided for the great majority of the current population at or near their homes with simple technologies; and the rest of the population, located in crowded sections of cities, could be safely defended in large buildings.

A frequent fear raised by PSR is that people in shelters would be asphyxiated or roasted by fires overhead. On the contrary, of the residents caught in the firestorm in Hamburg during World War II, 85 percent survived in bunkers despite the fire.

Carsten M. Haaland, of the Energy Division of Oak Ridge National Laboratory, a leading researcher and developer of civil defense technology, recently commented on the effectiveness of civil defense at the annual meeting of the American Civil Defense Association:

In the book titled *Nuclear Freeze!*, allegedly written by Senators Kennedy and Hatfield, there are several pages devoted to a table listing American cities and their populations. It is stated that these cities and their populations would be totally destroyed by nuclear airbursts that appear, according to my examination, to be bursts at altitudes that would produce the same blast overpressure directly beneath the weapons as at Hiroshima, namely, 40 psi. In order for these populations to be destroyed, it must be assumed that the people are totally uneducated on defense against nuclear weapons, totally unwarmed, and totally without blast shelters. Unfortunately, that would be the actual state of the situation for most people in America today. What I find to be reprehensible about this book is that nowhere is it stated that if people were in shelters even as crude as the small pole shelter [a Soviet design using wooden poles covering a trench dug in the earth, and covered with a layer of soil], not one person would be killed or injured by the effects of these nuclear weapons.

It should be emphasized that the Soviet population is regularly drilled on evacuation and civil defense procedures. Ample provision is made for shelters, even emergency prefabricated shelters which can be quickly assembled.

Certainly there would be great destruction of industrial plants, infrastructure, and stored supplies such as oil and food. The best protection against this type of loss is, first, to redouble the capital stock through an economic expansion program based on the technology of beam weapons, and second to immediately begin storing vital supplies such as grain in decentralized locations.

Haaland estimates that the total cost for Civil Defense for the great majority of the U.S. population would be \$50 billion, or averaging \$250 per person. This is a small fraction of the total annual military budget, and once in place would need considerably less input in following years.

"Destabilizing," say the Pugwashers. How is it that the Soviets are doing precisely this, and that is not considered destabilizing?

## The civil defense the West requires

*In an essay titled The Risk of Nuclear War in Europe, (Fusion Energy Foundation, 1983) Lyndon H. LaRouche, Jr. recommended these emergency steps to establish the rudiments of civil defense for the West. Assuming that the Atlantic Alliance adopts a beam-weapon anti-ballistic missile defense program, but the Soviet Union does not agree to negotiate on the basis of "Mutually Assured Survival," the danger of war will persist in the five to seven years ahead, until the West has developed a complete defense umbrella.*

The general requirements for civil defense of a population and nation against limited-scale nuclear assault are well known on two general grounds. The Hiroshima-Nagasaki studies, adjusted for known effects of thermonuclear bombardments,

define the general task and the problem of casualties. If the assault is limited, a high percentage of the nation's population can be saved, but the probable number of casualties whose survival depends upon medical and related procedures is probably massive relative to the number killed or terminal casualties. We also know that a practicable civilian defense medical assistance system will be one modeled on military medical organizations.

We require adequate redundancy in a civil defense medical system of a sort readily integrated into the military medical organization, matching the military table of medical organization in approximate ratios of paramedical, nursing, laboratory, and physicians staffing and function per casualty. Such ratios are built into the existing structure of medical procedures, which procedures cannot be modified readily.

Therefore, we must build redundancy into some part of the civilian medical practice. We require pools of medical professionals, occupied with necessary but reducible classes of duties, from which to mobilize the professional forces to be co-deployed with trained reserves of paramedical civilian volunteer units. We also require redundancy in suitable emergency facilities and medical stores, maintained in ready-to-function condition. We require a profile of skills, training in procedures, and so forth, appropriate to the high ratio of burn cases and radioactive sickness cases expected—in which the

## Soviet military strategy: reality vs. propaganda

Soviet nuclear physicist Peter Kapitsa appeared on ABC-TV's "Nightline" Nov. 4, in a program devoted to Carl Sagan's "nuclear winter" horror-forecast. Kapitsa enthusiastically endorsed Sagan's conclusion that the climate of the earth would be destroyed in even a nuclear exchange limited to 100 megatons of combined explosives, and that this proved once again that nuclear war was "unthinkable" and could never be won.

But Soviet military spokesmen, addressing their own citizens and members of the armed services, insist on precisely the opposite. The U.S.S.R. has developed an extensive civil-defense training program intended to ensure the survival of the Soviet population in case of nuclear war. The Civil Defense administration is coequal in status with the five major military services, and its chief, Army Gen. A. Altunin, is a deputy minister of Defense and a four-star general. The program includes plans for city evacuation, fall-out shelters, and

the protection of industrial equipment. Urban planning has proceeded so as to restrict population density, disperse industries throughout the country, reinforce weak structures, and bury utility stations and conduits for power and water.

These excerpts from Soviet military publications show that, far from viewing nuclear war as "unthinkable," the Soviet military command has detailed battle and civil defense plans in case war should occur:

### **Major General A. Talensky, spokesman for Soviet General Staff:**

Referring to the development of the nuclear ballistic missile weapons, the ideologues of imperialism are attempting to torpedo Marxist-Leninist theses which reveal the link between politics and war, to belittle their cognitive value for the "nuclear age." They declare that the new weapon has radically and fundamentally altered the relationship between politics and war, has disrupted the correlation between them which had developed over many centuries, and has made obsolete the formula of war as a continuation of politics by other means.

Although the development of this new weapon does introduce substantial changes into the correlation between politics and war, it does not eliminate the relationship between them.

deficiency is presently apparently relatively the worst.

Otherwise, although the Switzerland and Sweden models of civilian defense preparations may not be levels easily reached, a reasonable approximation should be considered imperative.

This will be costly, and will therefore require expansion of the in-depth economic resources of economies, an increase in per capital physical output of state-of-the-art technology product in national economies, including build-up of redundancy in food stores, in energy production facilities and distribution grids, in transportation facilities, and categories of most sensitive industrial capacities.

In brief, a *civil defense war plan of active forces, reserves, and logistics*. This should be a system adapted not only to needs arising under possible conditions of war fighting in a modified nuclear war fighting regime, but as a resource for dealing with all reasonably foreseeable varieties of civilian catastrophes other than warfare.

The same view of the nuclear war fighting challenge must be extended to the similarities of biological warfare to the threatened resurgence of epidemics and perhaps even pandemics now that endemic potentials are arising from collapsing economies in both the industrialized and developing nations. We are presently on the outskirts of the kingdom ruled by the Four Horsemen of the Apocalypse, and seem to be

marching toward the center of that unwholesome domain.

We require, urgently, broad-based advances in both fundamentals of internal medicine generally and biotechnology generally. Setting ourselves the target of developing the methods and facilities needed for coping with the range of cases variously suggested by biological warfare and economically fostered eruptions of epidemics, pandemics, and pestilences.

Were it not better that war might be avoided, and all such emergency mobilization thus rendered unnecessary? Unfortunately, war is not avoided by a mystical contemplation of one's hesychastic navel while hyperventilating oneself with repeated utterances of the magical word *peace*. The attempt to outlaw or restrict weapons, or the effort to design a fool-proof political design for peace, is merely exemplary of the means of policy by which Bertrand Russell and the Pugwash Conference process have led us to the brink of general thermonuclear warfare at the present time. Until the political causes for warfare are reduced, by means of action efficiently directed to precisely that root of the matter, the danger of war persists, and cannot be wished away, especially not by mass rallies presumably dedicated to that desire. . . .

In the meantime, we must mobilize to defend as much of civilization as still remains, and by whatever means possible to preserve human lives.

Nuclear war can cause substantial detriment to the development of world civilization, inhibiting the advance of the revolutionary process and would result in the death of many millions of people and the destruction of some countries, but there is profound error and harm in the disorienting claims of bourgeois ideologies that state that there will be no victor in a thermonuclear world war.

**General A. Altunin, chief of Civil Defense, deputy minister of Defense:**

Planning on conducting a war, no matter how short and swift moving, with only the reserve material accumulated in peacetime, would be a mistake. It can be conjectured that in a future war, that the role of the war economy will not only remain what it used to be, it will even increase in importance. It is impossible to conduct war without the continuing supply to the armed forces of everything they need. . . . As noted, the supplying of the armed forces and of the population with everything necessary, the equipping of the civil defense forces with technical supplies for the successful execution of rescue and emergency repair work in the zones of devastation are only possible under condition of sustained operation of the installations of the national economy in wartime. Ensuring the stable operation of facilities of national economic significance in wartime is a most important task. It must be taken

into account that in a modern war with use of weapons of mass destruction, victory will be gained by the country having an economy which, despite losses and damage suffered in the course of the war, maintains the capability of supplying its armed forces with everything they require and supplying the country's population with food and basic necessities.

**Col. A. A. Sidorenko:**

A new characteristic feature of the offensive in nuclear war is the conduct of combat operations under conditions of the presence of vast zones of contamination, destruction, fires, and floods.

As a result of the mass employment of nuclear weapons by the warring sides, tremendous areas will be subjected to radioactive contamination; populated places, bridges, and other structures will be destroyed; and big centers of conflagration and inundation will be formed. The [army] subdivisions will not only be forced to fight on contaminated terrain, but also to overcome destruction, rubble, and other obstacles which may also be contaminated with radioactive substances. All this will have a great influence on the nature and methods of operation by attacking troops. . . .

Under contemporary conditions the radioactive contamination of the terrain is an ordinary and constant phenomenon. . . .

## After the Euromissile vote: stop Lord Carrington

by Criton Zoakos

On Nov. 21, the day of the Euromissile debate in the German Bundestag, the Soviet Communist Party daily *Pravda* carried a front-page article making it clear, once again, that Moscow's *casus belli* is President Reagan's policy of developing energy-beam weapons for strategic defense—and not the deployment of Euromissiles. One week earlier in *Pravda*, Marshal Dimitri Ustinov, the defense minister, argued most forcefully that the strategic defense policy announced by President Reagan on March 23, 1983 speech is what the Soviet leadership does not intend to allow to be realized. During that day, Soviet officials privately “leaked” to *EIR* that a new massive military acquisitions and R&D budget for 1984 will be revealed, dwarfing the current Soviet defense budget, which now is over 16 percent of the Soviet GNP.

These two types of items summarize the current Soviet military posture: 1) As announced by *Pravda*, Marshal Ustinov and, earlier, Andropov spokesman Fyodor Burlatski, the Soviet Union will go to thermonuclear war if the United States threatens to deploy strategic defense systems. 2) With its new defense budget, the Soviet Union is accelerating its program of developing and deploying space-based laser anti-missile weapons, a program estimated to be two years or more ahead of the United States.

Let there be no illusions in Western policy-making quarters. *There is only one, central and inviolate commitment of grand strategy of the Soviet State in its present form: The U.S.S.R. shall deploy anti-missile strategic defense lasers at the earliest possible time; the U.S.A. shall not be allowed to deploy such weapons even if it takes a thermonuclear war.*

As this Soviet strategic commitment was being made known to the world through the pages of *Pravda*, the West German parliament, the Bundestag, was engaged in passion-

ately debating the irrelevancy known as the “Euromissile deployment.” On Nov. 22, the Bundestag voted “yes” to the irrelevancy. On Nov. 24, the collectivized Soviet leadership, over the spurious signature of “Andropov,” retaliated against the irrelevancy by announcing its long-planned breakup of the Intermediate Nuclear Force negotiations at Geneva. As soon as the talks collapsed, the *New York Times* speculated that both nuclear superpowers may have placed their strategic missiles on a “launch-on-warning” status.

The following day, every United States embassy in Europe was placed on heightened security alert. American citizens, to their shock, saw road accesses to the White House and the State Department blocked with service trucks filled with sand for protection against possible dynamite-truck suicide assaults of the type used to blow up the Marine headquarters in Beirut.

The U.S.S.R. has made the decision to wage undeclared, covert war against the United States for the purpose of breaking our will in the matter of laser-based strategic defense. Terrorist assaults against U.S. and allied targets have increased worldwide and the threat levels have skyrocketed overnight. Senior NATO military intelligence sources confirm to *EIR* that the Soviet command is expected to employ its much feared Spetsnaz units for a campaign of sabotage and assassinations in NATO countries. Under the cover of scheduled civil disturbances in Western Europe, it is likely that such Spetsnaz units will attempt to conduct assassinations of key political and military personnel, and sabotage military command targets, communications installations, power grids, petroleum depots, pipelines, and transportation nodes.

Spetsnaz and kindred Soviet talents can only be deployed

against the West under two specific sets of circumstances: Either in the initial hours of pre-combat deployment, or under conditions of chaotic civil disturbances large enough to shake the foundations of organized social life in the West. Unless the world is already on a thermonuclear countdown, the Soviet command is currently counting on fomenting the maximum possible level of civil chaos in Western Europe. In this sense, from the moment of the breakdown of the Geneva talks onward, the activities of the mass communist parties of Western Europe, the French and the Italian CPs and their allied mass parties and trade unions, such as the elements of the Socialist Parties of West Germany, Italy, and Sweden under the influence of Willy Brandt, Bettino Craxi, Olof Palme, et al., ought to be viewed as extensions of current Soviet deployments.

The reason the Soviet command keeps harping on the Euromissile issue is that it needs a highly charged irrational emotional lever with which to manipulate the memberships of mass organizations over which its agents-in-place preside. Hence the theatrical walkout of Yuli Kvitsinski from the Geneva talks; hence the moralizing crudities of the so-called Andropov statement read by Soviet TV commentators to the Soviet viewing public—but meant to be heard by Western European audiences.

### **The Lord Carrington problem**

Unless the Soviet leadership has already decided to proceed with a thermonuclear showdown within the remaining part of this year—a possibility not to be excluded—its current posture suggests that it is implementing a strategy of *terrorization by military threat* and diplomatic diktat designed to whip up a massive hysteria in Western European populations. This massive hysteria in turn is supposed to produce chaotic civil disturbances within which the Spetsnaz can deploy and try to take apart key elements of Western Europe's political-military command-and-control structure. This terrorization of Western Europe is supposed to facilitate the emergence of the appeasement policies of Lord Peter Carrington and his collaborators as hegemonic in the Western alliance.

Essentially, we find ourselves in a state of quasi-war with the collectivized, apparently headless Soviet command. That command's immediate objective is to force an early capitulation of the West to its demand that President Reagan's March 23 policy of beam-weapon defenses be abandoned. They expect such a capitulation to be signalled by the appointment of Lord Carrington as secretary-general of NATO in the course of December 1983—or by the appointment of a person committed to the same program of military capitulation. This "Carrington program" was announced in mid-November in an article in the Hamburg weekly *Die Zeit*, written by Carrington (and Kissinger) intimate Theo Sommer, in which the fundamental demand was spelled out for the Reagan administration: if the Carrington crowd in Europe had its "druthers," Europe will demand that the President scrap his March 23 program; otherwise "Europe" will bust up NATO and dissolve the Western alliance. (The Carrington-Sommer

program made no reference to the massive Soviet effort, now accelerating, to deploy laser beam anti-missile strategic defense systems.) In short, if Lord Carrington's policies are allowed to influence the alliance, the United States is faced with the choice: capitulate to the military superiority of the U.S.S.R. or see Europe abandon its alliance with the United States and form another with the U.S.S.R.

This, then, is how the Soviet command's timetable appears to be shaped at this time:

Phase One (the current phase): terrorization of the alliance by means of military actions, mass civil disturbances, terrorist acts, diplomatic blackmail, and surfacing of political agents. Objective is not merely to "split" Europe from the United States but to catapult pro-Soviet spokesmen in the NATO command from where they can dictate policy over the United States. The conclusion of Phase One is supposed to bring us rapidly in the weeks ahead to a branching point: either pro-Soviet spokesmen (e.g., Lord Carrington) take over the European side of NATO, or Europe accepts Reagan's March 23 program.

Phase Two has two variants depending on the resolution of the "branching point" of Phase One: if Lord Carrington's policies prevail over Europe, the United States is told to choose: either the March 23 policy or NATO. If the United States resolves to stick with President Reagan and his program, Western Europe becomes a formal or informal ally of the Soviet command—and places Western Europe's technological and scientific capabilities in the service of the Soviet military and scientific R&D program. The United States goes on a war mobilization. Second variant: Europe sides with President Reagan and his policies and joins America's effort to implement the beam defense program. The Soviets' bluff is called: will they go to war to substantiate the threats of Defense Minister Marshal Dimitri Ustinov?

Either way, it appears, the world is heading for war, ever since the Soviets announced that they prefer that rather than a United States defended by anti-missile laser beam weapons. The way out of this insanity remains the same as that offered by the President on March 23: the United States generously offered the Soviet Union the joint utilization and parallel deployment of these instruments which promise to render nuclear missiles harmless and impotent. That very same offer was repeated by Defense Secretary Caspar Weinberger during his press conference at the Pentagon on Nov. 21, the day of the Bundestag debate. The Soviet command again rejected the offer. They answered with a walkout from Geneva and with the preposterous so-called Andropov statement from Moscow television.

Unless the Soviet command is made to accept Reagan's offer for sharing these promising defensive technologies, this civilization is either going to be destroyed in a thermonuclear war or is going to be destroyed by an immoral and cowardly capitulation of the United States to the military blackmail of the collectivized, headless Soviet command. If anyone thinks otherwise, then he or she is uninformed, or too stupid, or too gutless to face the facts.

# The skies have not cleared in Germany

by Rainer Apel in Bonn

Concluding a two-day debate on the stationing of the U.S. Euromissiles, the West German parliament resolved by 286-226 (with one abstention) on Tuesday, Nov. 22 that the Pershing II missiles be stationed on German territory. Spokesmen for the governing coalition of Christian Democrats and Liberals presented this vote as a "firm decision which will improve our country's security and strengthen NATO." Spokesmen for the Social Democratic and Green parties, both of which had voted against the resolution, termed the vote a "Pyrrhic victory."

They said that now, rather than merely facing parliamentary opposition, the Bonn government would have to face "a broad opposition among the population which is not backing this decision." Green Party leader Otto Schily went so far as to hint darkly at the rage which would emerge "now that the people will see that this decision means NATO's defense is from now on based on the extinction of and genocide against the German people in the West and in the East." The theme was embroidered by none other than the Social Democratic Party chairman, Willy Brandt, in his parliamentary speech. He hinted threateningly that he would like to know "how all those who will realize now that peaceful protests couldn't influence the decision will react now."

All this, said against the background of probably the heaviest campaign ever of intimidation and harassment of pro-stationing parliamentarians by the "movement," means that now, after the vote, violence, blackmail, and terrorism will hit West Germany as the country enters a period of accelerated economic decline and deep erosion of the leading institutions of the state. The Soviet Union is likely to fuel this disintegration process by escalating its threats against West Germany. Reviewing prominent statements to this effect by a series of leading international political figures, Lyndon H. LaRouche, a candidate for the U.S. Democratic Party presidential nomination who was in West Germany during the parliamentary vote on the Euromissiles, warned of "a severe strategic crisis" certain to develop from the expected Soviet reactions to the German missile uproar. As he said, West

Germany has already been rendered virtually ungovernable by the extent to which its leading institutions had already been giving in to the pressures exerted on them by the Soviets from the outside and the "movement" from the inside.

The vote in the Bonn parliament does not tell the whole truth about stability in the country, nor does it indicate the "strength of the government versus the protest movement," as some imagine. While the parliament debated the stationing, Green Party members and supporters from all currents of the anti-NATO protest movement were battling police outside the parliament building, but *inside* the off-limits government district. Police arrested 182 radicals and had to use water-hoses to stop the wave of several thousand protesters who planned to storm the parliament building. Meanwhile, the Green Party deputies tried all sorts of tricks to interrupt the debate and spark confrontation inside.

Additionally, numerous parliamentarians, including the assistant secretary of defense, Juergen Moellemann, the head of the Foreign Affairs Committee, Werner Marx, and the minister of labor, Norbert Bluem, reported that they had been subjected to unprecedented psychological and political intimidation, including up to 150 anonymous threatening telephone calls reaching their private homes at all hours of the night. In one case, a Christian Democratic parliamentarian known for his support of NATO was sent an envelope containing several 7.65 millimetre bullets, with a note saying he would be shot dead next if he voted for the stationing.

Another Christian Democratic parliamentarian, Mrs. Verhuelsdonk, who had taken a courageous stand against the "movement's methods" during the parliamentary debate, reported that the efforts of intimidation and low-intensity threats she had had to face during the previous days reminded her strongly of the practices the Nazis had used on her own father, a Center Party deputy who came under attack by the SA at the end of the Weimar Republic.

West Germany's security authorities, lagging behind in protective measures against the expected wave of violence, are trying to make up for their weakness. Following recommendations from Washington, the U.S. Army fortified the Mutlangen Camp, the first stationing site for nine Pershing II missiles, with additional barbed-wire fences put up on Nov. 22, and the interior ministry convened an emergency meeting of industrial security experts and officials to discuss how to protect industrial plants, especially those in the "military-industrial sector," against the terrorist attacks expected to hit when the first missile is emplaced.

There is good reason to fear such attacks: On Sunday, Nov. 20, the police in Duesseldorf defused a detonation device posted at the building of Honeywell Bull, a U.S. company. In early November, the Krupp Company's subsidiary MAK in Kiel was hit by a similar device, as was the computer center of MAN in Gustavsburg. Security officials interpreted these incidents as "test-runs for a broader wave of attacks to come."

# Israel-PLO breakthrough strikes blow against Soviet-Nazi war plans in Middle East

by Mark Burdman

The Soviet plan to launch a strategic crisis between the superpowers in the Middle East has, in the short term, been potentially pre-empted by the courageous Israeli government initiatives of Nov. 23-25.

On Nov. 24, the Shamir-Arens government announced that it was releasing 5,000 Palestinian prisoners from both Israeli prisons and southern Lebanese internment camps in exchange for six Israeli prisoners held in the besieged city of Tripoli, Lebanon, by the forces of PLO leader Yasser Arafat. On the next day, the Israelis announced that they were prepared to release 4,000 more prisoners captured during last year's invasion of Lebanon and during previous operations, if the Syrian government and Popular Front for the Liberation of Palestine commander Ahmed Jebril, Arafat's warlord opponent, were prepared to release five Israelis.

The Nov. 24 action, in its timing and content, was one of the most remarkable diplomatic-political initiatives in years. That day had been the slated deadline for Arafat's forces to become the target of an all-out military offensive by Jebril's fanatical Soviet-Syrian-backed militias, leading possibly to Arafat himself being killed. That would have unleashed the forces of hell throughout the Middle East and other parts of the world, as radicalization among Palestinians stoked Soviet plans for war, terrorism, and general chaos.

Two weeks earlier, *EIR* founder Lyndon H. LaRouche, Jr. had sent an appeal urging Israeli leaders to prevent a new Auschwitz in Tripoli and declaring that the enemies of Arafat were the same forces trying to destroy Israel. On Nov. 25, I dispatched a telegram to Israeli President Chaim Herzog on LaRouche's behalf, communicating his congratulations for Herzog's policy address in Washington Nov. 23 and for the prisoner-exchange initiatives of Nov. 24-25. "It is Mr. LaRouche's appreciation that your speech and your nation's brilliant action of Nov. 24 coincide in providing an Israeli policy reference-point for initiating processes leading to a peaceful resolution of the Arab-Israeli crisis and for encouraging the forces of rationality and reason throughout the Middle East. This combination of initiatives, Mr. LaRouche feels, may be providing a unique way of heading off danger-

ous strategic confrontation in the Middle East region."

Israel's action provided a great political victory for Arafat against his Syrian and Iranian-run opponents, since the besieged leader could now point to the release of prisoners as a triumph for his diplomacy. Following the announcement of the release, a jubilant Arafat told journalists in Tripoli: "I'm still in charge of the PLO, as you can see. It's a miracle we got them out alive. I have been working day and night for four months to ensure their safe release. . . . It's a very happy moment for us."

## The next questions

Arafat's options for leaving Tripoli alive also increased on Nov. 24, as he could now consider a departure without the shame of being a defeated military leader. Negotiating efforts to secure Arafat's life are ongoing through complementary or combined efforts of the governments of Algeria, Egypt, and France, and of Saudi Foreign Minister Saud el-Feisal. By the late afternoon of Nov. 25, French radio reported that the Syrian government had agreed to Saud el-Feisal's proposal for a negotiated settlement that would end the fighting in Lebanon and aid Arafat's chances for leaving Tripoli.

A veteran observer in Tel Aviv expressed concern that "the Soviets and some Syrians, through Jebril, will now try to organize murderous actions against Israel, either from lands to our East or by sea. They would want to force Israel to react in a violent way, and, by their desperate action, to overturn all the potential good that has started over the past 24 hours. My fear is that they could do something like this very soon."

European and Middle East intelligence experts are particularly nervous about the intentions of Syrian Defense Minister Mustafa Tlas, especially in view of the emerging power vacuum in Damascus caused by Syrian President Hafez Assad's apparent step-down from active rule. Tlas, according to a knowledgeable Paris source, "is hardcore Soviet KGB, a really dangerous killer. My fear is that he could come in with the most extreme elements of the Syrian army and trig-



ger something really nasty.” Tlas, a notorious pervert, had told the Beirut magazine *Al-Kifah al-Arabi* Nov. 19 that Syria was preparing contingencies for bombing Israel’s nuclear reactor near Dimona in the Negev desert in Israel and for “suicide raids” against U.S. Sixth Fleet naval installations off the coast of Beirut. “If the Americans attack us, then we shall answer with all adequate means,” Tlas spat. “We have flyers ready to undertake kamikaze attacks on American warships.”

“The Soviets are not happy with what happened today,” an Israeli source told *EIR* Nov. 24. “They have a strategy of tension for the Middle East, and now tensions have possibly been lowered. They are particularly upset, as far as I understand, that this prisoner-release deal was arranged by Western nations’ diplomatic efforts.” The source underscored that the deal was carried out by unusual indirect diplomatic exchanges, through intermediaries, between former Israeli Justice Minister Shmuel Tamir and PLO military chief Abu Jihad, an Arafat loyalist and the PLO Executive Committee member chargé d’affaires for the Israeli-occupied territories. The mediation was carried out by the post-Bruno Kreisky Austrian government, the French government, and elements of the International Red Cross.

### A new Israeli policy?

In combination with an important strategic policy address made by Israeli President Chaim Herzog before the National Press Club on Nov. 23, the Israeli prisoner-exchange initiatives provide an Israeli policy reference point for potentially shifting the Middle East situation away from looming strategic disaster, especially as they may reinforce both the forces of reason and rationality in Cairo, Algiers, Amman, and Riyadh and the anti-State Department Washington factions associated with U.S. Defense Secretary Caspar Weinberger, former U.S. National Security Council head William Clark, and White House special Middle East envoy Donald Rumsfeld. Rumsfeld’s recent trip to Jerusalem and other Middle Eastern points is believed to have helped lay the groundwork for the extraordinary actions of the Shamir-Arens team.

Herzog, a former head of Israeli military intelligence, told his Washington audience that the Soviets and Syrians were planning to launch a series of strategic crises throughout the Middle East, Persian Gulf, and Africa. “The Syrians,” he warned, “have assumed the position of the leaders of the forces committed to blocking any advance toward peace. . . . In its policy to block and prevent the peace process, Syria has found a kindred soul in the Soviet Union. The Soviet Union wants to sabotage the peace process because it has no part in it and because the United States is at the center of the process. Their chosen instrument in order to block this process is Syria. . . . The Soviet Union has perfected the process of the conduct of policy through surrogates.”

Herzog’s comments dovetailed with the landmark Nov. 22 statements by Weinberger in Washington—which the American and European press chose in large part to black

out—that the Oct. 23 terrorist atrocity against American and French installations in Beirut had been committed by “basically Iran, with the sponsorship, knowledge, and authority of the Syrian government.”

Herzog’s Washington meetings were an important antidote to the policy line of former Israeli Minister Ariel Sharon, the main spokesman for that *Gotterdammerung* faction in Israeli circles which holds that Israel’s interest lies in encouraging the forces of extremism in the Arab-Islamic world, so that Israel can create a regional mini-empire on top of the chaos. Sharon had reportedly met with a chieftain of the Soviet GRU military intelligence in December 1982 in Cyprus to match Israeli plans with those of the “Third Rome” strategists in Moscow.

It is that *Gotterdammerung* policy which is being discarded in Israel. The first substantial signal of this was Israel’s Nov. 15 bombardments against the training camps in Baalbek, eastern Lebanon, of Islamic Amal, the fanatic Shi’ites under Hussein Moussavi who had launched the Oct. 23 Beirut massacres and the attack several days later against Israeli installations in Tyre. These Israeli bombardments were soon followed by massive retaliatory bombings by French jets against Islamic Amal sites in the same area, and opened the way for further decisive actions against the terrorist psychotics deployed by Moscow, Damascus, and Teheran.

Several factors are behind the emerging Israeli policy change.

- A growing alarm that the violently anti-Semitic Third Rome military grouping in Moscow (General Yepishev, political commissar of the Armed Forces; Marshal Ogarkov, Chief of Staff; and others) poses a direct and violent threat to Israel, and is intending to lure Israel into a major new Middle East war.

- A perception, acute in certain Israeli and French intelligence circles, that the Soviet threat is heightened by Soviet deployment of Nazi assets based in Switzerland, Damascus, Teheran, Libya, and other points. High-level Israeli sources are investigating the circumstances of Swiss protection of Nazi International-Muslim Brotherhood operatives who avowedly want to destroy Israel.

- The condition of the Israeli economy is desperate. The burdens of sustaining Israel’s occupation of Lebanon have become unsupportable, under conditions where the country is now suffering over 200 percent annual rates of inflation (as of the latest figures released in November). “Arens will soften, in exchange for American aid promises, there is little choice, the economy is in such wretched shape,” an Israeli source told *EIR*.

These considerations create a new basis for the discussions during the week of Nov. 28, when Israeli Prime Minister Yitzhak Shamir and Defense Minister Moshe Arens arrive in Washington. Preliminary indications are that they will be more receptive than in previous Israeli-American negotiations to linking Israeli policy to the requisites of meeting the global Soviet threat.

# Argentina's nuclear breakthrough puts new Alfonsin government to the test

by Dennis Small

Argentina's announcement on Nov. 18 that it has become the first country in Ibero-America to master the technology of enriching uranium to fuel nuclear power plants has generated a wave of optimism throughout the continent. The breakthrough means Argentina now possesses the full nuclear fuel cycle and, in the words of Atomic Energy chief Adm. Carlos Castro Madero, "We are offering Latin America the possibility of counting on a sure and dependable regional supplier" of vital nuclear fuel. "We are sure that this is a significant advance for the countries in this part of the world on their road to independence."

Ibero-America as a whole is now finally within reach of building its own nuclear plants and fueling them completely independently. This is the centerpiece of any serious plan to industrialize the continent, and turn around the devastation being wrought by the International Monetary Fund and other creditor institutions.

The Argentine announcement shocked the heirs of British colonialism—the friends of Henry Kissinger and Lord Peter Carrington who have done everything possible for years to prevent Third World countries from developing such technological independence. West German banker Jürgen Ponto was killed by the Baader-Meinhof terrorists largely because he was the architect of a nuclear deal with Brazil which intended to fully transfer technology to that country. Pakistani Prime Minister Bhutto was ordered to be executed by Henry Kissinger, for daring to develop nuclear technology in his country. The Shah of Iran was overthrown for trying to modernize Iran with an ambitious nuclear program. And the Trilateral Commission's Carter/Mondale administration went on an international "human rights" rampage in the late 1970s against Argentina itself, both to stop enriched uranium sales to Argentina for its research reactors, claiming that the uranium would be used to make nuclear bombs, and to sabotage its nuclear program as a whole. In response, Argentina began its own uranium enrichment program in 1978.

"The policy of the superpowers of not providing technology to the developing countries has failed," Castro Madero stated conclusively.

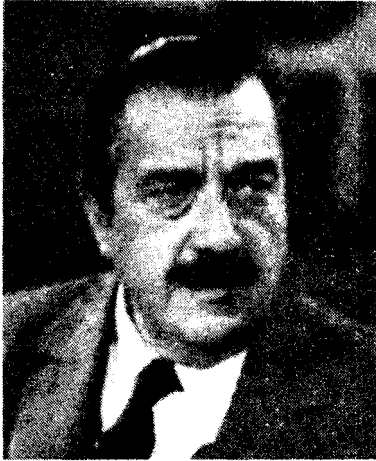
Kissinger's State Department can be expected to respond to Argentina's announcement by once again going on the warpath. Their operant plan is to use the incoming Radical Party government of Raul Alfonsin to hopelessly polarize the country, and then reduce it to Iran-style political rubble. In particular, they hope to reactivate Alfonsin's working relationship with leading lights of the Carter years, such as human rights specialist Pat Derian, and to get the Argentine president himself to strangle his country's nuclear program in its cradle.

The broader Kissinger strategy is to put the economy through the IMF wringer, and simultaneously encourage the Social Democratic Alfonsin to open the floodgates, after seven years of often brutal military dictatorship, to a wave of British libertinage: pornography, pot smoking, pacifism, ecologism, and so forth. In this way they intend to dismantle the most important anti-liberal, nationalist apparatus in the country, the Peronist Party, and in particular its strong trade-union base. Only a few months of such British liberalism will be required, in Kissinger's calculations, before Jesuit-run leftist terrorism can be brought back into existence in Argentina—and with it, equally Jesuit-controlled right-wing death squads.

Kissinger is modeling his Argentine strategy on Spain under Social Democratic Felipe González—whose government recently approved the decriminalization of marijuana consumption. The ultimate objective is to trigger violent civil wars in both countries, and thereby turn them into new "Irans."

In the three weeks since his election, and before spending a single day as president (the inauguration will be on Dec. 10), Alfonsin has already taken long strides toward leading Argentina blindly into this Kissinger trap.

He has brought Socialist International liberals into key posts in the economy, foreign relations, and labor policy, and they have already put their imprimatur on the next government's policy—much to the delight of the country's financial oligarchy. A reliable Buenos Aires source told *EIR* that he had talked to an Argentinian banker who had just met with Alfonsin's economic team: "Changes? No, there won't be



Raul Alfonsin

any fundamental changes in the new government's dealing with the banks. We're satisfied."

Another crucial indicator is the way that the drug and pornography lobby has read Alfonsin's election as license to flood the country with brand new pornographic magazines in the three weeks since the elections—after seven years of tight military censorship. "Now that we are free again, see what you always wanted to," scream headlines over semi-clothed bodies in now-ubiquitous newspaper ads. Things have gotten out of hand so quickly that Interior Minister-designate Antonio Troccoli, one of the few nationalists in the Alfonsin administration, was forced to tell the press that "behind pornography is the mafia with its businesses," and that his party's promise to "eliminate all press censorship" did not mean that excesses will be tolerated.

### Three tests

In our Nov. 9, 1983 issue, *EIR* reported that "three principal issues will determine which direction the Alfonsin government moves in": 1) debt and economic integration; 2) reorganizing the military; and 3) purging the trade unions.

In the intervening fortnight, Alfonsin has moved decisively in the wrong direction, with a speed surprising to many, in each of these three cases. In doing this, he has so far ignored the calls for programmatic collaboration coming from nationalist strata within the Peronist Party, of the kind indicated in the open letter from Peronist Juan Labake (see page 38).

1) **Debt and economic integration.** The notorious British agent Raul Prebisch has been named Alfonsin's "roving ambassador" on international financial matters, and has already established himself as the "éminence grise" of the administration's economic policy—displacing both the finance minister and president of the central bank. Despite some earlier fiery rhetoric, Prebisch told the press that he of course favored striking a deal with the IMF.

What angered Argentines even more is the fact that Prebisch has also attempted to publically exonerate the current

military government's economic team—Finance Minister Wehbe and central bank head Gonzalez del Solar—of all responsibility for the current crisis. Most Argentines blame these two gentlemen for the hyperinflationary deep depression currently afflicting Argentina, and would prefer to see them sent to Siberia. Some press commentators have knowingly reported that Gonzalez del Solar is the son-in-law of Prebisch, and that this might have something to do with the latter's behavior.

2) **Reorganizing the military.** Right after the end of the Malvinas War, British media outlets inside and outside Argentina launched a campaign to convince the country that it had been a terrible mistake to dare confront Her Majesty, and called for the "de-Malvinization" of Argentina. Alfonsin has a strong pacifist and Carterite "human rights" streak which is playing along with this British game.

He has vowed to reduce the military share of the national budget to about one third of its current size—at a time when the British are building a nuclear arsenal on the illegally seized Malvinas, and when neighboring Chile (with whom Argentina has long-standing territorial disputes) is being armed to the teeth by the British and others. And it has just been announced that the three-man military junta who ruled Argentina when the Malvinas War was launched will be court-martialed. Although it has not been stated publicly, it is probable that they will *not* be tried for fighting poorly (a charge of which they are undoubtedly guilty), but rather for the decision to fight *at all*.

Will Alfonsin go so far as to seriously cut into Argentina's unique nuclear program, on the grounds that it too is an expression of earlier "militarism" that must be expunged from national life? Particularly worrisome to many nationalist Argentines in this regard is Alfonsin's long-standing links to the Carter administration's "human rights" lobby, and in particular his working relationship with individuals like Pat Derian—the very group that was instrumental in trying to destroy Argentina's nuclear program throughout the late 1970s. Alfonsin himself recently told the *Los Angeles Times*: "When Carter was President I felt obliged to go to the U.S. Embassy for the July 4th party and pay my respects. Those were the only years I have ever gone. I did so to pay my respects because of his human-rights policy."

3) **Purging the Trade Unions.** This is likely to be the first political explosion that confronts Alfonsin. His labor strategy was designed by Germán López, the secretary to the presidency, who favors Socialist "co-gestion" and "co-participation" in order to break the Peronists' control of the labor movement. López managed to place one of his close allies in the post of labor minister, Antonio Mucci, who brought in as his assistant Gabriel Matzkin. Matzkin is a graduate of the Sorbonne University of Paris, where he was trained in the anti-labor doctrines of "co-gestion" and "worker co-management." The Sorbonne also produced such eminent Third World graduates as Pol Pot of Cambodia, and Bani-Sadr of Iran.

# Argentina's ambitious nuclear program

by Delia Arajo de Lozano

Argentina's recent announcement that it had achieved the enrichment of uranium through a process of gaseous diffusion reaffirmed that country's pre-eminent role in Third World nuclear technology. Argentina has had a functioning nuclear research program since Gen. Juan Perón established this as a priority in the early 1950s. In 1974, the country became the first in Ibero-America to actually produce commercial nuclear power at its Atucha I plant near Buenos Aires.

Over the last two to three years, the imposition of strict IMF conditionalities has decimated nearly every single Third World nuclear program. Mexico's plan to build 20 plants by the year 2000 fell victim to enforced budget-cutting; Brazil's program is similarly stalled. Apart from reports that Pakistan is re-launching its nuclear energy program, only two such Third World nuclear programs are still standing in the face of the IMF onslaught: that of India, and Argentina's plan.

Argentina's new enrichment plant is thus the result of the strongest nuclear research program in Ibero-America. The country's nuclear program has been designed with three aims in mind:

- development of scientists and technicians with mastery of the entire nuclear process;
- increasing the nuclear power generating capacity for industrial development;
- increased participation of Argentine capital in nuclear plant construction.

The program is based at three Atomic Centers—Ezeiza, Constituyentes, and Bariloche—with a total of four research nuclear reactors (Constituyentes has two). Another three research reactors are located at universities throughout the country. In addition, Argentina has two on-line commercial Pressurized Heavy Water Reactors (PHWR)—Atucha I and Embalse—and another under construction (Atucha II). Three more nuclear reactors are planned—also of the heavy water/natural uranium variety. Argentina's nuclear program also includes a heavy water production plant, which is under

construction and scheduled for completion in 1985.

The uranium enrichment process was developed by Argentine scientists, using the proven technique of gaseous diffusion. This is based on the small difference in the mass of molecules that distinguish two isotopes of uranium, U-235 and U-238. Natural uranium contains 99.3 percent of the heavier isotope, U-238, which is not fissionable, and therefore not useful as nuclear fuel. To separate out the fissionable U-235, uranium hexafluoride gas is pumped through thousands of miles of permeable material that acts as a sieve. The lighter U-235 isotope penetrates into that permeable material faster than the heavier U-238 isotope compound, and thus is separated from the heavier isotope.

Argentina intends to use this new capability to supply its medical research reactors, as well as to enrich the natural uranium it uses in its heavy water reactors by about 1 percent. This will reportedly double the fuel efficiency of its two operating plants, and save the country around \$70 million per year.

Not only Argentina but all the nations of the continent, and potentially the entire developing sector, are the beneficiaries of the fuel-enrichment breakthrough. Argentina has already been exporting nuclear technology for a number of years. It has supplied Peru with a zero-power training reactor and a research reactor. Now Argentina can export the entire range of nuclear technology, including uranium enrichment. The enriched uranium itself can also be exported, for example to countries like Brazil, which need it to fuel their plants.

The U.S. media have had a field day trying to present the Argentine achievement as proof that they are planning to "build the bomb." The fact is that the enrichment of uranium is only one of the processes required to produce nuclear weapons. The purities necessary for bomb-grade uranium are far beyond the 20 percent level envisaged by the Argentine fuel program. Still, the Kissinger crowd at the State Department and elsewhere insist that Argentina sign the Nuclear Non-Proliferation Treaty, which would allow Argentine nuclear plants to be "inspected." The president of Argentina's Atomic Energy Commission, Adm. Castro Madero, last week reiterated his country's flat refusal to sign the treaty, whose real objective is to sabotage the technological development of the Third World.

Neighboring Brazil, however, is not letting itself be affected by such scare stories. "Our countries have developed excellent collaboration on nuclear subjects, and I am sure that the Argentines will continue working for the mutual benefit and for the social and economic advancement of the Latin American community," said Brazilian President João Figueiredo. The chief of Brazil's Navy, Adm. Maximiano da Fonseca, stated: "The existing Brazil-Argentina agreement on nuclear collaboration opens good prospects for Brazil to share this technology achieved by Argentine scientists on uranium enrichment. . . . [Brazil] has never been in competition" with Argentina, he stressed.

# Peronist leader calls on Alfonsin to form Latin debtors' cartel, common market

*One week after Argentina's Oct. 30 presidential elections, Juan Gabriel Labake addressed the following open letter to president-elect Raul Alfonsin, which was covered prominently in the Buenos Aires press. Labake, a former congressman, is a leader of the "Orthodoxy and Loyalty" faction of the Peronist Party, which has distinguished itself for calling for Argentina to head up a move to unify Ibero-America on financial and economic policies. Labake's group is also known because of its vocal insistence that former Argentine president Isabel Perón return to Buenos Aires and take up her rightful position as head of the Peronist party.*

Buenos Aires, November 8, 1983

Dr. Raul Alfonsin  
President-Elect of the Nation

Dear Sir:

In my opinion, the Oct. 30 elections were a major triumph for the Argentine people, who thus once again regained their fundamental political rights after almost eight years of dictatorial injustice. They were also an unprecedented victory for you and your party. You have received an undeniable mandate, the same one the Peronists once had: to clean up Argentine politics, attain peace, liberty, and justice for all, and to free the nation from all forms of dependency. All the parties together—especially yours and ours—ought to unify the population to achieve all the goals the elections made us responsible for reaching. Today the nation suffers many political, social, cultural, and economic problems. In my opinion, of all these problems there is one upon whose solution our fate depends in the coming decades: freedom from foreign dependency. If we are able to bring Argentina to play the role in the world it can and must play, the remainder of our

afflictions will become curable. If we keep our country tied up by today's bonds of domination, then all our efforts to solve other problems will be vitiated, if not completely neutralized.

The key to Argentina's new place in the world is breaking our dependence on the so-called "Western bloc" in order to return to Latin America's fraternal embrace and gain regional unity and integration. . . . Argentina is geographically tied to the West because it is west of the Greenwich Meridian and our culture has Greco-Latin and Hispanic origins, without forgetting roots in Precolombian America. But geopolitically we . . . belong to the Latin American geopolitical bloc. Our interests and not just our language, religion, and feelings are different from those of Europe and the United States, while they are one with our Latin American brothers.

Over the years, the Pan-Americanism of Monroe has become a dead letter. . . . Along with the Monroe Doctrine, the OAS [Organization of American States] as well as TIAR [Interamerican Mutual Assistance Treaty], have virtually become dead letters.

Our natural preference for the Latin American geopolitical bloc and the United States opting for the North Atlantic geopolitical bloc became evident during the Malvinas War. . . .

The foreign debt is the main weapon by which the North Atlantic powers now keep us dependent. Let me repeat well-known figures: Argentina owes \$43 billion to foreign private banks, Mexico owes \$80 billion, Venezuela, \$35 billion, Latin America almost \$350 billion, while the entire Third World debt is over \$700 billion. But this weapon is effective for the creditor banks and the Western power bloc only when they can get away with negotiating separately with each debtor nation. In this way they can impose absolutely usurious interest rates such as the 13.3 percent they now charge us.

However, the moment we unite with our Latin American brother countries to jointly renegotiate our debt, the weapon

becomes ours and the problem that of the creditors. The whole world knows this, and our people rightfully want it.

Latin American unity to renegotiate the debt can be obtained. You could say that the idea has already matured in every brother country on the continent. The idea is also spreading that our nation should take the lead on this issue. If we unite, we can win tolerable conditions for payment. Under present conditions, with 7-year maximum terms and 13.3 percent interest, no Latin American country, really no Third World country can even pay interest—even when it complies with the IMF's demands for recession, low wages, and hunger.

Our case is a good example. The demands of the foreign banks, supported by the IMF, force us to commit 6 percent of our GNP, or 60 percent of our exports, just to pay interest—without paying principal. This interest, on the other hand, amounts to more than double that which we save in our foreign trade by means of drastic import restrictions which have half-paralyzed our industry for lack of inputs.

Argentina will never be able to pay under these circumstances. Other Latin American countries whose economies have less potential than ours are in even worse shape. This impossibility of payment, coupled with the decision by the international banking system and IMF to maintain such terms and interest rates, makes one suspect that their intent is *not* to collect but rather to hold on to the debt forever as a decisive lever of domination.

The more the debt increases due to unpaid interest and principal, the easier it is to demand new concessions from us each time we must refinance the portions due. The military government found this out when it refinanced the debt of Aerolineas Argentinas. Who knows what they will demand from us next? What I propose to you, Dr. Alfonsín, is that we Radicals and Peronists join in a patriotic agreement to unite all the Argentine people behind a first indispensable step toward liberation: the joint refinancing by Latin America of all our foreign debts to obtain reasonable conditions that will allow us to pay.

Conditions in tune with the cold reality of our economies are: a nominal term of 20 years with no less than a 5-year grace period, interest set at only 1 percent higher than U.S. domestic inflation. That is to say, in this year when U.S. inflation will be almost 3 percent, Latin America would pay no more than 4 percent interest. I realize that these conditions seem utopian, but they can be obtained, and, besides, we don't have any choice.

One ought to remember that until the U.S. Federal Reserve arbitrarily raised the cost of dollar loans a few years ago, interest rates of one percent above inflation were always the norm for international lending. That rate would mean for Argentina an annual capital drain of \$2 billion just for interest, the most our economy can handle without slowing development. If the payment of principal is spread out over 20

years as I propose, the annual drain will be \$4 billion after the grace period has ended and would require a large effort to meet such a payment. For other Latin American countries the situation is far worse.

Needless to say my proposal means finishing off the present international economic system, based on the IMF and the all-embracing power of the private banks. This whole system is on the verge of collapse; it only needs a little push. The whole world would thank us. What's required is agreement between the governments of nations to which the creditor banks belong and the joint Latin American bloc to lay the new bases of commercial and political relations.

It is useful to keep in mind that if we don't get these debt refinancing conditions, many Latin American and Third World nations will suffer from hunger, recession, and unemployment until one declares a cessation of payments and explodes the entire international financial and economic system. This scenario is sufficiently probable to make the creditors and the governments of the Western powers think twice. Our aim is not to stop paying the debt but rather to obtain conditions under which we can actually pay the debt, the real debt of course, without repudiating our fundamental right to fully develop ourselves as a people and a nation. In this way they can collect, but if we go on as we are now, the ship will sink and the crew with it.

This debt action would provide the extraordinary event we need to get moving on the road to Latin American unity and integration and national liberation of our republics. The brotherhood forged between us by joint action on debt would open the door to forming a Latin American Common Market, to creating a regional political body—perhaps an organization of Latin American nations—and even a reciprocal defense treaty for Latin America.

We may wait many years or forever for the opportunity now given us: The debt asphyxiates each of us alike. During the Malvinas War, Argentina received the loving and fraternal solidarity of all its Latin American sisters, and we are still indebted to them for this moving gesture.

In a few weeks we will inaugurate in our fatherland a new era of government of the people. This is what I propose, interpreting the wishes and desires of millions of Peronistas plus millions of other Argentines: national unity to join forces into the Latin American geopolitical bloc waiting for us, beginning the task of joint renegotiation of our debts.

If you accept this proposal we will still surely find our differences and varying points of view on internal problems, which, of course, are important, but always less so than the cited task. However, on the fight for national liberation—your slogan, ours, and that of many parties during the electoral campaign—the people and the Argentinian nation are indivisibly united. If we do not pursue this goal, we will come into difficult times which I don't want for our country. I understand that we are both under tremendous pressures for

us not to take this decisive step. I'm sure they are thinking of giving special advantages to Argentina if we abandon the common Latin American front. But it is worth stressing that the key to our national liberation is not getting a percentage point lower interest or two or three more years to pay, but rather taking advantage of the debt to forge our unity with Latin America and break out of the trap of the IMF and the Bretton Woods system.

That is not impossible. World War II had barely ended when General Perón, without any international support, bucked the power of the U.S. and Russia by disobeying the order to starve out Spain. . . . With even more reason we can today face down the pressures of the IMF and the international banking system if we unite.

With all due respect, let me tell you that we have just seen bad omens on this. It has been announced that Dr. Raúl Prebisch will have a major role in dealing with our foreign debt and directing our economy. If that is true, than we have little hope left of seeing the fulfilment of what I propose here. All personal questions aside, Dr. Prebisch has a discouraging history.

During the government of General Justo, in the notorious "decade of infamy" of the 1930s, Prebisch was the closest collaborator of Federico Pinedo in running the central bank as a private entity designed by Otto Niemeyer of the Bank of England and dominated by the British banks.

In 1955, immediately after the constitutional regime of General Perón was overthrown, Dr. Prebisch was contracted by the so-called "Liberating Revolution" to recommend an economic plan. Only one of the disastrous results of the Prebisch Plan needs to be mentioned: When it was overthrown on Sept. 16, 1955, the Perón government owed abroad \$70 million, \$40 million of which was for the building of the first blast furnace of the Somisa steel complex. After one year of applying Dr. Prebisch's recipes, Argentina owed \$700 million, having invested virtually nothing in capital goods.

The recent case history of Dr. Prebisch is no more encouraging. He is visibly and forcefully working to impose on the world the so-called "Rohatyn Plan." This plan drawn up by Felix Rohatyn of New York's Lazard Freres investment house calls for forming a new super International Monetary Fund made up of and dominated by the private bank creditors of the Third World countries. This private superbank would take charge of collecting debts and sanctioning those falling behind. It would offer marginally better conditions on terms and interest rates than those today, but always on the basis of squeezing the maximum profit from each country at the price of our suffering unemployment, recession and hunger. The bankers are rushing to apply the policy of *Plus ça change, plus c'est la même chose*.

The Rohatyn model was dreamed up to collect New York City's debt to the banks. Thanks to it New York is paying its debt. Sure it is, but at the price of a drastic reduction in its investments in education, public health, mass transit, and the maintenance of streets and public buildings. Last July I was

able to see for myself the calamitous condition of the streets, subways, schools, and public buildings of New York. Thanks to the Rohatyn Plan, the private bankers have been able to exercise veto power over every line of the municipal budget, slashing any expenditures they felt unnecessary.

Please excuse this digression on Prebisch and Rohatyn, but the gravity of our crisis and the decisive need for my proposal for uniting us Argentines to achieve Latin American unity, made me spell out the danger of these two individuals holding power in the next Argentine government. I fervently hope for your acceptance of this proposal. With Radicals and Peronists united behind this concrete goal, we could open up a new era of happiness for the Argentines, greatness for our nation, and unity for Latin America.

On this we must forget partisan disputes; we can always fight over the support of the voters on other themes.

Since I know perfectly well that many other political forces share this yearning, I am sending copies of this letter to all representative sectors of national and popular thought in our nation.

My best wishes for the success of your government and your own.

Cordially,

Juan Gabriel Labake



**U.S. SILVER DOLLARS**  
(all nice circulated condition)

10 Mixed Dates before 1936 . . . . .	<b>\$148.50</b>
20 Mixed Dates before 1936 . . . . .	<b>\$295.00</b>
40 Mixed Dates before 1936 . . . . .	<b>\$579.00</b>
100 Mixed Dates before 1936 . . . . .	<b>\$1,425.00</b>

**U.S. GOLD COINS**  
(Nice circulated condition)

\$20.00 Liberty Coin, pre-1908 . . . . .	<b>\$575.00</b>
\$10.00 Liberty Coin, pre-1908 . . . . .	<b>\$297.50</b>
\$5.00 Liberty Coin, pre-1908 . . . . .	<b>\$195.00</b>

**SPECIAL**—1893 Columbian Half Dollar

This U.S. coin, the first commemorative silver half dollar, depicts Columbus and his vessel the Santa Maria. Nice Very Fine grade.

1 coin \$12.50; 10 coins \$115.00; 20 coins \$219.00

Most other U.S. coins are in stock. Send for a free flyer. All coins shipped postpaid. California residents add 6% sales tax. Satisfaction guaranteed. Seven-day return privilege.

**DONALD BERGE RARE COINS**

(Since 1961)

1122 W. Burbank Blvd.

Burbank, CA 91506/Phone: (213) 849-7847



## Reverse field in agriculture

*Food consumption levels are down, and the government has quietly abandoned the goal of self-sufficiency in basic grains.*

Unprecedented unrest has swept the agricultural sector in the wake of a late-October government decision to increase farm guarantee prices only 20 percent. The increase is supposed to compensate for increases in costs of production since May—a six-month period in which the prices of these inputs has in many cases increased more than 50 percent.

In Jalisco, farmers blocked the Pan-American highway. In Tamaulipas, on the border with Texas, sorghum and soya farmers threatened to destroy the entirety of their crops within one week if the government did not increase the guarantee prices. Similar protests multiplied across the country.

The agricultural crisis includes almost every area of basic production. The fall in milk and egg production and consumption is probably the most calamitous, given the importance of the protein in these items for average diets which include little or no meat.

The costs of production have so surpassed official milk prices in the northwest, one of the richest agricultural belts in the country, that the amount of milk reaching the market has dropped in half. Several-block-long lines of milk purchasers waiting for scarce supplies have become a common sight on city streets.

Milk producers around Mexico City report that their production has fallen by up to 75 percent, and that they are close to slaughtering the rest of their milk herds to pay remaining bills. One of their key problems: lack

of imported parts for mechanized equipment on the farms. All of this in a situation where normal milk production—6.5 million liters per day—is only 35 percent of minimum established standards for milk consumption in a healthy society.

The poultry industry as a whole is running at only 60 percent of capacity, a recent study reports, and fully 20 million of the 52 million egg-laying hens in the country are in danger of being liquidated because of soaring costs. While egg prices have approximately doubled in the last year, over the same period the costs of inputs went from 9,600 pesos-per-ton to 24,000 pesos-per-ton.

Current demand for eggs in the country is 140,000 cases per day. But so many small and medium-sized producers have folded that 80,000 cases of these are no longer produced within the country. Egg imports jumped from 175 million eggs in 1982 to an estimated 244 million eggs this year, in an attempt to close part of the gap.

Because of bad weather in 1981-82, and the squeeze on producers imposed by IMF austerity policy, Mexico is importing record amounts of basic grains. José Ernesto Costemalle, head of the government food storage and distribution agency, Conasupo, declared Nov. 8 that by the end of the year, Mexico will have imported 10.5 million tons of grain, at a value of \$1.9 billion. This means one out of every three-and-a-half dollars of imports goes for food.

Behind the scenes, there is a change in government thinking as significant as the change in production levels. In a word: The government is quietly abandoning the long-held policy goal of becoming self-sufficient in basic grains, and instead is encouraging even greater dependence on the outside for these supplies.

The shift is toward encouraging agricultural exports at whatever cost, in order to bring in more of the dollars that are needed to pay the debt. Whereas under the previous administration, the goal was "Food Self-Sufficiency," the new slogan soon to go into circulation is "Food Sovereignty." The latter euphemism means that revenues from exports of food equal or surpass the costs of importing other food. The major food exports are vegetables and fruits from the central part of the country and the northwest; some cattle, and seafood.

The difference is not a matter of semantics. The previous administration correctly viewed the growing dependence on foreign supply of basic grains (such as corn for tortillas, the Mexican staple) as a national security issue: What would happen if the United States (which supplies almost all that grain) were to use that dependence as a pressure tactic? Food warfare has been high in the arsenal of Henry Kissinger and similar Malthusian geopoliticians since at least the mid-1970s.

As part of this reversal in agro policy, the Bank of Mexico has worked out a quiet deal, my sources inform me, with the Agriculture Ministry to channel fully 60 percent of the new agricultural credit next year into export crops.

Nationalists in and outside the government have not yet started to scream about these changes. But watch for agricultural policy to become a hot item soon.

### Return to civil war?

*Libya and Ethiopia, with Soviet backing, are making big trouble for the strategic nation of Sudan.*

**S**udan President Gaafar Numeiry emerged from his talks with President Ronald Reagan in Washington, D.C. on Nov. 21 to charge that Libya and Ethiopia, both Soviet-backed, were acting to destabilize his government. Sudan's strategic importance far outweighs its small population of only 20 million. It is the African continent's largest nation in area, sharing borders with eight other states, most importantly with Egypt, with whom its interests are closely linked. It is basically for this reason that Sudan receives more U.S. aid than any other African country (\$220 million this year) with the exception of Egypt.

Now Numeiry, under whose leadership the country was brought together in 1972 after a 17-year-long civil war, is under siege.

- The late November kidnapping of seven French technicians and two Pakistani employees on the French-run project dredging the Jonglei canal represented a declaration of war against Numeiry. The president accused both Libya and Ethiopia of arming the rebels, who, he said, belonged to the People's Liberation Army of Sudan.

- The day before Numeiry met with Reagan, Sudanese officials charged that 1,000 Ethiopian troops had moved to the border with Sudan, backed by Cuban and Soviet advisors. Ethiopia denied the charges.

- The concentration of refugees in southern Sudan is providing the cannon fodder for operations against the central government. There are currently 400,000 Ethiopian refugees in

Sudan, and Sudanese dissidents have also crossed the border into Ethiopia. "It's a classic arrangement," as one State Department officer put it. "You have a series of refugee camps . . . and those refugee camps can provide considerable manpower for military training." Libyans are training Sudanese dissidents in Ethiopia.

- In Ethiopia itself, at least 100,000 Ethiopians are threatened with death by starvation over the next four to six weeks, unless the country receives emergency food and water-management aid. The famine increases the likelihood that the Soviets and the mystical Coptic Church and military currents running the Ethiopian regime will launch foreign adventures to divert attention away from the collapse of the country.

"The civil war between the North and South in Sudan has already started," report African diplomatic sources. One of the demands of the rebels who kidnapped foreign technicians last week was the dismantling of the Sharia all-Islamic law recently introduced by Numeiry. Roughly 6 million Sudanese who live in the south are non-Muslims, who bitterly remember the attempts to Islamicize Sudan during the last civil war.

In the north, meanwhile, the opposition against Numeiry, himself a northerner, has demanded a more orthodox Muslim regime, based on the Shāria, which is a literal application of Koranic law. In an attempt to coopt this northern opposition, which is critical of Numeiry's alliance with the Reagan administration, Numeiry in

September suddenly declared that the Sharia would become the law of the land. My African sources report that not even Numeiry's closest associates knew he was going to make this unwise move.

To a large extent, the pressure for Sharia comes from the Muslim Brotherhood, a fundamentalist semi-secret cult with strong financial backing from London and Switzerland. Operating mainly from Saudi Arabia, the Muslim Brotherhood has provided funds to the desperate Numeiry government, and has acquired considerable blackmail capability in the process. The pro-Khomeini Saudi Prince Muhammad al-Faisal, for example, has acquired extensive agricultural and commercial interests in Sudan, establishing the Islamic Development Company and the Al Faisal Bank. The money thus funneled into Muslim Brotherhood-run business operations gives the Brotherhood, only a minority group on the national scene, enormous political and financial clout.

Numeiry's attempts to propitiate the fundamentalists have reportedly worried the Egyptian government, for whom Sudan is the front line for stability. Egyptian papers with articles against Sharia are being kept out of Sudan.

But the chief factor determining Numeiry's weakness in the face of the political crisis is the disaster the Sudan economy has become after Arab financial backers in the mid-1970s pulled out of a plan to turn the backward southern area of the country into a highly developed agricultural production center. In 1978, the International Monetary Fund forced Numeiry to cancel all development projects and concentrate on producing cotton as a cash crop. Now, the production of this primary foreign exchange earner has dropped from \$220 million worth to less than \$50 million.

## Bangladesh to hold elections in '84

*General Ershad's move to end martial law comes amid growing pressures from within Bangladesh and its neighbors.*

**F**acing a rush of populist demands for restoration of democracy at an early date, Bangladesh Chief Martial Law Administrator Gen. H. M. Ershad announced on Nov. 12 that the presidential election will be held on May 24 next year, to be followed by a parliamentary poll on Nov. 25. Some opposition groups have already rejected Ershad's proposal, demanding simultaneous presidential and parliamentary elections.

Ershad's Nov. 12 announcement followed a series of violent demonstrations on the nation's campuses. At Rajshahi University, 29 students were hurt in clashes with armed police during a six-hour general strike called by the opposition parties. Earlier, a 15-party meeting held in Dhaka planned a Nov. 1 nationwide protest day against martial law.

The political situation within Bangladesh has remained unstable since the murder of President Ziaur Rahman by a group of army officers in 1981. No political party has succeeded in capturing the people's imagination. Meanwhile, Islamic fundamentalists and the Communist Party are recruiting new cadres; both groups were represented at a July conference near Dhaka, where a restoration of democracy was demanded.

The opposition has presently rallied around the late President Sheikh Mujib's daughter, Sheikhha Hassina Wazed, and Khaled Zia, widow of the slain President Ziaur Rahman. Recently Sheikhha Hassina's Awami League Party underwent another split when pro-Soviet Awami leader Abdul Razzak was expelled from the party.

As the Awami League was preparing to expel him, Razzak organized a mass rally calling for "socialism along the path of Sheik Mujaibur Rahman." Thousands of Awami League supporters attended the rally. Since then, Razzak has formed a new party, calling it the Awami League Party.

Within the general population, Sheikhha Hassina's stock is not as high as would be expected for the daughter of Bangladesh's martyred national father. In West Germany when her father was assassinated in 1975, Sheikhha Hassina chose to stay in India until 1981, and many in Bangladesh connect her automatically with Indian interests. In Bangladesh politics, both the India factor and the Pakistan factor play a major role.

The greatest threat to military rule is not the opposition but the students. Since 1947, when this part of the subcontinent became East Pakistan, and since 1971, when Bangladesh became a sovereign nation, most of the governments have had run-ins with the well-organized student community. General Ershad has had his share. Last February, students rejecting his suggestion for the "Islamicization" of Bangladesh unleashed a violent demonstration that spread from Dhaka to Chittagong and Rajshahi and forced the authorities to close down the universities. The violence claimed four lives and shook up the regime.

General Ershad dropped his concept of Islamicization and made peace with the students. However, within the army, fundamentalist officers, some of whom were Ershad's close associates, reacted to Ershad's change in

policy and attempted a coup in early July. In response, Ershad removed Maj. Gen. Mohabbat Jan Choudhury and Maj. Gen. Abdur Rahman—the two most powerful fundamentalist officers in the coup leaders.

But Ershad has not been able to quell populist demands for democracy, and seems to have made some concessions in order to retain power in some form. The split within the Awami League will tend to alleviate some pressure on Ershad, since it not only weakened the party, but also removed the pro-Moscow Abdul Razzak, whom the army distrusts totally. General Ershad's recent announcement that the government will build a memorial of national independence in Mujib Nagar has been seen as an overture to the Awami League.

Ershad also faces mounting pressure on the issue of Bangladeshi emigration to India, which, India charges, has climbed steeply in the past year. Bangladesh has denied the charge.

The Indian government has declared that it intends to build a barbed-wire fence all around the border between the two countries—an idea the Bangladesh government strenuously opposes. The Ershad government cites a 1975 Indo-Bangladesh agreement which says that no defensive structure should be raised within 150 yards of the boundary. Bangladesh leaders also feel that besides isolating their country physically, the fence would belittle them by spreading the impression that large numbers of Bangladeshis are anxious to flee their country.

It is generally considered, however, that Ershad has handled himself well in dealing with his giant neighbor. After a meeting of the Indo-Bangladesh joint economic commission in August, both nations agreed to expand economic cooperation, with emphasis on improving telecommunications and airlinks between the two countries.

## **The Committee for the Commonwealth**

*A new movement aims to rid Canada of 'multi-culturalism' and other colonial relics, to create an American-style republic.*

**A**s Canadian Prime Minister Pierre Elliot Trudeau is currently engaged in his worldwide tour to promote the dissolution of NATO, a new political and cultural association has been created in Canada with the express purpose of reversing his Malthusian ravings. This association, the Committee for the Commonwealth of Canada, has held founding conferences in Montreal (on Oct. 30) and in Toronto (on Nov. 20)—gathering over 50 supporters of U.S. presidential candidate Lyndon LaRouche—and plans major expansion through conferences in western Canada.

The committee was created in response to a draft constitution for Canada written by Mr. LaRouche, in which he calls for Canada to become a "commonwealth." This term, borrowed from the 17th-century heirs of Erasmus living in England and France, was picked by Mr. LaRouche as a means of reflecting the shared higher purpose that would exist among the diverse groupings of Canadians were his constitution to be adopted by the population of Canada.

In the latest conference in Toronto, at which Canadians from Alberta, Ontario, and Quebec were present, two interrelated polemics were debated. First, the fact that Canada does not yet exist as a modern nation-state prevents the vast majority of the population from naturally rallying around any conception of Canada. Canadians tend to display their political identity in complaining about either domestic or

foreign situations; they never permit themselves to be held responsible for the state of the world. Secondly, the lack of a consciously defined national self-interest of Canada has been manipulated by the Liberal Party of Canada so that the official cultural policy of Canada, adopted in 1971, is "multi-culturalism."

Gilles Gervais, national secretary of the committee, declared in an interview after the Toronto conference: "Canada must become a republic. We shall become a republic by running candidates throughout Canada targeting the insane appeasement policy of 'Neville' Trudeau and demanding that Canada begin immediately a crash program of beam-weapon defense, in collaboration with such projects in the United States. Unlike Mr. Trudeau, most Canadians do not want to end up speaking Russian."

When we asked Mr. Gervais about his chances of succeeding he replied, "This is the first time, since Louis-Joseph Papineau died in 1871, that Canadians are being offered a serious alternative to the circus acts that pass for politics in Ottawa and elsewhere. We are not appealing to Canadians with promises of goodies. We can use the fact that Trudeau is so politically exposed as an agent of influence for Moscow in order to force Canadians to look at the potential to create a real nation during this time of crisis."

We have the muscle to run over fifty candidates in the next federal elections for the House of Commons,

and thus we shall qualify as a new political party. But we have to use this campaigning to reverse the complacency of Canadians. This has never been done in Canada. But the real question of the formation of this association is to deal with the question of the abysmal racist Canadian culture."

For instance, we have proposed massive industrial projects for Canada, like NAWAPA [the North American Water and Power Alliance], which would require more manpower than presently exists in Canada. We have proposed that Canada export floating nuclear reactors from Montreal. We need more labor in Canada. Now, imagine the effect on the normally pessimistic, enraged Canadian when he would see the need for more labor. We have proposed, at this conference, that Canada open its borders for the world's refugees who have nowhere to go. It is a totally absurd, but true, reflection of Canadian immigration policy (designed by John Rawlings Rees of the Tavistock Institute) that Canada has only 24 million people. This is the country with the second largest land area in the world."

Now, it is impossible to develop a nation when you have an official policy called 'multi-culturalism.' We have to throw that policy, and everyone who promotes that policy, into the waste basket."

These conferences have occurred just in time. We see the battle shaping between the type of bestiality represented by the British 'Commonwealth' and the type of civilization represented by the fathers of the United States republic."

We have seen some mild attacks on Trudeau's appeasement policy by the Progressive-Conservative party officials. But this is totally inadequate for the type of situation Canada, and the world, now face."

## Report from Italy by Umberto Pascali

### 'Papandreotti!'

*Why does the Italian foreign minister want friends like Syria and the Soviets? The answer lies with the Vatican State Secretariat.*

**P**apandreotti"! This was the title of a front page editorial that appeared on Nov. 23 in the daily *Il Giornale*. "Papandreotti" is an amalgam of the names of Greek Prime Minister Papandreou and Italian Foreign Minister Giulio Andreotti. "Andreotti is Papandreou," explains the editorial, "and it seems he wants to stay in the Atlantic Alliance, just as Papandreou does, in order to sabotage it from the inside." In view of Andreotti's political line since he was nominated foreign minister in the Craxi cabinet, the evaluation is extremely accurate.

On Nov. 18 in Venice, Andreotti started a process that, if not blocked immediately, will lead to the withdrawal of Italian peacekeeping troops from Lebanon. That day French President François Mitterrand was officially received in Venice by Italian Prime Minister Bettino Craxi. The meeting took place in the context of the French action against Shi'ite terrorist center in Lebanon. As soon as the news reached Italy, Andreotti called a press conference and condemned in the most drastic way the French action, stressing that it was unilateral and will put into question the presence of Italian troops in Lebanon. A few days later, Andreotti declared that it is necessary to keep "the linearity of Italian foreign policy that allowed us to have no enemies, to understand others, and to not impose anything on anyone: that is the secret of why we enjoy so much esteem from every side." "Every side" includes the Druzes, the Syrians, and even the Soviets.

Andreotti's declarations led Pietro Longo, Budget Minister and General Secretary of the Social Democratic Party (PSDI), to accuse Andreotti of pro-Soviet sentiments. From the other side, Andreotti was supported not only by the Communist Party, but by every leader of his own party, the Christian Democracy (DC), to the point that DC secretary Ciriaco De Mita stood up to say that it is time to reconsider the Italian participation in the peacekeeping forces.

No DC leaders protested. Quite the contrary: the major Catholic organizations came out publicly with statements supporting Andreotti's neutralism. This included the leaders of Caritas, of the Catholic workers association (ACLI), of Lega Democratica and so on. Support to Andreotti and De Mita also came from many Italian bishops.

Although on Nov. 24 the Supreme Council of Defense, which includes the head of the General Staff, the defense minister, and the President of the Republic, issued a statement underlining the necessity for Italian troops to remain in Lebanon, the process of disengagement has begun.

But the Venice gambit of Andreotti was just the last act of a tragicomedy the foreign minister has been playing for a long time, to the point that among certain military circles in Italy he is considered "the most dangerous man for the West in Italy." He has de facto endorsed the Syrian position on Lebanon, and paid a visit to Syrian President Assad in Damascus in October at a time when the Syrians and the

Druzes were on a full rampage against Lebanon and the United States. After that visit, Andreotti declared that the Syrians have vital interests in Lebanon that must be recognized by the West; he was not sure at all that the Syrians were involved in the attacks against the PLO or that the PLO was really being massacred, he said.

Why is a leader that until a few years ago was considered the spokesman for Atlantic interests in Italy de facto joining the "other side"? The first answer you get in Italy is that he is running for the post of President, and badly needs the support of the PCI. This is credible and consistent with the total lack of morality characteristic of Andreotti's policy. But it is only a partial explanation. In reality Andreotti is the spokesman for the powerful interests expressed by the Vatican State Secretariat, the group of Cardinal Agostino Casaroli and Monsignor Silvestrini. This group has decided to accept a compromise with Moscow. They see Soviet political expansionism in Western Europe as inevitable. They are ready to strike an accord, as they did with Mussolini and Hitler, in order to save themselves as an institution.

This is the reason why the Mutually Assured Survival beam-weapons defense policy launched by President Reagan has been neglected, to say the least, by the Vatican, and this is why someone wrote a speech for the Pope that appeals to scientists to refuse to conduct military research; and finally this is why the peace movement in Italy is supported by every major Catholic organization, by religious orders, and even by the Vicar of Rome, Cardinal Ugo Poletti.

But as important Vatican insider put it, "from a moral Catholic standpoint, a beam-weapons defense strategy is no doubt to be preferred to the equilibrium of terror."

---

# International Intelligence

---

## *Castro: Why we defended Grenadian butchers*

In his "Farewell Address . . . to the Heroes Fallen in Unequal Combat Against Yankee Imperialism in Grenada," run in full as an advertisement in the *New York Times* Nov. 19, Fidel Castro compared the Austin-Coard group that conducted the coup in Grenada to the Pol Pot regime, "responsible for the genocide in Kampuchea," and then proceeded to justify Cuba's decision to stand and fight for the butchers.

"Hyenas emerged from the revolutionary ranks," said Castro. Calling the coup-makers "morally indefensible," the Cuban leader nonetheless declared that "If the imperialists intended to attack . . . to withdraw at that time would have been dishonorable."

In the midst of a diatribe against President Reagan for "lying" to justify landing troops on Grenada, Castro claimed that "there wasn't even one Soviet military adviser on the island" at the time of the landing.

---

## *U.S.-Nicaragua-Contadora peace deal?*

Although the danger of all-out war is still very much alive, there is mounting evidence that a Central American peace deal involving the Nicaraguans, the Reagan Administration and the Contadora Group (Colombia, Mexico, Venezuela and Panama), is in the making.

High-level sources in Mexico said Nov. 25 that the Nicaraguan Sandinista government is serious about making concessions to avoid a confrontation with the United States. Several thousand Cuban civilians left Nicaragua towards the end of November, and the Sandinistas have asked the leader of El Salvador's leftist guerrillas to close down their offices in Nicaragua and leave the country. Both of these have been key demands of the Reagan administration.

The government has also softened its stance towards the internal opposition, including the traditionalist Catholic Church, the press, and the private sector. Agrarian Reform Minister Jaime Wheelock, a member of the ruling junta, this week asked the private sector to meet with him, and offered to take steps to insure their property rights.

From the U.S. side, the *Washington Post* Nov. 25 leaked a CIA report stating that the U.S.-supported "Contras" fighting against the Sandinistas from Honduras, cannot now or in the foreseeable future become a credible threat to the Nicaraguan government.

The Contadora Group will meet in Panama the first week in December to present a package of peace accords for Central America. Early next year an economic development plan for the region—the Central American Economic and Social Development Committee (SIEDOC)—will be unveiled at the Quito, Ecuador, summit of the Ibero-American nations. This is an essential ingredient of any durable peace formula.

---

## *French terrorism shows increased coordination*

Although there have not yet been any terrorist "spectaculars" of the kind that rocked Beirut, the climate for them is being created in France. The incidents thus far indicate an increased level of coordination both locally and internationally.

In early November more than 20 bombs exploded almost simultaneously in Corsica. A week later, an unprecedented wave of bombings hit the French Caribbean island of Guadeloupe. Responsibility was claimed by obscure separatist groups which are believed to be manipulated by the local Communist Party.

It is suspected that the actions were planned in coordination with the Soviets, the Cubans, and the international terrorist apparatus that had previously been based in Grenada. A major target is the territory of French Guiana, on the northeast coast of

South America, one of the main rocket-launching sites in the western hemisphere.

In France itself, meanwhile, the Action Directe group has been conducting a small-scale bombing campaign against Catholic institutions, in response to French bishops' support for the strategy of nuclear deterrence.

More threatening has been the appearance of potential kamikaze commandos in cars or trucks. On Nov. 11, one of the main NATO oil refineries in Strasbourg was put on alert in response to threatened terrorism against the NATO pipeline to Belgium. Most French military bases followed suit on Nov. 17.

---

## *Soviets reviving Stalin and 'one-man command'*

The Soviet Central Committee has decreed that the 1983 state prize for literature will go to the author of an adulatory novel on the wartime role of Josef Stalin.

This unusual decision reflects the growing predominance of the Soviet military in Soviet life, and the accompanying insistence on the principle of "one-man command"—meaning that the decisions of a military commander are not subject to review by the Communist Party.

The novel, *War*, by Ivan Standyuk, is described as the most effusive praise for Stalin to come out since Nikita Khrushchev's 1956 "secret speech" unveiling Stalin's crimes. When it first appeared in 1974, the novel was officially denounced as having "exaggerated" Stalin's wartime leadership role, and for "arbitrarily violating the principles of historical objectivity."

The flavor of the novel is captured in the following description of Stalin writing his first wartime speech while staring at his own portrait: "Yes, in the picture he breathed with immortality. Stalin himself thought that was just how he looked when he sat at his desk with a pen in his hand, writing, looking into the recesses of his own knowledge, freely and generously guiding obedient

thoughts, giving them energy, determining new basic principles and connections between comprehensive scientific ideas and practical realities."

## ***100,000 Ethiopians face death in famine***

Unless Ethiopia receives emergency food and water-management aid, "We are talking matter-of-factly of 100,000 people dying within weeks, and that is only the beginning," a European source told *EIR* Nov. 23.

The Ethiopian government has asked foreign governments for \$500 million in emergency aid, but the United States, the Federal Republic of Germany, and other Western countries have refused, arguing that Ethiopia is a Soviet satrapy.

The spread of famine throughout Ethiopia is helping feed insurgency movements in various parts of the country, both separatists and roving bandit-guerrillas. As the internal situation deteriorates, the likelihood increases that the Soviets and the mystical Coptic Church currents behind the ruling military command will encourage it to launch diversionary foreign adventures. The prime target is the Sudan.

The crisis is exacerbated not only by the moral callousness of Western nations, sources emphasize, but by the extremely stringent austerity demanded by the International Monetary Fund.

## ***LaRouche to ICLC: 'World's gravest crisis'***

There is a great danger of thermonuclear war in the first half of 1984. Lyndon LaRouche told 400 members and guests of the International Caucus of Labor Committees (ICLC) in the Nov. 19 keynote to the ICLC's international conference in Kiedrich, West Germany: "Facing the World's Gravest Crisis."

The ICLC was formed by LaRouche 15 years ago precisely to avert such an outcome, based on LaRouche's understanding that the world was heading for a new depression and concomitant political crisis.

The Soviets, said LaRouche, are confronting the United States around the globe, on the assumption that they will never again have the opportunity represented by their current military superiority and the economic-political breakdown of the Western alliance. Although they expect a fundamental U.S. backdown, the Soviet leadership is prepared for a war in which they would lose as much of their population as they lost in World War II.

But President Reagan's hesitation on an all-out industrial mobilization behind his beam-weapons defense policy, the Soviets calculate, will end with his reelection at the end of 1984.

LaRouche told the ICLC that to change the current, perilous course of world events, the ICLC must take leadership in "saturating" Western Europe with the development of American patriotism, thereby laying the basis for a "cultural revolution," a political renaissance of Western civilization.

The conference was a continuing reflection on that theme. It heard presentations on the world food crisis, and policies for an industrial renaissance in Ibero-America and Asia. Considerable discussion was generated by a historical presentation on Stalin's attempt to use Hitler for his own purposes.

Helga Zepp-LaRouche spoke on the method necessary for the defense of humanist culture, as expressed especially in the work of Plato, St. Augustine, Dante, Nicholas of Cusa, Bernhard Riemann, and LaRouche himself. She challenged her audience to rescue civilization by mastering their method, declaring that "there is no bigger crime than not fighting when we must."

The question of science and culture as political method was elaborated in presentations on geometry and language, and in performances of classics throughout the conference.

## ***Briefly***

● **SWISS AUTHORITIES** refused to inform Israel of a special terrorist planning meeting on Oct. 23 at Geneva's Hôtel Président, causing alarm bells to go off in relevant intelligence centers. Syrian intelligence chief Ali Duba, members of the Abu Nidal gang, and other terrorist groups met to discuss fomenting a Syria-Israel war through unleashing spectacular terrorism in the Middle East.

● **WINSTON CHURCHILL III** said "B.S." to the idea that the Soviets are contemplating a thermonuclear first strike. He thinks that they are "suffering from total inertia." Committee for the Free World-linked military intelligence sources in London do not agree.

● **MAGGIE THATCHER** now wants a global nuclear freeze. She endorsed Canadian P.M. Trudeau's plan for such at the Commonwealth meeting in New Delhi.

● **LORD CARRINGTON** is expected to be named NATO secretary general at the alliance's foreign ministers' meeting Dec. 8 in Brussels, according to enthusiastic NATO officials. However, a more cautious observer from the LaRouche presidential campaign suggested it were better if Lord Carrington allowed an investigation of a Buckingham Palace child sex ring (reported to have supplied young boys to diplomats around the world) to run its course before accepting the prestigious post.

● **THE JESUIT ORDER** demands euthanasia in a recent issue of its official journal, *Civilt' a Cattolica*. The article's author calls for changes in the legal structure on the model of some of those accomplished in the United States. Pedro Arrupe, the former general of the Jesuits, is an expert on the eugenics movement of the 1930s.



## Will the Mondale scandal topple Lane Kirkland?

by Warren Hamerman

On Thanksgiving, 1972, over cocktails at a private party at the Watergate in Washington, D.C., Lane Kirkland—graduate of the Jesuits' Georgetown Foreign Service School, member of the Trilateral Commission, Council of Foreign Relations, the Carnegie Endowment for International Peace, the Brookings Institution, and the Rockefeller Foundation—said half in jest, "If things ever get really bad, I can always flee to my plantation in the Virgin Islands."

Eleven years later, on November 19, 1983 at a Mondale for President event in Boston's Park Plaza Hotel, Lane Kirkland's time to begin his packing may well have begun when high-level union and political thugs brutally attacked Boston political leader Michael Gelber while he tried to get Walter Mondale personally to respond to widespread charges that one of his top foreign policy advisors, **Robert Pastor** of the left-terrorist Institute for Policy Studies, overtly compromised U.S. national security in the planned Soviet-Cuban takeover of Grenada. Pastor gave advice to Grenada's Marxist dictator **Gen. Hudson Austin**, after Austin, with Soviet backing, had overthrown and murdered Grenadian Prime Minister Maurice Bishop and posed a threat to the U.S. students.

Lane Kirkland, Walter Mondale, Henry Kissinger, and Paul Volcker—all colleagues on the Trilateral Commission—are the leading spokesmen in the United States for Moscow's opposition to the new strategic doctrine of Mutually Assured Survival announced by President Reagan on national television on March 23. Kirkland, Mondale, Kissinger, and Volcker are the out-front political hatchetmen for Moscow's policy that the United States should not embark on a crash program of laser-beam defensive-weapon systems but should instead cut the defense budget. Their argument is

based on the assumption that thermonuclear war will wipe out the U.S. budget deficit. Now that the American population openly questions the loyalties of the *New York Times*, ABC, NBC, and CBS after their attack on U.S. actions in Grenada and Lebanon, Kirkland and Mondale are forced to outright KGB goon tactics.

It is well known that Lane Kirkland personally forced the early endorsement of Mondale's candidacy down the throats of a reluctant AFL-CIO. Everyone, even Kirkland himself, knows that the labor support upon which Mondale's status as front-runner rests is paper thin. Will labor take Kirkland's orders to "goon" for Mondale even against U.S. national interests? Or, will the delayed reaction to the resented Kirkland dictatorship explode in the spreading scandals? A preliminary probe shows that Kirkland himself is deeply implicated in KGB-linked international terrorism, that his "Nuclear Freeze" strategic policy was dictated jointly by Henry Kissinger and the Soviet KGB, that he has deployed the AFL-CIO to protect the austerity policies which have caused the depression now crushing U.S. labor, and that Mondale comes from the law firm which represents the worst union-busting company in America today, Greyhound.

### The Boston incident

Four officials of the Massachusetts AFL-CIO, all now formally summoned to appear in Boston criminal court December 13 for a probable cause hearing on assault charges, including Kirkland associate **Paul Eustace**, secretary of labor and industries for the state and former top official in the area AFL-CIO, violently assaulted Michael Gelber, a declared political candidate for the seat of Sen. **Paul Tsongas** (D-Mass.). At the hands of the Kirkland and Mondale goons,

Gelber suffered a concussion and bruised ribs, according to his physician at Boston City Hospital. Michael Gelber is the recent candidate for mayor of Boston whom the local media credit as "the man who made laser beam weapons a household word," the head of the New England National Democratic Policy Committee (NDPC) and long-standing associate of Lyndon H. LaRouche, Jr.

On Nov. 20, the day after the incident, the *Boston Globe* reported that the assault against Gelber was led by Kirkland's personal man AFL-CIO bigwig Paul Eustace, along with James Dorsey, press secretary to Governor **Michael Dukakis**. As the five-foot-six-inch Gelber asked Mondale, "Why are you not more forthcoming with the press in revealing the role of your adviser, Robert Pastor, in installing the Marxist junta in Grenada?" Kirkland's over-six-foot goons picked up Gelber, hauled him out of the room and then smashed him against a wall outside. The Mondale/Kirkland thugs then raced out of the hotel to avoid hotel security. The Boston incident was the second time in one week that the Mondale crew has resorted to violence to silence the questions about the Pastor-Grenada connection.

### **Kirkland's international terrorist network**

Ever since he directly took over the AFL-CIO's day-to-day operations in the late 1970s, Lane Kirkland has deployed the vast international apparatus of the AFL-CIO for brutal "enforcement" and overt terrorist assignments of the U.S. State Department, often with equal disregard for the national sovereignty of various nations and the national security interests of the United States. In early 1982 one of Lane Kirkland's henchmen in Europe, **Luigi Scricciolo**—the chief of international affairs of the Italian UIL, the Socialist Party-connected national labor confederation of Italy—was jailed as a member of the terrorist Red Brigades fully involved in the kidnapping of American NATO Gen. James Dozier. He was also implicated in passing secret NATO documents to the Warsaw Pact as well as in KGB-infested drug, arms, and terror networks. General Dozier's jailer, **Antonia Savasta**, together with Scricciolo's own cousin Loris—himself a jailed Red Brigades member—have offered detailed accusations.

Scricciolo ran intelligence and political operations for the Bulgarians and Soviet KGB, under the convenient cover that he and his wife **Paola Elia** were in charge of transferring to the Polish Solidarnosc union monies originating from Lane Kirkland's AFL-CIO.

On several occasions the Kirkland-linked Luigi Scricciolo orchestrated meetings between Red Brigades members and officials of the Bulgarian Embassy in Rome. Besides running illegal drugs and weapons, and the Dozier kidnapping, the Bulgarian network is widely known to be complicit in the attempted assassination of the Pope and a plot, for which Scricciolo provided intelligence, to kill Polish labor leader Lech Walesa. Scricciolo's ties to Kirkland were through **Irving Brown**, the director of AFL-CIO European headquarters in Paris. These are the old **Jay Lovestone** networks

of the alliance between "State Department Socialism" and the Nazi International.

Irving Brown, Kirkland's man in Europe, was recruited by Lovestone in the 1920s into the Communist Party, USA, a party which Lovestone had founded. Even after Lovestone "repudiated the Bolshevik system" U.S. military investigations strongly pointed to him as the Western Hemispheric station chief of the OGPU, the predecessor to the KGB. Lovestone established the notorious League for Industrial Democracy (LID) and became a key figure in the mobster takeover by Dubinsky of the International Ladies Garment Workers Union (ILGWU). Today **Arch Puddington** at the League for Industrial Democracy is known to be a key operative in the mobster side of the operation. These networks overlap with the organized crime-run Anti-Defamation League of B'nai B'rith, which provided the political clout enabling Kirkland—a man with no background in labor—to rise to the top of America's most powerful labor organization.

Through Lovestone's protégé Brown, Scricciolo and Kirkland collaborated on joint projects and operations such as support for *Solidarnosc* activities in Poland. At the time of Scricciolo's arrest, correspondence from him was on the desk of officials of the AFL-CIO International Affairs Department, headed by **Ernest Lee**, in Kirkland's Washington office. The official report of Kirkland's Executive Council of the AFL-CIO's Fourteenth Convention (Nov. 16, 1981 in New York) states on page 185:

"The Executive Council is pleased to note that the Polish Workers Aid Fund, established by the General Board, has received more than \$250,000 in contributions from affiliates. This fund is being used, in accordance with the wishes of Solidarity—the Polish Union."

### **Latin American dirty operations**

Throughout 17 countries in Latin America and the Caribbean, the AFL-CIO's American Institute for Free Labor Development (AIFLD) has become notorious for intervening against national sovereignty. In October 1982 **Jack Muth**, the U.S. embassy labor attaché in Bogotá, Colombia and AIFLD representative in Colombia, **Edwin Palenque**, were caught redhanded conducting illegal operations in coordination with Kirkland's Washington headquarters against sovereign Columbian trade unions, the Club of Life, its founder Helga Zepp-LaRouche, and her husband, American political leader Lyndon LaRouche, twice a candidate for the Democratic Party's presidential nomination. Muth threatened to wreck a major trade union of Colombia if members of that union participated in the Bogota conference of the Club of Life. When U.S. investigators contacted Mr. Muth he not only volunteered admission of his attempt to blackmail a Columbian trade union official but bragged that this action was part of a year-long operation conducted in coordination with named AFL-CIO and organized crime circles.

AIFLD operatives have been documented to have conducted similar operations in Argentina, Mexico, and else-

where. In Kirkland's Washington headquarters **Michael Boggs**, the assistant director for International Affairs, and **Michael Verdu** of AIFLD have been proven complicit in these illegal operations.

One leading Venezuelan trade unionist recently characterized Kirkland's operations this way: "I can't talk about their domestic union policies because I don't know them, but their foreign policy is straight State Department policy. Kirkland's AFL-CIO is an appendage of the U.S. State Department. We don't like the State Department policy to Latin America and therefore we don't like the AFL-CIO policy to Latin America." A leading international banker described Kirkland's AIFLD as an outfit that could be relied upon to "keep the Latin American trade union movement in line by preaching that the International Monetary Fund (IMF) is reality and can't be bucked even if the austerity isn't good."

Kirkland, of course, is a close Georgetown colleague of Henry Kissinger. In the words of an AFL-CIO colleague, Kirkland and Schultz are close personal friends "who think alike on all matters, especially economic policy." Kissinger has publicly stated that it was his "good friend Lane" who interceded at the White House to help him get appointed head of the Central American Commission, of which Kirkland, too, is a member. The AFL-CIO/ State Department apparatus provides a thin cover for dirty operations in over 40 African countries through the African-American Labor Center (AALC) and over 19 Asian and Middle East countries through the Asian-American Free Labor Institute (AAFLI). The AFL-CIO also directly operates through the vast networks of the Trade Union Advisory Committee (TUAC) to the Organization for Economic Cooperation and Development (OECD), the International Labor Organization (ILO), and the International Confederation of Free Trade Unions (ICFTU).

### **Kirkland's austerity economics**

Lane Kirkland and Walter Mondale are no strangers to imposing economic austerity—by force if need be. For example, the Chicago-based law firm of **Winston & Strawn** brought Mondale onto the firm in 1981 after he left the Carter administration. The senior partner of the law firm, **John Reilly**, is reported to be the pivot of strategic thinking in the Mondale campaign. The chief client of the firm is the AFL-CIO, while another major client is the Greyhound Bus Company, now involved in one of the most brutal anti-labor thug actions in union history. The Kirkland/Mondale action against the bus drivers is one of the worst wage-gouging and union-busting operations of the postwar period.

Between 1970 and 1972 Kirkland served on Richard Nixon's Commissions on Financial Structure and Productivity where he played a role in formulating the infamous austerity package of Phase I/Phase II and the disastrous decision to take the dollar off the gold standard on Aug. 15, 1971. **George Shultz**, currently Kirkland's man in the administration, was secretary of labor during the Nixon Phase I/Phase II, when Kissinger was secretary of state and Paul A. Volcker was undersecretary of the Treasury.

Lane Kirkland assumed the presidency of the AFL-CIO in the fall of 1979, the same time that his fellow Trilateral Commission member Paul A. Volcker (who was appointed to the chairmanship of the Federal Reserve when Trilateral Commission members Mondale and Carter were in the White House) began his high-interest austerity policy. From 1975-1979 Kirkland along with Volcker directly participated in the Council of Foreign Relations' **Project 1980s** which designed the policy of "Controlled Disintegration for the World Economy" which Volcker's subsequent policies implemented. During the past years, Kirkland has used the muscle of the AFL-CIO to run a political protection racket for Paul A. Volcker. During 1983 the AFL-CIO was deployed against any who opposed the renomination of Paul Volcker. Naturally, therefore, they also provided the critical muscle in defusing the opposition to the passage of the IMF quota increase. As a top AFL-CIO economist said, "We'll find a way to back the IMF. We always do."

Kirkland's endorsement of austerity economics and plantation-style labor simply means that he sees no reason to break with family tradition. Lane Kirkland comes from the South Carolina-based slave-owning plantation aristocracy; several ancestors played significant roles in establishing the Confederacy. Kirkland's policies represent the same evil programs of "slavocracy" that Lincoln fought the Civil War to end.

In May 1983, Kirkland joined Mussolini-style financier **Felix Rohatyn** and corporatist **Irving Shapiro** of Du Pont in forming an Industrial Policy Task Force for something called the Center for National Policy (CNP). The heart of their program is to revive the policies of the 1975 Initiative Committee for National Economic Planning (ICNEP), a brainchild of Leonard Woodcock and the Council on Foreign Relations. The ICNEP program proposed "business-labor-government" regional financial control boards modeled on Mussolini. Their official material included plans for a "Coming Corporatism." Their literature stated: "Let us not mince words. Corporatism is fascism with a human face." It is most clear on economic policy that "left-wing social democrat" **William Winpisinger** and so-called "right-wing social democrat" Kirkland are one and the same fascist operation.

The State Department/AFL-CIO alliance of Kirkland, Kissinger and Shultz has built careers by manipulating and controlling presidential campaigns. The early commitment of Kirkland to use the AFL-CIO as a battering ram for Mondale has been widely reported. The Kissinger side of the control is less in public sight. Biographer Seymour Hersh has documented how Kissinger works both sides of the street in a presidential election. In 1968, while an adviser to Nixon, Kissinger was leaking like a sieve to Democrat Humphrey, Mondale's mentor.

Today, Mondale's official campaign literature documents the following Kissinger moles in his operation: **William Hyland** (Kissinger's favorite Sovietologist and editor of *Foreign Affairs*), **Winston Lord** (Kissinger's former White House aide and President of the New York Council on For-

ign Relations) and **Viron Vaky** (Kissinger's NSC expert on Latin America). The list of Mondale's advisers is a who's who of **David Rockefeller's** Trilateral Commission, the supranational policy-planning agency founded to capture the Presidency in 1976 for the Council of Foreign Relations Project 1980s of Kirkland, Kissinger, Volcker, et al. David Rockefeller is Henry Kissinger's traveling checkbook. Under Republican President Ford, Kirkland served on the notorious Presidential Commission on CIA Activities within the United States, headed by **Nelson A. Rockefeller**. The Trilateral Commission is otherwise known as the "Carter White House." It took 18 Trilaterals to run the Carter administration including **Walter Mondale, Jimmy Carter, Zbigniew Brzezinski, Cyrus Vance, Paul Volcker, and Harold Brown**. Lane Kirkland was on Jimmy Carter's Citizens' Advisory Panel that helped select the personnel in the administration.

Of the 35 names on Mondale's advisers list, 23 were members of the Trilateral Commission/Carter administration, not including Walter F. Mondale himself. It is no accident that Mondale advisor Robert Pastor was writing strategy papers for the Soviet-backed butchers President Reagan had to send in the Marines to clean out of Grenada! It is no accident that Mondale/Carter aides **Peter** and **Geoffrey Bourne** along with Pastor gave "advice" to Americans on

Grenada that could have resulted in another Iran-style hostage crisis.

### **Mondale's secret adviser**

Walter Mondale's unnamed "secret" adviser is **Fyodor Burlatskii**, a "journalist" for the KGB. Burlatskii was one of two top Russian intelligence agents who attended a joint Soviet-American conference which took place in Minneapolis, Minnesota—Walter Mondale's home state and political base—beginning on May 24, 1983. The conference was organized with the backing of Lane Kirkland's AFL-CIO and Minneapolis Mayor **Donald Fraser**. The Russian operatives ordered opposition to the development of defensive energy beam weapon systems, which Burlatskii later defined as a *casus belli*.

Immediately following the Minneapolis event, the Russian participants fanned out to more than 30 U.S. cities to organize conferences for their objectives, working with the Kirkland-Mondale political machine to build mass support for a U.S. surrender to the Soviet Union in the guise of the Nuclear Freeze movement. With the American population increasingly determined to defend the national interest, the question now is perhaps not whether, but how fast, the mounting Mondale scandals will bring down Lane Kirkland.

## **Walter Mondale made Jonestown possible**

Five years ago last month, 913 men, women, and children—many of them impoverished blacks—died agonizing deaths in the jungle of Guyana after being induced by cult leader Jim Jones to swallow cyanide-laced Koolaid.

One of the principal individuals responsible for the establishment of the death colony at Jonestown, and the murders of nearly 1,000 people, including Rep. Leo J. Ryan, was Walter Mondale.

According to absolutely reliable information, in late 1976 or early 1977 Mondale interceded at least twice with the Guyanese government to gain its permission for Jones to relocate his People's Temple from California to Guyana. It is a matter of public record that Mondale wrote a letter of reference for Jones stating: "Knowing your congregation's deep involvement in the major social and constitutional issues of our country is a great inspiration to me."

According to new information made available to *EIR*, the Vice-President met with Guyanese embassy officials in Washington to plead Jones's case in person. Accompanying him were Rosalynn Carter, wife of the President, and Mervyn Dymally, Jerry Brown's lieutenant governor and presently a U.S. congressman.

There had been extensive contacts between Jones and

the Carter-Mondale apparatus during the 1976 campaign, when the People's Temple played a key role in turning out the San Francisco vote for the Democratic presidential ticket. During the campaign, Mondale had appeared at a People's Temple event and entertained Jones on his campaign jet, while Mrs. Carter dined privately with the cult leader at her hotel suite in San Francisco.

Based on Mondale's intercession with Guyanese officials, and on praise-filled testimonials from other leading lights of the Carter administration, including HEW Secretary Joseph Califano, the Guyanese government allowed Jones to set up his slave-labor plantation at Jonestown. Not long after the move, regular contacts were established between Jonestown and the KGB station chief in Guyana.

In the aftermath of the mass suicides, Mondale and others in the administration claimed that they had no idea that Jones was a fiend. Yet by the time Mondale became publicly involved with Jones, it had already been established that the cult leader was regularly using hideous forms of psychological and physical torture to keep his followers under his sway. Defectors from the People's Temple had filed numerous affidavits attesting to the beatings, sexual molestation of children and adults, starvation, and psychological manipulation that Jones practiced as a matter of course. Moreover, Jones had started talking about "revolutionary suicide" as early as 1972, and held numerous suicide drills before the move to Guyana.

# Hearings on 'Manhattan project' for defense

by Paul Gallagher

The nation's press have been at pains to claim that the Reagan administration does not support the People Protection Act, the legislative mandate for a "new Manhattan Project" for beam weapon anti-missile defense systems proposed by two Colorado Republicans, Rep. Ken Kramer and Sen. William Armstrong.

This legislation, the subject of hearings in the House Nov. 10, has drawn the support of the most active campaigners for the "beam weapons" strategic doctrine adopted by the President March 23. This includes Dr. Edward Teller, who testified for the bill, and the National Democratic Policy Committee associates of Lyndon LaRouche, whom the Soviet leadership has identified as the "intellectual author" of Reagan's adoption of Mutually Assured Survival as a strategic negotiating policy. Another kind of encouragement was given when the Joint Chiefs of Staff announced on Nov. 17 that they had formally approved the formation of a Unified Space Command for all three services—a central feature of the Kramer-Armstrong bill.

If the White House is not now lobbying for the passage of the People Protection Act, it is because of the blackmail pressure applied by Henry Kissinger, and his crony George Shultz's State Department to prevent his going full-speed ahead for development of beam weapons.

Congressman Kramer defines his proposed new unified space command as a revival of the functions of the 1950s Continental Air Defense Command (CONAD), junked when the MAD doctrine took over. CONAD, a "unified homeland defense command," combined the Navy's wide-ranging radar surveillance forces, the Army's anti-aircraft missile forces and embryonic anti-missile missile development efforts, and the Air Defense Command of the Air Force. After MAD was made U.S. strategic policy, this unified defense command, and the attempt to develop defensive capabilities itself, were systematically phased out.

Not on the Soviet side, however. The U.S.S.R. command, after dispensing with the annoying MAD prankster Khrushchev by 1964, proceeded to:

- 1) develop its initial crude anti-aircraft perimeter defense, stage by stage, into a surface-to-air ABM defense guided by a nationwide system of huge battle management radars, and smaller mobile radars; the system is potentially deployable for either anti-missile interceptors or ground-based and ship-based lasers and particle beams;

- 2) develop its orbital satellite surveillance capability of the 1960s into a system which today can target, track, and guide missiles against U.S. naval targets on the surface;

- 3) develop a huge military-space program centered upon its manned space stations; and

- 4) pursue continuous research and development for 20 years on laser and particle-beam anti-missile weapons.

## Kramer: we need a unified space command

*From the written testimony of Rep. Ken Kramer, member, House Committee on Armed Services, in support of H.R.3073, The People Protection Act of 1983, before the House Armed Services Subcommittees on Investigations and Research Development, on Nov. 10.*

On March 23, 1983, President Reagan issued a historic challenge to the American people and our scientific leaders to "turn their great talents . . . to the cause of mankind and world peace, to give us the means of rendering . . . nuclear weapons impotent and obsolete."

The President's speech was a call for a "Peace Race"—offering a vision of hope: the prospect of an opportunity to give ourselves, our children, our grandchildren, and all generations to come the priceless gift of a world freed of the specter of nuclear war that has haunted our planet for 38 years. He has questioned the morality of the doctrine of mutual assured destruction—MAD—which requires that the United States government abandon its obligation to protect its citizens from attack, leaving them hostage under the threat of nuclear holocaust. In issuing his call, President Reagan has elevated the question of how best to achieve and maintain peace to the top of the national agenda—and in so doing has set the context for future debate on the subject.

Make no doubt about it: The Peace Race challenge envisioned in the President's Defensive Technologies Initiative is a spectacularly ambitious one. Quite simply, it will require a scientific, technical, military, and organizational undertaking that will dwarf anything ever before mounted by the human race—a colossal "Manhattan Project for Peace." Clearly, it will take our best minds and a bipartisan commitment from the Congress if we are to succeed. However, the goal—bringing a halt to the arms race and ridding the world of nuclear weapons—is so important that we cannot afford to miss this opportunity. Indeed, as the *Washington Post* noted editorially, the question President Reagan has raised is this: "Why are we and the Soviets basing our defense and survival

on the terrible and incredible threat of mutual annihilation? Is there not a better way?"

I am reminded of President Kennedy's challenge that we put a man on the moon. In a speech before Congress on May 25, 1961, he said:

I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to earth. No single space project in this period will be more impressive to mankind, or more important for the long-range exploration of space; and none will be so difficult or expensive to accomplish.

It is important to note that, at the time this dramatic commitment was made, the United States had acquired less than 10 minutes of manned flight time in space—a suborbital flight by Alan Shepherd only three weeks before Kennedy's speech. We did not have the very high powered rocket engines needed to lift a multi-thousand ton moon rocket off the ground. Nor did we have any cryogenic upper stages to provide sufficient power to escape from the earth's orbit. There were technical problems to be overcome in nearly every area—rocket propulsion, guidance, the development of extremely lightweight lunar landing craft, navigation, safety measures, launching and recovery techniques and re-entry heat shield designs. Nevertheless, NASA—backed by a national commitment to put a man on the moon—displayed a unique can-do attitude that resulted in breakthrough after breakthrough. As a result, its mandate was completed on time and within original cost estimates despite the many unknowns which had to be overcome.

The lesson is clear: The United States can achieve remarkable and totally unanticipated technological breakthroughs if there is a driving national commitment to do so. Thus, I am optimistic that we can, in fact, develop the type of defensive technologies President Reagan referred to in his March 23rd speech—if only we commit ourselves to the task.

However, we must recognize that President Kennedy had a major asset he could count on in his quest to put a man on the moon that President Reagan does not enjoy today. Whereas President Kennedy could look to NASA and a ready-made contingent of conceptual thinkers, planners, and engineers to get his man-on-the-moon project off the ground, President Reagan does not enjoy a similar luxury.

Implementation of the President's vision requires an entirely new organizational infrastructure, both in the operational and research and development spheres. It is this vital need that the "People Protection Act" seeks to address. In brief, this bill, H.R. 3073—which has now also been introduced in the Senate by Senator William L. Armstrong as S. 2021—would:

- Restructure the Air Force Space Command as an all-service, unified command that ultimately would have full responsibility for the deployment and op-

eration of all space-defense systems;

- Create a new Army command—as a component of the unified space command—which would be responsible for the ground-based aspects of a comprehensive multi-tiered strategic defense;

- Establish a directed-energy weapons systems agency to consolidate our research and development work on laser, particle-beam, microwave, and other promising technologies;

- Transfer to the Department of Defense those space shuttles which are required for national security missions;

- Provide for the immediate development of a manned space station; and

- Overhaul our strategic and arms control policies to place primary emphasis on strategic defense rather than strategic offense.

I am very pleased to learn that many of the recommendations of the Defensive Technology Study Team (Fletcher Commission), the Future Security Strategy Study, and the Senior Interagency Group on Defense Policy reportedly closely parallel the major provisions of the People Protection Act. . . .

In order to put any new defensive systems developed under the Defensive Technologies Initiative into effective operation, the United States needs a viable "deployment" and operations organization for space defense. Creation of a unified, all-service space command would admirably serve that purpose, as the Fletcher Commission reportedly has recognized in its recommendation that the Joint Chiefs of Staff be directed to develop the management scheme for a multi-tiered space-defense program.

What would such a command do? Today, our national security depends upon support from space systems. Absolutely vital surveillance, early-warning, intelligence, communications, and weather information and functions are gathered and carried out by our spaceborne assets. Should we be denied these essential support assets, our armed forces around the world—land, sea, and air—would be rendered deaf and dumb. We would be at the mercy of the attacking forces—"Pearl Harbored" from space.

Currently, virtually none of our space systems are assigned to a unified or specified command—the only commands which, by law, can conduct military operations, including support operations. This means that most space systems do not fall within the operational command structure, that they are not directly responsive to the President and the other national command authorities.

So, in the near term, a unified space command would serve to remedy this potentially dangerous situation. It would:

- Have operational control of space systems which support terrestrial forces;

- Plan for wartime support from space, interacting with other unified and specified commands to meet their requirements;

- Be a military focal point for operational requirements;
- Be a military advocate for space solutions to military problems;
- Provide military advice to the President and other national command authorities regarding space; and
- Develop essential operational experience and expertise in military space operations and give the benefit of this experience to the developers of space-defense technologies.

In the longer term, a unified space command would be in charge of the comprehensive and strategic defensive weapons systems envisioned by President Reagan in his March 23rd speech. It would thus have full responsibility for defending the American people, our homeland, our forces around the globe, and our allies from strategic attack. It would:

- Be on constant watch for a missile or bomber attack from any quarter;
- Provide early warning of such an attack directly to the President and other national command authorities; and
- Marshal and “fight” our space-defense forces in space, in the air, at sea, and on land to defend against bomber and missile attack on a global basis.

Fortunately, such a command can build on the existing Air Force Space Command, which became operational in September 1982. As one who sought to draw attention to the need for such a command throughout the 97th Congress—having introduced legislation in December 1981 to create this organization—I have long argued that this new Air Force command should play a key role in bringing about a new American strategic posture built around strategic defenses. I have also urged the establishment of a new “strategic concepts” working group, in which the long-range planning staff of the new Space Command could take a lead role. . . .

This unified command could also build on the Navy’s new Naval Space Command. Given the vulnerability of U.S. naval forces to Soviet space-based reconnaissance and targeting and the Navy’s increasing dependence on space systems, inclusion of the Navy is essential. Although it is funded at considerably less than the Air Force program, the Navy’s space program is of increasing importance to naval operations around the world.

Finally, the fact that the President has proposed a total homeland defense posture—including defenses that can stop cruise missiles, bombers, and ballistic missiles—means that the new unified space command should include an Army component command along the lines of that branch’s former air-defense and ballistic-missile defense command. The air-defense missiles the Army deployed in the 1950s and 1960s, for example, had some BMD capability and could have acquired more had they not been phased out as they aged.

The Army also developed the BMD system that the U.S. operated for a brief period in North Dakota (1975-1976), with operational control being exercised from the NORAD command post in Colorado Springs. . . .

Let us now consider the need for a directed-energy systems agency, a need recognized by the Fletcher Commission in its recommendation that a single senior official “with his own money” be put in charge not only of directed-energy programs but of all strategic defensive technology R&D. This official would lead a separate office of the sort directed by Admiral Hyman Rickover as chief of the Navy’s nuclear power program.

Today, the American directed-energy weapons effort runs far behind its Soviet counterpart in funding and top-level commitment. It is split up among the uniformed services and the Departments of Defense and Energy, competing for a limited pool of funds with more traditional technologies and with forces having powerful protectors and constituents. Fragmentation and the lack of focus on mission objectives has so far relegated the American directed-energy program to a marginal status and has caused such systems to be viewed as an “out-years” possibility. Thus it is no surprise that in FY 1983 the U.S. spent only \$500 million on this program—less than the cost of two B-1 bombers—despite the fact that such technologies could literally make entire present-day weapons systems obsolete. The Soviet level of effort, on the other hand, is estimated by the Department of Defense to be three to five times larger than our own. . . .

However, the most critical contribution that such a new agency would make would be cross-fertilization of technologies. For example, given the urgent need for “break-through” developments, particularly in such technologies as power sources or in large space mirrors that could reflect and precisely aim ground-sited beam sources, it is important to heavily fund “parallel tracks” for space defenses. Some approaches would use electrical power in space (such as free-electron lasers) or chemical power (the present DARPA space-based laser program), while others could dispense with space-based power sources altogether and have space-based mirrors to serve as passive reflectors of high-energy ground power sources.

The analogy with NASA’s experience in designing the moon rocket and the lunar lander is instructive here. NASA had to make fundamental decisions early into the Apollo program on how it was going to get to the moon from a “parking orbit” around the earth, land on the moon, and return to earth—basic decisions that would determine the size of the rocket, whether to go with one rocket or several, and the design of the lunar landing craft. In the same way, there are competitive approaches to strategic defenses deployable in space. The new directed energy systems agency should fund competitive approaches to the point where the U.S. could make a truly informed decision about which way is the best to go.

As part of the President’s new strategic agenda, it also



makes sense for the Department of Defense to operate its own shuttle fleet and to develop its needs for space launch and orbital operations as part of its budget. The strong possibility that a permanent manned presence on orbit will be needed to support our orbiting defense platforms and to provide a "fail-safe" element in the early-warning and battle-management loops reportedly has been recognized by the Fletcher Commission. I understand that the commission has called for a careful review of the need for such a manned presence in a national security context.

I believe there is such a need. The idea would be to develop a "space infrastructure" similar to what the Soviets have been building up. If we are to maximize the potential in space-based defensive systems, we will eventually need both an integrated transportation system that can move astronauts, materials and equipment to, from and in space, and a space-based logistics, operations and maintenance system that will help support our force structure.

Central to a discussion of these proposals is the future role of NASA. As shuttle flights become commonplace, the question we need to ask is whether it really makes sense for NASA to become merely a transportation system that is for space that Amtrak is for trains. Or, would it not make more sense for NASA to remain on the cutting edge of new research and development in space? . . .

President Reagan's policy proposals for a new defensive emphasis in strategic policy have immense implications for the U.S. policymaking process. In essence, he is calling for a strategic policy and for arms-control arrangements that will replace those around which a large policymaking community has organized itself over the past two decades. This switch will require a considerable reorientation in the American approach to ongoing arms-control negotiations, one which requires careful coordination among the Defense Department, the State Department, the Arms Control and Disarmament Agency, the National Security Council and the Congress.

As part of the policymaking process, the President should identify for the Congress the anticipated role of strategic defenses in arms-control that he referred to in his Mrach 23rd proposal and subsequent statements. For example, a mutual deployment of strategic defenses by both the Soviets and the U.S. would make sense in the context of mutual reduction in strategic forces. Such defenses would serve as useful "defensive backstops" and enforcement mechanisms for the current SALT II agreement, as well as any START and intermediate-range nuclear forces agreements which may be reached.

We also need to understand where the President's defensive proposal fits under international laws of warfare, particularly the 1977 Protocols to the Geneva Conventions of 1949. While promoting a defensive strategy that is very powerfully supported by existing international law, the President's remarks indicate a deeply felt concern over the ethics of MAD. Thus, it would be useful for the President to submit to the Congress and to the policymaking community in

general a "white paper" that discusses his proposal and the present ABM Treaty in the context of international laws of warfare that promote the protection of populations. A top-level reevaluation of the ABM Treaty in this regard has never been performed.

In conclusion, I believe that mutually assured destruction is a morally bankrupt philosophy that places government in the untenable position of refusing to defend its citizenry. What the President has proposed is a "moral recovery" in American strategic policy which would take us from the horror of MAD to the promise of mutually assured protection. . . . Granted, this transition away from nuclear retaliation to a strategy emphasizing defensive systems—this Manhattan Project for Peace—will be very costly. It will require a scientific and military commitment that will dwarf any prior effort. It will also involve some of the most complex organizational and conceptual adjustments that have ever been required of American strategic thinkers and planners.

However, the costs and obstacles must be put into perspective. No price is too great to assure that America never be devastated by a nuclear surprise attack. No expense is too dear when one considers the promise of making nuclear weapons obsolete. . . .

## Teller: Soviets are building up ABM systems

*From Dr. Edward Teller's Testimony on H.R.3073:*

. . . . The Soviet Union is developing its defenses. Civil defense has high priority, Moscow is ringed by instruments of ballistic missile defense. This system has been powerfully upgraded in the last few years. There are many air-defense systems in the Soviet Union which probably can be used for ballistic missile defense. Research on active defense is proceeding in the Soviet Union. Unfortunately, our exaggerated laws of secrecy and their overly strict interpretation prevents me from describing or even hinting at the nature of these Soviet developments. . . .

During the last few years our weapons laboratories have brought forward half a dozen ideas for defense against both non-nuclear and nuclear aggression which have withstood the tests of criticism and preliminary experimentation. These defensive weapons are characterized by being directed against aggressive weapons in action. In the ideal case they would not destroy human lives. In some cases moderate loss of life may be unavoidable. But the purpose and effect is emphatically not mass destruction.

Discussion has shown that these defensive weapons can be and should be less expensive than the offsetting weapons of aggression. Battlestations in space, based on conventional procedures will not serve the purpose. They are expensive to deploy and easy to destroy. True and effective defense will

have the consequence that the opponent will be forced into a similar mode of operation. Two armed camps provided primarily with shields present a lesser danger than two camps relying on the destructive power of swords.

Because the aggressor has to overcome distance there is good hope that defense will win on the score of efficiency and economy. On the other hand the element of surprise favors the aggressor. Thus the defense needs the exercise of intellect, invention and foresight to their utmost limit.

Therefore, I propose that in the earliest possible phase defense should be jointly conducted by the advanced free people whose common and supreme interest is the preservation of peace and their way of life. This also will put additional unity into our alliances. Active cooperation is the basis for realistic hope. Much technical knowledge is available in allied countries.

There have been proposals that the defense should be purely non-nuclear. This is a popular proposal. But defense will not be easy. We should not arbitrarily rule out any form of effective defense.

One highly hopeful development is a non-nuclear short wave laser based on the ground whose beams are guided to the attacking targets by a system of mirrors. Another essential development is specifically constructed nuclear weapons which utilize primarily the high energy *concentration* (or high temperatures) which they can produce for defensive purposes.

Another example of the same debate is the decision whether the terminal defense against incoming ballistic missiles should be nuclear or non-nuclear. In the non-nuclear kill greater weights must be lifted at a higher expense. Furthermore the agility of the defending missiles would be reduced. But, what is most important, a non-nuclear kill cannot prevent salvage fusing. This means that as soon as the incoming missile (which may have already reentered our atmosphere) is touched it will explode with full force, for instance one megaton. A small defensive nuclear missile can prevent such a big explosion. Its own energy need hardly exceed 100 tons TNT equivalent. This should happen at a high enough altitude so that the effects on the ground would be hardly observable. Thus the advocates of the non-nuclear kill may bring about a situation where truly big Soviet nuclear explosions would nonetheless occur over our country and possibly over allied countries.

The proper distinction in planning our military operations should not be the choice between nuclear and non-nuclear methods. It should be the vital difference between aggression and defense. The former should be ruled out, the latter fully encouraged.

At this time speed is of the essence. The development of a full defensive system will take a decade or more. But in half that time some defensive weapons may begin to pay off. In order to accomplish this, red tape has to be cut. The agency engaged in this vital activity must be set apart, exempted from many standard procedures and should have direct access to the White House.

It would seem appropriate and even necessary to explain the basic ideas of the new defensive weapons to the public. Otherwise the needed wide popular support cannot be secured. Furthermore the basic ideas are known to the Kremlin. Yet our strict secrecy regulations do not permit such an explanation. The details and stages of our development can and should be kept secret. The general ideas should be public.

It has been argued that defense cannot have a perfection of 100 percent. Even a small leakage will cause enormous damage. This is true. But war will always be connected with great damage. Active defense together with civil defense can ensure the survival of our country.

But the most important and final argument is that defense will deter war and do so in a thoroughly humane manner. Let us assume that an *initial* deployment of defense will reduce the fury of the attack 20 percent of what otherwise would hit us. It must be remembered that such a 20 percent figure is a paper-estimate. The actual figure may be anywhere between 50 percent and 5 percent. The decision makers in the Kremlin are exceedingly conservative. If they know that perhaps only 1 out of 20 of their missiles may reach their target and that we shall retain significant retaliatory capability then the Soviet Union will not start a nuclear war. That we shall not do so is entirely obvious.

Eventually a much higher protection percentage can be probably attained.

The People Protection Act wisely formulated and wisely applied will remove the steadily increasing threat of war. It will create the atmosphere in which mutual understanding, cooperative enterprises and all the other effective supports of peace can flourish and develop. . . .

I hardly can hope that the danger of war will entirely disappear in our lifetime. Our children and grandchildren may live to see the beginnings of real and permanent peace. Mutual assured destruction may be replaced by mutual assured survival.

This is why I dare to say that the "People Protection Act" might become one of the great historical documents of America.

## Armstrong: Defense is the moral policy

*From the testimony of Sen. William Armstrong (R-Colo.) on Nov. 10:*

On March 23rd of this year, President Reagan offered us a vision of a future free from the spectre of nuclear destruction which has haunted us all for nearly 40 years. The President offered us a vision of a world in which American security would be based chiefly upon our ability to protect the lives of our own people, rather than upon our ability to take the lives

of other people; a world in which peace would be built on a firmer foundation than the goodwill and humanitarian instincts of the generals in the Kremlin.

Enactment of the People Protection Act would be the first solid step toward making President Reagan's vision a reality.

Representative Kramer has described to you the provisions of H.R.3073. The provisions in my bill, S.2021, are identical. Essentially, what these bills do is to mandate a shift in U.S. strategic doctrine from Mutual Assured Destruction to what might be termed Assured Survival.

The doctrine of Mutual Assured Destruction—MAD for short—is easier to describe than it is to defend. Essentially, it is a murder-suicide pact. The theory was that if both the United States and the Soviet Union possess the power to destroy each other, but not each other's weapons, then neither ever would attack the other, because the end result would be the destruction of both.

There was a sheen of plausibility to the MAD doctrine at the time when then Defense Secretary Robert McNamara succeeded in making it official U.S. policy in the mid-1960s. There was no known defense against the Intercontinental Ballistic Missile at that time, and ICBMs of 1960 vintage were too inaccurate to be used against "hard" targets such as missile silos or command and control bunkers, and could be used effectively only against "soft" targets such as population centers.

But the MAD doctrine was based on false premises; was never accepted by the Soviets, and is fundamentally immoral.

The first false premise was the notion that the ICBM of the late 1960s vintage would be the ultimate weapon. The MADmen assumed there would be no further advances in military technology, at least none that would matter.

This was an assumption that proved false within a few years after MAD became official U.S. policy. The development of independently targetable warheads with Circular Errors Probable of 300 feet or less undermined an essential component of the MAD doctrine. With accurate MIRVs on ICBMs, it was now at least theoretically possible for one nation to destroy the other's weapons under conditions of surprise attack.

Another fundamental flaw was that Soviet leaders never accepted this murder-suicide pact. The creators of the MAD doctrine confidently predicted that once the Soviets had obtained strategic parity with the United States, they would stop adding to their weapons stockpile. But as President Carter's Secretary of Defense, Harold Brown, was to note, ruefully: "when we build, they build; and when we stop building, they build." From the beginning, Soviet leaders have derided the MAD doctrine as insane and immoral, and touted the virtues of military superiority.

There is something macabre, and worse, about basing our security on our ability to kill Russian civilians. And it is even more reprehensible to deliberately increase the exposure of our own people to nuclear destruction simply in order to fulfill the demands of an abstract, ahistorical, unproven and illogical theory.

NEW EIR REPORT NOW AVAILABLE:

## The Economic Impact of the Relativistic Beam Technology

A unique study of the impact of the new defense-related technologies—high power lasers, particle beams, and fusion—which will become available to basic industrial production as the March 23 defensive strategic doctrine proposed by President Reagan is developed. The report is a computer analysis incorporating the LaRouche-Riemann model, which examines the little-discussed revolutionary civilian economic "spinoff" effects of the new beam weapon development program.

The study reveals that with rapid introduction of new laser and related technologies into the civilian economy, the growth of the economy would be so rapid that:

- an estimated 4 million highly skilled industrial jobs could be added to the economy per year;
- the U.S. trade deficit could be eliminated in two years; and
- the rate of growth of real GNP could approach 25 percent per annum.

Over a period of two years, 50 percent of the current stock of machine tools in industry could be replaced with laser machining stations, increasing productivity in this sector 300 to 500 percent. Plasma steelmaking, now in the commercial development stage, could become available for large-scale use over the period of the next decade. The study concludes that the major constraint on how quickly the economy can expand and create wholly new industries is the speed with which new baseload electric-generating capacity can come on line.

scale use over decade. The study major constraint on economy can expand and create wholly new industries is the speed with which new baseload electric-generating capacity can come on line.

This EIR Special Report is available for \$250.00. Contact: William Engdahl, EIR Special Services, (212) 247-8820 or (800) 223-5594 x818

## Chicago Democrats working for Reagan?

A "barroom brawl" has broken out in the same Chicago Democratic machine that stole Illinois from Richard Nixon and Jerry Ford. This time, the Cook County Democrats intend to put Illinois in the Reagan column in 1984! So said the *Chicago Tribune* on Nov. 20, in a front page story reporting that Cook County Democratic Chair Ed Vrdolyak offered to help Reagan last June. Vrdolyak told Reagan staffers Ed Rollins and James Baker that Chuck Manatt's Democratic National Committee and its approved presidential candidates had angered him with their support for Harold Washington's mayoral campaign.

"We're disillusioned with the national party. They're dumping all over me," Vrdolyak was said to have told Reagan's aides. "All of those guys who came in and endorsed Harold Washington are [obscenity]. We may be interested in helping you."

At a follow-up meeting later in the summer, the Cook County Democrats' lawyer Jerome Torshen informed Ed Rollins that the Cook County Democratic Central Committee was prepared to endorse "your preference," according to the *Tribune* account. The Reagan aides said they considered Mondale the "more vulnerable" opponent.

The negotiations were broken off when the Cook County Democrats asked the White House aides for money for the contributions they would be expected to put up for Mondale. "These ain't the days of Watergate," Rollins reportedly told Torshen. "We can't do that."

The *Tribune's* story makes a lot of sense, even though that's not why they ran it. The Cook County Democratic Party did make an unprecedented early endorsement when it announced its

support for Mondale in October. What's more, Ed Vrdolyak supported Kennedy, not Carter-Mondale in 1980, and was denied a delegate seat at the Democratic convention by the Carter-Mondale forces. Cook County's regular Democrats campaigned for Republican Bernard Epton in the racially polarized Chicago mayoral election in April, and Epton swept the traditionally Democratic white ethnic wards.

The Cook County Democratic machine's early endorsement of Mondale has stymied Chicago's greenie Mayor, Harold Washington, who opposed Vrdolyak's early endorsement as "premature," but lost. Now, Washington (for whom Mondale, Glenn, Cranston, and Manatt made personal campaign appearances) can hardly endorse Mondale when his worst enemy, Ed Vrdolyak, already has. Washington may now have to support John Glenn. Ironically, Vrdolyak reportedly prefers Glenn over Mondale. Most interesting of all is the *Tribune's* unelaborated report that Reagan political aides have held private meetings with influential Democrats from other parts of the country.

## Jackson's independence exposed

Meanwhile, Chicago's own presidential candidate, Jesse Jackson, was reported to be furious that word of his deal with Walter Mondale to sell black votes is leaking out.

Mondale has long pushed for Jackson to head the Democratic voter registration effort in 1984. Manatt botched that by turning angry tyrant when crossed on the issue of Jackson speaking at the Detroit DNC meeting last summer. Now, Mondale appears to all the world to have worked out his own arrangement with Jackson directly; the only difference is that Jesse's title is now "Democratic presidential candidate." Don't say this to Jesse Jackson; it makes him mad, and be-

sides, *the Mondale-Jackson deal is a secret.*

## Mad dog Manatt

Why does Manatt act out these mad-dog episodes that have characterized his reign as DNC chair? These are gangster tactics, the tactics of the Averell Harriman wing of the Democratic Party. Harriman has long taken his orders from Moscow, orders which include destroying the Democrats as the party of the U.S. labor movement, the part of the American population most willing to fight Moscow's drive for world empire.

Manatt used gangster tactics in the dispute with the state chairs in New Hampshire and Iowa over moving up their primary and caucus dates, respectively. When New Hampshire moved its date up to Feb. 28 because of Vermont's beauty-contest only primary in early March, and Iowa moved its caucuses up to Feb. 20, Manatt said these delegations would not be seated, period. The eight candidates of the Manatt-Harriman faction made a little show of running foul of the party line by pledging to help the small states—mainly in hopes of some early showings. Manatt, according to the Nov. 23 *New York Times*, indicated that things could be worked out if the candidates would sign a letter supporting the earlier delegate selection dates.

The Andropov Democratic candidates (except Askew) signed the letter on Oct. 29. But then Manatt reneged, saying that the candidates' support in and of itself didn't warrant an exception to the official delegate selection dates.

Unseated delegations are like chairs in a barroom brawl, and brawls create opportunities for dark horse candidates. Manatt's gangsterism will only fan the flames. People are saying they wouldn't be surprised if everybody's dog except Askew's didn't wind up poisoned—Eddie Vrdolyak's too.

# EIR Special Reports

## Oil Price 1983: Problems and Prospects

The LaRouche-Riemann computer projection of an oil price drop's failure to produce a U.S. economic recovery. A detailed analysis of energy consumption patterns in the U.S. economy. A unique study of the oil drilling, pipeline, and production sectors in the U.S. and an overview of London's role in manipulating the OPEC price and the world shift away from long-term contracts.

\$250. Order Number 83003.

## Anglo-Soviet Designs in the Arabian Peninsula

Analysis of the ongoing collaboration between British intelligence and the Soviet KGB to end U.S. influence in the Middle East. Details British operations vis-à-vis Saudi Arabia, Anglo-Soviet plans for Iran, and the growing links between Israel and the Soviet Union.

\$250. Order Number 83002.

## Prospects for Instability in the Persian Gulf

This recently updated report triggered the October 1982 complaint by the *New Scientist* magazine, a British intelligence outlet, about the growing influence of *EIR* in the Middle East. Includes analysis of threats to the current Saudi regime, analysis of the Saudi military forces, and dossiers on left-wing and pro-Khomeini networks.

\$250. Order Number 82014.

## Will Moscow Become the Third Rome?: How the KGB Controls the Peace Movement

The Soviet government is collaborating with the Russian Orthodox Church to sabotage President Reagan's proposal for the superpowers to develop defensive beam weapons to end the age of nuclear terror. "Soviet policy under Yuri Andropov is presently shaped by dominant influence of the 500-year-old mystical prophecy that the Czar of Holy Rus shall become the ruler of the Third, and Final, Roman Empire." It documents that Soviet intelligence is running the U.S. nuclear freeze "peace" movement, and includes an eyewitness report on the May 24 meeting in Minneapolis of 25 high-level Soviet intelligence agents and U.S. freeze leaders.

\$250. Order Number 83011.

## The Strategic Secret Behind the Korean Airline Massacre

"Reading this report places you in the position of the privileged person in July 1914 or August 1939, who could have been competently briefed on the essential strategic issues which might lead to the outbreak of a possible world war," wrote *EIR* Editor-in-Chief Criton Zoakos in the introduction to this report. It reveals the strategic setting of the decision taken by Moscow's high command to shoot down a commercial airliner carrying 269 civilians: an act which must be understood as a threat to launch nuclear war rather than allow President Reagan to develop strategic defensive energy-beam weapons.

\$250. Order Number 83011

## The Coming Reorganization of U.S. Banking: Who Benefits by Deregulation?

Crisis legislation is already prepared to reorganize U.S. banking, and put the U.S. domestic credit system in the hands of a small, privately held bankers' cartel dominated by the Swiss-based Bank for International Settlements and Morgan and Citibank interests. By taking full advantage of crisis conditions, legislation will be forced through Congress which will allow the Federal Reserve to control of entire economy.

\$250. Order Number 83014

## Who Controls America's Food Supply? National Security and the Destruction of U.S. Agriculture

U.S. agricultural production is being turned into a political policy weapon, controlled by the same financial interests which carried out the world oil crises. This report documents how a few multinationals control the greatest proportion of U.S. grain, meat-packing, and fertilizer production and shipment, and describes how America's "last productive entrepreneurs," the family farmers, are being forced off the farm by massive indebtedness due to the Fed's high-interest-rate policy. The report also describes the real, unfilled demands for increasing world food production.

\$250. Order Number 83020.

### EXECUTIVE INTELLIGENCE REVIEW

I would like to receive these EIR Special Reports:

Order Number(s) \_\_\_\_\_

Bill me for \$ \_\_\_\_\_  Enclosed is \$ \_\_\_\_\_

Please charge to my  VISA  Master Charge

Diners Club  Carte Blanche

Card No. \_\_\_\_\_

Signature \_\_\_\_\_ Exp. Date \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone (\_\_\_\_) \_\_\_\_\_  
area code

Make checks payable to:

EIR/Campaigner Publications, Dept. MC-1, 304 West 58th Street, 5th floor, New York, N.Y. 10019 (212) 247-8820 or (800) 223-5594 x 818

## Federal Reserve reform introduced

Representative Bruce Vento (D-Minn.) introduced a reheated liberal version of Federal Reserve reforms called the Monetary Policy Act of 1984 on Nov. 18 as Congress adjourned until the second session of the 98th Congress, which begins on Jan. 23, 1984. Vento's legislation includes a reenactment of the Credit Control Act, which caused serious economic disruption during the Carter administration.

To enable Congress to have a "basis for debate and decision" on how much credit there is, where it is located, how difficult it is to obtain, how it is being used, and so forth, the bill would establish a "Congressional Office of Monetary Policy" similar to the current Congressional Budget Office. Continual information and analysis would be provided to Congress including an annual report. The office would be headed by a director appointed by the Speaker of the House and the President Pro Tempore of the Senate at the recommendation of the banking committees.

The bill would require the Fed to report to Congress on a quarterly basis, not only on the growth and diminution of the monetary aggregates, but also on the objectives of its policy for Gross National Product, real growth, interest rates, and unemployment. "The Federal Reserve has long claimed it does not determine our economic course," Vento said, "but the Federal Reserve is the single most concentrated source of power over our economic future. There is no reason that the policy of the Federal Reserve should be shrouded in the mumbo-jumbo of monetary aggregate information . . . we have a right to be told in understandable terms what the effect of the Fed's policy will be."

The term of the chairman of the Board of Governors would be shortened and would begin in the July following the inauguration of the President.

The bill empowers the Fed to "prescribe limits on the use of credit for nonproductive purposes including corporate takeovers," in cases of credit allocation over \$100 million unless the economic gains outweigh expected losses.

## Too little, too late on farm credit

Thad Cochran (R-Miss.), the chairman of the Senate Agriculture Committee, and Walter Huddleston (D-Ky.), the ranking Democrat, have introduced Senate Resolution 287, calling for the establishment of an administration-appointed Task Force on Agriculture Credit. The task force would deliver a report examining the agricultural credit system in all its facets and make recommendations, within a year of its establishment.

By that time, the post-war "supply management" agricultural policies which attempt to raise agriculture prices by reducing supplies, rather than by simply ensuring a fair price for farm products, will have resulted in actual domestic food shortages.

The resolution fails to identify the usurious policies of the Federal Reserve Board or the "supply management" phase-out of the parity system as causes of the crisis, although both point to the results of these policies.

Cochran cites the fact that "as agricultural technology developed over the years it increased capital requirements for most farming operations." He then gingerly notes that "economic returns to capital investment in agri-

culture, however, continue to be volatile." Without identifying the reasons for that "volatility," he warns that "agricultural debt has risen from \$50 billion in 1970 to over \$215 billion in 1983," and has not been offset by a growth in equity. Huddleston, in a partisan spirit, calls for an "unbiased examination of the nation's agricultural system. . . . It would be a mistake for the administration to appoint a task force that would only be a rubber stamp of the Office of Management and Budget and its failed agricultural policies." Huddleston failed to note that the OMB policies, bad as they are, are an extension of Jimmy Carter's policies.

## Corcoran denounces 1945 Yalta agreement

Rep. Tom Corcoran (R-Ill.), who is challenging Sen. Charles Percy (R-Ill.) in the senatorial primary, announced in the Nov. 18 *Congressional Record* that "at the request of tens of thousands of people representing the desires of millions here in the United States and around the world" he was introducing legislation calling for the "formal renunciation of the 1945 Yalta executive agreement" by the U.S. Congress. The Yalta agreements recognized a Soviet sphere of influence in Eastern Europe.

Corcoran said that the agreement was "signed without the consent of representatives from numerous countries whose fate was being decided." He identified that in this sense Yalta was a "clear violation" of the Atlantic Charter as well as the "principles upon which our nation was founded. . . . Yet we signed such cynical agreements with the Soviet Union," he said, noting that the agreement served as a springboard for further Soviet expan-

sion, "at the expense of Poland and several other countries, resulting in mass murder and the enslavement of hundreds of millions of people. Yalta still serves as a symbol of our betrayal of loyal allies."

## Debate over CIA's Soviet defense report

Leading defense budgetcutter William Proxmire (D-Wis.) released a CIA study on the Soviet economy and Soviet defense expenditures on Nov. 19 and provoked an immediate controversy over its implications. The report states that the Soviet economy is somewhat stronger than previously anticipated, and that the rate of growth of Soviet defense procurement expenditures has flattened out since 1981.

Senator Proxmire, who requested the study in his capacity as vice-chairman of a subcommittee of the Joint Economic Committee, stated that "the slowdown of Soviet defense rates has profound significance that has not yet penetrated policy circles. . . . Moscow has not been expanding its efforts at the rapid rate that was once believed. It slowed its defense expenditures beginning about seven years ago, a fact that the Soviets neglected to communicate and that the West failed to detect."

Certain press outlets played up the CIA report as evidence that the administration has exaggerated the Soviet military threat and cannot, therefore, justify its requested increases in the U.S. defense budget. Capitol Hill sources report that Richard Kaufman, the Proxmire staff member responsible for the report's release is well known for his anti-defense attitude. Although the chairman of the JEC, Sen. Roger Jepsen, is generally a hardliner on defense policies, Proxmire

runs an independent operation in the JEC to his own ends.

The timing of the JEC release of the report is also interesting, since the CIA study is dated September 1983. The Nov. 19 release and accompanying press ballyhoo about administration overestimates of Soviet strength, comes at a time when both Defense Secretary Weinberger and CIA Director Casey are coming under increasing attack.

In an unusual move, the Pentagon called a background briefing, given by senior intelligence officials, on Nov. 21, two days after the JEC release. At that briefing, the officials stressed that the leveling off of rates of growth, even if true, did not imply in any way that the Soviets have decreased their military efforts.

The Pentagon pointed to the continuing buildup in Soviet R&D activities—which will not have shown up in the procurement pipeline—as evidence that the Soviets could be poised for a takeoff similar to that seen in the mid-1960s after a similar leveling off of rates of growth had taken place in preceding years. The officials stressed that "all signs are that the Soviets have more systems in R&D now than in the 1960s and 1970s."

## Humphrey targets uranium enrichment

Fresh on the heels of killing the Clinch River Breeder Reactor, the Heritage-Foundation-manipulated Sen. Gordon Humphrey (R-N.H.) has announced that he has targeted the Gas Centrifuge Enrichment Project (GCEP) at Portsmouth, Ohio as his next victim. The Portsmouth facility will give the United States a more efficient form of uranium enrichment, for use in nuclear plants, than the ex-

isting gaseous diffusion plants and will consume considerably less electricity in doing so. The centrifuge technology, already in use in West Germany, also has important research implications for technologies such as the plasma or fusion torch.

As usual, Humphrey is being directed in his endeavor by his Pugwash-linked assistant Henry Sokolski, who represents a key intersection point on Capitol Hill between environmentalists and KGB-tainted "free enterprise" networks.

In a statement in the Nov. 18 *Congressional Record*, Humphrey argues against the Portsmouth facility on two familiar grounds. The first argument, already used to cripple energy-generating capacity in the Northwest, is that the demand projected for nuclear power-generated electricity has not materialized. Humphrey neglects to note that the diminished demand for uranium enrichment facilities is a function of his environmentalist allies' successful efforts in sabotaging the U.S. nuclear industry.

The other argument is that, because of the collapse in demand, the current gaseous diffusion technology will suffice until the United States develops a laser isotope separation technology and thus leapfrogs the centrifuge process.

One Capitol Hill source noted that this "leapfrog" argument is a familiar one. Liberals will always announce that they support the next generation of weapons systems which are in research and development while voting against the procurement monies for needed and current systems.

Humphrey, who will do nothing to accelerate government support for laser isotope separation, announced in his floor statement that he intends to wage a budget fight against the GCEP in 1984.

# National News

## Cracks widen in media campaign against ABMs

Although most of the press coverage since President Reagan announced his strategic defense initiative March 23 has been of the "Star Wars" variety, a shift has begun to occur.

Three important press items appeared on Nov. 23. Former Nixon speechwriter Patrick Buchanan, in a *New York Post* column, identifies the Soviets' "fear the U.S. with its superior economic and technological base, will accept the Soviets' challenge to an arms race, and defeat them." Attacking arms control because it "has produced both an insecure world and Soviet superiority in offensive weapons," Buchanan declares, "The U.S. and the Soviet Union are poised on the threshold of a technological revolution unseen in history; and the first nation to cross the threshold will realize an advantage as critical to human history as development of the first atomic bomb by Truman's America, rather than Hitler's Germany or Stalin's Russia."

"This is not Star Wars fantasizing," Buchanan declares. "The U.S. needs a secret second Manhattan Project, a crash program using the finest scientific minds of the '80s to build America a space-based defense against the weapons produced in towns like Los Alamos by the best scientific minds of the '40s and '50s."

In Dr. Edward Teller's interview the February 1984 issue of *Penthouse* magazine, excerpts of which were released Nov. 23, Teller calls the nuclear freeze movement, "as useful as a can opener for preventing nuclear war." Rebutting the claim, made by both the peace movement and the Soviets, that beam weapons themselves are a *casus belli*, Teller states, "Our survival may make the nuclear war unwinnable for them. . . . We have introduced enough uncertainty to make sure their attack doesn't come."

The UPI press release with extensive quotes on beam weapons from Secretary of Defense Caspar Weinberger was carried on the front page of the Miami Hispanic newspaper, *Diario de las Americas*, on the same day.

## Shultz endangers U.S. troops abroad: LaRouche

Secretary of State George Shultz has deliberately endangered the lives of American troops stationed in Lebanon and in West Germany, Lyndon H. LaRouche charged on Nov. 21 from West Germany.

LaRouche reported that he has been apprised of the fact that certain ill-advised members of the U.S. Congress are trying to pin the blame for the success of the terrorist bombing massacre of U.S. Marines in Beirut on Defense Secretary Caspar Weinberger. "We know otherwise," LaRouche declared. He announced that he has in his possession facts proving that failure to protect American Marines from such an attack is solely the responsibility of the U.S. State Department, and that it was the State Department which forced the Marines to be deployed in a non-combatant disarmed mode.

LaRouche declared that he is "outraged" over the fact, confirmed in on-the-ground observations in West Germany, that no provisions have been made to protect American forces there from similar attacks, even in the wake of the Beirut atrocity. The fact that no defensive measures have been taken, LaRouche emphasized, is solely the responsibility of the Shultz State Department, and if any attack occurs, the blame will lie squarely with Shultz, U.S. Ambassador to West Germany Arthur Burns, the U.S. Embassy in Bonn, and the FBI.

## Population reducers seek a centralized aid unit

The bipartisan Commission on Security and Economic Assistance appointed by Secretary of State George Shultz has proposed integrating the State Department agencies handling aid programs, and incorporating all military aid programs into them.

Shultz called the commission's 108-page report, released Nov. 21, "a real milestone."

The State Department's aid programs, since the tenure of Henry Kissinger, have

focused on reducing population, under the "Global 2000" rubric. State Department officials would like to see military aid programs focus on Vietnam-style efforts to life the body counts more rapidly.

Headed by Frank Carlucci, former deputy defense secretary and president of Sears World Trade, the commission was co-chaired by AFL-CIO President Lane Kirkland, former ambassador to Yugoslavia Laurence Silberman, and Clifton Wharton, chancellor of the State University of New York system. Commission members included L. Dean Brown of the Middle East Institute, Heritage Foundation president Edwin Feulner, Georgetown Center for Strategic and International Studies president Amos Jordan, Sen. Paul Sarbanes (D-Md.), and David Rockefeller.

## Lebanese communist, neo-Nazi, tour U.S.

Lebanese Communist Party chief George Hawi, Moscow's most powerful communist ally in the Mideast, spent half of November in the United States. His object was to get the U.S. peace movement's help to kick the Marines out of Lebanon and eliminate American influence in the region.

Hawi is a member of the Lebanese National Movement, a loose alliance of Syrian and Iranian-allied extremists which has been attacking the U.S. Marines. He was accompanied on his tour of at least six cities by the son of the founder of the neo-Nazi Syrian Socialist National Party (SSNP), Abdullah Saade, underscoring the overt alliance between one of the strongest communist parties in the Arab world and the self-avowed Nazis of the SSNP.

Hawi's trip followed by days that of "born again" Islamic-Marxist Roger Garaudy, as the KGB steps up its drive against the Reagan administration on U.S. territory.

On Nov. 18 Hawi addressed a closed-door forum on "peace" at the United Nations, at which the issue of the Marines was discussed. In attendance were the World Council of Churches, Clergy and Laity Concerned, and Communist Party U.S.A. fronts including the Women's International League for Peace, the U.S. Peace Council, and the



Palestinian Solidarity Committee.

The week before, Hawi addressed a conference in Washington which included leading terrorist operatives in the United States, organized by radical Palestinian lawyer Abdeen Jabara of Detroit. Present was Sami al-Banna, the cousin of the Carlos-allied Palestinian terrorist Abu Nidal. There was open discussion at the Washington meeting of more violence against the Marines.

Further investigation into this KGB-backed roadshow reveals the involvement of the Philadelphia-based American Friends Service Committee, and the New York-based American Peace Council.

## Weinberger: 'Day After' shows need for defense

Defense Secretary Caspar Weinberger restated the Reagan administration's commitment to the development of beam weapons, in response to a reporter's question on the television psywar film "The Day After," at his Nov. 22 press conference. His remarks were deleted from most media coverage.

The conditions portrayed in the film, Weinberger said, "are why we are doing the things that we think are essential to prevent the horrors that were depicted. . . . We are doing the arms reduction negotiations as seriously as we can at all levels. We are trying to maintain and regain a deterrent strength . . . and we are at the same time trying to develop the President's defensive initiative, which to my mind offers the greatest hope of all that we can render impotent these weapons that cause this kind of destruction that was depicted."

Weinberger also left the door open to negotiations with the Soviets on beam weapons. "What we are trying to do is to develop this kind of thoroughly reliable system in the future, and if we are able to do that—and we don't have it now—then we can consider whether or not it should be deployed, and how, and all the rest."

The commission anticipates that regional conflicts will continue in many parts of the world and that economic stagnation "may well persist and be a destabilizing factor in many developing countries during the 1980s." The proposed centralization in-

cludes the recommendation that the new agency have "a considerable degree of independence" so its decisions will not be subject to "short-term political objectives."

## Soviets agree to debate LaRouche representative

EIR editor-in-chief Criton Zoakos, representing the presidential effort of Democrat Lyndon LaRouche, will debate questions of war and peace in Washington at Georgetown University on Nov. 30 with a representative of the Soviet Union. The Soviet speaker will be Vitaliy Churkin, Second Secretary, Arms Control Section, Soviet Embassy, who was with the Soviet SALT delegation for five years.

The event, "Beam Weapons: The End of the Era of MAD or the Beginning of a New Arms Race?" is announced in a flyer approved in advance by both sides. It reads:

"Mr. Churkin is an official representative of a government which Mr. Zoakos has charged is currently on a course toward deliberate strategic confrontation, hoping to push the United States into a humiliating strategic back-down, yet willing to risk war in the process. *But* Mr. Zoakos represents organizations recently accused, in a major feature in the Nov. 9 *Izvestia*, of being 'mis-anthropic troglodytes . . . propagandizing [for] the advantages of the Reagan proposal to spread lethal types of weapons in space.' This debate . . . will cover all areas of U.S.-U.S.S.R. relations as they concern issues of war and peace."

The LaRouche strategic standpoint will be represented in two other Washington gatherings the same week. On Dec. 1 American Legion Post 20 will present a forum with European Fusion Energy Foundation representative Michael Liebig, Dr. Lowell Wood of Lawrence Livermore National Laboratory, and Lt. Gen. Volney Warner. LaRouche collaborator Uwe Parpart, research director of the Fusion Energy Foundation, will address a panel of the Technical Marketing Society of America on "Space Defense: Options and Implications," in McLean, Virginia, on Nov. 28. Gen. Daniel Graham will address the same panel.

## Briefly

● **THOMAS PICKERING**, U.S. Ambassador to El Salvador, speaking in San Salvador charged that right wing death squads are "fascists who are serving the communist cause." In the same statement Pickering indicated that the death-squad operations were a major impediment to the anti-guerrilla efforts of the Salvadoran military.

● **MCGEORGE BUNDY** said that the United States should respond to any nuclear attack with a "substantially" smaller response to try to ensure the least possible destruction, in a post-"The Day After" panel sponsored by Fabian Rep. Les Aspin (D-Wisc.).

● **THE BOSTON GLOBE**, worried about a shift in the strategic winds, inveighs against "The 'Star Wars' stampede" in a editorial of that name, complaining that "Americans must break out of their infatuation with technology."

● **MIKE GELBER**, the LaRouche Democrat who shook up the Boston mayoral election, has announced that he will run for the seat of beam-weapon opponent Sen. Paul Tsongas, at the head of a slate of a hundred National Democratic Policy Committee-backed candidates.

● **DECERTIFICATION** of the pro-euthanasia Clarence Herbert decision has been requested from the California Court of Appeals by two California district attorneys. The decision found two doctors innocent who cancelled emergency treatment for the comatose Herbert, removed him from a respirator, and then denied him intravenous feeding. The Court of Appeals reversed a lower court decision to prosecute the doctors for murder, and established what quickly became considered a precedent. On Nov. 9, Los Angeles Deputy District Attorney Hyatt Seligman petitioned the court as a private citizen to decertify the Herbert decision as a precedent. On Nov. 10, Los Angeles County District Attorney Robert Philobosian officially requested decertification of the decision.

# Stop the Colombian drug pushers

At 4 p.m. on Nov. 22, Patricia Chang Rojas, a Peruvian citizen who is a member of that country's Anti-Drug Coalition (ADC), was assaulted and drugged in downtown Bogotá, Colombia, robbed, and left—amnesic and disheveled—on a streetcorner. Miss Chang, on her way to a laundromat, recalls being grabbed from behind, having something placed over her nose, and her legs being grabbed. The next thing she recalls is being in a telephone booth over an hour later, more than a mile from the laundromat, calling the ADC office.

A spokesman for the Colombian ADC, which had invited Miss Chang to Bogotá to discuss joint efforts to eradicate the \$250 billion per year international narcotics traffic, charged the drug-running mafia with responsibility for the assault. The spokesman noted that Colombian President Belisario Betancur was also under attack because of his campaign to rid the country of the drug trade.

Ever since their inception in the late 1970s at the suggestion of *EIR* founder Lyndon H. LaRouche, Jr., the international Anti-Drug Coalitions have been subjected to threats and assaults, in an campaign to terrorize the ADCs everywhere into inactivity. The recent events in Colombia show how much is at stake for the drug traffickers.

- On Oct. 12, a man telephoned a death threat to ADC vice-president Maximiliano Londoño against Patricia Londoño and Fausto Charris. Charris is the president of the ADC in Colombia, and Patricia Londoño is editor of the ADC publication *Guerra a las Drogas* (*War on Drugs*).

- That afternoon, Patricia Londoño was robbed of money, keys, and identification papers while traveling on a bus. Mrs. Londoño found herself in a disassociated state far from her expected stop. Doctors who examined her suspected the use of Scopalamine, an easily administered drug which produces short-term unconsciousness and amnesia.

- On Oct. 19, the Colombian government announced that, with the help of the U.S. DEA, it had uncovered and stopped a plot to assassinate Justice

Minister Rodrigo Lara Bonilla, which involved both Colombian and U.S. drug traffickers. Lara Bonilla went before the Congress the next day to make clear the plot was in response to his effective anti-drug measures, including arrest warrants against some of Colombia's leading drug traffickers.

- The Londoños' home was robbed on Oct. 20. The robbers were described as speaking with the accent of Colombia's coastal region, the stronghold of the drug mafia. One of them fit the description of a man previously seen in the vicinity of ADC offices and the home of Fausto Charris.

- Jaime Betancur Cuartas, the brother of Colombian president Belisario Betancur, was kidnapped Nov. 23. The National Liberation Army (ELN) guerrillas, who have claimed responsibility, have so far rejected President Betancur's offer of amnesty to terrorist groups, an attempt to pacify the country.

What is at stake is more than \$250 billion a year. The fast turnover of funds from the drug trade is now the British and Swiss banks' only means of pulling enough money out of the developing sector to pay the huge international debt. National sovereignty—the right of nations to expand and develop their populations—stands in the way of International Monetary Fund and World Bank looting.

We urge readers to join with the Anti-Drug Coalitions' campaign to barrage the government of Colombia with telegrams demanding adequate protection for the members of that nation's ADC, whose primary weapons are their exposure of the threat the drug trade poses to the what remains of the world's productive economy, the courage to name the names of the dope traffic's highest-level controllers and financiers, and a strategy of always fighting on an international scale.

Moreover, Americans must politically "lynch" the U.S. Congress which just passed a bill to bail out the IMF which, as we documented last week at length, pushes illegal drugs. It is no coincidence that the Swiss bankers behind the IMF also control the Nazi International—Dope, Inc.'s brutal enforcers.

# Executive Intelligence Review

## U.S., Canada and Mexico only

3 months.....\$125  
6 months.....\$225  
1 year.....\$396

## Foreign Rates

Central America, West Indies, Venezuela and Colombia:  
3 mo. \$135, 6 mo. \$245, 1 yr. \$450  
Western Europe, South America, Mediterranean, and North  
Africa: 3 mo. \$140, 6 mo. \$255, 1 yr. \$470  
All other countries: 3 mo. \$145, 6 mo. \$265, 1 yr. \$490

I would like to subscribe to *Executive Intelligence Review* for

3 months       6 months       1 year

Please charge my:

Diners Club No. \_\_\_\_\_  Carte Blanche No. \_\_\_\_\_  
 Master Charge No. \_\_\_\_\_  Visa No. \_\_\_\_\_  
Interbank No. \_\_\_\_\_ Signature \_\_\_\_\_  
 I enclose \$ \_\_\_\_\_ check or money order      Expiration date \_\_\_\_\_

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Make checks payable to *EIR / Campaigner Publications* and mail to *EIR*, 304 W. 58th Street, 5th Floor, New York, NY 10019. For more information call (212) 247-8820 or (800) 223-5594

## EIR Confidential Alert Service

What would it have been worth to you or your company to have known in advance

- ✓ that the Federal Reserve faked its index of industrial production to promote a widespread myth that there is an economic recovery in the United States?
- ✓ that the degree of Federal Reserve fakery, substantial for many years, has grown wildly since January 1983 to sustain the recovery myth?
- ✓ that the Latin American debt crisis would break in October 1983?
- ✓ that, contrary to most other economic analyses, U.S. interest rates would rise during the second quarter of 1983?

"Alert" participants pay an annual retainer of \$3,500 for hard-copy briefings, or \$4,000 for telephone briefings from staff specialists at **EIR's** international headquarters in New York City. The retainer includes

1. At least 50 updates on breaking developments per year—or updates daily, if the fast-moving situation requires them.
2. A summary of **EIR's** exclusive Quarterly Economic Forecast, produced with the aid of the LaRouche-Riemann economic model, the most accurate in the history of economic forecasting.
3. Weekly telephone or telex access to **EIR's** staff of specialists in economics and world affairs for in-depth discussion.

To reserve participation in the program, **EIR** offers to our current annual subscribers an introduction to the service. For \$1,000, we will enroll participants in a three-month trial program. Participants may then join the program on an annual basis at the regular yearly schedule of \$3,500.

**William Engdahl**, *EIR* Special Services, (212) 247-8820 or (800) 223-5594 x 818  
**EIR SERVICES** 304 W. 58th Street, fifth floor, New York, New York 10019